

CANACCORD|Genuity

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Notice of Meeting and Management Information Circular

CANACCORD GENUITY GROUP INC.

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For the annual general meeting of shareholders to be held at: **Bay Adelaide Centre, 333 Bay Street, 34th Floor
Toronto, Ontario on Thursday, August 4, 2016 at 10:00 a.m. (Toronto time)**

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This booklet contains important information for shareholders

Canaccord Genuity Group Inc.

Annual General Meeting of Shareholders

THIS BOOKLET CONTAINS:

- The notice of the annual general meeting of shareholders
- The Management Information Circular
- Instructions on how to ensure your shares are voted at the Meeting

Shareholders are invited to attend the annual general meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of Common shares (the “**Common shares**”) of Canaccord Genuity Group Inc. (the “**Company**”) on August 4, 2016. Immediately following the termination of the formal meeting, management will report on the Company’s performance in the financial year ended March 31, 2016 (“**fiscal 2016**”).

The Meeting will deal with the election of directors and the appointment of auditors.

Your presence (or your proxy if you are unable to attend in person) is important to us and we would like your support for all matters to be decided at the Meeting.

If you have any questions about the Management Information Circular, or how to vote, please contact Canaccord Genuity Investor Relations at +1 (888) 250-3375.

Registered Shareholders

PLEASE NOTE: If your shares are registered in your name (and you are therefore a registered Shareholder), then a proxy form is sent to you with the notice of meeting. This proxy form may be used to vote your Common shares if you are unable to attend the Meeting in person. Instructions on how to vote using this proxy form are found starting on page 3 of the Management Information Circular.

Non-Registered Beneficial Shareholders

PLEASE NOTE: If you are **not** a registered Shareholder and your Common shares are held on your behalf, or for your account, by a broker, securities dealer, bank, trust company or similar entity (an “**Intermediary**”), then a proxy form is not usually sent to you with the notice of meeting. Instead, a voting instruction form (also known as a VIF) is usually sent. You may not be able to vote unless you carefully follow the instructions provided by the Intermediary with the notice of meeting or in the VIF. Please also refer to page 4 of the Management Information Circular.

We hope that you will find the format of these proxy materials easy to read and, most importantly, easy to understand. We would welcome your comments and any suggestions for improvements.

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Notice of Annual General Meeting

TAKE NOTICE that the Board of Directors of Canaccord Genuity Group Inc. (the “**Company**”) has called the 2016 annual general meeting (the “**Meeting**”) of the shareholders of the Company for 10:00 a.m. (Toronto time) on Thursday, August 4, 2016 at Bay Adelaide Centre, 333 Bay Street, 34th Floor, Toronto, Ontario.

The Company provides you with electronic access to the information circular for the Meeting instead of sending you a paper copy. This means of delivery is more environmentally friendly as it will help reduce paper use and will also reduce the cost of printing and mailing materials to Shareholders. The notice you received gives you instructions on how to access and review an electronic copy of the Company’s Management Information Circular (the “**Circular**”) and how to request a paper copy. The notice also provides instructions on voting by proxy at the Meeting. If you would like to receive a paper copy of the Circular, please follow the instructions in the notice.

As a holder of Common shares, you are entitled to attend the Meeting and to cast one vote for each Common share that you own. If you are a registered shareholder and are unable to attend the Meeting, you will still be able to vote by completing the proxy or voting instruction form (also known as a VIF) sent to you with the notice. The Circular explains how the voting process works. **In order to be assured of a vote at the Meeting, registered shareholders must submit the proxy or VIF to the Company’s transfer agent, Computershare Investor Services Inc., at its Toronto offices no later than 5:00 p.m. (Toronto time) on Friday, July 29, 2016.**

If you are a non-registered beneficial shareholder, you must follow the instructions provided by your intermediary in order to vote your shares.

The following business will be conducted at the Meeting:

- (a) election of directors for the coming year;
- (b) appointment of auditors for the coming year and authorization for the directors to set the auditors’ remuneration;
- (c) amendment of the articles of the Company to implement certain governance changes;
- (d) any other business as may properly come before the Meeting or any postponement or adjournment of the Meeting.

Immediately following the termination of the formal meeting, there will be a presentation by the Chief Executive Officer.

Dated on June 17, 2016.

By order of the Board of Directors
Martin L. MacLachlan
Corporate Secretary

Information for Shareholders about the 2016 Annual General Meeting of Shareholders

All information in this Management Information Circular is current as of May 31, 2016, unless otherwise indicated. All amounts in this Management Information Circular are expressed in Canadian dollars unless otherwise indicated. Unless otherwise indicated or the context otherwise requires, the “Company” refers to Canaccord Genuity Group Inc. and “Canaccord Genuity”, the “Canaccord Genuity Group” and the “Group” refer to the Company and its direct and indirect subsidiaries.

Additional information relating to the Company is on SEDAR at www.sedar.com.

Financial information of the Company is provided in the Company’s financial statements and management’s discussion and analysis (MD&A) for its most recently completed financial year. Shareholders may contact the Company to request copies of the Company’s financial statements and MD&A by sending an email with that request to investor.relations@canaccordgenuitygroup.com.

The purpose of this Management Information Circular (referred to as the “Circular”) is:

- to explain how you, as a shareholder of the Company, can vote at the annual general meeting of the shareholders of Canaccord Genuity Group Inc. (the “Meeting”), either in person or by transferring your vote to someone else to vote on your behalf;
- to inform you about the business to be conducted at the Meeting, including the election of directors and the appointment of auditors for the coming year; and
- to give you important background information to assist you in deciding how to vote.

No person has been authorized to give any information or to make any representation in connection with the matters to be considered at the Meeting other than those contained in this Circular and, if given or made, any such information or representation must not be relied upon as having been authorized. This Circular does not constitute an offer to buy, or a solicitation of an offer to sell, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation of an offer or a proxy solicitation. Neither the delivery of this Circular nor any distribution of the securities referred to in this Circular will, under any circumstances, create an implication that there has been no change in the information set forth in this Circular since the date as of which such information is given in this Circular.

Shareholders should not construe the contents of this Circular as tax, financial or legal advice and should consult with their own tax, financial, legal or other professional advisors as to the relevant tax, financial, legal or other matters in connection herewith.

Forward-Looking Statements

This Circular, including the documents incorporated by reference in this Circular, may contain “forward-looking statements” (as defined under applicable securities laws). These statements relate to future events or future performance and reflect management’s expectations, beliefs, plans, estimates, intentions and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts, including business and economic conditions and Canaccord Genuity Group’s growth, results of operations, performance and business prospects and opportunities. Such forward-looking statements reflect management’s current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as “may”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “predict”, “potential”, “continue”, “target”, “intend”, “could” or the negative of these terms or other comparable terminology. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and a number of factors could cause actual events or results to differ materially from the results discussed in the forward-looking statements. In evaluating these statements, readers should specifically consider various factors that may cause actual results to differ materially from any forward-looking statement. These factors include, but are not limited to, market and general economic conditions, the nature of the financial services industry and the risks and uncertainties discussed from time to time in the Company’s interim condensed and annual consolidated financial statements and its annual report and annual information form (AIF) filed on www.sedar.com as well as the factors discussed in the sections entitled “Risk Management” and “Risk Factors” in the AIF which include market, liquidity, credit, operational, legal and regulatory risks. Material factors or assumptions that were used by the Company to develop the forward-looking information contained in this document include, but are not limited to, those set out in the Fiscal 2017 Outlook section in the annual MD&A and those discussed from time to time in the Company’s interim condensed and annual consolidated financial statements and its annual report and AIF filed on www.sedar.com. The preceding list is not exhaustive of all possible risk factors that may influence actual results. Readers are cautioned that the preceding list of material factors or assumptions is not exhaustive.

Although the forward-looking information contained in this document is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. The forward-looking statements contained in this document are made as of the date of this document and should not be relied upon as representing the Company's views as of any date subsequent to the date of this document. Certain statements included in this document may be considered "financial outlook" for purposes of applicable Canadian securities laws, and such financial outlook may not be appropriate for purposes other than this document. Except as may be required by applicable law, the Company does not undertake, and specifically disclaims, any obligation to update or revise any forward-looking information, whether as a result of new information, further developments or otherwise.

Notice and Access

The Company is sending proxy-related materials to registered holders and beneficial owners using notice and access. Management of the Company does not intend to pay for intermediaries to forward to objecting beneficial owners under NI 54-101 the proxy-related materials and Form 54-101F7 (Request for Voting Instructions Made by Intermediary) and, in the case of an objecting beneficial owner, the objecting beneficial owner will not receive the materials unless the objecting beneficial owner's intermediary assumes the cost of delivery.

Solicitation of Proxies

YOUR VOTE IS BEING SOLICITED BY THE MANAGEMENT OF THE COMPANY

Solicitation of proxies will be primarily by mail, but may also be undertaken by way of telephone, fax, email or oral communication by the directors, officers and employees of the Company and its subsidiaries, at no additional compensation. All costs associated with the solicitation of proxies by the Company and its subsidiaries will be borne by the Company and its subsidiaries. At this time, we do not anticipate that we will be retaining a third-party solicitation firm, but should we determine, in the future, that it is in our best interests to do so, we will retain a solicitation firm and pay for all costs and expenses associated with retaining this solicitation firm.

VOTING AND APPOINTMENT OF PROXY

Your rights to attend and vote at the Meeting depend on whether you are a **registered Shareholder** (that is, the Common shares of the Company are actually registered in your name) or a **non-registered beneficial shareholder** (for example, a person who holds Common shares of the Company through a broker or a bank).

Registered Shareholders

If you are a registered Shareholder, you may attend the Meeting in person. You may also appoint someone (known as a proxyholder) to represent you at the Meeting and vote on your behalf. If you complete and submit the proxy form without alteration, then you will have appointed the Company's Chairman (or his alternate) to attend the Meeting and vote on your behalf.

You have the right to appoint a person or company to represent you at the Meeting other than the persons designated in the proxy form. If you wish to appoint some other person or company to represent you at the Meeting, you may do so by striking out the names of the persons designated in the proxy form and inserting the name of the person or company to be appointed in the blank space provided and signing the proxy form.

If you wish to vote at the Meeting by proxy, you must either (a) complete and sign the proxy and return it to the Company's transfer agent, Computershare Investor Services Inc. (Computershare), or (b) follow the instructions in the proxy to vote by telephone or on the Internet. In order to be valid, the telephone or Internet voting must be completed or the proxy must be received by Computershare at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, Attention: Proxy Department, or by fax at +1 (866) 249-7775 (toll free in Canada and the United States) or +1 (416) 263-9524 (outside Canada and the United States), no later than 5:00 p.m. (Toronto time) on Friday, July 29, 2016, or in the case of any adjournment or postponement of the Meeting, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of such reconvened meeting. The chair of the Meeting has the discretion to accept proxies filed after these deadlines.

Even if you give a proxy, as a registered Shareholder, you may still attend and vote in person at the Meeting.

Revoking your proxy

A proxy is revocable. If you have given a proxy, you (or your attorney authorized in writing) may revoke the proxy by giving notice of the revocation in writing at the Company's registered office, located at 1000 – 840 Howe Street, Vancouver, British Columbia V6Z 2M1, at any time up to and including the last business day before the Meeting or to the chair of the Meeting before any vote in respect of which the proxy is given. The notice of the revocation must be signed as follows: (a) if you are an individual, then the

notice must be signed by you or your legal personal representative or trustee in bankruptcy and (b) if you are a corporation, then the notice must be signed by the corporation or by a representative appointed for the corporation in accordance with the articles of the Company.

Non-registered beneficial shareholders

If your Common shares are not registered in your own name, then they are being held in the name of an intermediary (which is usually a trust company, a securities dealer or broker, a bank or another financial institution) or in the name of a clearing agency such as the Canadian Depository for Securities Limited. You are usually called either a non-registered or a beneficial shareholder or owner. Securityholder materials are sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent the materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

There are various procedures for the voting of your Common shares, and these procedures may vary among intermediaries and clearing agencies in ways over which the Company has no control. **If you are a beneficial shareholder, you should carefully follow the instructions of the intermediary or clearing agency, including instructions regarding when and where any voting instruction form or proxy form is to be delivered. Unless you follow these instructions you are not entitled to attend the Meeting in person and your attendance will be solely at the discretion of the Company.**

Typically, you will receive one of the following:

1. **A Computershare voting instruction form (VIF).** If you receive a Computershare VIF and wish to vote at the Meeting, you must either (a) complete the VIF and return it to Computershare or (b) follow the instructions in the VIF to vote by telephone or on the Internet. The telephone or Internet voting should be completed or the VIF should be received by Computershare at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, Attention: Proxy Department, or by fax at +1 (866) 249-7775 (toll free in Canada and the United States) or +1 (416) 263-9524 (outside Canada and the United States), no later than 5:00 p.m. (Toronto time) on Friday, July 29, 2016, or in the case of any adjournment or postponement of the Meeting, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of such reconvened meeting. If you wish also to **attend** the Meeting in person and vote (or have another person attend and vote on your behalf), you must follow the instructions in the VIF. **Unless you follow these instructions you are not entitled to attend the Meeting in person and your attendance will be solely at the discretion of the Company.**
2. **A Broadridge voting instruction form (VIF).** This is a form provided by Broadridge Financial Solutions (“Broadridge”) in accordance with arrangements often made by brokers to delegate the responsibility for obtaining voting instructions to Broadridge. If you receive a Broadridge VIF and wish to vote at the Meeting, you must either (a) complete the VIF and return it to Broadridge or (b) follow the instructions in the VIF to vote by telephone or on the Internet. Broadridge will tabulate the results and then provide instructions to Computershare respecting the voting of shares to be represented at the Meeting. You must return the VIF to Broadridge or give the telephone or Internet voting instructions well in advance of the Meeting in order to have your shares voted. If you wish also to **attend** the Meeting in person and vote (or have another person attend and vote on your behalf), simply strike out the names of the persons indicated in the proxy form and insert your (or such other person’s) name in the blank space provided. **Unless you follow these instructions you are not entitled to attend the Meeting in person and your attendance will be solely at the discretion of the Company.**

If you have any questions about this Circular or how to vote, please contact Canaccord Genuity Investor Relations at +1 (888) 250-3375.

Revoking your proxy

A non-registered shareholder may revoke a proxy or voting instruction form which has been given to an intermediary by written notice to the intermediary. In order to ensure that an intermediary acts upon a revocation of a proxy form or voting instruction form, the written notice should be received by the intermediary well in advance of the Meeting.

PROVISIONS RELATING TO VOTING OF PROXIES

If you are a registered Shareholder and submit a proxy in the form of the proxy form sent to registered Shareholders (the “Proxy”), then the shares represented by the Proxy will be voted for, against or withheld from voting, as applicable, in accordance with your instructions on any ballot that may be called for and, if you specify a choice to vote for, against or withhold from voting, as applicable, with respect to any matter to be acted upon, the shares will be voted accordingly. If you return a form of proxy but do not give any instructions or specify how you would like your shares to be voted, then your shares will be voted in favour of all proposals set out in the Proxy and for the election of directors and the appointment of the auditors as set out in this Circular.

The Proxy gives the person named in it the discretion to vote as they sees fit on any amendments or variations to matters identified in the notice of meeting and on any other matters which may properly come before the Meeting. At the date of this Circular, the management of the Company is not aware of any of those amendments, variations or other matters which may come before the Meeting other than those referred to in the notice of meeting.

SIGNIFICANT EQUITY RESTRICTIONS

Pursuant to rules established by certain securities regulatory authorities in Canada and the United States, the ownership of shares of an investment dealer or broker dealer is subject to certain restrictions. To enable the Company and its subsidiaries to comply with these requirements, the articles of the Company contain the following provisions.

At any time if proxies are solicited from shareholders at any meeting of shareholders or before such a meeting, the Company may require a declaration with respect to the holding of shares of the Company as beneficial owner and any other matter that the directors consider relevant to determine if the holding of shares by any person could violate the articles or applicable legislative or regulatory requirements.

The Company has the power to withdraw the voting rights of any share of any class if:

- (a) a person beneficially owns or controls, directly or indirectly, a "significant equity interest" in the Company and has not obtained the required approvals from all relevant securities regulatory authorities;
- (b) a person who wishes to exercise voting rights, in person or by proxy, refuses to sign and deliver, with respect to his or her beneficial ownership of shares of the Company, a declaration or other information reasonably necessary to assist the directors in making their determinations under the articles; or
- (c) if the directors have determined, on the basis of the declaration or information provided by a person who wishes to exercise voting rights, that such person may own or control, directly or indirectly, a "significant equity interest" in the Company and has not obtained the required approvals from all relevant securities regulatory authorities.

For these purposes, a "significant equity interest" in the context of the Company means:

- (a) in respect of the applicable rules of the Investment Industry Regulatory Organization of Canada Inc. (IIROC) and the TSX Venture Exchange Inc., the holding of: (i) voting securities carrying 10% or more of the votes carried by all voting securities of the Company, (ii) 10% or more of the outstanding participating securities of the Company or (iii) an interest of 10% or more of the total equity in Canaccord Genuity Corp. (a wholly owned subsidiary of the Company);
- (b) in respect of the applicable rules of the Toronto Stock Exchange, the holding, directly or indirectly and alone or in combination with any other person, of securities: (i) carrying 20% or more of the votes carried by all voting securities, (ii) carrying the right to receive 20% or more of any distribution of earnings or (iii) accounting for 20% or more of the total capital or equity of the Company;
- (c) in respect of the applicable rules of the Bourse de Montréal Inc. (where a significant equity interest is referred to as a "major position"), having the power to direct or cause the direction of the management or policies of Canaccord Genuity Corp. whether through ownership of securities, by contract or otherwise, and a person is considered to hold a major position in the capital of the Company pursuant to the rules of the Bourse if such person, directly or indirectly: (i) has the right to vote 10% or more of the voting securities or (ii) is entitled to receive 10% or more of the net profits of the Company;
- (d) in respect of the applicable rules of the Autorité des marchés financiers in Québec, the direct or indirect ownership or holding of more than 10% of the voting rights attached to securities issued by the Company; and
- (e) in respect of the applicable rules of the Financial Industry Regulatory Authority (FINRA) in the United States, a change in the equity ownership of the Company that results in one person or entity directly or indirectly owning or controlling 25% or more of the equity.

As the Company is the parent company of Canaccord Genuity Limited and other subsidiaries which are regulated by the Financial Conduct Authority (FCA) in the UK, the *Financial Services and Markets Act 2000* (UK) places an obligation on controllers and proposed controllers of such subsidiaries to obtain the approval of the FCA before becoming a controller or increasing the level of control held (in certain circumstances). Failure to obtain approval is an offence under the *Financial Services and Markets Act 2000* (UK). A "controller" in the context of Canaccord Genuity Limited and the other FCA regulated subsidiaries is a person who (along with his or her associates) holds 10% or more of the shares or voting rights in the Company or is able to exercise significant influence over the management of the Company through his or her shareholding in the Company.

Similar obligations and offences exist under the laws of Hong Kong, Singapore and Jersey and Guernsey in the Channel Islands in relation to the subsidiaries of the Company which are regulated by the securities and futures regulatory authorities in those jurisdictions.

QUORUM

The articles of the Company provide that a quorum for the transaction of business at the Meeting is two persons who are, or who represent by proxy, Shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the Meeting.

Voting Securities and Principal Holders of Voting Securities

The directors of the Company have set June 6, 2016 as the record date for determining which Shareholders are entitled to vote at the Meeting. Only registered Shareholders on June 6, 2016 are entitled to vote at the Meeting or at any adjournment or postponement of the Meeting. Each registered Shareholder has one vote for each Common share held at the close of business on June 6, 2016. On that date, the Company had 103,820,406 Common shares outstanding.

To the knowledge of the directors and executive officers of the Company, as of June 6, 2016, there was no person or company which beneficially owned, or controlled or directed, directly or indirectly, Common shares carrying 10% or more of the voting rights attached to the Common shares.

Election of Directors

The directors of the Company are elected by its shareholders at each annual general meeting and serve for a one-year term until the next annual general meeting or until they resign or their successors are duly elected or appointed.

The management of the Company proposes to nominate the persons listed in the following table for election as directors of the Company to serve until the next annual general meeting or they resign or their successors are duly elected or appointed. In the absence of instructions to the contrary, proxies given pursuant to the solicitation by the management of the Company will be voted for the nominees listed in this Circular. **Management does not contemplate that any of the nominees will be unable to serve as a director. If any vacancies occur in the slate of nominees listed in the following table before the Meeting, management will exercise discretion to vote the Proxy for the election of any other person or persons as directors.**

The following table sets out the names of the nominees for election as directors, the offices they hold within the Company, their principal occupations, the length of time they have served as directors of the Company, the members of each standing committee of the Board of Directors and the number of Common shares of the Company and its subsidiaries beneficially owned, directly or indirectly, or controlled or directed by each proposed director.

The information as to shares and other securities beneficially owned has been provided by the directors themselves and, unless otherwise indicated, is current as of May 31, 2016.

Name and residence	Position with the Company	Principal occupation	Director since	Shares owned
Charles N. Bralver ⁽¹⁾ Westport, Connecticut	Director	Corporate director and advisor	2010	50,500 ⁽²⁾
Massimo C. Carello ⁽³⁾ London, England	Director	Corporate director and private investor in public companies	2008	75,000 ⁽²⁾
Daniel J. Daviau ⁽⁴⁾ Toronto, Ontario	Chief Executive Officer and director	Chief Executive Officer of the Company and Canaccord Genuity Corp.	2015	1,278,080 ⁽⁵⁾
Kalpna Desai Hong Kong	Director	Corporate director and advisor	2014	0 ⁽²⁾
Michael D. Harris ^(1, 6) East York, Ontario	Director	Senior business advisor of Fasken Martineau DuMoulin LLP	2004	82,339 ⁽²⁾
David J. Kassie ⁽⁷⁾ Toronto, Ontario	Executive Chairman and director	Executive Chairman of the Company and Canaccord Genuity Corp.	2010	3,758,394 ⁽⁸⁾
Terrence A. Lyons ^(1, 3, 9) Vancouver, British Columbia	Lead Director	Corporate director and advisor	2004	41,568 ⁽²⁾
Dipesh J. Shah London, England	Director	Corporate director	2012	0 ⁽²⁾

(1) Member of the Corporate Governance and Compensation Committee.

(2) In addition, effective from April 1, 2011, each of the independent directors has received deferred share units (DSUs). See note (c) to the table under the heading "Compensation of directors" on page 30 and "Deferred share units" on page 32. For those who were directors before April 1, 2011, each of Messrs. Harris and Lyons has been granted options to purchase up to 100,000 Common shares of the Company (of which 75,000 have expired). Mr. Bralver only became a director in February 2010 and has been granted options to purchase up to 25,000 Common shares of the Company. Mr. Carello only became a director in August 2008 and has been granted options to purchase up to 75,000 Common shares of the Company (of which 50,000 have expired). Mr. Shah and Ms. Desai only became directors after April 1, 2011, and have not been granted any options.

(3) Member of the Audit Committee.

(4) Mr. Daviau was a director of Concave Holdings Inc. until February 4, 2011, when it filed an assignment under the *Bankruptcy and Insolvency Act* (Canada). A trustee was appointed and a sale approval and vesting order was made in respect of the bankruptcy on September 6, 2011.

(5) Of these shares, 893,866 are owned by a trust of which Mr. Daviau is one of the beneficiaries. In addition, Mr. Daviau participates in the Company's LTIP. See "Long Term Incentive Plan (LTIP)" on page 34. Mr. Daviau holds 468,077 restricted share units (RSUs).

(6) Mr. Harris was a director of Naturade, Inc., a company publicly traded in the United States, until August 2006. Within a year after his resignation as a director, that company filed for reorganization under Chapter 11 of the US Bankruptcy Code. Mr. Harris was a director of Grant Forest Products Inc. On June 25, 2009, the Ontario Superior Court of Justice (Commercial List) made an order under the *Companies' Creditors Arrangement Act* (CCAA) in respect of Grant Forest Products Inc. Mr. Harris remained a director of Grant Forest Products Inc. until June 30, 2010 to assist with the orderly completion of the arrangement under the CCAA.

(7) Mr. Kassie was Chairman and a director of SkyPower Corporation at the time when, on August 12, 2009, the Ontario Superior Court of Justice (Commercial List) made an order under the CCAA in respect of SkyPower Corporation. The realizations in the estate of the corporation (now called Interwind Corp.) are ongoing and any shortfall to the creditors is unknown at this time. Mr. Kassie was also a director of ACE Aviation Holdings Inc. at the time when, on April 25, 2012, it passed a shareholder resolution approving liquidation of the company pursuant to the *Canada Business Corporations Act*. The liquidation process is continuing.

(8) Of these shares, 238,520 are owned by a trust of which Mr. Kassie is one of the beneficiaries. In addition, Mr. Kassie participates in the Company's LTIP. See "Long Term Incentive Plan (LTIP)" on page 34. Mr. Kassie holds 137,530 restricted share units.

(9) Mr. Lyons was a director and executive officer of FT Capital Ltd. (FT Capital) which was subject to cease trade orders in July and August 2003 in each of the provinces of Manitoba, Ontario and Québec due to the failure of FT Capital to file financial statements since the financial year ended December 31, 2002. FT Capital was wound up and dissolved on June 30, 2009 and Mr. Lyons ceased to be a director. Until January 1, 2014, Mr. Lyons was also a director of Royal Oak Ventures Inc. (Royal Oak), which was subject to cease trade orders in each of the provinces of British Columbia, Alberta, Ontario and Québec due to the failure of Royal Oak to file financial statements since the financial year ended December 31, 2003. Mr. Lyons was elected to the boards of directors of each of FT Capital and Royal Oak largely because of his valuable experience and expertise in financial restructurings in the insolvency context.

MAJORITY VOTING

Under applicable corporate law, shareholders can only vote "for" or "withhold" their vote for directors, but may not vote "against" them. As a result, a single "for" vote can result in the election of a director, irrespective of the number of "withhold" votes. In connection with the Meeting, the proxy forms used for the election of directors will enable shareholders to vote in favour of, or withhold their vote for, each director nominee separately. The Board has adopted a majority voting policy requiring directors to submit their resignation in circumstances (excluding contested elections) where the number of votes withheld is greater than the number of votes cast for the director. The Board must determine whether or not to accept the resignation within 90 days after the date of the election. The Board must accept the resignation of the director absent exceptional circumstances. The director who has submitted their resignation may not participate in any meeting at which the resignation is considered. The Company is responsible promptly to issue a news release with the Board's decision. If the Board determines not to accept a resignation, the news release must fully state the reasons for that decision.

In the event of a contested election, where the number of nominees for director exceeds the number of directors to be elected, subject to applicable law, the voting method to be applied for purposes of electing directors at the meeting will be determined by the chair of the meeting in his or her sole discretion. For greater certainty, the chair of the meeting may, in the context of a contested election, use slate voting for director elections.

VOTING RESULTS FOR PRIOR YEAR'S BOARD ELECTIONS

At the annual general meeting of common shareholders held on Wednesday, August 5, 2015, shareholders voted in favour of the appointment of Ernst & Young LLP as auditors of the Company for the ensuing year and authorizing the directors to fix their remuneration (99.72% in favour) and in favour of setting the number of directors at nine (99.86% in favour) and voted on the election as directors of nominees proposed by management as follows:

Director	Votes "for" as a percentage of votes cast for or withheld for the director
Charles N. Bralver	98.43%
Massimo C. Carello	99.43%
Kalpana Desai	99.51%
Michael D. Harris	62.34%
David J. Kassie	97.80%
Terrence A. Lyons	72.13%
Dipesh Shah	99.12%

BACKGROUND OF THE NOMINEES

Set forth below is a brief profile of each of the nominees for election as a director of the Company. Other than as set forth below, each nominee has held the same principal occupation for the last five years.

Charles N. Bralver, age 64, is a financial services executive with over thirty years of capital markets experience. For more than 23 years – from 1984 to 2007 – Mr. Bralver was a founder and Vice Chairman of management consultancy Oliver, Wyman & Co. where he specialized in strategy, risk and operational work for leading investment banks, asset managers, exchanges and other market utilities. He continues to serve as a member of the senior advisory board of Oliver Wyman and is also a Senior Advisor to the hedge fund Silverpoint Capital. Mr. Bralver served as Senior Associate Dean for International Business and Finance at the Fletcher School of Law and Diplomacy from 2007 to 2010, from 2007 to 2009 as a strategic advisor to Warburg Pincus LLC. Mr. Bralver serves as a director of the Company, as a director and member of the risk committee of NewStar Financial, Inc. and on the Board of Visitors of the Fletcher School. Mr. Bralver started his career at Booz Allen Hamilton. He is a US citizen and a graduate of the Fletcher School of Law and Diplomacy and Dartmouth College.

In addition to Canaccord Genuity Group Inc., Mr. Bralver is a director of the following public companies: NewStar Financial, Inc. and the Co-operative Bank p.l.c. Mr. Bralver attended all of the nine meetings of the Board of Directors held between April 1, 2015 and June 1, 2016. He was appointed a member of the Corporate Governance and Compensation Committee on April 9, 2015, and has attended all of the six meetings of the Corporate Governance and Compensation Committee held since then.

Massimo Carello, KCFO, age 67, is a corporate director and a private investor in public companies.

Mr. Carello was the Chairman and Chief Executive Officer of Diners Club UK Ltd. from 2001 to 2004 and was the Chairman and Chief Executive Officer of Fiat UK Ltd. from 1990 to 2001. Mr. Carello served as a member of the Confederation of British Industry (CBI) President's Committee from 1998 to 2003 and was a member of the CBI European Committee. He was Vice President of the Italian Chamber of Commerce in the UK from 1998 to 2005. He is the Honorary Vice-President of CLIC Sargent, the UK's leading cancer charity for children and young people.

In addition to Canaccord Genuity Group Inc., Mr. Carello is a director and a member of the Audit Committees of the following public companies: Canadian Overseas Petroleum Limited and Orsu Metals Corporation. Until December 2010, he was also a director and a member of the Audit Committee of Uranium One Inc. Of the meetings of the Board of Directors and the committee on which he served held between April 1, 2015 and June 1, 2016, Mr. Carello attended all of the nine meetings of the Board of Directors and all of the five meetings of the Audit Committee.

Dan Daviau, age 51, was appointed President and Chief Executive Officer and a director of the Company and Chief Executive Officer of Canaccord Genuity Corp. effective on October 1, 2015. Mr. Daviau served as President of Canaccord Genuity's North American Capital Markets business from February 2015. From 2012 to 2015, he was President of the firm's US Capital Markets business, where he helped to structure the firm's investment banking, research, sales and trading operations in the region and improve cross-border capabilities. From 2010 to 2012, Mr. Daviau was Head of Investment Banking for Canaccord Genuity and was actively engaged in improving the firm's sector diversification capabilities and contributing to its global growth strategy. Before the Canaccord/Genuity merger that was announced in 2010, Mr. Daviau was a Principal and Founder of Genuity Capital Markets, where he held a variety of senior roles since 2005.

Before 2005, Mr. Daviau was Co-Head of Investment Banking at CIBC World Markets, a firm he joined in 1991. While at CIBC World Markets, Mr. Daviau also served as the Head of the Media and Telecommunications Group since 2000 and Head of the Technology Investment Banking Group in Canada since 1997.

Having started his career as a securities lawyer with Goodman & Co., Mr. Daviau has extensive experience in a broad range of financing transactions and M&A assignments. His equity offering experience includes public and private financings for a number of leading global technology, online gaming, media and telecom companies. In the M&A space, Mr. Daviau has advised in excess of US\$50 billion of transactions.

Mr. Daviau is based in Toronto, Canada. He holds an MBA from York University, an LL.B. from Osgoode Hall/York University and a B.A. (Math and Statistics) from the University of Western Ontario.

Mr. Daviau is not currently a director of any other public companies. Mr. Daviau attended all of the four meetings of the Board of Directors held between the date of his appointment as a director (October 1, 2015) and June 1, 2016.

Kalpna Desai, age 49, is a corporate director and advisor. She has over 25 years of international investment banking and advisory experience. She was Head of Macquarie Capital Asia, the investment banking division of Macquarie Group and a member of the Global Macquarie Capital Operations Committee from 2010 to 2013. Before joining Macquarie Group in 2009, Ms. Desai was Head of the Asia-Pacific Mergers & Acquisitions Group and a Managing Director in the investment banking division of Bank of America Merrill Lynch based in Hong Kong, having joined Merrill Lynch in 1998. Earlier, Ms. Desai worked in the investment banking divisions of Barclays de Zoete Wedd (now part of Credit Suisse) and J. Henry Schroder Wagg (now part of Citibank) in London, having started her career in the financial services consulting division of PricewaterhouseCoopers.

Ms. Desai was a member of the Takeovers and Mergers Panel of the Securities and Futures Commission in Hong Kong from 2007 to 2014.

Born in Kenya and educated in the United Kingdom, Ms. Desai has lived in Hong Kong since 1997. Ms. Desai holds a B.Sc. (honours) from the London School of Economics and Political Science and is an Associate Member of the Institute of Chartered Accountants of England and Wales..

In addition to Canaccord Genuity Group Inc., Ms. Desai is a non-executive director of Henderson Group plc which is listed in London and Sydney. Ms. Desai attended eight of the nine meetings of the Board of Directors held between April 1, 2015, and June 1, 2016.

Michael Harris, ICD.D, age 71, is a senior business advisor with the law firm of Fasken Martineau DuMoulin LLP in Toronto, and the President of his own consulting firm, Steane Consulting Ltd., and, in this capacity, acts as a consultant to various Canadian companies. Before joining Fasken Martineau in September 2013, he was a senior business advisor with the law firm of Cassels Brock & Blackwell in Toronto from March 2010 and before that a senior business advisor with the law firm of Goodmans LLP in Toronto.

Mr. Harris was born in Toronto in 1945 and was raised in Callander and North Bay, Ontario. Before his election to the Ontario Legislature in 1981, Mike Harris was a schoolteacher, a school board trustee and chair and an entrepreneur in the Nipissing area. On June 8, 1995, Mr. Harris became the 22nd Premier of Ontario following a landslide election victory. In 1999, he was re-elected – making him the first Ontario Premier in over 30 years to form a second consecutive majority government.

In addition to sitting on several boards of Canadian corporations, he also serves as a director of the Manning Centre for Building Democracy. He has served as the Honorary Chair of the North Bay District Hospital Capital Campaign and the Nipissing University and Canadore College Capital Campaign. Mr. Harris is also a Senior Fellow of the Fraser Institute. He has received his ICD.D certification from the Institute of Corporate Directors.

In addition to Canaccord Genuity Group Inc., Mr. Harris is a director of the following public companies: Chartwell Retirement Residences (Chair), Colliers International Group Inc. (CIGI) and Routel Inc. (Chair). Of the meetings of the Board of Directors and the committee on which he served held between April 1, 2015 and June 1, 2016, Mr. Harris attended all of the nine meetings of the Board of Directors and all of the six meetings of the Corporate Governance and Compensation Committee.

David Kassie, age 60, became Group Chairman and a director of the Company on the closing of the acquisition of Genuity Capital Markets, a Canadian investment bank, on April 23, 2010, and became Chairman on April 1, 2012. He was the Principal, Chairman and Chief Executive Officer of Genuity Capital Markets from 2004 until May 9, 2010, when the integration of the businesses of Genuity Capital Markets and Canaccord Financial Ltd. was completed under the name Canaccord Genuity. Before 2004, he was Chairman and Chief Executive Officer of CIBC World Markets and the Vice Chairman of CIBC. On the death of Paul Reynolds on April 1, 2015, Mr. Kassie was appointed as the Chief Executive Officer of the Company and on October 1, 2015, upon succession, Mr. Kassie became the Executive Chairman.

Mr. Kassie has extensive experience as an advisor, underwriter and principal. He sits on a number of corporate boards. Mr. Kassie is actively involved in community and charitable organizations and is the Chairman of the Board of Baycrest Health Sciences and is on the board of the Richard Ivey School of Business and was formerly on the boards of the Toronto International Film Festival Group and the Hospital for Sick Children.

Mr. Kassie holds a B.Comm. (Honours) in Economics from McGill University (1977), and an MBA from the University of Western Ontario (1979).

In addition to Canaccord Genuity Group Inc., Mr. Kassie is a director of the following public company: Reitmans (Canada) Limited. Mr. Kassie attended all of the nine meetings of the Board of Directors held between April 1, 2015 and June 1, 2016.

Terrence (Terry) Lyons, ICD.D, age 66, is a corporate director. He is a director of several public and private corporations including Sprott Resource Corp. (Chairman), Martinrea International Inc. and Polaris Materials Corporation (Chairman). Mr. Lyons is a retired Managing Partner of Brookfield Asset Management and past Chairman of Northgate Minerals Corporation, which was acquired by AuRico Gold Inc. to create a new mid-cap gold company. He was also Chairman of Eacom Timber Corporation, which was sold to a private equity firm in 2013. In 2014, he stepped down as a director of BC Pavilion Corporation (Pavco), Royal Oak Ventures, which was privatized by Brookfield, and the BC Board of the Institute of Corporate Directors.

Mr. Lyons is a Civil Engineer (UBC) with an MBA from the University of Western Ontario. He sits on the Advisory Board of the Richard Ivey School of Business and has been active in a number of sports and charitable organizations including Junior Achievement, Special Olympics and United Way and is a past Governor of the Olympic Foundation of Canada, past Chairman of the Mining Association of BC, past Governor and member of the Executive Committee of the BC Business Council and in 2007 was awarded the INCO Medal by the Canadian Institute of Mining and Metallurgy for distinguished service to the mining industry. He has received his ICD.D certification from the Institute of Corporate Directors.

In addition to Canaccord Genuity Group Inc., Mr. Lyons is a director of the following public companies: Martinrea International Inc., Polaris Materials Corporation and Sprott Resource Corp. Of the meetings of the Board of Directors and the committees on which he served held between April 1, 2015 and June 1, 2016, Mr. Lyons attended all of the nine meetings of the Board of Directors, all of the five meetings of the Audit Committee and all of the six meetings of the Corporate Governance and Compensation Committee.

Dipesh Shah, OBE, FRSA, age 63, is a director on the boards of Thames Water, The Crown Estate, Cavendish Fluor Partnership and the 2020 European Fund for Energy, Climate Change and Infrastructure (the "EU Marguerite Fund", where he is Chairman of the Investment Committee). He is also a Trustee of the British Youth Opera and a Governor of Merchant Taylors' School.

Mr. Shah was formerly the Chief Executive of the UK Atomic Energy Authority and of various large businesses in BP Plc, where he was a member of the Group Leadership for more than a decade and latterly also the Global Head of Acquisitions and Divestitures. Mr. Shah was Chairman, inter alia, of Viridian Group plc, HgCapital Renewable Power Partners LLP and the European Photovoltaic Industry Association. Mr. Shah was the Senior Independent Director and Chair of the Remuneration Committee of JKC Oil & Gas Plc from 2008 to 2015 and the Senior Independent Director and Chair of the Nominations Committee of Equus Petroleum Plc from 2013 to 2016. In addition, he has been a Director of several major organizations, including Babcock International Group Plc and Lloyd's of London, the insurance market. He was also a member of the UK Government's Renewable Energy Advisory Committee from 1994 to 2002. Earlier, Mr. Shah was the Chief Economist for BP Oil UK.

Born in India, and brought up in Uganda, Mr. Shah is a graduate of the University of London, the University of Warwick and the Harvard Business School management program. He was appointed an Officer of the Order of the British Empire (OBE) in the 2007 New Year Honours and is a Life Fellow of the Royal Society of Arts (FRSA).

Mr. Shah is not currently a director of any other public companies. Mr. Shah attended all of the nine meetings of the Board of Directors held between April 1, 2015, and June 1, 2016.

Skills and experience

The Corporate Governance and Compensation Committee reviews annually the general and specific criteria applicable to candidates to be considered for nomination to the Board. The objective of this review is to maintain the composition of the Board in a way that provides the best mix of skills and experience to guide the long term strategy and ongoing business operations of the Company. This review takes into account the desirability of maintaining a reasonable diversity of background skills and experience and personal characteristics among the directors, along with the key common characteristics required for effective Board participation.

The Committee maintains a skills matrix to identify any gaps or emerging areas of importance. It has identified the following key skills:

- (a) *Financial expertise.* Financially literate; that is, they are able to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. Senior executive experience or consulting in financial accounting and reporting and corporate finance, especially with respect to debt and equity markets. Comprehensive knowledge of internal financial controls and GAAP or IFRS. Expertise in auditing, evaluating or analyzing financial statements. May have technical training and formal education in this regard (e.g., professional designation or business degree).
- (b) *Governance expertise.* Director-level or senior executive experience relating to governance, including acting as chair of a governance and/or nominating committee (public, private or non-profit) or serving in a senior role as either general counsel and/or corporate secretary, including accumulating expertise in this regard as a result of a role in a law firm. May include technical training and formal education (e.g., governance or director designations) or other academic training relating to the governance profession.
- (c) *Strategic planning/project management experience.* Senior executive experience in large-scale infrastructure projects or capital investment programs. May include technical training and formal education in this regard.
- (d) *Successful corporate leadership experience.* Senior executive experience driving strategic insight and direction to encourage innovation and conceptualize key trends to continuously challenge the organization to sharpen its vision while achieving significant organic growth.
- (e) *Human Resources expertise.* Senior executive experience or relevant board committee participation with an understanding of compensation, benefit and pension programs, human capital planning, legislation and agreements. This includes specific expertise in executive compensation including base pay, incentives, equity and perquisites, and an understanding of human capital retention, succession, training and recruitment.
- (f) *Risk management expertise.* Senior executive experience in analyzing exposure to risk and successfully determining appropriate mitigants to best handle such exposure.
- (g) *Committee/Board chair experience.* Experience as a board member of a major organization (public, private or non-profit).
- (h) *Marketing/communications experience.* Senior executive or consulting experience with marketing and communications in the financial services industry.
- (i) *Information technology (IT) experience.* Senior executive or consulting experience with IT. May have technical training and formal education in this regard.
- (j) *Political and/or government experience.* Experience in or with senior levels of municipal, provincial or federal government, and/or senior management experience in political and public consultation.
- (k) *Industry and functional experience.* Senior executive, consulting or legal experience in one or more of the following sectors, combined with a strong knowledge of sector strategy, markets, competitors, financials, operational issues, regulatory concerns and technology; this may include technical training and formal education in this regard: investment banking, mergers & acquisitions, sales and trading and wealth management.
- (l) *Country specific experience.* Senior executive, consulting or legal experience in one or more of the following geographies, combined with a strong knowledge of the geography's strategy, markets, competitors, cultural and operational issues and governmental and regulatory concerns: Canada, United Kingdom, United States and Asia.

The Committee has identified the skills of the nominees for election as a director of the Company in the context of the skills matrix as follows:

	Charles N. Bralver	Massimo Carello	Dan Daviau	Kalpana Desai	Michael Harris	David Kassie	Terrence Lyons	Dipesh Shah
Financial expertise	✓	✓	✓	✓	✓	✓	✓	✓
Governance expertise	✓			✓	✓	✓	✓	✓
Strategic planning/project management experience	✓		✓	✓	✓	✓	✓	✓
Successful corporate leadership experience	✓	✓	✓	✓	✓	✓	✓	✓
Human Resources expertise		✓	✓	✓	✓	✓	✓	✓
Risk management expertise	✓		✓	✓	✓	✓	✓	✓
Committee/Board chair experience	✓	✓		✓	✓	✓	✓	✓
Marketing/communications experience	✓	✓	✓	✓	✓	✓	✓	✓
Information technology (IT) experience								
Political and/or government experience					✓			✓
Industry and functional experience								
investment banking	✓		✓	✓		✓	✓	
mergers & acquisitions		✓	✓	✓		✓	✓	✓
sales and trading	✓		✓			✓		
wealth management	✓		✓	✓		✓	✓	
Country specific experience								
Canada	✓		✓		✓	✓	✓	
United Kingdom	✓	✓	✓	✓		✓	✓	✓
United States	✓	✓	✓			✓	✓	
Asia				✓		✓	✓	✓

Appointment of Auditors

Ernst & Young LLP have been the auditors of the Company since June 21, 2004. The management of the Company intends to nominate that firm for re-appointment. Forms of proxy given pursuant to the solicitation of the management of the Company will, on any poll, be voted as directed and, if there is no direction, for the re-appointment of Ernst & Young LLP at a remuneration to be fixed by the directors.

For the financial year ended March 31, 2016, Ernst & Young LLP billed \$3,735,710 in audit fees (including statutory and regulatory audits for subsidiaries in all jurisdictions where such audits are required), \$45,000 in audit related fees, \$156,830 in fees for tax compliance and preparation and \$859,881 in fees for tax advisory services including advisory work on various corporate tax matters including acquisition related tax advisory fees. For the financial year ended March 31, 2015, Ernst & Young LLP billed \$3,036,150 in audit fees (including statutory and regulatory audits for subsidiaries in all jurisdictions where such audits are required), \$144,947 in audit related fees, \$308,263 in fees for tax compliance and preparation and \$604,865 in fees for tax advisory services including advisory work on various corporate tax matters including acquisition related tax advisory fees.

Corporate Governance Statement

As a corporation incorporated under the *Business Corporations Act* (BC) and a “reporting issuer” for the purposes of Canadian securities laws, Canaccord Genuity is subject to the corporate governance requirements, guidelines and associated disclosure requirements (as applicable) of the *Business Corporations Act* (BC), its articles, the charters of the Board’s committees and other policies and applicable laws, including National Instrument 52-110 (which provides for a number of mandatory requirements in respect of audit committees of publicly traded companies), National Policy 58-201 (which outlines Canadian securities regulators’ corporate governance guidelines in respect of, among other things, board composition and effectiveness, the adoption of a written board mandate acknowledging the board’s responsibility for the identification of the principal risks of an issuer’s business, and ensuring the implementation of appropriate systems to manage these risks, the adoption and monitoring of written standards addressing various issues, including conflicts of interest, the appointment of a compensation committee composed of independent directors and responsible for certain compensation-related matters, and the development of an effective communication policy) and National Instrument 58-101 (which requires public companies to make disclosure regarding a number of corporate governance matters).

The *Business Corporations Act* (BC) is available on the website of the Queen’s Printer for British Columbia at www.bclaws.ca. The articles of the Company and summaries of the charters of the Board’s committees, the Disclosure Controls Policy, the Canaccord Genuity Whistleblower Policy and the Code of Business Conduct and Ethics are available on the Company’s website at www.canaccordgenuitygroup.com (under “Investor Relations – Corporate Disclosure” and “– Corporate Governance”). Applicable Canadian securities laws including National Instruments 52-110, 58-201 and 58-101 are available on the website of the Ontario Securities Commission at www.osc.gov.on.ca under “Securities Law & Instruments – Instruments, Rules & Policies”.

BOARD OF DIRECTORS

The Company currently has 10 directors, a majority of whom (eight) are independent of management. In order to facilitate the exercise of independent judgment by the Board of Directors, the Board has appointed a lead director and meet without management present at every board meeting. The independent directors are Charles Bralver, Massimo Carello, Kalpana Desai, William Eeuwes, Michael Harris, Terrence Lyons, Dennis Miller and Dipesh Shah. The other two directors are not independent: both David Kassie and Daniel Daviau are members of the executive management of Canaccord Genuity.

None of the independent directors work in the day-to-day operations of the Company or any of its subsidiaries, are party to any material contract with the Company or any of its subsidiaries or receive any fees from the Company or its subsidiaries, other than directors' fees and expenses.

More information about each director who is standing for election, including any relationship they have with the Company, and other directorships, can be found starting on page 7 of this Circular.

The Chairman is not an independent director, but the Board of Directors has appointed Terrence Lyons, who is an independent director, as the Lead Director. There are written terms of reference for the Lead Director. In general, he is responsible to act as the liaison between management and the Board of Directors to ensure the relationships between management and the Board are conducted in a professional and constructive manner. This includes ensuring that the boundaries between the Board and management are clearly understood and respected by both management and directors and that the Board receives adequate and regular updates from the Chief Executive Officer and other members of management on all issues important to the Board's work. He provides support to the Corporate Governance and Compensation Committee in developing director criteria and potential candidates to be recommended for appointment to the Board and ensuring an adequate orientation and training program for new board members. He ensures that the Board has a process for assessing the performance of the Chief Executive Officer and ensuring that appropriate succession, development and compensation plans are in place for senior management. He reviews directors' conflict of interest issues as they arise.

The Lead Director is also responsible to receive and, if appropriate, determine action on any communications from interested parties that are addressed to the independent directors. Such communications can be sent to Mr. Lyons in writing by mail to 2039 West 35th Avenue, Vancouver, BC V6M 1J1.

Under the leadership of the Lead Director, at each meeting of the Board of Directors, the independent directors meet by themselves with the non-independent directors and members of management not in attendance. The independent directors have held nine such meetings between April 1, 2015 and June 1, 2016. The Board is supportive of individual directors and committee chairs engaging independent advisors at the expense of the Company in appropriate circumstances.

Board mandate and position descriptions

The Board of Directors assumes responsibility for the stewardship of the Company, acting as a whole and through its committees, and has approved a formal Board Governance Manual (the "**Mandate**") including a written mandate for the Board and written position descriptions for the Chairman, the Chief Executive Officer, the Lead Director, each individual director, each Board committee and the chair of each Board committee.

The Mandate for the Board of Directors of the Company is:

I. Introduction

1. The primary responsibility of the board of directors ("Board") is to foster the long term success of the Company consistent with the Board's responsibility to the shareholders to maximize shareholder value.
2. These terms of reference are prepared to assist the Board and management in clarifying responsibilities and ensuring effective communication between the Board and management.

II. Composition and board organization

1. Nominees for directors are initially considered and recommended by the Board's Corporate Governance and Compensation Committee, approved by the entire Board and elected annually by the shareholders of the Company.
2. Certain of the Board's responsibilities referred to herein may be delegated to Board committees. The responsibilities of those committees will be as set forth in their terms of reference, as amended from time to time.

III. *Duties and responsibilities*

A. *Managing the affairs of the Board*

The Board operates by delegating certain of its authorities, including spending authorizations, to management and by reserving certain powers to itself. Subject to legal obligations and to the articles of the Company, the Board retains the responsibility for managing its own affairs, including:

- (a) planning its composition and size;
- (b) selecting its Chair;
- (c) nominating candidates for election to the Board;
- (d) appointing committees;
- (e) determining compensation for independent directors; and
- (f) assessing the effectiveness of the Board, committees and directors in fulfilling their responsibilities.

B. *Management and human resources*

The Board has the responsibility for:

- (a) the appointment and succession of the Chief Executive Officer (CEO) and monitoring CEO performance, approving CEO compensation and providing advice and counsel to the CEO in the execution of the CEO's duties;
- (b) approving terms of reference for the CEO;
- (c) approving the corporate objectives that the CEO is responsible for meeting;
- (d) reviewing CEO performance at least annually, against agreed upon objectives;
- (e) to the extent feasible, satisfying itself as to the integrity of the CEO and other senior officers, and that the CEO and other senior officers create a culture of integrity and compliance throughout the Company;
- (f) approving certain decisions relating to the Chief Executive Officer and those senior officers reporting directly to the Chief Executive Officer, including the:
 - (i) appointment and discharge of those officers;
 - (ii) compensation and benefits for those officers; and
 - (iii) acceptance of outside directorships on public companies by those officers (other than not-for-profit organizations);
- (g) ensuring succession planning programs are in place, including programs to train and develop management; and
- (h) approving certain matters relating to all employees, including:
 - (i) the annual salary policy/program for employees; and
 - (ii) new benefit programs or material changes to existing programs.

C. *Strategy and plans*

The Board has the responsibility to:

- (a) adopt a process to develop a strategic plan for the Company that takes into account, among other things, the opportunities and risks of the business;
- (b) participate with management in the development of, and ultimately approve, the Company's strategic plan;
- (c) approve annual capital and operating plans which support the Company's ability to meet its strategic plan;
- (d) approve the entering into, or withdrawing from, lines of business that are, or are likely to be, material to the Company;
- (e) approve material divestitures and acquisitions; and
- (f) monitor the Company's progress towards its goals, and revise and alter its direction through management in light of changing circumstances.

D. *Financial and corporate issues*

The Board has the responsibility to:

- (a) take reasonable steps to ensure the implementation and integrity of the Company's internal control and management information systems;
- (b) monitor operational and financial results;
- (c) approve annual financial statements and quarterly financial results;
- (d) declare dividends;

- (e) approve financings, changes in authorized capital, issue and repurchase of shares, issue of debt securities, listing of shares and other securities, issue of commercial paper, and related prospectuses and trust indentures; and
- (f) recommend appointment of external auditors and approve auditors' fees.

E. Business and risk management

The Board has the responsibility to:

- (a) ensure management identifies the principal risks of the Company's business and implements appropriate systems to manage these risks;
- (b) assess and monitor management control systems:
 - (i) evaluate and assess information provided by management and others (e.g., internal and external auditors) about the effectiveness of management control systems;
 - (ii) understand principal risks and review whether the Company achieves a proper balance between risk and returns, and that management ensures that systems are in place to address the risks identified; and
 - (iii) review an annual report of the Chief Compliance Officer which would include results of IROC audit changes in regulatory environment and other compliance initiatives.

F. Policies and procedures

The Board has the responsibility to:

- (a) review compliance with all significant policies and procedures by which the Company is operated;
- (b) direct management to ensure the Company operates at all times within applicable laws and regulations; and
- (c) review significant new corporate policies or material amendments to existing policies (including, for example, policies regarding business conduct, conflict of interest and other regulatory requirements).

G. Compliance reporting and corporate communications

The Board has the responsibility to:

- (a) ensure the Company has effective statutory and regulatory compliance reporting and systems;
- (b) ensure the Company has in place effective communication processes with shareholders and other stakeholders and financial, regulatory and other recipients, including the adoption of a communication policy for the Company;
- (c) approve interaction with shareholders on all items requiring shareholder approval;
- (d) ensure the Company's financial performance is adequately reported to shareholders, other securityholders and regulators on a timely and regular basis;
- (e) ensure the financial results are reported fairly and in accordance with generally accepted accounting principles;
- (f) report annually to shareholders on the Board's stewardship for the preceding year (the Annual Report).

IV. General legal obligations of the board of directors

1. The Board is responsible for:

- (a) directing management to ensure legal requirements have been met, and documents and records have been properly prepared, approved and maintained; and
- (b) approving changes in the articles, matters requiring shareholder approval and agendas for shareholder meetings.

2. In British Columbia law, the directors of the Company are subject to fiduciary duties and obligations that are defined partly by common law and partly by statute. It is not possible to define comprehensively what the duties and obligations are, but the most important of them are the following:

- (a) subject to the *Business Corporations Act* and the articles of the Company, the directors must manage or supervise the management of the affairs and business of the Company (s. 136(1), *Business Corporations Act*);
- (b) each director must act honestly, in good faith and in the best interest of the Company (s. 142(1)(a), *Business Corporations Act*);
- (c) each director must exercise the care, diligence and skill of a reasonably prudent person in comparable circumstances (s. 142(1)(b), *Business Corporations Act*);

- (d) every director who, in any way, directly or indirectly, is interested in a proposed contract or transaction with the Company must disclose the nature and extent of their interest at a meeting of the directors and will be liable to account for any profit made unless the procedures in the *Business Corporations Act* and the articles are followed (ss. 147 and 148, *Business Corporations Act*); and
 - (e) the directors will be personally liable under a number of provincial and federal statutes for such things as unpaid wages, unpaid GST and provincial social service tax remittances, unpaid employment insurance premiums, unpaid Canada Pension Plan remittances and unpaid income tax source deductions.
3. Such duties and obligations may be enforced by the Company, its shareholders or government agencies. Because the Company operates in a highly regulated environment, the special risk that the directors face is that these duties and obligations will be taken into account by the securities regulators in the context of the fitness of the directors to act as directors or to continue to be registered under securities legislation.

The Chairman has four primary roles: (a) to act as the chair of the meetings of the shareholders and as the presiding director at Board meetings and to manage the activities of the Board, including ensuring the Board is organized properly, functions effectively and meets its obligations and responsibilities; (b) to facilitate effective communications and relations with all stakeholders and the general public with particular emphasis on working with the Board and its appointees to facilitate timely decision-making; (c) to work as an advisor to the Chief Executive Officer (the “CEO”) and senior management team ensuring that the performance and information requirements of the Board are met; and (d) to act as one of the primary spokespersons for Canaccord Genuity.

The CEO is accountable to the Board for providing overall leadership and direction to Canaccord Genuity. The CEO has direct access to the Board of Directors. The CEO supports the Board and its mandate and is accountable for ensuring Canaccord Genuity operates within the policy and strategy framework established by the Board. The CEO provides advice and counsel to the Board in all matters impacting Canaccord Genuity and provides effective operational leadership to the management and staff of the organization.

Director's tenure and priorities

The Board has adopted a policy relating to a director's tenure and priorities. Under this policy, upon a director reaching the age of 75, and on each anniversary thereafter for so long as such individual continues to serve as a director, such director must tender his or her written resignation from the Board to the Corporate Governance and Compensation Committee. The Committee will, within 30 days, consider the resignation offer and will recommend to the Board whether or not to accept it. The Board will thereafter act on the Committee's recommendation within 30 days. If a resignation is accepted, it will be effective either: (i) before the commencement of the next annual general meeting of the Company's shareholders at which directors are to be elected; or (ii) upon acceptance of such offer of resignation by the Board, as determined by the Board. In addition, the policy provides that upon initially becoming a director of the Company and at each Board meeting occurring immediately before the annual general meeting of the Company's shareholders at which directors are to be elected, each director will represent to the Board that membership on the Board and the carrying out of such director's Board and committee duties is one of such director's top priorities and that such director's personal or professional circumstances do not adversely affect such director's ability to effectively serve as a director of the Company. Each director is expected to demonstrate this commitment in part by a high level of attendance at Board and Committee meetings.

Director orientation and continuing education

New director orientation is explicitly addressed in the written Board Operating Guidelines adopted by the Board and is a responsibility of the Corporate Governance and Compensation Committee. New directors are provided with substantial reference material pertaining to the Company, its strategic focus, financial and operating history, corporate governance practices and corporate vision. All directors receive a manual containing, among other things, constating documents, an organization chart of the Company and its subsidiaries, corporate fact sheets, lists of committees and committee charters and various corporate policies.

Ongoing director education is also explicitly addressed in the Board Operating Guidelines and is also a responsibility of the Corporate Governance and Compensation Committee. Regular background briefings are added to the agendas of meetings of the Board on topics relating to significant aspects of the Company's business and operations, including key business units and the legal, regulatory and industry requirements and environment in which the Company operates.

On a regular basis, the Board visits the Company's major operating centres and receives briefings in areas of critical and strategic importance. The Board also meets each year in a dedicated board education session. In fiscal 2016, the Board held a day and a half long board education session which all the directors attended and at which they were briefed in detail by all the executives of the Canaccord Genuity group including the heads of the operating units in Canada, the United States, the United Kingdom and Australia.

Performance evaluation of the Board

The Board has a policy for a performance evaluation of the Board, its committees and its individual directors. Over a two year cycle, there is a formal evaluation of the Board and its committees and a formal individual director evaluation including a peer review. The formal evaluation of the Board and its committees involves a detailed survey covering board organization, the Chairman, the Lead Director, management and human resources, strategy and plans, financial and corporate issues, shareholder communications and the function of Board committees is distributed to all directors. The formal individual director evaluation involves a detailed self-evaluation, a peer review and a review of a board skills matrix. The surveys are strictly confidential to encourage full and frank comments. The Corporate Governance and Compensation Committee reviews the surveys and makes recommendations to the Board. After the individual director evaluation surveys are completed, the Lead Director and the Chair of the Corporate Governance and Compensation Committee meet with each director individually to review the survey and recommendations and to review their role on the Board of Directors.

With the recommendations of the Corporate Governance and Compensation Committee, the full Board of Directors then assesses the effectiveness of the Board as a whole, the Board committees and the contributions of individual directors. The full Board then takes whatever steps are necessary, based on the feedback and surveys, to make any changes necessary to enhance the performance of the Board.

Succession planning

The duties and responsibilities in the succession planning process are shared among Board, the Corporate Governance and Compensation Committee and the CEO. The Board is responsible for approving the succession plan for the CEO; in the case of other senior managers, ensuring plans are in place for management succession and development; ensuring that criteria and processes for recognition, promotion, development and appointment of senior management are consistent with the future leadership requirements of the Company; and ensuring it receives appropriate briefings and acquires sufficient knowledge on potential successors to make an informed decision on future appointments.

The Corporate Governance and Compensation Committee annually reviews the succession plan for the CEO; receives periodic updates as well as an annual report on the plan and forwards it to the Board with appropriate comment; reviews and discusses with the CEO the processes and outcomes associated with the recognition, promotion, appointment and development of senior management; and ensures the succession plan includes a process that would respond to the unexpected incapacity of the CEO and any other emergency situation which required an immediate replacement of the incumbent CEO.

The CEO takes the lead in establishing the internal processes for identifying and developing the Company's leaders and for keeping the Board informed and involved; works with the Board, the Corporate Governance and Compensation Committee and senior management to design the Company's leadership development processes; evaluates the leading candidates for promotion; provides periodic updates to the Corporate Governance and Compensation Committee and the Board on the mechanisms that build leadership talent and succession capability in the Company, including leadership competency frameworks, management development training, job changes and an assessment of the most likely successors for the top positions in the Company; ensures human resources personnel have appropriate criteria and processes in place to hire, promote, transfer and retain employees of the Company and that such policies and processes are consistent with the policies of the Company; ensures there is a clear understanding of the management succession and development plan by all management and staff in the Company; and reviews the plan each year with the Corporate Governance and Compensation Committee and the Board.

Ethical business conduct

The Board has adopted a written Code of Business Conduct and Ethics (the "Code") for directors, officers and employees. It can be found among the documents filed by the Company on SEDAR at www.sedar.com and on the Company's website at www.canaccordgenuitygroup.com (under "Investor Relations – Corporate Governance"). Directors will be required annually to acknowledge in writing their agreement to comply with the Code and a system is currently being implemented to require all employees to do likewise. To the knowledge of the Board, there have been no departures from the Code during fiscal 2016 that would have required the filing of a material change report.

Any director, officer or employee who becomes aware of any existing or potential violation of the Code is encouraged to notify the Lead Director (Terry Lyons). Mr. Lyons reports to the Board on compliance with the Code. As an alternative, the Company has engaged a third-party provider to manage the reporting of any ethical concerns or improper conduct. A telephonic and online hotline are available. The hotline is operated by a third-party provider which specializes in this type of service. To report issues via the Internet, simply log on to the website at www.canaccordgenuity.ethicspoint.com and fill in important information fields regarding the nature of the question or report. If you choose to call instead, dial the hotline number at +1 (855) 817-0429 to speak with a live operator who will ask those important questions. (International access numbers can be found on the website.) Calls are toll free and both methods are available 24 hours a day, seven days a week. Regardless of which method is chosen, the system will prepare a report and forward it to the appropriate ethics contact within the Canaccord Genuity Group for review and, if necessary, investigation. The system will assign a report number, a PIN and a contact date. In this way the reporter can remain anonymous.

In accordance with the Code and the *Business Corporations Act* (British Columbia), any director who is aware of a material transaction or relationship that could reasonably be expected to give rise to a conflict of interest must discuss the matter promptly with the Lead Director and, in the case of matters considered by the Board, must disclose the interest to the Board and abstain from voting.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board has delegated certain of its responsibilities to two standing committees which meet regularly and have specific roles and responsibilities as defined by the Board. These committees are made up solely of non-management directors, a majority of whom are independent of management as determined under applicable securities legislation. Both the Audit Committee and the Corporate Governance and Compensation Committee are composed entirely of independent directors.

The Board has also delegated specific responsibilities to two committees which meet only as required. The Stock Issuance Committee consists of the members of the Corporate Governance and Compensation Committee and the Chief Executive Officer; it is delegated with the authority of the full Board to issue shares of the Company. The Borrowing Powers Committee consists of the Chief Executive Officer; it is delegated with the authority of the full Board to borrow money and provide guarantees in relation to transactions in the normal course of the business of one or more of the subsidiaries of the Company where the transaction has been approved by one of the Board of Directors, executive committee, or “names” committee of such subsidiary or subsidiaries.

Audit Committee

The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities by monitoring the Company's financial reporting practices and financial disclosures. Specific responsibilities and duties of the Audit Committee include reviewing the Company's annual and interim consolidated financial statements, annual and interim management's discussion and analysis and press releases relating to them before dissemination to the public; assessing the Company's accounting policies including discussing the appropriateness of such policies with management and the Company's external auditors; reviewing the systems of internal controls to ensure integrity in the financial reporting of the Company; assisting management to identify the Company's principal business risks; approving risk management policies that establish the appropriate approval levels for decisions and other checks and balances to manage risk; satisfying itself that policies are in place to manage the risks to which the Company is exposed, including market, operational, liquidity, credit, regulatory and legal, and reputational risk; reviewing the external auditors' plans for evaluating and testing the Company's internal financial controls; and overseeing the Company's external auditors including approving the external auditors' terms of engagement. Members of the Audit Committee are appointed annually by the Board of Directors. The committee has full access to staff and resources. At all committee meetings, a portion of the meeting is held without management present to allow a more open discussion.

The members of the Audit Committee are Terrence Lyons (Chair), William Eeuwes and Massimo Carello. Each of them is financially literate; that is, they are able to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. All of the members of the Audit Committee are independent of management as determined under applicable securities legislation. The Audit Committee met five times in the period from April 1, 2015, to June 1, 2016.

The Audit Committee has adopted a charter which specifically defines the roles and responsibilities of the Audit Committee. The Audit Committee has direct communication channels with the external auditors and the Chief Financial Officer and senior finance staff and discusses and reviews issues with each of them on a regular basis.

The Audit Committee is responsible to ensure management has designed and implemented an effective system of internal control.

The external auditors are recommended by the Audit Committee and appointed annually by the Company's shareholders. They report directly to the Audit Committee. After consultation with management, the Audit Committee is responsible for setting the external auditors' compensation. The external auditors attend each meeting of the Audit Committee, and a portion of each meeting is held without the presence of management. The Audit Committee reviews and approves annually the external auditors' audit plan and must approve any non-audit work by the external auditors. The policies for engagement of non-audit services also permit the chair of the Audit Committee to approve minor expenditures on non-audit services between meetings of the Audit Committee. The Chief Financial Officer and senior finance staff attend each meeting of the Audit Committee. The Audit Committee reviews and approves annually the internal audit plan.

Risk management

Uncertainty and risk are inherent in any financial markets activity. As an active participant in the Canadian and international capital markets, the Company is exposed to risks that could result in financial losses. The Company has identified its principal risks as: market risk, credit risk, operational risk and other risks. Accordingly, risk management and control of the balance between risk and return are critical elements in maintaining Canaccord Genuity's financial stability and profitability. Therefore, an effective risk management framework is integral to the success of Canaccord Genuity.

Canaccord Genuity's disciplined risk management process encompasses a number of functional areas and requires frequent communication, judgment and knowledge of the business, products and markets. The Company's senior management is actively involved in the risk management process and has developed policies and reports that require specific administrative procedures and actions to assess and control risks. These policies and procedures are subject to ongoing review and modification as activities, markets and circumstances change.

As part of Canaccord Genuity's risk philosophy, the first line of responsibility for managing risk lies with branch managers, department heads and trading desk managers (within prescribed limits). The monitoring and control of Canaccord Genuity's risk exposure is conducted through a variety of separate, but complementary, financial, credit, operational, compliance and legal reporting systems.

The Board of Directors (the Board) has oversight of the company-wide risk management framework. These responsibilities are delegated to the Audit and Risk Management Committees. The Audit Committee's mandate was updated in fiscal 2014 to better reflect the committee's oversight of the Company's risk management function.

The Audit Committee assists the Board in fulfilling its oversight responsibility by monitoring the effectiveness of internal controls and the control environment. It also receives and reviews various quarterly and annual updates and reports on key risk metrics and the overall risk management program.

The Risk Management Committee assists the Board in fulfilling its responsibilities for monitoring risk exposures against the defined risk appetite and for general oversight of the risk management process. The Risk Management Committee is led by the CFO (who is also the Chief Risk Officer), and committee members include the CEO and senior management representation from the key revenue-producing businesses and functional areas of Canaccord Genuity. The Committee identifies, measures and monitors the principal risks facing the business through review and approval of Canaccord Genuity's risk appetite, policies, procedures, and limits/thresholds.

The segregation of duties and management oversight are important aspects of Canaccord Genuity's risk management process. Canaccord Genuity has a number of functions that are independent of the revenue-producing businesses that perform risk management activities, including the monitoring, evaluating and analyzing of risk. These functions include Enterprise Risk Management, Compliance, Operations, Internal Controls and Financial Analysis, Treasury, Finance and Legal.

Additional information

Additional information about the Audit Committee and internal control and risk management systems (including details of how the principal risks of the Company are managed, the charter of the Audit Committee and details of external auditor service fees) is contained in the Company's annual information form (AIF) which can be found on SEDAR at www.sedar.com and on the Company's website at www.canaccordgenuitygroup.com (under "Investor Relations – Financial Reports"). In particular, see the sections of the AIF headed "Board Committees – Audit Committee" and "External Auditor Services Fees" and schedule "A" to the AIF. The charter of the Audit Committee can also be found on the Company's website under "Investor Relations – Corporate Governance – Board of Directors".

Corporate Governance and Compensation Committee

The Corporate Governance and Compensation Committee's mandate includes developing and recommending to the Board of Directors appropriate corporate governance guidelines; identifying future Board and committee members and completing an annual review of the Board's performance; evaluating the Chief Executive Officer's performance and determining his compensation; reviewing and making recommendations to the Board of Directors with respect to the compensation of all executive officers; fixing and determining (or delegating the authority to fix and determine) awards to employees under the Company's incentive plans; and reviewing key human resources policies and programs. The committee also functions as the nominating committee for the Board. The committee is also responsible to oversee the process of appointing the Chief Executive Officer; in the event of the death of the Chief Executive Officer, Paul Reynolds, on April 1, 2015, the committee undertook an extensive review of the requirements for a permanent Chief Executive Officer and the process of identifying appropriate candidates with a view to making a recommendation to the Board of Directors and their recommendations were considered by the full Board of Directors in a process that led to the decision to appoint Dan Daviau as the Chief Executive Officer effective October 1, 2015.

The process by which the Board determines compensation for directors is described in this Circular under the heading "Compensation of directors" on page 30 and the process by which the Board determines compensation for officers and employees is described in this Circular under the heading "Compensation discussion and analysis" on page 21.

Composition of the Corporate Governance and Compensation Committee

The Corporate Governance and Compensation Committee must be composed of at least three members who are independent of management, each of whom is appointed annually by the Board of Directors. The committee has full access to staff and resources. At all committee meetings, a portion of the meeting is held without management present to allow a more open discussion.

The members of the Corporate Governance and Compensation Committee are Michael Harris (Chair), Charles Bralver, William Eeuwes and Terrence Lyons. Each of them has significant and direct experience in executive compensation matters, leadership, talent management, governance and risk management through their tenures as senior leaders directing large and complex organizations. All of the members of the Committee are independent of management as determined under applicable securities legislation. The Corporate Governance and Compensation Committee met six times in the period from April 1, 2015 to June 1, 2016.

Nomination of directors

The Corporate Governance and Compensation Committee reviews annually the general and specific criteria applicable to candidates to be considered for nomination to the Board. The objective of this review is to maintain the composition of the Board in a way that provides the best mix of skills and experience to guide the long term strategy and ongoing business operations of the Company. This review takes into account the desirability of maintaining a reasonable diversity of background skills and experience and personal characteristics among the directors, along with the key common characteristics required for effective Board participation.

Although it is the full Board that is responsible for identifying suitable candidates to be recommended for election to the Board by the shareholders, the Corporate Governance and Compensation Committee has the responsibility to gather the names of potential nominees, screen their qualifications against the current skill and experience needs of the Board and make recommendations to the full Board. All directors are encouraged to suggest potential candidates and the Chairman and the Chief Executive Officer provide additional direct input to the process.

Diversity policy

The Company recognizes the importance of diversity at the Board, senior management levels and all other levels of the firm and is engaged at the highest levels of the Board and executive management in an ongoing discussion of the representation of women on the Board, in executive officer positions and at all other levels of the firm. In May 2015 it was the presenting sponsor of “The Next Billion: Women & The Economy of the Future”, the inaugural conference for an innovative new initiative. This one-day conference was designed to spark conversation, challenge assumptions and enable the sharing of practical solutions among senior corporate leaders with a view to creating a global, action-oriented community of private sector representatives focused on building their businesses by capitalizing on the potential of women as employees, executives, investors and consumers. Kalpana Desai, one of the Company’s directors, was a featured presenter at this conference. During the year, Canaccord Genuity Corp. became a sponsor of Women in Capital Markets, the largest network of professional women in the Canadian capital markets industry. The firm hosted a presentation for all capital markets employees by the CEO of Women in Capital Markets with a view to learning about the important work this organization is doing and how the firm can work together to drive positive change for the industry and the firm. The firm is actively encouraging engagement with this organization and ensuring that diversity is reflected in recruitment.

On the initiative of the CEO and the Global Operating Committee of the firm, a Core Diversity Council has been established to outline a global diversity policy. This Council is headed by a member of the Global Operating Committee and a senior woman from the capital markets division and includes the heads of HR in each of the regions. The mandate of the Council is to research best practices, gather input from internal and external sources and ultimately submit for approval a formal diversity policy which includes an internal target for the proportion of women on the Board and in executive management with a timeline for achieving the target.

Written policies and specific targets or quotas for gender or other diversity representation have not been adopted for the Board or for executive officer positions in the Company or any of its subsidiaries due to the small size of these groups and the need to consider a balance of criteria in each individual appointment. It is important that each appointment to the Board and as an executive officer be made, and be perceived as being made, on the merits of the individual and the needs of the Company at the relevant time. In addition, targets or quotas based on specific criteria could limit the Board’s ability to ensure that the overall composition of the Board and executive officers meets the needs of the Company and its shareholders.

Currently, as to gender, the Board is comprised of one female director (10%) and nine male directors (90%). Following the Meeting, assuming all of the nominees are elected, the Board will continue to be comprised of one female director and seven male directors. The Board and the Corporate Governance and Compensation Committee are enthusiastic to increase the representation of women on the Board as turnover occurs, taking into account the skills, background, experience and knowledge desired at that particular time by the Board and its Committees; a nominee’s diversity of gender, race, nationality, age, experience and other attributes has and will be considered favorably in the assessment of director nominees.

While there are currently no targets or quotas with respect to women in executive officer positions and there are currently no women in such positions in Canaccord Genuity Group Inc. or any of its major subsidiaries, there are currently women in mid-to-senior level officer positions at the Company’s major subsidiaries in diverse areas of the capital markets and wealth management businesses as well as corporate operations. The Company recognizes that in order to achieve a better, more representative balance of women in executive officer positions, it must ensure that this talent “pipeline” is properly developed.

Shareholder Engagement and Response

The Company believes that it is important to have regular and constructive engagement directly with its shareholders to allow and encourage shareholders to express their views on governance and other matters directly outside of the Annual General Meeting. These discussions are intended to be an interchange of views about governance and disclosure matters that are within the public domain and do not include a discussion of undisclosed material facts or material changes. The Board will continue to develop practices to increase engagement with the Company's shareholders as is appropriate for its shareholder base and size. Examples of engagement practices include meeting with the Company's larger shareholders as well as creating conduits for communication with smaller shareholders on an ongoing basis. The Board recognizes that shareholder engagement is an evolving practice in Canada and globally and will review its practices regularly to ensure that it is effective in achieving its objectives.

The Company meets quarterly with larger shareholders, and in the past year has had extensive discussions about compensation and governance which have shaped the Company's practices. As an example, as a direct result of engagement with its largest shareholders before the 2015 Annual General Meeting, the Company adopted a policy not to make forgivable loans to any of its directors or executive officers.

Compensation Discussion and Analysis

PHILOSOPHY AND OBJECTIVES

Compensation programs are designed to attract, retain and motivate top-quality professionals to support the success of the Company and enhance shareholder value.

Canaccord Genuity's compensation philosophy provides the foundation for all of the Company's employee compensation programs, including those for its executive officers. The philosophy includes the following key objectives that are the basis for designing programs to motivate behaviour that drives the Company's performance:

- establish performance-based compensation programs tied to annual and long term Company, business unit, business geography and individual goals, which are structured to align the interests of employees with those of shareholders;
- ensure that compensation opportunities are comparable to those at major competitors, so that the Company can attract, retain and motivate talented employees who are essential to the Company's long term success;
- encourage sound risk management and compliance with internal policies and procedures and the applicable law and rules and policies of securities regulators and self-regulatory organizations;
- ensure that compensation is not solely based on revenue attributable to an individual; this is for several reasons: first, such an approach does not take account of risk management and compliance costs; second, there is the inherent difficulty in determining who is directly responsible for generating specific revenue; and third, such a reward mechanism tends to discourage the teamwork that is a key behaviour the Company seeks to foster; and
- deliver a significant portion of total compensation in equity based awards, thereby further aligning the financial interests of employees with those of shareholders and encouraging prudent long term strategic decisions and risk management and encouraging long term service and loyalty.

Individual performance is measured in a number of ways against agreed upon goals and objectives and competencies specific to their role, with annual appraisals providing a significant element of performance assessment. The variable element of remuneration includes the use of share schemes, with awards deferred with vesting conditions to ensure that longer term performance is considered

The nature of the securities industry requires a workforce of highly skilled professionals, who are in great demand due to the revenue they can generate and the judgment they exercise in managing risk. Historically, competition to attract and retain these professionals results in high levels of compensation relative to other industries.

The overall objective in determining total compensation levels across the Company is to balance competitive pressures in the market for professional talent with cost considerations. Since the securities industry is fundamentally a human capital intensive business, compensation and benefits are a significant and critical expense. These expenses (often referred to as the compensation ratio) are also heavily impacted by a firm's mix of business. Higher ratios are found in retail/banking groups, while lower ratios are found in businesses with a large trading component. In fiscal 2016, the Company's total compensation expense was 64.8% of gross revenues.

Among companies in the securities industry, the majority of executive compensation is provided in the form of a variable, performance-based annual incentive that is delivered in both cash and equity awards. This approach creates strong alignment of pay with performance. The equity award portion of the Company's annual incentive compensation, which includes vesting provisions, creates employee ownership, encourages retention and further ties the compensation to the Company's future performance.

While the Company does not generally tie any elements of its compensation to compensation levels at other firms, when making decisions concerning compensation and benefits, the Company's Corporate Governance and Compensation Committee has reviewed analyses of compensation practices and financial performance among a peer group of other financial services firms in the Company's principal geographies. These firms are GMP Capital Inc.; Raymond James Financial; Cowen Group; Evercore; Ladenburg Thalmann; Stifel; Oppenheimer; Piper Jaffray; Greenhill; FBR & Co.; Cohen & Steers; Moelis & Company; JMP Group Inc.; and Numis Securities Ltd. In addition to the publicly held companies included in Canaccord Genuity's peer group, the capital markets divisions of the Canadian chartered banks (where available) and other financial services firms, private firms and partnerships that operate within its industry, including asset management and private equity firms, also influence the Company's compensation levels.

The Corporate Governance and Compensation Committee has considered the implications of the risks associated with the Company's compensation policies and practices and believes that such policies and practices are unlikely to expose Canaccord Genuity to inappropriate or excessive risks.

United Kingdom Remuneration Code

The operating subsidiaries of the Company which are regulated by the Financial Conduct Authority (FCA) in the United Kingdom (including Canaccord Genuity Limited, Canaccord Genuity Wealth Limited and Canaccord Genuity Financial Planning Limited) must comply with the FCA's Remuneration Code. Canaccord Genuity Limited, Canaccord Genuity Wealth Limited and Canaccord Genuity Financial Planning Limited each consider that it falls within Tier 3 of the FCA's tiered proportionality framework. As required by the Code, each has identified the employees subject to the Code (known as "Code staff") and has adopted a written remuneration policy which is administered by its Remuneration Committee. In the case of Canaccord Genuity Limited the effect is that Code staff will be subject to the payment of between 10% and 40% of profit share and bonus compensation in the form of a restricted share award under the Company's Long Term Incentive Plan.

Executive compensation related fees

For various projects since July 2006, the Company has retained Johnson Associates Inc., a boutique compensation consulting firm specializing in the financial services industry. In each of the fiscal years since fiscal 2011, Johnson Associates Inc. was retained to benchmark compensation for and of the Company's executive officers. In fiscal 2016, the aggregate fees billed for these services were US\$12,555. In fiscal 2015, the aggregate fees billed for these services were US\$14,506.

For various projects, the Company's operating subsidiary in the Channel Islands, Canaccord Genuity Wealth International Limited, has retained Hassell Blampied Associates, a human resources consultancy firm in the Channel Islands. In fiscal 2015 and 2016, Hassell Blampied Associates was retained to identify how its senior positions compare in terms of remuneration with jobs of similar size and type in the Channel Islands employment market. In fiscal 2016, the aggregate fees billed for these services were £6,015. In fiscal 2015, the aggregate fees billed for these services were £1,125. In fiscal 2016, Hassell Blampied Associates also provided services for the recruitment from Jersey of a non-executive director for Canaccord Genuity Wealth International Limited; the aggregate fees billed for these services were £5,000.

PRINCIPAL COMPONENTS OF EXECUTIVE COMPENSATION

Compensation for all executives, senior managers and key producers has two principal components: base salary, which is based on the market value of the role, internal pay equity and the individual's demonstrated ability to perform; and incentive compensation, which is linked to the results of the executive's business unit and business geography or the Company as a whole, depending on their role in the organization, the strategic positioning of the Company and the leadership provided to the Company and individual business units and business geographies.

However, there is a general distinction drawn between compensation paid to those in the capital markets division and those in the wealth management division. In addition, there is an equity participation component available to all employees with an emphasis on top producers and senior management. And there are broad-based benefit plans.

CANACCORD GENUITY CAPITAL MARKETS COMPENSATION

Canaccord Genuity capital markets, the division of the Company which conducts investment banking, research and trading activities on behalf of corporate, institutional and government clients and principal trading, has operations in Canada, the United Kingdom, the United States and internationally. Compensation for the senior officers of this business unit is benchmarked against average compensation paid to senior officers of comparable financial institutions who hold similar positions and is designed to both recruit and retain the most talented individuals in the marketplace. Eligible employees of Canaccord Genuity participate in incentive compensation programs that are linked to both the performance of the capital markets group and the overall results of the Company and which reflect compensation practices within the industry in their geographic location. Individual bonuses are based on the results of the business unit and the contribution of the individual to that profitability.

All employees in the Canaccord Genuity capital markets division are eligible to participate in the Company's long term incentive plan. See "Long Term Incentive Plan (LTIP)" on page 34.

CANACCORD GENUITY WEALTH MANAGEMENT COMPENSATION

Canaccord Genuity Wealth Management (CGWM), the Company's wealth management division, has operations in Canada, in the United Kingdom and the Channel Islands and in Australia. Compensation for the senior officers of the CGWM division is benchmarked against average compensation paid to senior officers of comparable financial institutions who hold similar positions and is designed to both recruit and retain the most talented individuals in the marketplace.

Individual bonuses of senior officers of the CGWM division are based on the results of the business unit which the senior officer oversees and the contribution of the senior officer to the profitability of that business unit. Senior officers of the CGWM division globally and top producers in the division outside Canada are eligible to participate in the Company's long term incentive plan. See "Long Term Incentive Plan (LTIP)" on page 34.

Top producers in the CGWM division in Canada may be granted loans for the purchase of Common shares of the Company in the open market, which are forgiven over a three-year period so long as the producer continues to be employed by Canaccord Genuity.

EQUITY COMPENSATION

Canaccord Genuity has a range of compensation related arrangements which involve an equity participation component available to all employees with an emphasis on top producers and senior management:

- for the Canaccord Genuity capital markets division globally, senior officers in Canaccord Genuity Wealth Management (CGWM, the wealth management division) globally, top producers in the CGWM division outside Canada and senior operations and administration management globally, to defer a portion of their cash compensation and, on an occasional basis as a special retention award, to key management to provide retention incentives, a long term incentive plan that provides for the award of restricted share units which typically vest over three years (the "**Long Term Incentive Plan**" or "**LTIP**");
- for key employees globally, on an occasional basis, to provide retention incentives, forgivable equity incentive loans for the purchase of Common shares of the Company in the open market which are forgiven over a three- to five-year period so long as the employee continues to be employed by Canaccord Genuity or is a "good leaver"; beginning in fiscal 2016, the Company has adopted a policy not to make forgivable loans to any of its directors or executive officers;
- for top producers in the CGWM division in Canada, past programs have involved loans for the purchase of Common shares of the Company in the open market which were forgiven over a three-year period so long as the producer continued to be employed by Canaccord Genuity (known variously as the "**CGWM Appreciation Program**", the "**CGWM Bonus Plan**" and the "**CGWM Partnership Program**");
- for the independent directors of the Company, a deferred share unit (DSU) plan to defer a portion of their cash compensation to be paid in the form of deferred share units which are settled in cash at the time of ceasing to be a director (the "**Director Deferred Share Unit Plan**" or "**DSU Plan**"); and
- for all full-time employees in Canada and the United States, an employer contribution to match (on a one-for-one basis up to \$3,000 per year for each employee) the employee's contribution for the purchase of Common shares of the Company in the open market pursuant to an employee share purchase plan (the "**ESPP**").

As a result of the acquisition of Collins Stewart Hawkpoint plc ("**CSHP**") on March 21, 2012, two share-based payment plans (the "**Collins Stewart Hawkpoint Replacement Annual Bonus Equity Deferral Plan**" and the "**Collins Stewart Hawkpoint Replacement Long Term Incentive Plan**") were introduced to replace the share-based payment plans that existed at CSHP at the time of the acquisition.

In fiscal 2013, the Company put in place a £15 million retention plan for key CSHP staff. The Company implemented this retention plan by the award of up to 1,581,701 restricted share units under the "**CSH Inducement Plan**", which would vest on the third, fourth and fifth anniversaries of the completion of the acquisition, and the award of 790,872 restricted share units under the existing LTIP, which would vest on the first and second anniversaries of the completion of the acquisition.

OTHER BENEFITS

Broad-based benefit plans. All employees, including the executive officers, are eligible to participate in the Company's broad-based benefits program consisting of medical, dental, life insurance, disability and other similar benefits. The Company provides these benefits in order to meet the basic health and welfare needs of its employees and their dependants. Employee contributions for medical and dental coverage are higher for more highly paid employees. Benefit plans are designed to be market competitive and consistent across the Company, but vary internationally based on local practice and statutory requirements.

Perquisites. The Company does not generally offer material perquisites or other personal benefits to executive officers other than benefits that are generally available on a non-discriminatory basis to all employees.

HEDGING OF ECONOMIC RISKS FOR PERSONAL EQUITY OWNERSHIP

The Company's directors and employees, including NEOs, are prohibited from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the director or employee.

COMPENSATION OF NAMED EXECUTIVE OFFICERS FOR FISCAL 2016

This section provides a discussion of the Company's objectives when compensating its Chief Executive Officer (CEO) from April 1, 2015, to September 30, 2015, David Kassie; its CEO from October 1, 2015, to the end of fiscal 2016, Dan Daviau; its Chief Financial Officer (CFO), Brad Kotush; the CEO of Canaccord Genuity Limited (the group's capital markets operating subsidiary in the United Kingdom), Alexis de Rosnay; the CEO of Canaccord Genuity Inc. (the group's capital markets operating subsidiary in the United States), Jeffrey Barlow; and the CEO of Canaccord Genuity Wealth Limited (the group's wealth management operating subsidiary headquartered in London, England), David Esfandi (collectively, the "Named Executive Officers" or "NEOs") with respect to fiscal 2016 and the policies the Company has implemented to achieve those objectives. It also outlines what each compensation program is designed to reward, each element of compensation, why the Company has chosen to pay each element, how the Company determined the amount it would pay, and how each compensation element fits into the Company's overall compensation objectives.

The following addresses what each objective of the Company's compensation program is designed to reward:

Performance-based

The Company emphasizes variable compensation as the core of its compensation strategy to provide a powerful incentive to its NEOs to focus on financial performance and also to help stabilize net earnings as a percentage of revenues. A large part of the variable compensation is based on a fixed percentage of net income generated by the business. A consequence of the Company's variable compensation policy is that individual compensation for many executives of the Company is highly variable. In years with high revenues, aggregate compensation costs increase with the Company's performance. Conversely, when revenues decline, a substantial portion of the Company's aggregate compensation costs decrease as well.

Attract, motivate and retain talented employees

The Company is engaged in a highly competitive business, and its success depends on the leadership of senior executives and the talent of its key employees. In order to attract and retain highly capable individuals, the Company needs to ensure that its compensation programs provide competitive levels of compensation. Therefore, the Company reviews information concerning compensation paid to executive officers of comparable businesses including how executive compensation correlates to financial performance and how the Company's financial performance compares to that of the peer group.

Encourage long term service and loyalty

The Company encourages long term service and loyalty by fostering a culture where employees own shares of the Company. This ownership encourages its employees to act in the best long term interest of the Company. The Company has minimum share ownership guidelines and share transfer restrictions for all people who participate in the Company's Long Term Incentive Plan (LTIP), which may be disappplied or waived, in whole or in part, at any time by the Committee or any Executive Officer.

Elements of compensation

For fiscal 2016, the compensation of the Company's NEOs included the following elements:

- base salary; the purpose is to attract, motivate and retain;
- Canaccord Genuity capital markets incentive compensation pool; the purposes are to attract, retain and motivate and to reward individual merit and contribution and commitment to corporate strategy, values and performance in relation to the Canaccord Genuity capital markets business units in various geographies; to the extent that this element of compensation is paid in RSUs under the LTIP, the purpose is also to align executive and shareholder interests and to encourage long term service and loyalty;
- grant of RSUs; the purposes are to provide additional retention incentives to key capital markets employees in order to better align their interests with the long term interests of the Company's shareholders, to encourage sound risk management and compliance with applicable laws and to encourage long term service and loyalty;
- executive profit share pool and discretionary annual bonus; the purposes are to attract, motivate and retain and to reward individual merit and contribution and commitment to corporate strategy, values and performance at the overall corporate level; to the extent that these elements of compensation are paid in restricted share units (RSUs) under the LTIP, the purpose is also to align executive and shareholder interests and to encourage long term service and loyalty;
- other benefits and perquisites including health and welfare benefits and the ESPP; the purposes are to align the interests of the NEO with the long term interests of the Company's shareholders, to encourage sound risk management and compliance with applicable laws and to encourage long term service and loyalty.

The following table sets out the compensation for the NEOs for each of the Company's three most recently completed financial years showing these elements. This table should be read together with the "Summary compensation table" on page 28 which sets out the compensation for the NEOs as required in NI 51-102F6 (Statement of Executive Compensation). **Management believes that this table and, in particular, the identification of that part of the CEO's compensation which is related to being an active revenue producer and contributor to the capital markets business in Canada and the United States rather than related to his responsibilities as the CEO and the amortization of special awards allow for a better evaluation of their compensation and facilitate a meaningful comparison of compensation in the current period to compensation in prior periods.**

Name and principal position	Year	Salary (1)	Capital markets compensation pool (2)	Amortization of special awards under LTIP (3)	Executive profit share and discretionary bonus (4)	All other compensation (5)	Total compensation (6)
Daniel Daviau ⁽¹⁾ CEO	2016	\$ 694,175	\$1,256,149	\$ —	\$ 383,035	\$ 3,029	\$ 2,336,388
	2015	\$ 494,325	\$9,389,164	\$ —	\$1,859,401	\$ —	\$11,742,890
	2014	\$ 460,997	\$2,266,047	\$ —	\$2,738,329	\$ —	\$ 5,465,373
David Kassie ⁽¹⁾ CEO	2016	\$ 450,000	\$ 150,000	\$ —	\$ 602,518	\$ —	\$ 1,202,518
	2015	\$ 450,000	\$ 590,207	\$ —	\$1,969,500	\$ —	\$ 3,009,707
	2014	\$ 450,000	\$ 16,254	\$ —	\$2,020,000	\$ —	\$ 2,486,254
Bradley Kotush CFO	2016	\$ 600,000	\$ —	\$ —	\$ 421,096	\$20,707	\$ 1,041,803
	2015	\$ 600,000	\$ —	\$ —	\$ 687,692	\$10,661	\$ 1,298,353
	2014	\$ 600,000	\$ —	\$ —	\$1,069,511	\$10,661	\$ 1,680,172
Alexis de Rosnay Chief Executive Officer, Canaccord Genuity Limited	2016	\$1,083,500	\$ —	\$1,356,825	\$ 588,555	\$ —	\$ 3,028,880
	2015	\$ 920,313	\$ —	\$ 876,631	\$ 751,789	\$ —	\$ 2,548,733
	2014	\$ 841,528	\$1,470,958	\$ 956,449	\$1,470,958	\$ —	\$ 4,739,893
Jeffrey Barlow President, Canaccord Genuity Inc.	2016	\$ 258,900	\$ 970,874	\$ —	\$ 517,799	\$ —	\$ 1,747,573
	2015	\$ —	\$1,773,100	\$ —	\$ 255,833	\$ —	\$ 2,028,933
	2014	\$ —	\$1,845,660	\$ —	\$ 317,488	\$ —	\$ 2,163,148
David Esfandi Chief Executive Officer, Canaccord Genuity Wealth Limited	2016	\$ 492,500	\$ —	\$ —	\$1,083,500	\$ —	\$ 1,576,000
	2015	\$ 469,725	\$ —	\$ —	\$ 845,505	\$ —	\$ 1,315,230

- (2) The amounts in this column represent the amounts paid from capital markets incentive compensation pools as compensation which directly relates to the contribution of the NEO as an active producer and contributor to the capital markets business. The amounts include both the amount paid in cash and the amount paid in the form of restricted share units (RSUs) under the LTIP.
- (3) The amounts in this column represent the amortization of previously granted special retention and hiring incentive awards to provide retention incentives. As part of the total compensation arrangement with regards to his appointment as Chief Executive Officer effective October 1, 2016, Mr. Daviau received a grant of 1,500,000 RSUs. He surrendered this award effective March 24, 2016, and the amount of the award is not included in the table.
- (4) The amounts in this column represent profit share and incentive compensation pool payments and bonuses. The amounts include both the amount paid in cash and the amount paid in the form of RSUs under the LTIP.
- (5) The amounts in this column include certain taxable benefits, the Company's contribution to an ESPP and any forgiveness of equity incentive loans made before fiscal 2016; no such loans were made to executives in fiscal 2016 and the Company has adopted a policy not to make forgivable loans to any of its directors or executive officers.

The following further describes each element of compensation including how the Company determines the amount and how each element fits in with the Company's overall compensation objectives:

Base salary

Each of the NEOs was paid a base salary as a means to provide a non-performance-based element of compensation that is certain and predictable and is generally competitive with market practices.

The base salary of the CEO is reviewed annually by the Corporate Governance and Compensation Committee. The CEO is required to own at least three times his base salary in Common shares of the Company.

The base salaries of the other NEOs are reviewed annually by the CEO based on a review of each of their roles and responsibilities and external market data for similar positions in which the Company competes for executive talent. The Company believes that providing a predictable base salary is essential to attract and retain talented executives and provide a compensation package that is perceived as fair. The determination of the appropriate level is subjective and not formulaic.

Canaccord Genuity capital markets incentive compensation pool

The Company has established a discretionary variable incentive-based compensation policy whereby a certain percentage of revenue or adjusted operating profit, adjusted by certain discretionary expenditures, of the Canaccord Genuity capital markets division in each of the principal geographies (Canada, the United Kingdom, the United States, China, Hong Kong, Singapore and Australia) and operating unit within the geography is allocated to the Canaccord Genuity capital markets incentive compensation pool in that geography and operating unit together with such other adjustments to the compensation pool as approved by senior executive management. After the deduction of the salaries of the employees of Canaccord Genuity capital markets in the geography and unit and certain other expenses, the balance is paid to the employees of Canaccord Genuity capital markets in the geography as determined by senior Canaccord Genuity capital markets executives in the geography subject to approval by the CEO and the CFO. The payments are allocated based entirely on merit and contribution and commitment to corporate strategy, values and performance in relation to Canaccord Genuity capital markets in the geography. Advances are paid monthly against anticipated semi-annual payments. With weaker market conditions, certain incentive compensation pools as recorded under the normal methodology were determined to be lower than would be required to provide necessary compensation to select key production staff. As a result, the Board agreed to temporarily increase the level of compensation as a percentage of revenue as an investment in maintaining production capacity for future performance. Additionally, employees with significant compensation allocations were required either to take 50% of their bonus compensation in the form of a restricted share unit (RSU) award or to agree to return a portion of their year-end compensation to the firm if they left before the end of one year. In fiscal 2016, as an active producer and contributor to the capital markets business in Canada and the United States, Mr. Daviau participated in the Canaccord Genuity capital markets compensation pool for Canada and the United States. Similarly, Mr. de Rosnay participated in the Canaccord Genuity capital markets compensation pool for the United Kingdom and Mr. Barlow participated in the Canaccord Genuity capital markets compensation pool for the United States. The amount of their compensation which relates directly to such contribution is shown in the previous table in column (2).

Stock-based compensation

Unless exempted in accordance with the Long Term Incentive Plan, it is mandatory for those earning more than C\$500,000 (in Canada and internationally other than in the United States or the United Kingdom) or US\$500,000 (in the United States) that at least 20% of profit share and bonus compensation that would otherwise be paid in cash (including the executive profit share, the Canaccord Genuity capital markets compensation pool and the discretionary bonus) be paid in the form of a restricted share award under the LTIP. In the United Kingdom, in accordance with the requirements of the FCA Remuneration Code, it is mandatory for those earning more than £200,000 of profit share and bonus compensation that at least 50% of profit share and bonus compensation that would otherwise be paid in cash be paid in the form of a restricted share unit (RSU) award under the LTIP. The amount of each restricted share award in respect of profit share and bonus compensation is 105% of the amount that would otherwise have been paid in cash.

As part of the total compensation arrangement with regards to his appointment as Senior Executive Vice-President of the Company and Global Head of Investment Banking effective October 1, 2016, Mr. de Rosnay received a grant of 425,000 restricted share units (RSUs) with a grant date fair value of \$5.55; these RSUs vest over five years. For fiscal 2017 and following years, the amount of this award (and all other special retention awards) which vests in that year (that is, one-fifth of \$2,358,750, or \$471,750) will be applied to reduce compensation otherwise payable in respect of profit share and bonus compensation. The amortization of this award and a previously granted hiring incentive awards is shown in the previous table in column (3).

Executive profit share pool

The Company has established a variable incentive-based compensation policy whereby a certain percentage of the operating net income (before taxes and certain other incentive compensation payments and excluding significant items including restructuring costs, amortization of intangible assets, goodwill impairment, certain development costs and acquisition related expense items) of the consolidated Canaccord Genuity Group is paid to the senior management group (including the CEO and CFO) as part of the discretionary bonus discussed below and a certain percentage of the operating net income (before taxes and certain other incentive compensation payments and excluding significant items including restructuring costs and acquisition related expense items) of each operating subsidiary is paid to the senior management group in that subsidiary as part of the discretionary bonus discussed below. The CEO and the CFO received a discretionary bonus which is determined, in part, with reference to the profit share pool in Canada. Messrs. Barlow, de Rosnay and Esfandi participated in the discretionary executive bonus pools which are determined, in part, with reference to the profit share in the United States, the profit share for Canaccord Genuity Limited in the United Kingdom and the profit share pool for the wealth management division in the United Kingdom, respectively.

Discretionary annual bonus

A discretionary bonus for each of the NEOs is determined annually on the basis of an assessment of the performance of the executive and the attainment of goals and objectives set for the executive officer and a review of the role and responsibilities of the executive officer and external market data for the same position in the markets in which the Company competes for executive talent.

The bonus for the CEO is determined by the Corporate Governance and Compensation Committee. The bonuses for the CFO and the other NEOs are determined by the CEO and reviewed by the Committee.

Employment and change in control agreements

Mr. Daviau has entered into an employment agreement which, among other terms, provides for a severance payment in the case of (a) his termination by his employer without just cause, (b) his resignation for good reason (that is, in circumstances where the conduct of his employer would constitute constructive dismissal at law) or (c) his resignation following a change of control if (i) he is not confirmed by the Board as the Chief Executive Officer of the Company within 30 days after a change of control, (ii) there is a substantial diminution of his responsibilities or (iii) the Company ceases to be a public company. In these circumstances, Mr. Daviau would be paid, in addition to his pro rata salary and bonus up to the date of termination, severance in an amount equal to two times the aggregate of (a) his annual base salary; (b) in the event that the date of termination is prior to April 1, 2018, an average of the annual bonuses for fiscal years 2013, 2014 and 2015; (c) in the event that the date of termination is on or after April 1, 2018, an average of the annual bonuses paid or payable to him for the two full fiscal years of employment completed immediately prior to the date of termination; and (d) in the event that the date of termination is prior to June 15, 2018, one-third of the value of any special LTIP award made in fiscal 2017. Except as provided in (d), the severance excludes any extraordinary retention bonuses, forgivable loans, extraordinary grants of unit or share options, restricted share units, performance share units or equity awards). Mr. Daviau would also have the benefit of certain plans or policies in which he participates until the earlier of 24 months from the date of his termination or beginning new employment elsewhere. The agreement provides for non-competition restrictions for a period of six months following the date of his termination and non-solicitation restrictions for a period of 12 months following the date of his termination. Under this agreement, if a triggering event had taken place on March 31, 2016, then the total amount payable to Mr. Daviau would have been \$13,982,246. Any unvested restricted share units would have continued to vest in accordance with the Long Term Incentive Plan.

Mr. Kassie, in connection with the acquisition of Genuity Capital Markets in April 2010, entered into an employment agreement which, among other terms, provides for a severance payment in the case of his termination by his employer without just cause or his resignation in circumstances where the conduct of his employer would constitute constructive dismissal at law. In these circumstances he would be paid, in addition to his pro rata salary and bonus up to the date of termination, severance in an amount equal to the "Severance Compensation" for each 12 month period (pro-rated for any period of less than 12 months) up until the expiry of 24 months, provided that the Company may, at its option, and in lieu of paying the amount described in (i) or (ii), within 90 days of the date of termination choose to reduce the period of the non-competition and non-solicitation restrictions to one year by paying an amount equal to one year's Severance Compensation. The Severance Compensation is the aggregate of (i) the executive's annual base salary as at the date of termination and (ii) the average of the annual performance bonuses paid or payable to the executive by the Company for the two fiscal years of the Company completed immediately prior to the date of termination (but for greater certainty, excluding any long term incentive plan, stock option, or equity awards, entitlements, and any payments in respect of any of the foregoing) provided that the amount for each 12 months after the first 12 months will not be less than \$2.0 million. Mr. Kassie would also have the benefit of certain plans or policies in which he participates until the earlier of 12 months from the date of his termination or beginning new employment elsewhere. Under this agreement, if a triggering event had taken place on March 31, 2016, and the Company had not exercised its option to reduce the period of the non-competition and non-solicitation restrictions to one year, then the total amount payable to Mr. Kassie would have been \$3,436,000. Any unvested restricted share units would have continued to vest in accordance with the Long Term Incentive Plan.

Mr. Kotush has entered into an employment agreement which, among other terms, provides for a severance payment in the case of his termination by his employer without just cause, his resignation in circumstances where the conduct of his employer would constitute constructive dismissal at law or his resignation for any reason by notice given on or before January 31, 2017. In these circumstances, he would be paid, in addition to his pro rata salary and bonus up to the date of termination, severance in an amount equal to 1.5 times the aggregate of (i) the average of the annual base salary paid or payable to him for the three fiscal years of the Company completed immediately prior to the date of termination and (ii) the average of the annual bonuses (including all amounts granted to him under the LTIP) paid or payable to him by the Company for the three fiscal years of the Company completed immediately prior to the date of termination (but for greater certainty, excluding any extraordinary retention bonuses, forgivable loans, extraordinary grants of unit or share options, restricted share units, performance share units or equity awards). Mr. Kotush would also have the benefit of certain plans or policies in which he participates until the earlier of 18 months from the date of his termination or beginning new employment elsewhere. Under this agreement, if a triggering event had taken place on March 31, 2016, then the total amount payable to Mr. Kotush would have been \$1,989,150. Any unvested restricted share units would have continued to vest in accordance with the Long Term Incentive Plan.

Canaccord Genuity does not have any other severance or employment agreements with any of its NEOs which provide for incremental payments, payables or benefits that are triggered by, or result from, any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in the NEO's responsibilities. However, any unvested restricted share units or unvested stock options may be vested, the forgiveness of forgivable loans accelerated and other liabilities or indebtedness waived or forgiven at any time at the discretion of the Board of Directors, the Corporate Governance and Compensation Committee or, subject to any guidelines determined by the Committee, the CEO or the CFO. It is expected that the exercise of this discretion would be considered in such circumstances as termination of employment combined with a change of control of the Company or where the immediate vesting of the unvested restricted share units is negotiated as part of severance arrangements.

SUMMARY COMPENSATION TABLE

The following table sets out the compensation for the NEOs for each of the Company's three most recently completed financial years.

Name and principal position (a)	Year (b)	Salary (c)	Share-based awards (d)	Option-based awards (e)	Non-equity incentive plan Compensation (f)		Pension value (g)	All other compensation (h)	Total compensation (i)
					Annual incentive plans (f1)	Long-term incentive plans (f2)			
Daniel Daviau ⁽¹⁾ CEO	2016	\$ 694,175	\$ 516,802	\$—	\$1,122,382	\$—	\$—	\$ 3,029	\$ 2,336,388
	2015	\$ 494,325	\$ 2,605,323	\$—	\$8,643,243	\$—	\$—	\$ —	\$11,742,891
	2014	\$ 460,997	\$ 1,239,106	\$—	\$3,765,270	\$—	\$—	\$ —	\$ 5,465,373
David Kassie ⁽¹⁾ CEO	2016	\$ 450,000	\$ 216,518	\$—	\$ 536,000	\$—	\$—	\$ —	\$ 1,202,518
	2015	\$ 450,000	\$ 559,707	\$—	\$2,000,000	\$—	\$—	\$ —	\$ 3,009,707
	2014	\$ 450,000	\$ 436,254	\$—	\$1,600,000	\$—	\$—	\$ —	\$ 2,486,254
Bradley Kotush CFO	2016	\$ 600,000	\$ 191,096	\$—	\$ 230,000	\$—	\$—	\$ 20,707	\$ 1,041,803
	2015	\$ 600,000	\$ 153,292	\$—	\$ 534,400	\$—	\$—	\$ 10,661	\$ 1,298,353
	2014	\$ 600,000	\$ 229,511	\$—	\$ 840,000	\$—	\$—	\$ 10,661	\$ 1,680,172
Alexis de Rosnay Chief Executive Officer, Canaccord Genuity Limited	2016	\$ 1,083,500	\$ 2,454,805	\$—	\$ 492,500	\$—	\$—	\$ —	\$ 4,030,805
	2015	\$ 920,313	\$ 1,942,698	\$—	\$ 263,126	\$—	\$—	\$ —	\$ 3,126,137
	2014	\$ 841,528	\$ 2,109,429	\$—	\$1,617,740	\$—	\$—	\$ —	\$ 4,568,697
Jeffrey Barlow President, Canaccord Genuity Inc.	2016	\$ 258,900	\$ 444,013	\$—	\$1,044,660	\$—	\$—	\$ —	\$ 1,747,573
	2015	\$ —	\$ 737,103	\$—	\$1,291,830	\$—	\$—	\$ —	\$ 2,028,933
	2014	\$ —	\$ 613,809	\$—	\$1,549,339	\$—	\$—	\$ —	\$ 2,163,148
David Esfandi Chief Executive Officer, Canaccord Genuity Wealth Limited	2016	\$ 492,500	\$ 216,700	\$—	\$ 866,800	\$—	\$—	\$ —	\$ 1,576,000
	2015	\$ 469,725	\$ —	\$—	\$ 845,505	\$—	\$—	\$ —	\$ 1,315,230

(1) On March 30, 2015, David Kassie assumed the role of Chief Executive Officer on an interim basis after the then Chief Executive Officer, Paul Reynolds, was hospitalized following an unexpected medical emergency during a family vacation. Mr. Reynolds died on April 1, 2015, and on April 2, 2015, Mr. Kassie was appointed as the Chief Executive Officer of the Company. Daniel Daviau was appointed as the Chief Executive Officer of the Company effective on October 1, 2015.

(d) The amounts in this column represent the grant date fair value of the restricted share units (RSUs) awarded to NEOs in respect of the four quarters for each financial year plus, in the case of amounts that have been accrued for which RSUs have not yet been awarded, the amount to be awarded and plus the amount paid as a dividend equivalent on the vesting of RSUs. For details of the LTIP and the material terms of each award, see "Long Term Incentive Plan (LTIP)" on page 34. The grant date fair value for all RSUs (except those granted under the CSH Inducement Plan) depends on whether the trustee of an employee benefit trust (EBT) has purchased Common shares in number equal to the number of RSUs awarded: if the trustee has, then the grant date fair value is the average price of all such shares, but to the extent that the trustee has not, then the grant date fair value is the volume weighted average price on the Toronto Stock Exchange for the ten trading days immediately preceding the grant date. The grant date fair value of RSUs granted under the CSH Inducement Plan is \$8.50 for each RSU; this is the minimum value that an awardee will receive on vesting. These methodologies represent management's best estimate of fair value at the grant dates.

As part of the total compensation arrangement with regards to his appointment as Chief Executive Officer effective October 1, 2016, Mr. Daviau received a grant of 1,500,000 restricted share units (RSUs). He surrendered this award effective March 24, 2016, and the amount of the award is not included in the table. As part of the total compensation arrangement with regards to his appointment as Senior Executive Vice-President of the Company and Global Head of Investment Banking effective October 1, 2016, Mr. de Rosnay received a grant of 425,000 restricted share units (RSUs) with a grant date fair value of \$5.55; these RSUs vest over five years. For fiscal 2017 and following years, the amount of this award (and all other special retention awards) which vests in that year (that is, one-fifth of \$2,358,750, or \$471,750) will be applied to reduce compensation otherwise payable in respect of profit share and bonus compensation.

The RSUs awarded to NEOs that vested during the financial year and that had not vested as of March 31, 2016 are shown in the following table.

NEO name	Market value of RSUs that vested during the year ended March 31, 2016	Number of RSUs that have not vested as of March 31, 2016	Market value of RSUs that have not vested as of March 31, 2016
Daniel Daviau	\$878,802	468,077	\$1,876,989
David Kassie	\$543,803	137,530	\$ 551,495
Bradley Kotush	\$155,755	40,866	\$ 163,873
Alexis de Rosnay	\$686,889	895,227	\$3,589,860
Jeffrey Barlow	\$328,786	241,712	\$ 969,265
David Esfandi	\$ 21,559	28,143	\$ 112,849

The market value of RSUs that vested during the year is calculated by multiplying the number of RSUs that vested by the closing market price of the underlying shares on the vesting date. The market value of RSUs that have not vested as of March 31, 2016 is calculated by multiplying the number of RSUs that have not vested by the closing market price of the underlying shares on March 31, 2016 (\$4.01). All RSUs are distributed on vesting; therefore the RSUs that have not vested are the only RSUs that have not been paid out or distributed.

- (e) No options awarded to NEOs vested during the financial year, and no options were exercised during the financial year. The options that were unexercised as of March 31, 2016 are shown in the following table. Under certain circumstances the options may expire earlier.

NEO name	Market value of options that vested during the year ended March 31, 2016	Number of shares underlying unexercised options as of March 31, 2016	Option exercise price	Option expiration date	Value of unexercised in-the-money options as of March 31, 2016
Bradley Kotush	\$ —	117,318	\$ 9.47	August 31, 2016	\$ —

The market value of options that vested during the year is calculated by multiplying the number of shares underlying the unexercised options by the excess, if any, of the closing market price of the underlying shares on the vesting date and the exercise price of the options. The value of unexercised in-the-money-options as of March 31, 2016, is calculated by multiplying the number of shares underlying the unexercised options by the excess, if any, of the closing market price of the underlying shares on March 31, 2016 (\$4.01) and the exercise price of the options.

- (f1) The amounts in this column represent profit share and incentive compensation pool payments and bonuses. The amounts exclude any portion of the profit share and incentive compensation pool payments and bonuses that would otherwise have been paid in cash in respect of which the NEO instead received RSUs under the LTIP.
- (h) The amounts in this column include certain taxable benefits, the Company's contribution to an ESPP and any forgiveness of equity incentive loans made before fiscal 2016; no such loans were made to executives in fiscal 2016 and the Company has adopted a policy not to make forgivable loans to any of its directors or executive officers.

PERFORMANCE GRAPH

The following performance graph shows the cumulative return for the five most recently completed financial years (from April 1, 2011 to March 31, 2016) for the Common shares of the Company (assuming reinvestment of dividends) compared to the S&P/TSX Composite Index. The graph and table show what a \$100 investment in the index and the Common shares, made on April 1, 2011, would be worth at the end of fiscal 2016.

Performance graph (C\$)



The Corporate Governance and Compensation Committee uses a broader analysis than total return on investment in determining the annual compensation of the Company's executive officers but compensation levels for the CEO and the CFO have been generally consistent with the trend in total return on investment charted in the performance graph. The CEO's total compensation year over year decreased in fiscal 2011 and in fiscal 2012, increased less than 1.0% in fiscal 2013 and increased in fiscal 2014 to reflect the improved performance of the Company in that year. The total compensation of the person who was CEO in fiscal 2015 was anomalously high in that it largely reflected the accelerated forgiveness of a share purchase loan upon the untimely death of that person. The significantly lower total compensation of the CEO and the CFO in fiscal 2016 reflects the continuing trend in total return on investment charted in the performance graph for that year.

COMPENSATION OF DIRECTORS

The Corporate Governance and Compensation Committee reviews annually the compensation paid to directors as directors. In assessing the compensation of directors, the committee reviews external surveys and other third party information pertaining to compensation paid by the Company's industry peers to their directors and to corporate directors in Canada.

The following table sets out the compensation for all the directors who are not NEOs for the Company's most recently completed fiscal year (2016):

Name (a)	Fees earned (b)	Share-based awards (c)	Option-based awards (d)	Non-equity incentive plan compensation (e)	Pension value (f)	All other compensation (g)	Total (h)
Charles Bralver	\$177,035	\$ 50,000	\$ —	\$ —	\$ —	\$ —	\$227,035
Massimo Carello	\$107,087	\$ 50,000	\$ —	\$ —	\$ —	\$ —	\$157,087
Kalpana Desai	\$ 74,000	\$ 50,000	\$ —	\$ —	\$ —	\$ —	\$124,000
William Eeuwes	\$ 74,000	\$ 50,000	\$ —	\$ —	\$ —	\$ —	\$124,000
Michael Harris	\$ 19,500	\$110,000	\$ —	\$ —	\$ —	\$ —	\$129,500
Terrence Lyons	\$361,925	\$ 58,752	\$ —	\$ —	\$ —	\$ —	\$420,677
Dennis Miller	\$146,971	\$ 50,000	\$ —	\$ —	\$ —	\$ —	\$196,971
Dipesh Shah	\$179,346	\$ 50,000	\$ —	\$ —	\$ —	\$ —	\$229,346

- (b) The amounts in this column include the annual fee, meeting fees and travel fees. In the case of Messrs. Bralver, Lyons and Miller, the amount includes fees earned in US dollars as directors of Canaccord Genuity Inc. In the case of Messrs. Carello, Lyons and Shah, the amount includes fees earned in UK pounds sterling as directors or advisors of Canaccord Genuity Limited or Canaccord Genuity Wealth Limited.
- (c) The amounts in this column for the independent directors (Messrs. Bralver, Carello, Eeuwes, Harris, Lyons, Miller and Shah and Ms. Desai) represent the grant date fair value of the deferred share units (DSUs) awarded to directors in respect of the four quarters for the financial year. For details of the DSUs, see "Deferred share units" on page 32. The grant date fair value is the volume weighted average price on the Toronto Stock Exchange for the ten trading days immediately preceding the grant date. This methodology represents management's best estimate of fair value at the grant date.

The DSUs awarded to directors during the financial year and that were outstanding as of March 31, 2016 are shown in the following table. These numbers include additional DSUs paid in respect of cash dividends. The market value of DSUs awarded during the year is calculated by multiplying the number of DSUs awarded by grant date fair value or the closing price of the underlying shares on the dividend payment date, as the case may be. The market value of DSUs that are held as of March 31, 2016, is calculated by multiplying the number of DSUs held by the closing market price of the underlying shares on March 31, 2016 (\$4.01).

Director name	Number of DSUs awarded during the year ended March 31, 2016	Market value of DSUs awarded during the year ended March 31, 2016	Number of DSUs held as of March 31, 2016	Market value of DSUs held as of March 31, 2016
Charles Bralver	10,051	\$ 54,445	37,614	\$ 150,832
Massimo Carello	9,773	\$ 52,820	26,584	\$ 106,602
Kalpana Desai	9,442	\$ 50,882	13,420	\$ 53,814
William Eeuwes	10,058	\$ 54,488	11,924	\$ 47,815
Michael Harris	22,126	\$119,859	83,381	\$ 334,358
Terrence Lyons	11,824	\$ 64,055	44,787	\$ 179,596
Dennis Miller	9,417	\$ 50,738	12,444	\$ 49,900
Dipesh Shah	9,770	\$ 52,804	26,471	\$ 106,149

- (d) No options vested during the financial year. The options that were unexercised as of March 31, 2016 are shown in the following table. Under certain circumstances the options may expire earlier.

Director name	Market value of options that vested during the year ended March 31, 2016	Number of shares underlying unexercised options as of March 31, 2016	Option exercise price	Option expiration date	Value of unexercised in-the-money options as of March 31, 2016
Charles Bralver	\$ —	25,000	\$ 8.39	March 31, 2017	\$ —
Massimo Carello	\$ —	25,000	\$ 8.39	March 31, 2017	\$ —
William Eeuwes	\$ —	25,000	\$ 8.39	March 31, 2017	\$ —
Michael Harris	\$ —	25,000	\$ 8.39	March 31, 2017	\$ —
Terrence Lyons	\$ —	25,000	\$ 8.39	March 31, 2017	\$ —

The market value of options that vested during the year is calculated by multiplying the number of shares underlying the unexercised options by the excess, if any, of the closing market price of the underlying shares on the vesting date and the exercise price of the options. The value of unexercised in-the-money-options as of March 31, 2016, is calculated by multiplying the number of shares underlying the unexercised options by the excess, if any, of the closing market price of the underlying shares on March 31, 2016 (\$4.01) and the exercise price of the options.

(e) The amounts in this column represent profit share and incentive compensation pool payments.

For fiscal 2016, non-executive directors were paid for their service as directors of Canaccord Genuity Group Inc. an annual fee of \$100,000 per year. In addition, non-executive directors were paid a fee of \$1,500 for each meeting attended of the Board and of a committee of which they are a member and \$1,500 for travel in any day in excess of four hours. The Lead Director was paid an additional fee of \$40,000 per year. The chair of the Audit Committee was paid an additional fee of \$20,000 per year and the chair of the Corporate Governance and Compensation Committee was paid an additional fee of \$10,000 per year.

Non-executive directors were also paid for their service as non-executive directors of various subsidiaries of the Canaccord Genuity Group: (a) non-executive directors who served as directors of Canaccord Genuity Limited were paid an annual fee of £40,000 and a fee of £1,000 for each meeting attended of the board of Canaccord Genuity Limited or Canaccord Genuity Wealth Limited and of a committee of which they are a member and £1,000 for travel in any day in excess of four hours, (b) non-executive directors who served as directors of Canaccord Genuity Inc. were paid an annual fee of US\$50,000 and a fee of US\$1,500 for each meeting attended of the board of Canaccord Genuity Inc. and of a committee of which they are a member and US\$1,500 for travel in any day in excess of four hours and (c) non-executive directors who served as directors of the Australian and Asian subsidiaries of the Canaccord Genuity Group were paid a fee of \$1,500 for each meeting attended of each board of such subsidiaries and of a committee of which they are a member and \$1,500 for travel in any day in excess of four hours. In addition, Mr. Bralver was paid an additional fee of US\$20,000 as the chair of the audit committee of Canaccord Genuity Inc.

Mr. Bralver was a director of Canaccord Genuity Inc. and chair of its audit committee and, in those capacities was paid the equivalent of \$107,535. Mr. Lyons was a director of Canaccord Genuity Limited and a member of its audit committee and a director of Canaccord Genuity Wealth Limited, Canaccord Genuity Inc. and a number of the Canaccord Genuity Group subsidiaries in Asia and, in those capacities, was paid the equivalent of \$184,374. Mr. Miller was a director of Canaccord Genuity Inc. and, in that capacity, was paid the equivalent of \$71,471. Mr. Shah was a director of Canaccord Genuity Limited and a member of its audit and remuneration committees until August 31, 2015, and, in those capacities, was paid the equivalent of \$44,613. From September 2015, Mr. Shah was a senior advisor to the Board of Directors of Canaccord Genuity Limited providing professional support in assessing financial and risk matters and advising the Board on developments in the UK and European economies that are of relevance to the business of Canaccord Genuity Limited. In that capacity, he was paid, indirectly through a personal services corporation, the equivalent of \$57,733. From January 2016, Mr. Carello was a director of Canaccord Genuity Limited and, in that capacity was paid the equivalent of \$25,586.

The directors are also entitled to reimbursement for out-of-pocket expenses for attendance at meetings of any of the boards and any of their committees and for other expenses reasonably incurred in the business of the Company.

Deferred share units

Effective from April 1, 2011, no further stock options were granted to directors. The annual option grant was replaced by a quarterly award of deferred share units (DSUs) whereby the directors can elect to have the fees payable to them paid in the form of the issuance of DSUs. Directors must elect annually whether they wish their directors' fees to be so used and can specify a portion of their directors' fees to be used for DSUs and the remaining amount of fees to be paid in cash. A DSU is a bookkeeping entry that tracks the value of one Common share. When cash dividends are paid on Common shares, eligible directors are credited with additional DSUs. The number of additional DSUs is calculated by multiplying the cash dividend per Common share by the number of DSUs in the director's account as of the date of record divided by the fair market value of a Common share on the payment date of the dividend. DSUs accumulate over a director's term of service and are not paid out until the director leaves the Board of Directors, providing them with an ongoing stake in the Company during the term of service. When the director leaves the Board of Directors, payment for the DSUs is made in cash.

Share ownership guidelines

Directors will have five years from the date of their election or appointment to acquire shares and DSUs with a market value of \$250,000. Unexercised in-the-money options do not count towards the share ownership threshold. Until the share ownership threshold is met, a minimum of \$50,000 of the annual fee will be in the form of DSUs. After the share ownership threshold is met, a minimum of \$25,000 of the retainer will be in the form of DSUs. Directors may elect to take any part (up to 100%) of the fees in the form of DSUs.

With respect to the nominees for election as director, using the closing market price of the common shares on March 31, 2016 (\$4.01) and the number of shares beneficially owned, directly or indirectly, or controlled or directed and the number of RSUs and the number of DSUs owned directly as of March 31, 2016, the total accumulated value of each director's equity holdings, including shares RSUs and DSUs, is as follows:

	Number of common shares	Number of RSUs	Number of DSUs	Total accumulated value	Share ownership threshold met?
Charles Bralver	50,500	—	37,614	\$ 353,337	Yes
Massimo Carello	75,000	—	26,584	\$ 407,352	Yes
Dan Daviau	1,278,080	468,077	—	\$ 7,002,090	Yes
Kalpana Desai	—	—	13,420	\$ 53,814	To be met by August 2019
Michael Harris	82,339	—	83,381	\$ 664,537	Yes
David Kassie	3,758,394	137,530	—	\$ 15,622,655	Yes
Terrence (Terry) Lyons	41,568	—	44,787	\$ 346,284	Yes
Dipesh Shah	—	—	26,471	\$ 106,149	To be met by November 2017

Insurance coverage and indemnification

The Company's directors and officers and the directors and officers of its affiliate entities are covered under directors' and officers' insurance policies providing an aggregate limit of liability to the insured directors and officers of \$60 million.

The Company's articles also provide for mandatory indemnification of its directors and former directors from and against liability and costs in respect of any action or suit against them in connection with the execution of their duties or office, either for the Company or any affiliated entity, subject to certain customary limitations. The Company has entered into a director's indemnification agreement with each of the directors which supplements the articles and provides, among other things, for payment of expenses as they are incurred (subject to repayment if it is later determined that the director was not entitled to be indemnified), the determination of entitlement by independent legal counsel and the maintenance of insurance at the current levels if it is reasonably available.

Securities Authorized for Issuance Under Equity Compensation Plans

EQUITY COMPENSATION PLAN INFORMATION⁽¹⁾

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders:			
LTIP ⁽²⁾	1,764,559	\$7.52	0
Share Option Plan	1,509,354	\$9.38	751,619
Equity compensation plans not approved by securityholders:			
CSH Replacement ABED	25,637	\$9.01	0
CSH Replacement LTIP	201,552	\$9.01	0
CSH Inducement Plan	651,076	\$8.50	0
Total	4,152,178	Not applicable	751,619

(1) The information in this table is given as of March 31, 2016.

(2) This information relates to the shares issuable from treasury under the Long Term Incentive Plan (LTIP) for awards in respect of all fiscal quarters ended on or before March 31, 2016, and reflecting the upper limit of 10,000,000 Common shares originally authorized by the shareholders. It does not include the shares purchased for the LTIP by the key employee benefit trusts.

Canaccord Genuity has the following share-based incentive schemes for purposes of rewarding its executives and employees and aligning their interests with those of the Company:

1. LONG TERM INCENTIVE PLAN (LTIP)

On August 2, 2007, the Company adopted the Long Term Incentive Plan (the "LTIP"). Set out below is a summary of the principal rules of the LTIP which is provided for information purposes only and cannot be relied upon in substitution of the rules themselves.

(a) Eligibility; grant of awards

Eligible participants are employees in the Canaccord Genuity capital markets division of the Canaccord Genuity Group and senior operations and administration management employees of companies in the Group. The general terms of the LTIP are the same for each country but, because of jurisdictional differences, historically the plans have been implemented in slightly different ways and there are separate plan texts for each of the United Kingdom and the United States and for elsewhere. For employees outside the United Kingdom and the United States (principally employees in Canada of Canaccord Genuity Corp.), a key employee benefit trust has been established, and the Company or Canaccord Genuity Corp. funds the trust with cash which is used by a trustee to purchase Common shares on the open market that will be held in trust by the trustee until restricted share units vest, or the Company issues Common shares from treasury to plan participants following vesting of restricted share units. Historically, for employees in the United States and the United Kingdom, at the time of each restricted share unit award, the Company has allotted Common shares and these shares have been issued from treasury to plan participants following vesting of restricted share units. Effective from June 2014, key employee benefit trusts have also been established in the United States and the United Kingdom and the Company or Canaccord Genuity Inc. or Canaccord Genuity Limited, as the case may be, funds the trusts with cash which is used by a trustee to purchase Common shares on the open market that will be held in trusts by their trustees until restricted share units vest, or the Company will issue Common shares from treasury to plan participants following vesting of restricted share units. The plan texts for each of the United Kingdom and the United States have been amended to reflect this change and to make certain other consequential amendments and amendments to reflect changes of name in the Canaccord Genuity Group. In addition, the plan texts for each of the United Kingdom and the United States have been amended to provide that the maximum vesting period for any award is five years rather than three years. This amendment does not apply to any awards that have already been granted. These amendments are within the authority of the Committee, and shareholder approval is not required and has not been obtained.

Awards are granted in the form of unvested restricted share units (known as RSUs). Upon vesting, the restricted share units entitle the participant to receive (by way of issuance from treasury and/or transfer) an equivalent number of Common shares.

The LTIP is administered by the Board of Directors, the Corporate Governance and Compensation Committee (or such other committee of the Board of Directors that the Board may authorize to administer the LTIP; the “**Committee**”) and the Chief Executive Officer, Chief Operating Officer (if any) and Chief Financial Officer of the Company (for the purposes of this section, the “**Executive Officers**”).

(b) Exercise price

The price at which a participant may acquire Common shares on the vesting of his or her restricted share units is nil.

(c) Dividends

Any dividends paid on Common shares during the vesting period will not accrue to the underlying restricted share units; however, participants will be entitled to receive a cash equivalent of any such dividends accruing (known as a dividend equivalent) upon vesting of their share units.

(d) Plan limits

Under the LTIP as approved by the shareholders, a total of 10,000,000 Common shares were authorized for issuance from treasury. Over the life of the LTIP to March 31, 2016, a total of 8,235,441 Common shares have been issued from treasury, leaving a maximum number of Common shares that may be issued from treasury under the LTIP (including the LTIP portion of the CSH Inducement Plan referred to on page 41) at 1,764,559 Common shares. This represents approximately 1.7% of the number of Common shares outstanding as of the date of this Circular. In the management information circular for the annual general meeting of the Corporation’s shareholders held on August 2, 2007, at which the LTIP was approved by shareholders, the Company set out that the maximum number of Common shares that may be subject to restricted share unit awards under the LTIP in respect of any four consecutive fiscal quarters of the Company is 2,000,000. In May 2012, the Committee amended the LTIP to provide that the maximum number of Common shares that may be issued from treasury pursuant to awards under the LTIP in respect of any four consecutive fiscal quarters of the Corporation is 3,000,000 and to make it clear that this maximum only applies to awards under the LTIP and not to other share-based incentive schemes. In November 2012, the Committee amended the LTIP to reduce to a maximum of 12 months the non-competition period following a termination. These amendments are within the authority of the Committee, and shareholder approval is not required and has not been obtained.

In addition,

- (i) the maximum number of Common shares which may be reserved for issuance to any person at any time under the LTIP may not exceed 2.5% of the Common shares outstanding at the time of any award to that person; and
- (ii) the aggregate number of Common shares (a) issued to insiders of the Company, within any one-year period; or (b) issuable to insiders of the Company, at any time, under the LTIP, or when combined with all of the Company’s other security-based compensation arrangements (as defined in the Toronto Stock Exchange Company Manual), may not exceed 10% of the Common shares then outstanding. For the purpose of the interpretation of the plan limits, “insiders” means those insiders who are required to file insider reports under Canadian securities legislation.

(e) Vesting/exercise; termination of employment; change of control

During the year ended March 31, 2016, 1,179,669 Common shares were issued from treasury and 2,771,653 Common shares were transferred from employee benefit trusts on the vesting of awards and awards over 1,153,068 Common shares were forfeited.

The Committee has absolute discretion to determine the vesting criteria of awards granted under the LTIP, provided that the vesting period is no more than three years (or, in the case of the United Kingdom and the United States, five years) following the end of the calendar year in which the award is granted.

Absent any other determination by the Committee or one of the Executive Officers, unvested share units shall vest as follows:

- (i) one-third shall vest on the first business day after the Company’s first “earnings release” (as more particularly defined in the LTIP) that immediately precedes the first anniversary of the date of grant;
- (ii) one-third shall vest on the first business day after the Company’s first earnings release that immediately precedes the second anniversary of the date of grant; and
- (iii) one-third shall vest on the first business day after the Company’s first earnings release that immediately precedes the third anniversary of the date of grant.

Even after vesting, 50% of the shares acquired under the LTIP may be subject to restrictions on transfer that are related to certain minimum share ownership guidelines for plan participants as established by the Board, the Committee or the Executive Officers. The restrictions on transfer may be disapplied or waived, in whole or in part, at any time by the Committee or any Executive Officer.

There are no performance conditions attaching to the LTIP awards.

If a participant terminates his or her employment or if the Company terminates a participant's employment for "cause" (as more particularly defined in the LTIP), his or her unvested share units shall automatically lapse on the date of such termination. In all other circumstances of cessation of employment (other than death), if the participant does not compete with the Company for a period of 12 months (which may be extended to 24 months) following the termination, the participant is entitled to retain his or her unvested share units until the applicable vesting date and they will continue to be governed by the rules of the LTIP including the vesting criteria referred to above. If a participant's employment terminates by reason of death, his or her unvested share units will automatically vest on the date of such event.

Notwithstanding the foregoing, the Committee or one of the Executive Officers may, without amending the rules of the LTIP, determine that all or any proportion of an award will vest in circumstances in which it would not have otherwise vested or would have vested at a later date.

It is expected that the exercise of this discretion would be considered in such circumstances as a termination of employment combined with a change of control of the Company or where the immediate vesting of the unvested restricted share units is negotiated as part of severance arrangements.

(f) Manner of vesting

Participants may retain their vested shares in the LTIP until they choose to voluntarily withdraw them. If a participant ceases to be an employee for whatever reason, they will be required to withdraw their vested shares within 90 days of such event occurring. Vesting is conditional upon the participant paying for any income tax and employee National Insurance contributions due (or local law equivalents) or undertaking to make such a payment.

(g) Variation of share capital

In the event of any amalgamation, arrangement, capitalization issue or offer by way of rights (including an open offer), or upon any consolidation, subdivision, reclassification or reduction or other variation of the Company's share capital or in the event that the Company is the subject of a demerger, the number of Common shares the subject of an LTIP award may be adjusted in such manner as the Committee considers to be equitable.

(h) Amendments and general

No rights under an LTIP award may be assigned or transferred by an award holder to any other person except in the event of an award holder's death. Awards granted under the LTIP shall not be pensionable.

The rules of the LTIP may be amended by the Committee in any way provided that:

- (i) no amendment may be made which would materially prejudice the interests of participants in relation to awards already granted to them unless the sanction of participants has been obtained; and
- (ii) all amendments to the maximum number of Common shares that may be issued from treasury under the LTIP, the eligibility criteria of participants and the amendment provisions will require the prior consent of the Company's shareholders at an annual or special meeting unless they are minor amendments to benefit the administration of the plan or to obtain or maintain favourable tax, exchange control or regulatory treatment for award holders, the Company or a member of the Group.

2. SHARE OPTION PLAN

On June 21, 2004, the Company adopted the Share Option Plan. Set out below is a summary of the principal rules of the Share Option Plan which is provided for information purposes only and cannot be relied upon in substitution of the rules themselves.

(a) Eligibility; grant of awards

Directors, officers, consultants and certain key employees of the Group are eligible to participate in the Share Option Plan. Awards are granted in the form of options to purchase Common shares. The plan is administered by the Board and options are granted at the Board's absolute discretion.

(b) Exercise price

The price at which an optionholder may acquire Common shares on the exercise of an option is determined by the Board at the time of grant, but in no case will it be less than the “fair market value” of the Common shares prior to the date of grant.

(c) Dividends

Any dividends paid on Common shares during the vesting period will not accrue to the underlying options.

(d) Plan limits

Under the Share Option Plan as approved by the shareholders, a total of 4,612,927 Common shares were authorized for issuance from treasury. This number was rolled back by 2,000,000 Common shares to 2,612,927 Common shares when the LTIP was adopted. Over the life of the plan to March 31, 2016, a total of 351,954 Common shares have been issued from treasury, leaving a maximum number of Common shares that may be issued from treasury under the plan (including Common shares to be issued on the exercise of outstanding options) at 2,260,973 Common shares. This represents approximately 2.2% of the number of Common shares outstanding as of the date of this Circular. The maximum number of Common shares that may be issued to any one person under the plan is 5% of the Common shares then outstanding. In addition, the maximum number of Common shares that may be issued to insiders of the Company, within any one-year period may not exceed 10% of the Common shares then outstanding. For the purpose of the interpretation of the plan limits, “insiders” does not include directors or officers of a subsidiary of the Company.

(e) Vesting/exercise; termination of employment; change of control

During the year ended March 31, 2016, no Common shares were issued on the exercise of options and options over 100,000 Common shares expired unexercised.

Subsisting options that were granted to independent directors of the Group vest over four years or the following earlier dates in the following circumstances: (i) immediately on the death of the optionholder, (ii) at the discretion of the majority of the directors (other than optionholders) exercised within 10 days of a change of control, and (iii) at the discretion of the majority of the directors (other than the optionholder) on the permanent disability of the award holder. Each option expires on March 31 in the seventh year following grant.

Subsisting options that were granted to senior managers of the Group on August 31, 2009 vest over five years or immediately on the death of the optionholder and expire on the earliest of: (i) seven years from the date of grant, (ii) three years following death or termination of employment, (iii) when any other unvested shares awarded to the optionholder are cancelled for any reason (other than early retirement but including resignation without entering into a formal exit agreement and termination for cause), and (iv) in the case of early retirement, if it is determined that the optionholder has competed with the Group or breached any non-compete, non-solicit or non-disclosure obligations.

The Board has discretion to determine the exercise and vesting criteria applicable to any future grants of options under the Share Option Plan, but all options must expire not less than 10 years after the date of grant.

Notwithstanding the foregoing, the Committee or one of the Executive Officers may, without amending the rules of the Share Option Plan, determine that all or any proportion of an award will vest in circumstances in which it would not have otherwise vested or would have vested at a later date. It is expected that the exercise of this discretion would be considered in such circumstances as where the immediate vesting of options is negotiated as part of severance arrangements.

(f) Manner of exercise

Following receipt of an exercise notice in respect of an option, together with payment for the exercise price due and for any income tax and social security contributions due (or local law equivalent) or an undertaking to make such a payment, the Common shares in respect of which an option has been exercised must be issued by the Company or the Company must procure their transfer to the optionholder.

As an alternative to the above, and subject to the options having vested, the Share Option Plan rules provide that the Board may activate share appreciation rights in which case optionholders shall be entitled to elect to terminate their options (in whole or in part) and to receive the number of Common shares having a value that is equal to the difference between the exercise price per share of the number of Common shares for which the optionholder has cancelled his or her options and the market value of such number of Common shares.

(g) Variation of share capital

In the event of any subdivision, consolidation, reclassification or other reorganization of the Company's share capital, the number of Common shares the subject of an option will be adjusted in such manner as the Chief Financial Officer of the Company considers to be equitable, so that the affected optionholders may acquire the same share in the equity capital of the Company at the same total price after the reorganization as they would have been able to acquire prior to the reorganization.

(h) Amendments and general

Options awarded under the Share Option Plan are not assignable or transferrable to any other person.

Approval of Canaccord Genuity's shareholders is required for any amendment of the Share Option Plan and no amendment may alter or impair any options, or rights pursuant to any options, previously granted without the consent of the holder of such options.

3. COLLINS STEWART HAWKPOINT REPLACEMENT ANNUAL BONUS EQUITY DEFERRAL PLAN (THE "CSH REPLACEMENT ABED")

On March 19, 2012, the Company adopted the Replacement ABED, conditional on the acquisition of CSHP on March 21, 2012. Set out below is a summary of the principal rules of the Replacement ABED which is provided for information purposes only and cannot be relied upon in substitution of the rules themselves.

(a) Eligibility; grant of awards

Replacement ABED awards were granted on March 21, 2012 to employees of the CSHP group who were participants of the Collins Stewart Hawkpoint Annual Bonus Equity Deferral Plan (the "CSH ABED") as a replacement for their original CSH ABED awards.

The Replacement ABED awards were granted in the form of nil cost awards to acquire a specified number of Common shares and/or a related payment of cash.

There will be no future Replacement ABED awards granted under the Replacement ABED.

(b) Exercise price

The price at which an award holder may acquire Common shares on the exercise of a Replacement ABED award is nil.

(c) Dividends

Any dividends paid on Common shares during the vesting period will not accrue to the underlying Replacement ABED awards.

(d) Plan limits

As of March 31, 2016, a maximum number of 25,637 Common shares may be issued by the Company to satisfy the exercise of Replacement ABED awards. This represents approximately 0.02% of the number of Common shares outstanding as of the date of this Circular.

(e) Vesting/exercise; termination of employment

During the year ended March 31, 2016, 7,256 Common shares were issued on the exercise of Replacement ABED awards. All Replacement ABED awards had vested and become exercisable by March 17, 2014. They must all be exercised by March 17, 2021.

There are no performance conditions attaching to the Replacement ABED awards.

If an award holder terminates his or her employment with notice, his or her Replacement ABED award (whether vested or unvested) shall automatically lapse and cease to be exercisable on the date of giving such notice. If the Company terminates an award holder's employment with notice in circumstances where the reason for issuing such notice amounts to gross misconduct on the part of the award holder (as defined in the rules of the Replacement ABED), his or her Replacement ABED award (whether vested or unvested) shall automatically lapse and cease to be exercisable on the date of the giving of such notice. In all other circumstances of cessation of employment, the award holder is entitled to retain his or her Replacement ABED award and it will continue to be governed by the rules of the Replacement ABED.

Notwithstanding the foregoing and other than in the circumstances in which the Replacement ABED award automatically lapses, accelerated vesting may, in the discretion of the Corporate Governance and Compensation Committee of the Board (the “Committee”), be permitted, in which case the Replacement ABED award must be exercised within 12 months from cessation of employment, following which it shall lapse and cease to be exercisable. The Committee has authorized any one of the Executive Officers to exercise this discretion.

(f) Change of control

Full or partial accelerated vesting is also permitted in the event of a change of control (as defined in the Replacement ABED rules) in the Board’s absolute discretion. It is expected that the exercise of this discretion would be considered only where a termination of employment is combined with the change of control. If such discretion is not exercised, then the Replacement ABED awards (or any such portion thereof) will continue to subsist in accordance with the rules of the Replacement ABED.

(g) Manner of exercise

Within 30 days of the receipt of an exercise notice in respect of a Replacement ABED award, together with a payment for any income tax and employee and employer National Insurance contributions due (or an undertaking to make such a payment), the Common shares in respect of which the award has been exercised must be issued by the Company or the Company must procure their transfer to the award holder and a payment of the cash element of the award (if applicable) will be paid through the applicable Group payroll (subject to appropriate deductions for income tax and employee and employer National Insurance contributions).

(h) Variation of share capital

In the event of any amalgamation, arrangement, capitalization issue or offer by way of rights (including an open offer), or upon any consolidation, subdivision, reclassification or reduction or other variation of the Company’s share capital or in the event that the Company is the subject of a demerger, the number of Common shares the subject of a Replacement ABED award may be adjusted in such manner as the Board (following consultation with the Committee) considers to be, in its opinion, fair and reasonable.

(i) Amendments and general

No rights under a Replacement ABED award may be assigned or transferred by an award holder to any other person except in the event of an award holder’s death. Awards granted under the Replacement ABED shall not be pensionable.

The rules of the Replacement ABED may be amended by the Board or the Committee in any way provided that:

- (i) no amendment may be made which would materially prejudice the interests of award holders in relation to awards already granted to them unless the sanction of award holders has been obtained; and
- (ii) all amendments to the maximum number of Common shares that may be issued under the Replacement ABED, the vesting period, the transfer provisions and the amendment provisions will require the prior consent of the Company’s shareholders at an annual or special meeting unless they are minor amendments to benefit the administration of the plan or to obtain or maintain favourable tax, exchange control or regulatory treatment for award holders, the Company or a member of the Group.

Notwithstanding the foregoing, the Board or the Committee may, without amending the rules of the Replacement ABED, determine that all or any proportion of a Replacement ABED award will vest in circumstances in which it would not have otherwise vested or would have vested at a later date.

The Board may amend the Replacement ABED by way of separate schedules to enable it to be operated overseas.

4. COLLINS STEWART HAWKPOINT REPLACEMENT LONG TERM INCENTIVE PLAN (THE “CSH REPLACEMENT LTIP”)

On March 19, 2012, the Company adopted the Replacement LTIP, conditional on the acquisition of CSHP on March 21, 2012. Set out below is a summary of the principal rules of the Replacement LTIP which is provided for information purposes only and cannot be relied upon in substitution of the rules themselves.

(a) Eligibility; grant of awards

Replacement LTIP awards were granted on March 21, 2012 to employees of the CSHP group who were participants of the Collins Stewart Hawkpoint 2010 Long Term Incentive Plan (the “CSH LTIP”) as a replacement for their original CSH LTIP awards.

The Replacement LTIP awards were granted in the form of nil cost awards to acquire a specified number of Common shares.

There will be no future Replacement LTIP awards granted under the Replacement LTIP.

(b) Exercise price

The price at which an award holder may acquire Common shares on the exercise of a Replacement LTIP award is nil.

(c) Dividends

Any dividends paid on Common shares during the vesting period will not accrue to the underlying Replacement LTIP awards.

(d) Plan limits

As of March 31, 2016, a maximum number of 201,552 Common shares may be issued by the Company to satisfy the exercise of Replacement LTIP awards. This represents approximately 0.2% of the number of Common shares outstanding as of the date of this Circular.

(e) Vesting/exercise; termination of employment

During the year ended March 31, 2016, 70,574 Common shares were issued on the exercise of Replacement LTIP awards. All Replacement LTIP awards had vested and become exercisable by March 21, 2016. All awards must be exercised by the tenth anniversary of the original grant of awards under the CSH LTIP (that is, by March 31, 2020).

There are no performance conditions attaching to the Replacement LTIP awards.

If an award holder's employment terminates as a result of death, his or her Replacement LTIP award shall immediately vest and become exercisable. If an award holder's employment terminates in certain "good leaver" circumstances including ill-health and other than for "cause" (as more particularly defined in the Replacement LTIP rules), then his or her Replacement LTIP award shall continue to vest as contemplated under the Replacement LTIP rules.

If an award holder's employment terminates for "cause", then any unvested part of his or her Replacement LTIP award shall automatically lapse on the date of such termination.

Notwithstanding the foregoing and other than in the circumstances in which the unvested part of a Replacement LTIP award automatically lapses as a result of termination for "cause", accelerated vesting may, in the discretion of the Committee, be permitted, in which case the Committee will determine the terms of such accelerated vesting. The Committee has authorized any one of the Executive Officers to exercise this discretion.

(f) Change of control

Full or partial accelerated vesting is also permitted in the event of a change of control (as defined in the Replacement LTIP rules) in the Board's absolute discretion. It is expected that the exercise of this discretion would be considered only where a termination of employment is combined with the change of control. If such discretion is not exercised, then the Replacement LTIP awards (or any such portion thereof) will continue to subsist in accordance with the rules of the Replacement LTIP.

(g) Manner of exercise

Within 30 days of the receipt of an exercise notice in respect of a Replacement LTIP award, together with a payment for any income tax and employee National Insurance contributions due (or an undertaking to make such a payment), the Common shares in respect of which the award has been exercised must be issued by the Company or the Company must procure their transfer to the award holder.

(h) Variation of share capital

In the event of any amalgamation, arrangement, capitalization issue or offer by way of rights (including an open offer), or upon any consolidation, subdivision, reclassification or reduction or other variation of the Company's share capital or in the event that the Company is the subject of a demerger, the number of Common shares the subject of a Replacement LTIP award may be adjusted in such manner as the Board (following consultation with the Committee) considers to be, in its opinion, fair and reasonable.

(i) Amendments and general

No rights under a Replacement LTIP award may be assigned or transferred by an award holder to any other person except in the event of an award holder's death. Awards granted under the Replacement LTIP shall not be pensionable.

The rules of the Replacement LTIP may be amended by the Board or the Committee in any way provided that:

- (i) no amendment may be made which would materially prejudice the interests of award holders in relation to awards already granted to them unless the sanction of award holders has been obtained; and
- (ii) all amendments to the maximum number of Common shares that may be issued under the Replacement LTIP, the vesting period, the transfer provisions and the amendment provisions will require the prior consent of the Company's shareholders at an annual or special meeting unless they are minor amendments to benefit the administration of the plan or to obtain or maintain favourable tax, exchange control or regulatory treatment for award holders, the Company or a member of the Group.

Notwithstanding the foregoing, the Board or the Committee may, without amending the rules of the Replacement LTIP, determine that all or any proportion of a Replacement LTIP award will vest in circumstances in which it would not have otherwise vested or would have vested at a later date.

The Board may amend the Replacement LTIP by way of separate schedules to enable it to be operated overseas.

5. COLLINS STEWART HAWKPOINT OFFICER EMPLOYMENT INDUCEMENT PLAN (THE "CSH INDUCEMENT PLAN")

On May 22, 2012, the Company adopted the CSH Inducement Plan. In November 2012, the Committee amended the Plan to reduce to a maximum of 12 months the non-competition period following a termination. This amendment is within the authority of the Committee, and shareholder approval is not required and has not been obtained. Set out below is a summary of the principal rules of the CSH Inducement Plan which is provided for information purposes only and cannot be relied upon in substitution of the rules themselves.

(a) Eligibility; grant of awards

Any employee of (i) the CSHP group company previously known as Collins Stewart Europe Limited, (ii) the CSHP group company previously known as Hawkpoint Partners Limited and/or (iii) one of the companies operating under the business name "Collins Stewart Wealth Management" (together the "**CSH Companies**") who was in full-time employment as an officer between the effective date of the acquisition of CSHP (that is, March 21, 2012) and the date of grant of an award is eligible to participate in the CSH Inducement Plan.

Awards are granted in the form of "unvested restricted share units". Upon vesting, the restricted share units entitle the participant to receive (by way of issuance from treasury and/or transfer) an equivalent number of Common shares.

The CSH Inducement Plan is administered by the Board, the Committee and the Executive Officers.

(b) Exercise price

The price at which a participant may acquire Common shares on the vesting of his or her restricted share units is nil.

(c) Dividends

Any dividends paid on Common shares during the vesting period will not accrue to the underlying restricted share units; however, participants will be entitled to receive a cash equivalent of any such dividends accruing (known as a dividend equivalent) upon vesting of their share units.

(d) Plan limits

As of March 31, 2016, the maximum number of Common shares that may be issued from treasury under the non-LTIP portion of the CSH Inducement Plan is 651,076 Common shares. This represents approximately 0.6% of the number of Common shares outstanding as of the date of this Circular.

In addition,

- (i) the maximum number of Common shares which may be reserved for issuance to any person at any time under the Plan may not exceed 2.5% of the Common shares outstanding at the time of any award to that person; and
 - (ii) the aggregate number of Common shares (a) issued to insiders of the Company, within any one-year period or (b) issuable to insiders of the Company, at any time, under the Plan, or when combined with all of the Company's other security-based compensation arrangements (as defined in the Toronto Stock Exchange Company Manual), may not exceed 10% of the Common shares then outstanding. For the purpose of the interpretation of the plan limits, "insiders" means those insiders who are required to file insider reports under Canadian securities legislation.
- (e) Vesting/exercise; termination of employment; change of control**

During the year ended March 31, 2013, the Company awarded 2,418,861 restricted share units (RSUs), which vest over a five-year period. In accordance with the plan, one-third of the total RSUs (less forfeitures) vested on the third anniversary of the date of grant under the terms of the existing LTIP (see "Long Term Incentive Plan (LTIP)" on page 34). The remaining two-thirds of the total RSUs (1,612,559 RSUs) less forfeitures will vest under the terms of the new CSH Inducement Plan (the "non-LTIP portion of the CSH Inducement Plan"), with one-half of the 1,612,559 RSUs (less forfeitures) vesting on the fourth anniversary of the date of the grant and the remaining half (less forfeitures) on the fifth anniversary of the date of the grant. During the year ended March 31, 2016, 626,446 Common shares were issued on the exercise of CSH Inducement Plan awards and 55,546 RSUs were forfeited for an aggregate of 304,179 RSUs cancelled or forfeited over the life of the plan to March 31, 2016.

On each vesting date, the RSUs (whether issued under the existing LTIP or the non-LTIP portion of the CSH Inducement Plan) entitle the awardee to receive cash or Common shares of the Company. If at the vesting date the share price is less than \$8.50 per share, then the Company, at its election, will either (a) pay cash to the employee equal to \$8.50 multiplied by the number of RSUs vesting on such date, or (b) pay cash to the employee equal to the difference between \$8.50 and the vesting date share price, multiplied by the number of RSUs vesting on that date plus the number of shares equal to the number of RSUs vesting on such date.

There are no performance conditions attaching to the CSH Inducement Plan awards.

If a participant terminates his or her employment or if the Company terminates a participant's employment for "cause" (as more particularly defined in the CSH Inducement Plan), his or her unvested share units shall automatically lapse on the date of such termination. In all other circumstances of cessation of employment (other than death), if the participant does not compete with the Company for a period of 12 months following the termination, the participant is entitled to retain his or her unvested share units until the applicable vesting date and they will continue to be governed by the rules of the CSH Inducement Plan including the vesting criteria referred to above. If a participant's employment terminates by reason of death, his or her unvested share units will automatically vest on the date of such event.

Notwithstanding the foregoing, the Committee or one of the Executive Officers may, without amending the rules of the CSH Inducement Plan, determine that all or any proportion of a CSH Inducement Plan award will vest in circumstances in which it would not have otherwise vested or would have vested at a later date. It is expected that the exercise of this discretion would be considered in such circumstances as a termination of employment combined with a change of control of the Company or where the immediate vesting of the unvested restricted share units is negotiated as part of severance arrangements. On the death of an award holder, all unvested restricted share units will vest immediately.

(f) Manner of vesting

Participants may retain their vested shares in the CSH Inducement Plan until they choose to voluntarily withdraw them. If a participant ceases to be an employee for whatever reason, they will be required to withdraw their vested shares within 90 days of such event occurring. Vesting is conditional upon the participant paying for any income tax and employee National Insurance contributions due (or undertaking to make such a payment).

(g) Variation of share capital

In the event of any amalgamation, arrangement, capitalization issue or offer by way of rights (including an open offer), or upon any consolidation, subdivision, reclassification or reduction or other variation of the Company's share capital or in the event that the Company is the subject of a demerger, the number of Common shares the subject of a CSH Inducement Plan award may be adjusted in such manner as the Committee considers to be equitable.

(h) Amendments and general

No rights under a CSH Inducement Plan award may be assigned or transferred by an award holder to any other person except in the event of an award holder's death. Awards granted under the CSH Inducement Plan shall not be pensionable.

The rules of the CSH Inducement Plan may be amended by the Committee in any way provided that:

- (i) no amendment may be made which would materially prejudice the interests of participants in relation to awards already granted to them unless the sanction of participants has been obtained; and
- (ii) all amendments to the maximum number of Common shares that may be issued under the CSH Inducement Plan, the eligibility criteria of participants and the amendment provisions will require the prior consent of the Company's shareholders at an annual or special meeting unless they are minor amendments to benefit the administration of the plan or to obtain or maintain favourable tax, exchange control or regulatory treatment for award holders, the Company or a member of the Group.

Indebtedness of Directors and Executive Officers

The following table sets out the aggregate indebtedness (other than "routine indebtedness") outstanding as at May 31, 2016, entered into in connection with a purchase of securities of the Company and all other indebtedness of all executive officers, directors, employees and former executive officers, directors and employees of the Canaccord Genuity Group.

Aggregate indebtedness (\$)

Purpose (a)	To the Company or its subsidiaries (b)	To another entity (c)
Share purchases	\$8,500,885	\$ 0
Other	\$9,981,687	\$ 0

The following table sets out the indebtedness (other than "routine indebtedness") to the Company and any of its subsidiaries outstanding as at May 31, 2016, of each director and executive officer of the Company, each proposed nominee for election as a director of the Company and each associate of such director, executive officer or proposed nominee.

Indebtedness of directors and executive officers under securities purchase programs

Name and principal position (a)	Involvement of company or subsidiary (b)	Largest amount outstanding during fiscal 2016 (c)	Amount outstanding as at May 31, 2016 (d)	Financially assisted securities purchases during fiscal 2016 (# of Common shares) (e)	Security for indebtedness (f)	Amount forgiven during fiscal 2016 (g)
Bradley Kotush CFO	Subsidiary is the lender	\$ 1,205,462	\$ 1,205,462	0	Shares purchased	\$ 0
Stuart Raftus Chief Administrative Officer	Subsidiary is the lender	\$ 1,140,533	\$ 1,140,533	0	Shares purchased	\$ 0

Commencing in fiscal 2016, the Company has adopted a policy not to make forgivable loans to any of its directors or executive officers.

The indebtedness of the executive officers shown in this table was incurred in connection with loans made as of December 2013 to Mr. Kotush to purchase Common shares of the Company in a program targeted at key executive-level employees to recognize their contribution to the Company and to Mr. Raftus in connection with matching share purchases he made within 12 months of the date he began his employment. The December 2013 loans were forgivable loans under which the Company (or a subsidiary) lent to the executive officer, without interest, the aggregate purchase price of Common shares of the Company and agreed, subject to certain terms, to forgive the loans, in the case of Mr. Kotush, as to one-third on the third, fourth and fifth anniversaries of the purchase of shares (that is, on December 3, 2016, 2017 and 2018) and, in the case of Mr. Raftus, on December 20, 2018 (being the fifth anniversary of the date he began his employment). The forgiveness of the loans will be accelerated in certain circumstances, including the death of the executive officer. If the executive officer resigns or is terminated for cause, then that proportion of all shares purchased which the unforgiven portion of the loan bears to the aggregate purchase price will be repurchased by the Company; this has the effect of limiting the recourse on the loan to a portion of the shares purchased. All shares purchased are subject to a security interest in favour of the employer, are held in escrow and bear a legend reflecting the restrictions on the shares. In the case of Mr. Kotush, the Company has also provided an indemnity to ensure that the executive officer does not suffer a loss on forgiveness if the tax payable at that time exceeds the market value at that time.

Except as noted in this section, there is no indebtedness (other than “routine indebtedness”) to the Canaccord Genuity Group outstanding as at May 31, 2016, of any director or executive officer of the Company, any proposed nominee for election as a director of the Company or any associate of such director, executive officer or proposed nominee.

Interest of Informed Persons in Material Transactions

To the knowledge of the Company, no informed person (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) of Canaccord Genuity and no known associate or affiliate of any such informed person, has or has had any material interest, direct or indirect, in any transaction since April 1, 2012, or in any proposed transaction which has materially affected or would materially affect the Canaccord Genuity Group.

Interest of Certain Persons in Matters to Be Acted Upon

None of the persons who are or have been directors or executive officers of the Company at any time since April 1, 2012, the proposed nominees for election to the Board of Directors of the Company or the associates or affiliates of those persons have any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors.

Amendment of Articles

Certain commenters on corporate governance consider the following to be governance best practices:

- (a) A company does not require a supermajority vote to approve amendments to its charter and bylaws (which, in the case of a company incorporated under the *Business Corporations Act* (B.C.) are called “articles”). The view of the commentators is that supermajority provisions violate the principle that a simple majority of voting shares should be all that is necessary to effect change regarding a company and its corporate governance provisions. Requiring more than this may permit management to entrench itself by blocking amendments that are in the best interests of shareholders.
- (b) A company requires a quorum for shareholders’ meetings of at least two persons representing at least 25% of the outstanding shares. The view of the commentators is that shareholder meetings should only convene with a minimum acceptable level of attendance, thereby eliminating any shareholder resolutions that may be passed in a meeting with insufficient shareholder representation.
- (c) A company requires a majority of directors to constitute a quorum at meetings of directors. The view of the commentators is that such a quorum ensures that directors meetings can only convene with a minimum number of directors present eliminating any director resolutions that may be passed in a meeting where less than half of directors are present.

In order to implement these governance practices, the Company proposes to amend its articles. Under the existing articles, this requires a special resolution (that is, a resolution passed at a meeting of shareholders by two-thirds of the votes cast on the resolution). If the following resolution is passed, then unless the *Business Corporations Act* (B.C.) requires otherwise, future amendments of the Articles will only require an ordinary resolution (that is, a resolution passed at a meeting of shareholders by a simple majority of the votes cast on the resolution). The existing articles of the Company are available on SEDAR at www.sedar.com (under “Other securityholders documents — English” filed on June 7, 2016) or on the Company’s website at www.canaccordgenuitygroup.com (under “Investor Relations — Corporate Disclosure — Current Constitutional Documents”).

Therefore, the shareholders will be asked to consider the following resolution:

BE IT RESOLVED, as a special resolution, that the Articles of the Company be altered by deleting Articles 9.5, 11.3 and 18.10 and replacing them with the following

9.5 Other Alterations

If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by **ordinary** resolution alter these Articles.

11.3 Quorum

Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least **25%** of the issued shares entitled to be voted at the meeting.

18.10 Quorum

The quorum necessary for the transaction of the business of the directors is a **majority of the directors**.

Other Matters to Be Acted Upon

It is not known whether any other matters will come before the Meeting other than those set forth above and in the notice of meeting, but if any other matters do arise, the persons named in the Proxy intend to vote on any poll, in accordance with their best judgment, exercising discretionary authority with respect to amendments or variations of matters ratified in the notice of meeting and other matters which may properly come before the Meeting or any adjournment or postponement of the Meeting.

Dated on June 17, 2016.

By order of the Board of Directors
Martin L. MacLachlan
Corporate Secretary

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