



## Notice of Meeting and Management Information Circular

CANACCORD GENUITY GROUP INC.

For the annual general meeting of shareholders to be held as a virtual online meeting  
on Thursday, August 6, 2020 at 10:00 a.m. (Eastern time)

This booklet contains important information for shareholders

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# 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 6, 2020. Immediately following the termination of the formal meeting, management will report on the Company’s performance in the financial year ended March 31, 2020 (“**fiscal 2020**”).

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

Your presence is important to us and we would like your support for all matters to be decided at the Meeting.

**Any questions regarding voting your shares should be directed to our strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors, who can be reached by toll-free telephone in North America at +1 (800) 775-3159, by collect call outside North America at +1 (416) 867-2272, or by email at [CONTACTUS@KINGSDALEADVISORS.COM](mailto:CONTACTUS@KINGSDALEADVISORS.COM).**

### Registered Shareholders

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**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. Instructions on how to vote using this proxy form are found starting on page 4 of the Management Information Circular.

### Non-Registered Beneficial Shareholders

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**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, custodian, nominee 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 5 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 2020 annual general meeting (the “**Meeting**”) of the Shareholders of the Company for 10:00 a.m. (Eastern time) on Thursday, August 6, 2020. The Company is holding the Meeting as a completely virtual online meeting.

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.

In light of the unprecedented impact of the coronavirus outbreak (COVID-19) and in consideration of the health and safety of the Company’s shareholders, colleagues and the broader community, the Company is holding the Meeting as a completely virtual online meeting, which will be conducted via live webcast, where all shareholders regardless of geographic location and equity ownership will have an equal opportunity to attend and participate in the Meeting and engage with directors of the Company and management as well as other shareholders. Shareholders will not be able to attend the Meeting in person. Registered Shareholders and duly appointed proxyholders will be able to attend, participate, submit questions and vote at the Meeting online at <https://web.lumiagm.com/299326102>. Non-registered beneficial shareholders (being those persons who hold their shares through a broker, securities dealer, bank, trust company, custodian, nominee or similar entity) who have not duly appointed themselves as proxyholder may also virtually attend as guests. Guests will be able to virtually attend and listen to the Meeting but will not be able to vote or ask questions at the Meeting.

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 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 to the Company’s transfer agent, Computershare Investor Services Inc. (“Computershare”), at its Toronto offices no later than 10:00 a.m. (Eastern time) on Tuesday, August 4, 2020.**

**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) 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 12, 2020.

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

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## Information for Shareholders about the 2020 Annual General Meeting of Shareholders

All information in this Management Information Circular is current as of May 31, 2020, 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](http://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@cgf.com](mailto:investor.relations@cgf.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 directly 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

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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. Disclosure identified as an “outlook” including the Fiscal 2021 Outlook section in the annual MD&A contains forward-looking information. 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 MD&A and its annual report and Annual Information Form (AIF) filed on [www.sedar.com](http://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, cyber 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 2021 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](http://www.sedar.com). The preceding list is not exhaustive of all possible risk factors that may influence actual results. Readers are also 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

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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

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### 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. The Company has engaged Kingsdale Advisors ("Kingsdale") as strategic shareholder advisor and proxy solicitation agent and will pay fees of approximately \$45,000 to Kingsdale for the proxy solicitation service in addition to certain out-of-pocket expenses. The Company may also reimburse brokers and other persons holding shares in their name or in the name of nominees for their costs incurred in sending proxy material to their principals in order to obtain their proxies. Shareholders can contact Kingsdale either by mail at Kingsdale Advisors, The Exchange Tower, 130 King Street West, Suite 2950, P.O. Box 361, Toronto, Ontario M5X 1E2, by toll-free telephone in North America at +1 (800) 775-3159 or collect call outside North America at +1 (416) 867-2272, or by e-mail at [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com).

### 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) who has appointed a proxyholder.

### Signing in to the virtual online Meeting

Registered shareholders and duly appointed proxyholders may attend the Meeting online by going to <https://web.lumiagm.com/299326102>. Registered Shareholders and duly appointed proxyholders may attend and participate in the Meeting by clicking "I have a login" and entering a username and password before the start of the meeting.

- Registered Shareholders – The 15-digit control number located on the form of proxy or in the email notification you received is the username and the password is "cgf2020".
- Duly appointed proxyholders – Computershare will provide the proxyholder with a username after the voting deadline has passed. The password is "cgf2020".

Voting at the meeting will only be available for registered Shareholders and duly appointed proxyholders but non-registered beneficial shareholders who have not appointed themselves may attend the meeting by going to <https://web.lumiagm.com/299326102>, clicking "I am a guest" and completing the online form.

Shareholders who wish to appoint a third party proxyholder to represent them at the online meeting must submit their proxy or voting instruction form (as applicable) before registering their proxyholder. Registering the proxyholder is an additional step once a shareholder has submitted their proxy/voting instruction form. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving a username to attend or participate in the Meeting. To register a proxyholder, shareholders MUST visit <https://www.computershare.com/canaccord> by 10:00 a.m. (Eastern time) on Tuesday, August 4, 2020 and provide Computershare with their proxyholder's contact information, so that Computershare may provide the proxyholder with a username via email.

It is important that you are connected to the internet at all times during the meeting in order to vote when balloting commences.

In order to participate online, registered Shareholders must have a valid 15-digit control number and proxyholders must have received an email from Computershare containing a username.

### Participating in the Meeting

The Meeting will be hosted online by way of a live webcast. Shareholders will not be able to attend the Meeting in person. A summary of the information shareholders will need to attend and participate in the online meeting is provided below. The meeting will begin at 10:00 a.m. (Eastern time) on Thursday, August 6, 2020.

- Registered Shareholders who have a 15-digit control number and duly appointed proxyholders who were assigned a username by Computershare will be able to vote and submit questions during the meeting. To do so, please go to <https://web.lumiagm.com/299326102> before the start of the Meeting to login. Click on “I have a login” and enter your 15-digit control number or username along with the password “cgf2020”. Non-registered beneficial shareholders who have not appointed themselves to vote at the meeting, may login as a guest, by clicking on “I am a Guest” and completing the online form.
- Non-registered beneficial Shareholders who do not have a 15-digit control number or username will only be able to attend as a guest which allows them to listen to the meeting but will not be able to vote or submit questions. Please see the information under the heading “Non-registered beneficial shareholders” for an explanation of why certain shareholders may not receive a form of proxy.
- If you are using a 15-digit control number to login to the online meeting and you accept the terms and conditions, you will be revoking any and all previously submitted proxies. However, in such a case, you will be provided the opportunity to vote by ballot on the matters put forth at the Meeting. If you DO NOT wish to revoke all previously submitted proxies, do not accept the terms and conditions, in which case you may only enter the meeting as a guest.
- If you are eligible to vote at the meeting, it is important that you are connected to the internet at all times during the meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the meeting.

### Voting at the Meeting

A registered Shareholder or a non-registered beneficial shareholder who has appointed themselves or a third party proxyholder to represent them at the meeting will appear on a list of shareholders prepared by Computershare, the transfer agent and registrar for the Meeting. To have their shares voted at the meeting, each registered Shareholder or proxyholder will be required to enter their control number or username provided by Computershare at <https://web.lumiagm.com/299326102> before the start of the meeting. In order to vote, non-registered beneficial shareholders who appoint themselves as a proxyholder MUST register with Computershare at <https://www.computershare.com/canaccord> after submitting their voting instruction form in order to receive a username.

**If a shareholder who has submitted a proxy attends the meeting via the webcast and has accepted the terms and conditions when entering the meeting online, any votes cast by such shareholder on a ballot will be counted and the submitted proxy will be disregarded.**

**Without a username, proxyholders will not be able to vote at the meeting.**

### Registered Shareholders

If you are a registered Shareholder, you may attend the Meeting online. You may also appoint someone (known as a proxyholder) to represent you at the Meeting online 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. The Company’s Chairman (or his alternate) will not be required to register as a proxyholder in order 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, 8<sup>th</sup> 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 10:00 a.m. (Eastern time) on Tuesday, August 4, 2020, 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 time limit for deposit of proxies may be waived or extended by the chair of the Meeting at his or her discretion, without notice.

Even if you give a proxy, as a registered Shareholder, you may still attend and vote 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 400 – 725 Granville Street, Vancouver, British Columbia V7Y 1G3, 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. If you are using a 15-digit control number to login to the online meeting and you accept the terms and conditions, you will be revoking any and all previously submitted proxies.

#### **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 (CDS). 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. If you complete and submit the typical voting instruction form without alteration, then you will have appointed the Company's Chairman (or his alternate) to attend the Meeting and vote on your behalf. The Company's Chairman (or his alternate) will not be required to register as a proxyholder in order to attend the Meeting and vote on your behalf.

**Non-registered beneficial shareholders who have not duly appointed themselves as proxyholder will not be able to vote at the Meeting. This is because the Company and its transfer agent do not have a record of the beneficial shareholders of the Company, and as a result, will have no knowledge of your shareholdings or entitlement to vote unless you appoint yourself as proxyholder.**

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 or participate in the Meeting and your attendance and participation 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, 8<sup>th</sup> 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 10:00 a.m. (Eastern time) on Tuesday, August 4, 2020, 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** and participate in the Meeting and vote (or have another person attend and vote on your behalf), you must follow the instructions in the VIF and register as a proxyholder in accordance with the instructions given above under the heading "Signing in to the virtual online Meeting". **Unless you follow these instructions you are not entitled to attend or participate in the Meeting and your attendance and participation 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, on the Internet or using the Broadridge ProxyVote app which is available for download at the App Store and Google Play. 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, Internet or ProxyVote app voting instructions well in advance of the Meeting in order to have your shares voted. If you wish also to **attend** and participate in the Meeting and vote (or have another person attend and vote on your behalf), you must follow the instructions in the VIF and register as a

proxyholder in accordance with the instructions given above under the heading "Signing in to the virtual online Meeting". **Unless you follow these instructions you are not entitled to attend or participate in the Meeting and your attendance and participation will be solely at the discretion of the Company.**

In addition, we may also use the Broadridge QuickVote™ service to help non-registered beneficial shareholders vote their shares. Non-registered beneficial shareholders may be contacted by Kingsdale to obtain voting instructions directly over the telephone. Broadridge then tabulates the results of all the instructions received and provides the appropriate instructions respecting the shares to be represented at the meeting.

**Any questions regarding voting your shares should be directed to our strategic shareholder advisor and proxy solicitation agent Kingsdale Advisors who can be reached by toll-free telephone in North America at +1 (800) 775-3159, by collect call outside North America at +1 (416) 867-2272, or by email at [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com).**

#### ***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 see 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, the United States and other jurisdictions, 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 provisions which are summarized as follows. This summary is provided for information purposes only and cannot be relied upon in substitution of the articles themselves.

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 their 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" means the interest defined by various securities regulatory authorities (including the Toronto Stock Exchange, the TSX Venture Exchange Inc., the Bourse de Montréal Inc. and the Autorité des marchés financiers in Québec) in respect of which prior approval or notice is required. The least of these interests is variously described as (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, (iii) an interest of 10% or more of the total equity in Canaccord Genuity Corp. (a wholly owned subsidiary of the Company) or similar descriptions.

As the Company is the parent company of Canaccord Genuity Corp. which is regulated by the Investment Industry Regulatory Organization of Canada (IIROC), the IIROC Dealer-Member Rules require the Company to obtain prior approval of an IIROC District Council of any transaction that would permit an investor, alone or together with its associates and affiliates, to own voting securities carrying 10% or more of the votes carried by all voting securities of the Company.

As the Company is the parent company of Canaccord Genuity LLC which is regulated by the Financial Industry Regulatory Authority (FINRA), the NASD Rules require Canaccord Genuity LLC (the member) to obtain prior approval of FINRA for (a) direct or indirect acquisitions or transfers of 25% or more in the aggregate of the member's assets or any asset, business or line of operation that generates revenues comprising 25% or more in the aggregate of the member's earnings measured on a rolling 36-month basis and (b) a change in the equity ownership of the member that results in one person or entity directly or indirectly owning or controlling 25% or more of the equity capital.

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 their 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 their shareholding in the Company.

Similar obligations and offences exist under the laws of Australia, Dubai, Hong Kong, Singapore and Jersey, Guernsey and the Isle of Man 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 25% of the issued shares entitled to be voted at the Meeting.

## Voting Securities and Principal Holders of Voting Securities

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The directors of the Company have set June 8, 2020 as the record date for determining which Shareholders are entitled to vote at the Meeting. Only registered Shareholders on June 8, 2020 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 8, 2020. On that date, the Company had 107,813,482 Common shares outstanding.

To the knowledge of the directors and executive officers of the Company, as of June 8, 2020, 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

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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 persons listed in the following table are proposed to be nominated 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 the date of this Circular.

Name and residence	Position with the Company	Principal occupation	Director since	Shares owned
<b>Charles N. Bralver</b> <sup>(1, 3)</sup> Westport, Connecticut	Director	Corporate director and advisor	2010	60,500 <sup>(2)</sup>
<b>Daniel J. Daviau</b> <sup>(4)</sup> Toronto, Ontario	Chief Executive Officer and director	Chief Executive Officer of the Company and Canaccord Genuity Corp.	2015	3,571,046 <sup>(5)</sup>
<b>Gillian H. Denham</b> <sup>(6)</sup> Toronto, Ontario	Proposed director	President of Authentum Partners Ltd. and corporate director	—	0
<b>Michael D. Harris</b> <sup>(1)</sup> East York, Ontario	Director	Senior business advisor of Fasken Martineau DuMoulin LLP	2004	82,809 <sup>(2)</sup>
<b>Merri L. Jones</b> <sup>(3)</sup> Toronto, Ontario	Director	Corporate director and advisor	2018	4,500 <sup>(2)</sup>
<b>David J. Kassie</b> <sup>(7)</sup> Toronto, Ontario	Executive Chairman and director	Executive Chairman of the Company and Canaccord Genuity Corp.	2010	4,768,343 <sup>(8)</sup>
<b>Terrence A. Lyons</b> <sup>(1, 3, 9)</sup> Vancouver, British Columbia	Lead Director	Corporate director and advisor	2004	57,168 <sup>(2)</sup>
<b>Eric S. Rosenfeld</b> <sup>(10)</sup> Harrison, New York	Proposed director	President and Chief Executive Officer of Crescendo Partners, L.P.	—	1,355,200 <sup>(11)</sup>
<b>Dipesh J. Shah</b> <sup>(3)</sup> London, England	Director	Corporate director	2012	0 <sup>(2)</sup>
<b>Sally J. Tennant</b> <sup>(1)</sup> London, England	Director	Corporate director and advisor and wealth management consultant	2019	0 <sup>(2)</sup>

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

(2) 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 40 and "Deferred share units" on page 41.

(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) In addition, Mr. Daviau has participated (but did not participate in respect of fiscal 2018, fiscal 2019 and fiscal 2020 awards) in the Company's LTIP. Mr. Daviau holds 34,860 Restricted Share Units (RSUs), 800,000 Performance Share Options (PSOs), 347,237 fiscal 2019 Performance Share Units (PSUs), 636,143 fiscal 2020 PSUs and 752,681 fiscal 2021 PSUs.

(6) From June 2012 to June 2016, Ms. Denham was a member of the board of directors of Penn West Petroleum Ltd., a company that was subject to cease trade orders further to the July 2014 announcement by Penn West Petroleum Ltd. of the review of some of its accounting practices and the decision to restate its financial statements. These orders are no longer in effect.

(7) Mr. Kassie was 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. Mr. Kassie is also a director of Reitmans (Canada) Ltd. which on May 19, 2020, received an initial order under the *Companies' Creditors Arrangement Act* to allow a restructuring of the women's clothing retailer.

(8) Of these shares, 662,261 are owned by a trust of which Mr. Kassie is one of the beneficiaries. In addition, Mr. Kassie has participated (but did not participate in respect of fiscal 2018, fiscal 2019 and fiscal 2020 awards) in the Company's LTIP. Mr. Kassie holds 36,400 Restricted Share Units, 400,000 Performance Share Options (PSOs), 150,849 fiscal 2019 Performance Share Units (PSUs), 224,324 fiscal 2020 PSUs and 341,839 fiscal 2021 PSUs.

(9) Until January 1, 2014, Mr. Lyons was 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 board of directors of Royal Oak largely because of his valuable experience and expertise in financial restructurings in the insolvency context.

(10) Mr. Rosenfeld has been nominated for election to the Board pursuant to an agreement entered into between the Company and Crescendo Partners LP ("Crescendo") dated May 22, 2020 (the "Crescendo Agreement"). Pursuant to the Crescendo Agreement, each of the Company and Crescendo have agreed, in respect of any annual or special meeting of shareholders until the earlier of (a) the date the Company's management proxy circular is filed in connection with its 2021 annual general meeting of shareholders or (b) ten business days before an advance notification deadline (if the Board enacts an advance notification bylaw), to a mutual support agreement on market terms.

(11) These shares are owned by two partnerships controlled by Mr. Rosenfeld and one partnership in which he is a member of the general partner, a limited partner and a member of the affiliated management company.

## 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 resignation will be effective when accepted by the Board. 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.

This majority voting policy does not apply in any case where the number of individuals nominated for election exceeds the number of directors to be elected, including as a result of a proxy contest. In such an event of a contested election, 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 their sole discretion.

## VOTING RESULTS FOR PRIOR YEAR'S BOARD ELECTIONS

At the annual general meeting of Common shareholders held on August 7, 2019, 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

(99.50% in favour), in favour of setting the number of directors at eight (99.88% 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	Votes “withheld” as a percentage of votes cast for or withheld for the director
Charles N. Bralver	98.61%	1.39%
Daniel J. Daviau	87.22%	12.78%
Michael D. Harris	85.75%	14.25%
Merri L. Jones	99.13%	0.87%
David J. Kassie	86.80%	13.20%
Terrence A. Lyons	85.96%	14.04%
Dipesh J. Shah	99.13%	0.87%
Sally J. Tennant	99.13%	0.87%

## 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, ICD.D**, age 68, is a financial services executive with over 30 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 also served as Senior Associate Dean for International Business and Finance at the Fletcher School of Law and Diplomacy from 2007 to 2010, and from 2007 to 2009 as a strategic advisor to Warburg Pincus LLC. Mr. Bralver serves as a director of the Company and insurance risk exchange AkinovA Ltd., on the Leadership Council of AI solution developer r4, and on the Board of Visitors of the Fletcher School. Mr. Bralver started his career at Booz Allen Hamilton. He is a U.S. citizen and a graduate of the Fletcher School and Dartmouth College.

Mr. Bralver is not currently a director of any other public companies.

**Dan Daviau**, age 55, 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. 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.

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.

**Gillian (Jill) Denham**, age 59, is President of Authentum Partners Ltd. that invests in technology and related businesses and provides advisory services. Ms Denham currently serves on the board of directors of Canadian Pacific Railway Limited and Kinaxis Inc. and chairs the board of directors of Morneau Shepell Inc. Ms Denham spent her career at Wood Gundy and CIBC. She has held senior positions in investment banking, was President of Merchant Banking/Private Equity and had regional responsibility for CIBC in Europe. She was also head of the Retail Bank for CIBC. She holds an Honours Business Administration (HBA) degree from the Ivey Business School, Western University, and an MBA from Harvard Business School.

**Michael Harris, ICD.D**, age 75, is the President of his own consulting firm, Steane Consulting Ltd., and, in this capacity, acts as a consultant to various Canadian companies, including Fasken Martineau DuMoulin LLP. Before joining Fasken in September 2013, he was a senior business advisor with the law firm of Cassels Brock & Blackwell 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, Mr. 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 has also served as a director of the Manning Centre for Building Democracy and 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 and a director of the New Haven Learning Centre. 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 Route1 Inc. (Chair).

**Merri Jones, ICD.D**, age 69, is a corporate director and advisor. She has over 40 years' experience within financial services with expertise across sales and marketing, finance, strategy and human resources. She was the first female to lead a Schedule II Bank in Canada. She was the Executive Vice President, Private Wealth, at Fiera Capital from 2010 to 2015; President of GBC Asset Management in 2008 and 2009; President and Chief Executive Officer of AGF Private Wealth Management from 2003 to 2007; President, Chief Operating Officer and Director of TAL Private Management from 1996 to 2003; and President and Chief Executive Officer of CIBC Trust in 1995 and 1996. Before joining CIBC in 1995, Ms. Jones had been President and Chief Executive Officer of First Interstate Bancorp from 1986 to 1990 and had worked at Chemical Bank and the Royal Bank of Canada, where she began her career.

Ms. Jones was educated at the University of Western Ontario, the Wharton School of Business and the University of Toronto. She has received her ICD.D certification from the Institute of Corporate Directors.

Ms. Jones is a director of the following public company: Data Communications Management Corp. She is also the chair of the Investment Review Committee of the Starlight Group of Funds.

**David Kassie**, age 64, 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 a director and former Chairman of the Board of Baycrest Health Sciences and was formerly on the boards of the Richard Ivey School of Business, 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.

**Terrence (Terry) Lyons, ICD.D**, age 70, is a corporate director. He is a director of several public and private corporations including Sprott Resource Holdings Inc. (Chairman) and Martinrea International Inc. Mr. Lyons is a retired Managing Partner of Brookfield Asset Management, past Chairman of Northgate Minerals Corporation which was acquired by AuRico Gold Inc. (now Alamos Gold Inc.), past Chairman of Eacom Timber Corporation which was sold to a private equity firm, past Chairman of Westmin Mining, past Vice-Chairman of Battle Mountain Gold and past Chairman of Polaris Materials Corporation.

Mr. Lyons is a Civil Engineer (UBC) with an MBA from the University of Western Ontario (1974). He sits on the Advisory Board of the Richard Ivey School of Business and is active in sports and charitable activities, is a past Governor of the Olympic Foundation of Canada, past Chairman of the Mining Association of B.C., past Governor and member of the Executive Committee of the B.C. Business Council and a past director of the Institute of Corporate Directors (B.C.). In 2007, Mr. Lyons was awarded the INCO Medal by the Canadian Institute of Mining and Metallurgy for distinguished service to the mining industry.

In addition to Canaccord Genuity Group Inc., Mr. Lyons is a director of the following public companies: Martinrea International Inc., Mineral Mountain Resources Ltd. and Sprott Resource Holdings Inc.

**Eric Rosenfeld**, age 62, has been the President and Chief Executive Officer of Crescendo Partners, L.P., a New York based investment firm, since its formation in November 1998. Prior to forming Crescendo Partners, he held the position of Managing Director at CIBC Oppenheimer and its predecessor company Oppenheimer & Co., Inc. for 14 years. Mr. Rosenfeld currently serves as lead director for Primo Water Corporation (formerly Cott Corporation), a leading water service provider, and as a director of CPI Aero (Chairman Emeritus), a company engaged in the contract production of structural aircraft parts. He is also on the board of Pangaea Logistics Solutions, a logistics company, Aecon Group, Inc., a construction company, and NextDecade Corporation, a liquefied natural gas development and project management company. He will be leaving the NextDecade board on July 12, 2020. He was the CEO of Allegro Merger Corp, formerly a NASDAQ listed blank check company. Mr. Rosenfeld has also served

as Chairman and CEO for Arpeggio Acquisition Corporation, Rhapsody Acquisition Corporation, Trio Merger Corp, Quartet Merger Corp and Harmony Merger Corp., all blank check corporations that later merged with Hill International, Primoris Services Corporation, SAExploration Holdings, Pangaea Logistics Solutions Ltd and NextDecade Corporation respectively. He was subsequently a director for each of those merged companies. He was also a director of Absolute Software Corp., a leader in firmware-embedded endpoint security and management for computers and ultraportable devices, AD OPT Technologies, an airline crew planning service company, Sierra Systems Group Inc., an information technology, management consulting and systems integration firm, Emergis Inc., an electronic commerce company, Hill International, a construction management firm, Matrikon Inc. a company that provides industrial intelligence solutions, DALSA Corp., a digital imaging and semiconductor firm, HIP Interactive, a video game company, GEAC Computer, a software company, Computer Horizons Corp. (Chairman), an IT services company, Pivotal Corp, a cloud software firm and Call-Net Enterprises, a telecommunications firm.

Mr. Rosenfeld is a regular guest lecturer at Columbia Business School and has served on numerous panels at Queen's University Business Law School Symposia, McGill Law School, the World Presidents' Organization and the Value Investing Congress. He is a senior faculty member at the Director's College. He has also been a regular guest host on CNBC. Mr. Rosenfeld received a Bachelor of Arts in Economics from Brown University and a Master of Business Administration from the Harvard Business School.

**Dipesh Shah, OBE, FRSA**, age 67, is a Director and Chairman of the Investment Committee of the 2020 European Fund for Energy, Climate Change and Infrastructure and also of the EU Marguerite Fund. He is 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 Notting Hill Genesis and Genesis Housing Association, Viridian Group plc, HgCapital Renewable Power Partners LLP and the European Photovoltaic Industry Association. He was the Senior Independent Director and Chair of the Remuneration Committee of JX Oil & Gas Plc from 2008 to 2015, the Senior Independent Director and Chair of the Nominations Committee of Equus Petroleum Plc from 2013 to 2016 and a Director of The Crown Estate from 2011 to 2018, Thames Water from 2007 to August 2017 and of Cavendish Fluor Partnership from 2014 to August 2017. 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.

**Sally Tennant, OBE**, age 64, has been CEO of three banks: Kleinwort Benson (2011-2014), Schroders Private Banking (2002-2006) and Lombard Odier (UK) Ltd. (2007-2010) and the Chair of a fourth, Duncan Lawrie Ltd. She additionally has extensive experience of asset and wealth management as a former main board director of Gartmore plc, where she successfully built the global institutional division. She has a total of 20 years running money at Gartmore, Morgan Grenfell and SG Warburg / Mercury Asset Management. Ms. Tennant also co-launched a hedge fund, Beaumont Capital, and has deep experience of dealing with multigenerational families and family businesses in a wide range of ways, from sitting on the board of a large family holding company, Waypoint Capital, to working for a multigenerational family owned bank, Lombard Odier; and advising numerous ultra high net worth families. She has extensive chair, non-executive and remuneration chair experience in the unquoted and private equity space. Ms. Tennant currently chairs Style Analytics, a portfolio analytics company, and sits on the board of a fashion label, Fiorucci.

Ms. Tennant was born and grew up in Switzerland. She has international experience in the Channel Islands, U.S., the Middle East and Continental and Eastern Europe. She holds a degree in politics from Durham University. She is a trustee of the Guy's & St. Thomas' Charity.

Ms. Tennant is not currently a director of any public companies.

## Meeting attendance

The following table shows the attendance of directors at the Board and Committee meetings held between April 1, 2019, and the date of this Circular:

	Board of Directors meetings		Audit Committee meetings		Corporate Governance and Compensation Committee meetings	
	Number	%	Number	%	Number	%
Charles N. Bralver	9/9	100%	5/5	100%	5/5	100%
Daniel J. Daviau	9/9	100%				
Michael D. Harris	9/9	100%			5/5	100%
Merri L. Jones	9/9	100%	5/5	100%		
David J. Kassie	9/9	100%				
Terrence A. Lyons	9/9	100%	5/5	100%	5/5	100%
Dipesh Shah	9/9	100%	5/5	100%		
Sally Tennant	6/6	100%			3/3	100%

## 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, Asia and Australia.

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 Bralver	Dan Daviau	Jill Denham	Michael Harris	Merri Jones	David Kassie	Terrence Lyons	Eric Rosenfeld	Dipesh Shah	Sally Tennant
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 (including Australia)						✓	✓		✓	

## 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, 2020, Ernst & Young LLP billed \$4,667,160 in audit fees (including statutory and regulatory audits for subsidiaries in all jurisdictions where such audits are required), \$107,000 in audit related fees, \$923,955 in fees for tax compliance and preparation and tax advisory services including advisory work on various corporate tax matters including acquisition related tax advisory fees. For the financial year ended March 31, 2019, Ernst & Young LLP billed \$3,819,860 in audit fees (including statutory and regulatory audits for subsidiaries in all jurisdictions where such audits are required), \$314,525 in audit related fees, \$241,015 in fees for tax compliance and preparation and \$561,545 in fees for tax advisory services including advisory work on various corporate tax matters including acquisition related tax advisory fees.

## Corporate Governance

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](http://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](http://www.canaccordgenuitygroup.com) (under "Investor Relations – Investor Resources – Corporate Governance and Disclosures"). 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](http://www.osc.gov.on.ca) under "Securities Law & Instruments – Instruments, Rules & Policies".

## BOARD OF DIRECTORS

The Company currently has eight directors, a majority of whom (six) are independent of management. In order to facilitate the exercise of independent judgment by the Board of Directors, the Board has appointed an independent lead director and meet without management present at every board meeting. The independent directors are Charles Bralver, Michael Harris, Merri Jones, Terrence Lyons (Lead Director), Dipesh Shah and Sally Tennant. 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 8 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 35<sup>th</sup> Avenue, Vancouver, BC V6M 1J1.

Under the leadership of the Lead Director, at each regularly scheduled, in-person 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 four such meetings between April 1, 2019 and the date of this Circular. 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 IIROC 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 their 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 the case of Michael Harris, who reached the age of 75 in January 2020, the Committee recommended that the Board not accept his resignation, and this recommendation was accepted 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 2020, the Board held a board education session which all the directors and all members of the management Global Operating Committee (Global OpCo) attended which focussed on strategic discussions and the plans for the next three years.

### **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](http://www.sedar.com) and on the Company's website at [www.canaccordgenuitygroup.com](http://www.canaccordgenuitygroup.com) (under "Investor Relations – Investor Resources – Corporate Governance and Disclosures"). 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 2020 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 telephone and online hotline (called the "Integrity Line") are available. The hotline is operated by a third-party provider which specializes in this type of service. To report issues on the Internet, simply log on to the website at [www.cgf.ethicspoint.com](http://www.cgf.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 of the Board 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), Charles Bralver, Merri Jones and Dipesh Shah. 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, 2019, to the date of this Circular.

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 Committee and the internal Risk Management Committee. The Audit Committee's mandate was updated in fiscal 2013 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 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.

In fiscal 2017, the Company formed an internal global Cybersecurity Committee to help identify, monitor and manage risks specific to the Company's information networks, data and internal systems. This committee is chaired by the firm's Chief Risk Officer and committee members include senior IT management from across the firm, as well as representation from Legal, Compliance, Internal Audit and Operations. The Cybersecurity Committee is focused on issues such as cyber security risk assessment, IT safeguards and controls, risks related to third-party service providers, employee training and awareness and incident response plans.

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 Audit, 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](http://www.sedar.com) and on the Company's website at [www.canaccordgenuitygroup.com](http://www.canaccordgenuitygroup.com) (under "Investor Relations – Investor Resources – Financial Reports"). In particular, see the sections of the AIF headed "Board Committees – Audit Committee" and "External Auditor Service 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 – Investor Resources – Corporate Governance and Disclosures – 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.

The process by which the Board determines compensation for directors is described in this Circular under the heading "Compensation of directors" on page 40 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 23.

### ***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, Terrence Lyons and Sally Tennant. 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 five times in the period from April 1, 2019 to the date of this Circular.

### ***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***

On the initiative of the CEO and the Global Operating Committee, a Core Diversity Council was established in fiscal 2017. It is headed by a member of the Global Operating Committee and composed of business unit leaders in each of the regions. In connection with the mandate of the Council and on the recommendation of the Corporate Governance and Compensation Committee, the Board adopted a formal board diversity policy for directors in connection with Canaccord Genuity's new global diversity policy in fiscal 2017 to reflect the Company's commitment to diversity and inclusion throughout its organization. The Company seeks to maintain a Board comprised of talented and dedicated directors with a diverse mix of expertise, experience, skills and backgrounds, including an appropriate number of women directors, which it will periodically assess in light of the needs of the Board. Any search firm engaged to assist the Board or the Corporate Governance and Compensation Committee in identifying candidates for appointment to the Board as independent directors will be specifically directed to include diverse candidates generally, and multiple women candidates in particular. Annually, the Board or the Corporate Governance and Compensation Committee will review this policy and assess its effectiveness in promoting a diverse Board which includes an appropriate number of women directors.

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 and management'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 two female directors (25%) and six male directors (75%). If all the nominees for election as director are elected at the 2020 annual general meeting, the Board will be comprised of three female directors

(30%) and seven male directors (70%). 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. There are currently no women in executive officer positions in Canaccord Genuity Group Inc. or any of its major subsidiaries; however, 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.

In 2019, the firm announced the launch of the Canaccord Genuity Advisory Program for Women Entrepreneurs. Since establishing our firm-wide diversity program, the firm has given considerable thought to the kind of initiatives we want to support, with a view to choosing ones that align with our corporate values and offer the opportunity to have a meaningful impact. This program aims to do both, as it signals our commitment to fostering an inclusive, innovative and entrepreneurial environment, both within our firm and in the broader business community. The program pairs women entrepreneurs with members of a carefully selected advisory group of successful entrepreneurs and leading business innovators. Program participants are also able to leverage Canaccord Genuity's deep roots in capital markets and wealth management: they have access to senior executives from across the firm, who offer strategic advice and resources to help these high-potential women achieve their business goals. The 2019 program was launched in Canada and will be expanded to other regions starting in 2020.

## Shareholder Engagement

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The Company and the Board believes that it is important to have regular and constructive engagement directly with its shareholders to encourage shareholders to express their views on corporate governance and other matters directly to the Board and Company management outside of the Annual General Meeting. These discussions are intended to be an interchange of views about corporate governance, compensation philosophy and disclosure matters that are within the public domain and do not include a discussion of undisclosed material facts or material changes.

In fiscal 2020, the Company's shareholder engagement initiatives included:

- institutional investor and shareholder engagement through non-deal roadshows with management including 45 meetings with institutional investors in Toronto, Vancouver, Montréal, New York, Boston, Philadelphia, Baltimore, New Jersey and London;
- in-person meetings between the CEO and CFO and significant institutional investors (representing at least a third of the Company's institutional ownership base) to address priority issues;
- other year-round investor and shareholder engagement at in-person meetings and conference calls.

Feedback from these initiatives is regularly discussed with the directors.

Over the past five years, the Company has had extensive discussions with its largest shareholders about compensation philosophy and corporate governance which have shaped the Company's practices. 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. Following the discussions held before the 2016 Annual General Meeting, the Company undertook a review of CEO compensation with a view, in particular, to establishing a CEO compensation framework for measuring and evaluating the performance of the CEO. Following the discussions held before the 2017 Annual General Meeting, the Company undertook a further review of CEO and executive compensation with a view to replacing certain time-based equity awards with long-term performance-based equity awards. And during fiscal 2018, the Compensation Committee undertook, with the assistance of Hugessen Consulting Inc. (Hugessen), the evaluation and development of updated long-term performance-based equity alternatives with forward-looking performance conditions. As a result of this work, the following modifications and additions to compensation programs and policies were implemented in 2018:

- Adopted a performance share unit (PSU) plan to replace the LTIP as the primary long term incentive instrument for the CEO, Executive Chairman and select senior executives. PSUs are intended to strengthen the linkage between pay and performance by conditioning future payout on achievement of predetermined multi-year market-based and financial performance metrics. For fiscal 2018, only the CEO and the Executive Chairman were required to participate in the PSU plan, although other senior executives elected to participate. Starting in fiscal 2019, the CEO, the Executive Chairman, all other NEOs and certain other senior executives have been required to participate in the plan. PSUs are paid in cash at the time of vesting.
- Adjusted the pay mix for the CEO and Executive Chairman to require a mandatory deferral of 40% of total direct compensation (that is, base salary, capital markets incentive compensation pool payments and annual bonuses) into PSUs, which cliff vest after three years. This is a higher mandatory deferral and a later vesting than was required under the previous program.
- Introduced an Incentive Compensation Clawback Policy. The policy applies to all executive officers of Canaccord Genuity Group Inc. and all members of the Global Operating Committee of the Canaccord Genuity group in the case of embezzlement, fraud, breach of fiduciary duty or any other misconduct which constitutes cause for dismissal that contributes in any way to a material restatement of the Company's financial statements.

- Adopted a performance stock option (PSO) plan to facilitate a PSO grant which was then made on June 14, 2018. The PSOs are subject to both time-based service and market (stock price) performance vesting conditions, as well as have a three times exercise price cap on payout value. The objectives of the plan are to increase employee stock exposure and provide a link between strategic objectives, market practice and the established culture of ownership and entrepreneurialism. The plan has been designed to provide a mechanism to closely align employee and shareholder interests and its underlying principle is that growth in equity value should be integral to overall compensation.

The modifications implemented over the past four years were intended to modernize incentive frameworks, align with compensation governance best practices, and reflect feedback received by institutional shareholders and proxy advisors.

## Compensation Discussion and Analysis

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The Board and the Corporate Governance and Compensation Committee (also referred to as the Compensation Committee) are committed to ensuring that Canaccord Genuity's compensation philosophy and programs are aligned to attract, retain and motivate top-quality professionals to support the success of the Company and enhance shareholder value.

### PHILOSOPHY AND OBJECTIVES

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;
- establish for the CEO, the Executive Chairman and other senior executives long-term performance-based awards with forward-looking performance metrics structured to align the interests of employees with those of shareholders and require that a meaningful portion of aggregate compensation is paid in the form of such awards;
- 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, risk management, long term service and loyalty.

#### *Recognition of human capital*

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.

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

#### **Pay for performance**

The Company emphasizes variable compensation as the core of its compensation strategy to provide an incentive to its executive officers 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 derived from revenues 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.

### **Reflect the competitive market for executive talent**

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 Cowen Inc.; Evercore Inc.; GMP Capital Inc.; Greenhill & Co., Inc.; Houlihan Lokey, Inc.; JMP Group LLC; Ladenburg Thalmann Financial Services Inc.; Moelis & Company; Oppenheimer Holdings Inc.; and Piper Sandler Companies. 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 review of the peer group is of particular importance in evaluating the compensation of CEO as it provides insights into how executive compensation correlates to financial performance and how Canaccord Genuity's financial performance compares to that of the peer group.

### **Minimize compensation risk**

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. Policies which impact the management and mitigation of compensation risk include:

- prohibition on 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 the Company's equity securities granted as compensation or held, directly or indirectly, by the director or employee;
- compensation clawback provisions have been implemented for cash bonuses and equity based incentive awards in the case of embezzlement, fraud, breach of fiduciary duty or any other misconduct which constitutes cause for dismissal that contributes in any way to a material restatement of the Company's financial statements;
- share ownership guidelines: the CEO is required to own at least three times his base salary in Common shares of the Company;
- the "double trigger" change of control provisions for the payment of severance to the CEO and for the vesting of PSUs;
- the final payout value of the PSOs (that is, the profit made on exercise of options) is capped at three times the exercise price.

### **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, Canaccord Genuity Financial Planning Limited, Hargreave Hale Limited, CG McCarthy Taylor Ltd. and CG Wealth Planning Limited) must comply with the FCA's Remuneration Code. Canaccord Genuity Limited, Canaccord Genuity Wealth Limited, Canaccord Genuity Financial Planning Limited and Hargreave Hale Limited fall within 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 up to 20% of capital markets incentive compensation pool payments and bonuses in the form of a Restricted Share Unit (RSU) award under the Company's Long Term Incentive Plan. In addition, all Code Staff are subject to a 100% clawback on any net payments received in the event of their resignation or termination other than by reason of redundancy on or before April 27 of the following year and most Code Staff are subject to a 50% deferral over seven months on all cash payments made as part of a bonus award.

### **Executive compensation-related fees**

In fiscal 2017, the Compensation Committee retained Hugessen Consulting Inc. (Hugessen), a leading executive compensation consulting firm, to assist with the development of a compensation and performance framework for measuring and evaluating the performance of its CEO and, in fiscal 2018, the Compensation Committee retained Hugessen to assist with the development of long-term performance-based equity awards with forward-looking performance metrics and, in fiscal 2019, the Compensation

Committee retained Hugessen to assist with the benchmarking of directors' fees and, in fiscal 2020, the Compensation Committee retained Hugessen to assist with a further review of long-term performance-based equity awards with forward-looking performance metrics. Hugessen's fees for fiscal 2020 were \$39,074 and for fiscal 2019 were \$77,448.

## COMPENSATION OF NAMED EXECUTIVE OFFICERS FOR FISCAL 2020

The "Named Executive Officers" (also referred to as "NEOs") of a company are the CEO, the CFO and the three most highly compensated executive officers other than the CEO and CFO, at the end of the most recently completed financial year. In fiscal 2020, the Named Executive Officers of Canaccord Genuity Group Inc. were its CEO, Dan Daviau; its CFO, Don MacFayden; David Kassie, the Executive Chairman; Jeffrey Barlow, President of Canaccord Genuity LLC (the group's capital markets operating subsidiary in the United States); and David Esfandi, Chief Executive Officer of Canaccord Genuity Wealth Limited (the group's wealth management operating subsidiary headquartered in London, England).

For fiscal 2020, the compensation of the Company's NEOs included the following elements:

- base salary; the purpose is to attract, motivate and retain;
- an annual bonus; for the CEO, in an amount determined in accordance with the Chief Executive Compensation Framework which may vary significantly from year to year and depends on the achievement of strategic objective, relative one-year total shareholder return and certain financial metrics (see "Chief Executive Compensation Framework" below); for other NEOs, in an amount intended to attract, motivate and retain key talent and to reward individual merit and contribution and commitment to corporate strategy, values and performance at the overall corporate level;
- direct drive payments from the 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;
- a fixed proportion of the CEO's and other NEOs' aggregate annual compensation opportunity is required to be paid in the form of share-based awards, either in PSUs (which are cash settled) or Restricted Share Units (RSUs) under the Long Term Incentive Plan (LTIP) to align executive and shareholder interests and to encourage long term service and loyalty; for the CEO, 40%, and for the other NEOs, either 40% or 25%, of the aggregate compensation amount that would otherwise be payable in cash is paid in the form of Performance Share Units (PSUs), which cliff vest after three years based on continued employment and the achievement of certain predetermined forward-looking performance targets;
- a grant of Performance Stock Options (PSOs) under the new Performance Stock Option Plan approved by shareholders at the annual general meeting on August 2, 2018, to increase employee stock exposure and provide a link between strategic objectives, market practice and the established culture of ownership and entrepreneurialism while attracting, motivating and retaining employees; the plan was designed to provide a mechanism to closely align employee and shareholder interests and its underlying principle is that growth in equity value should be integral to overall compensation;
- other benefits and perquisites including health and welfare benefits and the ESPP.

There are no pension plans for any of the NEOs.

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 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 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.

### Annual bonus

The annual bonus for the CEO is determined by the Corporate Governance and Compensation Committee in accordance with the Chief Executive Compensation Framework. The bonuses for the CFO and the other NEOs are determined by the CEO and reviewed by the Committee.

A 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.

### Capital markets incentive compensation pool

The Company has established a variable incentive-based compensation policy whereby a certain percentage of revenue, 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 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 and additions to the incentive 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.

Although a substantial portion of aggregate compensation will generally increase or decrease with the Company's revenue, a notable consequence of this compensation element is that there will be periods where the growth of individual NEO compensation exceeds the revenue growth of the Company. This would occur when the NEO compensation commensurate with their revenue contribution is disproportionate to the revenue growth of the Company. This motivates the NEOs to contribute to the success of the Company even in difficult market conditions.

### Share-based awards and Performance Share Units

It is mandatory for the CEO and the Executive Chairman that 40% of their aggregate compensation (that is, base salary, capital markets incentive compensation pool payments and annual bonuses) that would otherwise be payable in cash be paid in the form of Performance Share Units (PSUs) (see "Performance Share Unit (PSU) Plan" on page 34). Starting in fiscal 2019, all other NEOs were required to participate in the program; either 40% or 25% of their aggregate compensation that would otherwise be payable in cash and an award of RSUs under the LTIP will be paid in the form of PSUs. Those who participate in the Performance Share Unit Plan will generally not receive a Restricted Share Unit (RSU) award under the LTIP.

### Performance Share Option (PSO) plan

In fiscal 2018, the Corporate Governance and Compensation Committee (composed of only independent directors), the Board of Directors and senior management devoted considerable time to reforming the Company's equity based compensation plans. A component of those plans was a new Performance Stock Option Plan to replace the existing Share Option Plan (which was terminated effective March 31, 2018) which is both subject to time-based service and market (stock price) performance vesting conditions. The objectives of the plan are to increase employee stock exposure and provide a link between strategic objectives, market practice and the established culture of ownership and entrepreneurialism while attracting, motivating and retaining employees. The plan was designed to provide a mechanism to closely align employee and shareholder interests and its underlying principle is that growth in equity value should be integral to overall compensation.

### Other benefits

All employees, including the executive officers, are eligible to participate in the Company's broad-based benefits program which generally consists of medical, dental, life insurance, disability and other similar benefits. 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.

## Chief Executive Compensation Framework

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At Canaccord Genuity, the CEO has a dual role: as the chief executive of the Canaccord Genuity group and as an active investment banking revenue producer and contributor to the capital markets business in Canada and the United States. This duality has its roots in both the culture of the firm (entrepreneurial, with a flat and cost-effective hierarchy of managers who lead by example as player-coaches) and the individual in the CEO role (as a significant contributor to the capital markets revenues of the firm over many years). The Board and the Compensation Committee strongly support both these roles, and the CEO is compensated (a) as the chief executive within the Chief Executive Compensation Framework and (b) as an active revenue producer on the same basis that other revenue producers are compensated.

Beginning in fiscal 2017, the Compensation Committee adopted a "balanced scorecard" performance framework for determining the CEO's compensation. The approach increased the level of rigour by which the Board measures performance, sets objectives and evaluates results for the purposes of determining CEO compensation. It is intended to support the following three compensation principles:

- (a) ensures there is clear understanding and agreement between the Board and CEO on what constitutes poor, good and great performance and the balance between the CEO's two roles;

- (b) retains flexibility; it is not intended to be prescriptive or formulaic, recognizing that the Company's business is highly variable and dependent on market conditions;
- (c) allows the firm to better communicate to shareholders how it determines CEO pay.

In fiscal 2018, the Compensation Committee undertook a review of CEO compensation. This review was informed by input from the Company's program of shareholder engagement and done with the assistance of Hugessen. As a result of that review, the Compensation Committee established for the CEO long-term performance-based equity awards (in the form of PSUs) with forward-looking performance metrics. These awards are structured to align the interests of the CEO with those of shareholders and require that a significant portion of the CEO's aggregate compensation that would otherwise be payable in cash is paid in the form of such awards that are conditional on achieving pre-determined multi-year market-based and financial objectives.

The components of the Chief Executive Compensation Framework are:

**Range of compensation:** excluding compensation as a revenue producer, the range of total CEO compensation (base salary, annual CEO bonus and share-based awards) is targeted to be between \$1 million and \$7 million. This range reflects compensation that would reasonably be expected to recruit an individual with Mr. Daviau's expertise and talents, and the upper end of the range is directly comparable to the compensation paid to a number of the non-revenue-producer chief executive officers of U.S. financial services firms in the Company's compensation practices peer group. This reflects a scope of the Company's business that is well beyond Canada and that has a significant U.S. component.

**Mix of compensation:** the compensation is made up of a base salary of \$850,000 and the balance in cash as an annual bonus, Performance Share Unit (PSU) awards, Performance Share Options (PSOs) and the amortization of the special Restricted Share Unit (RSU) retention awards granted in prior fiscal years.

**Performance measurement:** The following shows the performance metrics and their relative weighting in determining CEO compensation; these metrics are designed to incentivize the CEO to achieve superior financial, operational and strategic results:

Weighting	Metrics
60%	Financial metrics (increase in adjusted net income after tax and improvement in the compensation expense ratio and the total expense ratio) which are objective measures of absolute success and maintain a clear alignment with shareholder interests; for competitive and internal management reasons, the specifics of the targets set for the CEO are not disclosed publicly or internally (except on a need to know basis)
20%	Relative one-year total shareholder return (TSR) which measures relative performance against Canaccord Genuity's peer group, providing for a close alignment with shareholder experience and the market's view of Canaccord Genuity's achievements
20%	Achievement of strategic objectives which are set for the CEO each year; for fiscal 2020, key specific strategic objectives for the CEO were established in a number of areas including particularly (a) growth and increased profitability of the Canadian and U.K. wealth management businesses and positioning the Australian wealth management business for growth, (b) diversification of the revenue stream and increased profitability in the U.S. and (c) the reduction of capital used in the U.K. capital markets business.

## 2020 CEO performance and compensation

### *Dan Daviau, President and CEO*

Dan Daviau has worked for more than 25 years in investment banking and joined the Company on the merger of Canaccord Financial Ltd. and Genuity Capital Markets in 2010. From 2010 to 2012, Mr. Daviau was Head of Investment Banking for Canaccord Genuity. From 2012 to 2015, he was President of the firm's US capital markets business. Through all of these years, he was one of the leading revenue producers for the group. In October 2015, Mr. Daviau became the President and CEO of the Company, and he has continued since then to be one of the leading revenue producers for the group.

Mr. Daviau is paid a base salary of \$850,000. This salary 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.

Excluding compensation as a revenue producer and including only the amortized portion of the special LTIP award and the PSO award, Mr. Daviau's total compensation for fiscal 2020 was \$5,046,000 (including \$2,940,800 paid in PSUs which are subject to forward-looking performance conditions) compared with \$5,605,652 in fiscal 2019 (including \$3,650,000 paid in PSUs which are subject to forward-looking performance conditions). This is in accordance with the range specified in the Chief Executive Compensation Framework. That it is less than the top of the range reflects that, although most other metrics were achieved or exceeded, an increase in share price and the total shareholder return was not in part because of the extraordinary COVID-19 pandemic market downturn which coincided with the end of the fiscal year measurement period.

Mr. Daviau's compensation recognizes the following:

- flat adjusted net income compared to the prior year despite the impact of a sharp decline in revenues related to the cannabis industry in the last part of the fiscal year

- despite an increase in fixed staff costs, a flat total compensation expense ratio compared to the prior year
- a 1.2% increase in total expenses (excluding significant items) reflecting an increase in headcount due to two acquisitions
- increased profitability of the wealth management businesses
- successful completion of the acquisition of Patersons Securities Limited in Australia and Thomas Miller in the U.K. and their integration into the group
- successful integration of Petsky Prunier into the U.S. capital markets group
- increased profitability in the U.S.
- reduction of capital used in the U.K. capital markets business
- that Canaccord Genuity maintained its position as a leading equities underwriter in Canada by both number and aggregate value of transactions

The Compensation Committee believes that the financial metrics (60% of weighting) and the strategic objectives (20% weighting) were mainly achieved and exceeded. The total shareholder return metric (20% weighting) was not achieved albeit the measurement date was March 31, 2020, which coincided with the extraordinary COVID-19 pandemic market downturn. As a result, the CEO was paid at approximately 10% lower than the prior year but well within the target range of total CEO compensation (excluding compensation as a revenue producer). The Committee believes that the CEO's level of compensation appropriately reflects the achievement of the performance metrics.

Mr. Daviau is an active producer and significant contributor to the Company's capital markets revenue and, in addition to providing senior management support to all revenue generating activities, he was actively and directly involved in investment banking mandates that contributed to the Company's total revenues aggregating in excess of \$20 million. As a revenue producer with responsibility for originating and managing client relationships and mandates, he participates in the Canaccord Genuity capital markets incentive compensation pool for Canada and received \$3,352,000 on a basis that was discounted from the amount that would have been paid to other revenue producers in the investment banking department with the same level of client engagement and paid from the capital markets pool.

The following table highlights the total fiscal 2020 and 2019 compensation awarded to Mr. Daviau. The base salary, annual bonus and compensation as a revenue producer was paid \$2,940,800 in PSUs and \$440,000 in cash.

	2019	2020
Base salary	\$ 850,000	\$ 850,000
Annual bonus	\$ 3,650,000	\$ 3,138,800
Compensation as revenue producer	\$ 5,000,000	\$ 3,352,000
Amortization of special awards under LTIP	\$ 660,000	\$ 660,000
Amortization of Performance Share Options	\$ 386,000	\$ 386,000
All other compensation	\$ 59,652	\$ 318,125

#### **Other NEOs**

Mr. MacFayden received a base salary and an annual bonus. Part of the annual bonus was paid in PSUs which are subject to forward-looking performance conditions.

Mr. Kassie was an active producer and significant contributor to capital markets revenue in Canada. He therefore participated in the capital markets incentive compensation pool for Canada. He also received a base salary and an annual bonus. Part of the capital markets incentive compensation pool payments and annual bonus was paid in PSUs which are subject to forward-looking performance conditions.

Mr. Barlow was an active producer and significant contributor to capital markets revenue in United States. He therefore participated in the capital markets incentive compensation pool for the United States. He also received a base salary and an annual bonus. Part of the capital markets incentive compensation pool payments and annual bonus was paid in PSUs which are subject to forward-looking performance conditions.

Mr. Esfandi received a base salary and an annual bonus. Part of the annual bonus was paid in PSUs which are subject to forward-looking performance conditions.

## Summary

The following table sets out the compensation for the NEOs for each of the Company's three most recently completed financial years showing the elements of compensation. This table should be read together with the "Summary compensation table" on page 30 which sets out the compensation for the NEOs as required in NI 51-102F6 (Statement of Executive Compensation). **This table provides for a better understanding of the CEO's actual compensation as it identifies 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 amortizes special awards of RSUs (including the June 2016 award) and the PSO grants over a multi-year period.**

Name and principal position	Year	Salary (\$) (1)	Capital markets incentive compensation pool (\$) (2)	Options (3)	Amortization of special awards (\$) (4)	Annual bonus (5)		All other compensation (\$) (6)	Total compensation (\$) (7)
						Paid in cash or RSUs (\$) (5.1)	Performance Share Units (PSUs) (5.2)		
<b>Daniel Daviau</b> CEO	2020	\$850,000	\$3,352,000	\$386,000	\$660,000	\$ 507,042	\$2,940,800	\$ 9,083	\$ 8,704,925
	2019	\$850,000	\$5,000,000	\$386,000	\$660,000	\$ 50,569	\$3,650,000	\$ 9,083	\$10,605,652
	2018	\$850,000	\$2,100,000	\$ —	\$660,000	\$ 753,998	\$2,440,000	\$ 8,867	\$ 6,812,865
<b>Donald D. MacFayden</b> CFO	2020	\$496,060	\$ —	\$193,000	\$ —	\$ 666,748	\$ 375,000	\$ —	\$ 1,730,808
	2019	\$492,620	\$ —	\$193,000	\$ 45,000	\$ 782,460	\$ 420,000	\$ —	\$ 1,933,080
	2018	\$501,843	\$ —	\$ —	\$ 45,000	\$ 885,530	\$ —	\$ —	\$ 1,432,373
<b>David Kassie</b> Executive Chairman	2020	\$450,000	\$ 689,000	\$193,000	\$ —	\$ 991,251	\$1,335,600	\$ —	\$ 3,658,851
	2019	\$450,000	\$ 350,000	\$193,000	\$450,000	\$1,219,920	\$1,340,000	\$ —	\$ 4,002,920
	2018	\$450,000	\$ —	\$ —	\$450,000	\$1,140,000	\$1,060,000	\$ —	\$ 3,100,000
<b>Jeff Barlow</b> President, Canaccord Genuity LLC	2020	\$532,000	\$1,264,000	\$193,000	\$ —	\$1,677,031	\$1,147,384	\$ —	\$ 4,813,415
	2019	\$525,240	\$1,181,790	\$193,000	\$166,670	\$1,957,271	\$1,214,618	\$ —	\$ 5,238,589
	2018	\$513,320	\$ 769,980	\$ —	\$166,670	\$1,705,855	\$ —	\$ —	\$ 3,155,825
<b>David Esfandi</b> Chief Executive Officer, Canaccord Genuity Wealth Limited	2020	\$423,000	\$ —	\$ 96,500	\$936,931	\$1,908,849	\$ 739,011	\$15,802	\$ 4,120,093
	2019	\$430,375	\$ —	\$ 96,500	\$568,682	\$1,244,873	\$ 550,880	\$42,218	\$ 2,933,528
	2018	\$425,475	\$ —	\$ —	\$450,000	\$1,686,644	\$ —	\$41,737	\$ 2,603,856

(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, amounts paid in the form of Restricted Share Units (RSUs) under the LTIP and amounts paid in Performance Share Units (PSUs) for Mr. Daviau in 2019.

(3) The amounts in this column represent the amortization over four years of the grant date fair value of the PSOs granted to NEOs during fiscal 2019.

(4) The amounts in this column represent the amortization of previously granted special retention and management incentive awards including the amortization of the value to the employee of the RSUs granted in connection with the June 2016 private placement using the value of \$4.17 paid by the employee for each private placement unit. In the case of Mr. Daviau, the amount is amortized over five years; in all other cases, it is amortized over three years. It also includes the pro rata portion of the valuation of the right of Mr. Esfandi described in note (d) to the Summary compensation table on page 30 applicable to fiscal 2020.

(5.1) The amounts in this column represent the annual bonuses. The amounts include both the amount paid in cash and the amount paid in the form of RSUs under the LTIP. The amounts also include any amounts paid as a dividend equivalent on the vesting of RSUs.

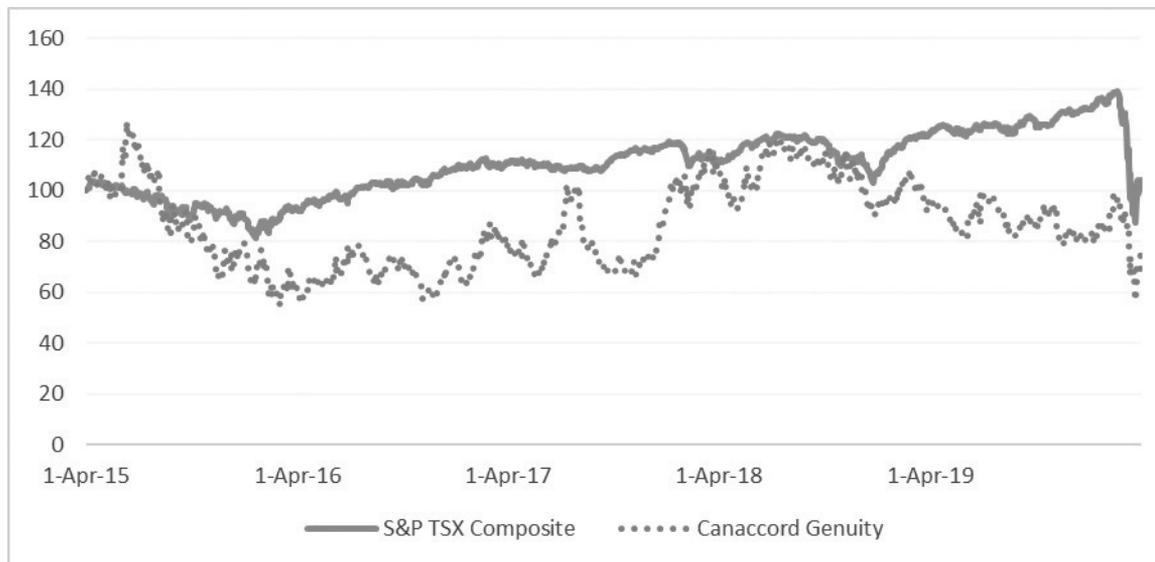
(5.2) The amounts in this column represent the fair value of the Performance Share Units (PSUs) granted to NEOs in respect of each financial year. The PSUs cliff vest and are cash settled following a three year performance period applicable to such PSUs based on continued employment and the achievement of predetermined performance targets. Payout values will be settled in cash based on the ten-day trailing-average share price of the Company's shares at the end of the performance period.

(6) The amounts in this column include certain taxable benefits and the Company's contribution to an ESPP.

## PERFORMANCE GRAPH

The following performance graph shows the cumulative return for the five most recently completed financial years (from April 1, 2015 to March 31, 2020) 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, 2015, would be worth at the end of fiscal 2020.

**Five year cumulative return on a \$100 investment (C\$)  
(April 1, 2015 – March 31, 2020)**



	March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018	March 31, 2019	March 31, 2020
Canaccord Genuity Common shares	\$100	\$62	\$ 79	\$110	\$ 95	\$ 75
S&P/TSX Composite Index	\$100	\$93	\$111	\$112	\$121	\$104

March 31, 2020, coincided with the extraordinary COVID-19 pandemic market downturn; the figures for May 31, 2020, are \$97 for the Canaccord Genuity Common shares and \$119 for the S&P/TSX Composite Index.

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 (excluding compensation as a revenue producer and one-time option awards) and the CFO (excluding one-time option awards) have been generally consistent with the trend in total return on investment charted in the performance graph.

### 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)			
<b>Daniel Daviau</b> CEO	2020	\$850,000	\$3,249,842	\$ —	\$3,550,000	\$—	\$—	\$ 9,083	\$ 7,658,925
	2019	\$850,000	\$3,850,569	\$1,544,000	\$4,850,000	\$—	\$—	\$ 9,083	\$11,103,652
	2018	\$850,000	\$2,483,998	\$ —	\$2,810,000	\$—	\$—	\$ 8,867	\$ 6,152,865
<b>Donald D. MacFayden</b> CFO	2020	\$496,060	\$ 391,748	\$ —	\$ 650,000	\$—	\$—	\$ —	\$ 1,537,808
	2019	\$492,620	\$ 422,460	\$ 772,000	\$ 780,000	\$—	\$—	\$ —	\$ 2,467,080
	2018	\$501,843	\$ 185,530	\$ —	\$ 700,000	\$—	\$—	\$ —	\$ 1,387,373
<b>David Kassie</b> Executive Chairman	2020	\$450,000	\$1,466,851	\$ —	\$1,549,000	\$—	\$—	\$ —	\$ 3,465,851
	2019	\$450,000	\$1,340,000	\$ 772,000	\$1,569,920	\$—	\$—	\$ —	\$ 4,131,920
	2018	\$450,000	\$1,060,000	\$ —	\$1,140,000	\$—	\$—	\$ —	\$ 2,650,000
<b>Jeffrey Barlow</b> President, Canaccord Genuity LLC	2020	\$532,000	\$1,177,415	\$ —	\$2,911,000	\$—	\$—	\$ —	\$ 4,620,415
	2019	\$525,240	\$1,235,066	\$ 772,000	\$3,118,613	\$—	\$—	\$ —	\$ 5,650,919
	2018	\$513,320	\$ 486,720	\$ —	\$1,989,115	\$—	\$—	\$ —	\$ 2,989,155

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)			
David Esfandi Chief Executive Officer, Canaccord Genuity Wealth Limited	2020	\$423,000	\$ 849,860	\$ —	\$1,798,000	\$—	\$—	\$15,802	\$ 3,086,662
	2019	\$430,375	\$2,573,871	\$ 386,000	\$1,239,480	\$—	\$—	\$42,218	\$ 4,671,944
	2018	\$425,475	\$ 338,739	\$ —	\$1,347,905	\$—	\$—	\$41,737	\$ 2,153,856

The compensation paid to Jeffrey Barlow is paid in U.S. dollars; the compensation paid to David Esfandi is paid in pounds sterling; and the compensation paid to Dan Daviau and David Kassie out of the U.S. capital markets compensation pools is paid in U.S. dollars. The foreign exchange rate used is the average rate for the fiscal year; USD/CAD of 1.3303 and GBP/CAD of 1.6911.

- (d) In the case of NEOs awarded Restricted Share Units (RSUs), the amounts in this column represent the grant date fair value of the RSUs awarded to NEOs in respect of each financial year plus the amount paid as a dividend equivalent on the vesting of RSUs. The grant date fair value for RSUs depends on the prices at which Common shares are acquired by the trustees of the employee benefit trusts (EBTs) to satisfy the awards. In general, the grant date fair value is the average price of all such shares.

In the case of NEOs granted Performance Share Units (PSUs), the amounts in this column represent the fair value of the PSUs granted to NEOs in respect of each financial year. The PSUs cliff vest and are cash settled following a three year performance period applicable to such PSUs based on continued employment and the achievement of predetermined performance targets. Payout values will be settled in cash based on the ten-day trailing-average share price of the Company's shares at the end of the performance period.

In the case of David Esfandi, the amount in this column for fiscal 2019 includes a valuation of a share-based payment award he received during fiscal 2019. This award vests following the end of either fiscal 2021 or fiscal 2022 at the election of Mr. Esfandi and entitles Mr. Esfandi to receive Common shares of the Company based on the performance of the UK & Europe Wealth Management operating unit measured against a minimum threshold level (the "Excess Equity Value"). The number of Common shares to be received is based on the Excess Equity Value divided by the market price of the Common shares at the time of payment. The fair value of the award was determined based on an independent valuation report utilizing a probability weighted discounted pro forma cash flow analysis. The amount as determined under IFRS may differ as a result of utilizing different discount factors that would be appropriate for accounting purposes compared to factors that are appropriate for employment income purposes. In consideration for the award, Mr. Esfandi paid £1,000,000 in cash. On vesting, Mr. Esfandi will receive £1,000,000 in cash plus the Excess Equity Value, if any, in the form of Common shares as described above. In connection with this award, Mr. Esfandi agreed to postpone the vesting of \$452,923 of the RSUs awarded in fiscal 2017. Mr. Esfandi has agreed to forfeit such number of those RSUs as have a value equal to the Excess Equity Value or, if the value of those RSUs is less than the Excess Equity Value, then all of those RSUs.

The RSUs awarded to NEOs that vested during the financial year and that had not vested as of March 31, 2020 are shown in the following table.

NEO name	Market value of RSUs that vested during the year ended March 31, 2020	Number of RSUs that have not vested as of March 31, 2020	Market value of RSUs that have not vested as of March 31, 2020
Daniel Daviau	\$4,488,035	34,860	\$150,944
Donald MacFayden	\$ 290,163	27,194	\$117,750
David Kassie	\$1,941,550	36,400	\$157,612
Jeffrey Barlow	\$ 664,183	230,674	\$998,818
David Esfandi	\$1,053,290	212,574	\$920,445

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, 2020 is calculated by multiplying the number of RSUs that have not vested by the closing market price of the underlying shares on March 31, 2020 (\$4.33). 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.

No PSUs awarded to NEOs vested during the year. The PSUs awarded to NEOs that had not vested as of March 31, 2020 are shown in the following table.

NEO name	Number of PSUs awarded but not vested as of March 31, 2020	Estimate as of March 31, 2020	
		Number of PSUs (A)	Value (B)
Daniel Daviau	983,380	1,122,620	\$4,386,172
Donald MacFayden	70,311	82,513	\$ 322,384
David Kassie	375,173	426,632	\$1,666,888
Jeffrey Barlow	206,766	242,651	\$ 948,058
David Esfandi	93,236	109,417	\$ 427,503

The number of PSUs that ultimately vest is adjusted for dividends paid during the vesting period and is a multiple of the number of PSUs that were originally granted. The multiple will be in a range of 0x to 2x based upon performance against certain pre-determined metrics as measured at the time of vesting. The amounts shown in column (A) are an estimate of the number of PSUs that would vest if vesting occurred on March 31, 2020. The cash value of the PSUs that vest is calculated as the number of PSUs that vest multiplied by the 10 day weighted average price of the Common shares of the Company immediately prior to the vesting date; the amount in column (B) is that amount as if the vesting occurred on March 31, 2020 (when the 10 day weighted average price of the Common shares of the Company was \$3.9071 ).

- (e) The amounts in this column for 2019 represent the grant date fair value of the PSOs granted to NEOs during that financial year. The grant date fair value is calculated using a Monte Carlo simulation to simulate a range of possible future stock prices for the Company over the period from the grant date to the expiry date of the PSOs. The purpose of this modelling is to use a probabilistic approach for estimating the fair value of the PSOs under applicable IFRS accounting standards. Assumptions utilized for purposes of the simulation were: (i) dividend yield 2.16%; (ii) expected volatility 40.92%; (iii) risk-free interest rate 2.24%; and, (iv) expected life of four years. The Company chose this valuation methodology because it is widely accepted and well understood. See also Note 23[vi] to the consolidated financial statements of the Company as at March 31, 2020.

No PSOs awarded to NEOs vested during the year. The PSOs vest rateably over four years based on continued employment and the achievement of share price hurdles. See "Performance Share Option (PSO) Plan" on page 37. The options that were unexercised as of March 31, 2020 are shown in the following table. Under certain circumstances the options may expire earlier.

NEO name	Number of shares underlying unexercised options as of March 31, 2020 (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options as of March 31, 2020 (\$)
Daniel Daviau	800,000	\$6.73	June 14, 2023	\$ —
Donald MacFayden	400,000	\$6.73	June 14, 2023	\$ —
David Kassie	400,000	\$6.73	June 14, 2023	\$ —
Jeffrey Barlow	400,000	\$6.73	June 14, 2023	\$ —
David Esfandi	200,000	\$6.73	June 14, 2023	\$ —

- (f1) The amounts in this column represent capital markets incentive compensation pool payments and annual bonuses. The amounts exclude any portion of the capital markets 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 or PSUs.
- (h) The amounts in this column include certain taxable benefits and the Company's contribution to an ESPP.

### 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 and (b) 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. The severance excludes any retention or extraordinary bonuses, unit or share options, restricted share units, performance share units, equity awards, and all other entitlements or payments or allowances in respect of any long-term incentive (including under the LTIP) or in lieu of any of the foregoing other than any award of unit or share options, restricted share units, performance share units,

equity awards, and all other entitlements or payments or allowances granted or paid in lieu of base salary or annual bonuses (all of which shall be included). 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, 2020, then the total amount payable to Mr. Daviau would have been \$16,902,570. Any unvested Restricted Share Units would have continued to vest in accordance with the Long Term Incentive Plan and any Performance Share Units would have vested and been paid out in accordance with their terms.

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 for good reason (that is, 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 the period of non-competition and non-solicitation restrictions of up to 24 months, provided that the Company may, at its option, within 90 days of the date of termination choose to reduce the period of the non-competition and non-solicitation restrictions to one year and pay only 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, 2020, 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 \$6,698,920. Any unvested Restricted Share Units would have continued to vest in accordance with the Long Term Incentive Plan and any Performance Share Units would have vested and been paid out in accordance with their terms.

Mr. Esfandi has entered into an employment agreement which, among other terms, provides that his employment may be terminated by either himself or his employer on not less than six months' notice and his employer may terminate his employment forthwith by paying him in lieu of any unexpired period of notice a sum equivalent to the salary and contractual benefits he would have received during that period. The agreement provides for non-competition and non-solicitation of business and suppliers restrictions for a period of three months following the date of his termination and non-solicitation of employee restrictions for a period of six months following the date of his termination. Under this agreement, if his employer had terminated his employment forthwith on March 31, 2020, then the total amount payable to Mr. Esfandi would have been £125,000 plus contractual benefits. Any unvested Restricted Share Units would have continued to vest in accordance with the Long Term Incentive Plan; any Performance Share Units would have vested and been paid out in accordance with their terms; and the share-based award related to the performance of the UK & Europe Wealth Management operating unit would have been exercisable.

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 Performance Share Units, 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 Performance Share Units, Restricted Share Units is negotiated as part of severance arrangements.

## **EQUITY BASED COMPENSATION PLANS**

The Company has only the following plans under which awards were made in fiscal 2020 or under which awards may be made in the future. Under only the Performance Share Option (PSO) Plan will any shares be issued from treasury.

- Performance Share Unit (PSU) Plan: awards are settled in cash and are subject to market and non-market performance vesting conditions
- Restricted Share Units (RSUs) under Long Term Incentive Plan (LTIP): awards are settled by way of purchases on the Toronto Stock Exchange and alternative trading systems and are subject to time-based service vesting conditions
- Deferred Share Units (DSUs): awards are made only to independent directors and are settled in cash when the director leaves the Board of Directors; see "Deferred share units" on page 41

- Performance Share Option (PSO) Plan: awards (which are subject to shareholder approval of the plan) are settled by the issuance of shares from treasury and are subject to time-based service and market (stock price) performance vesting conditions

In addition, there are a number of equity based compensation plans under which no further awards will be made but a total of 10,917 Common shares may be issued from treasury; see “Securities Authorized for Issuance under Equity Compensation Plans” on page 43.

### Performance Share Unit (PSU) Plan

The CEO, the Executive Chairman, all NEOs and certain other senior executive officers participate in the Performance Share Unit (PSU) Plan. Any person to whom a PSU award is made does not receive any RSU award under the LTIP. All PSU awards are cash settled.

Set out below is a summary of the principal rules of the PSU Plan which is provided for information purposes only and cannot be relied upon in substitution of the rules themselves.

**Program concept.** This program allows eligible persons (that is, the CEO, the Executive Chairman and other Canaccord Genuity executives as determined from time to time at the sole discretion of the Corporate Governance and Compensation Committee of the Board) to receive annual awards of Performance Share Units (“PSUs”). Those who participate in the Performance Share Unit Plan will not receive any Restricted Share Unit (RSU) awards under the LTIP.

PSUs are a notional equity-based instrument linked to the full value of a company’s shares which pay out following a three year vesting period depending on performance against pre-determined metrics (unlike RSUs under the LTIP which vest only based on the passage of time and, except in certain circumstances, continued employment).

PSUs cliff vest and are cash settled following a three year performance period applicable to such PSUs based on continued employment and the achievement of predetermined performance targets. Payout values will be settled in cash based on the ten-day trailing-average share price of the Company’s shares at the end of the performance period.

The program is intended to act as a deferral of a portion of annual cash compensation. For the CEO and the Executive Chairman, who are each mandatory participants, 40% of the participant’s aggregate compensation that would otherwise be paid in cash is paid in the form of PSUs. For all other NEOs, who are also each mandatory participants, either 40% or 25% (at the NEO’s election) of their aggregate compensation that would otherwise be payable in cash and an award of RSUs under the LTIP is paid in the form of PSUs. For voluntary participants, a portion of the participant’s aggregate compensation that would otherwise be paid in cash and an award of RSUs under the LTIP is paid in the form of PSUs.

The number of PSUs which ultimately vest can range from none to two times the number granted, based on performance against relative total shareholder return (vs. S&P/TSX Composite Total Return Index) and earnings per share (EPS) targets measured over the three-year performance period.

The number of PSUs granted each year is calculated by dividing the grant value of the award by the volume weighted average share prices of the Company on the ten business days leading up to the beginning of the performance period.

**Performance-based vesting conditions.** The number of PSUs that ultimately vest will be adjusted for dividends paid during the vesting period and will be determined based on a Performance Multiplier. The Performance Multiplier will have a possible range of 0x (that is, no payout) to 2x (that is, twice the number of units vest than were originally granted adjusted for dividends).

The Performance Multiplier will be calculated as follows:

- 50% based on relative total shareholder return vs. S&P/TSX Composite Total Return Index
  - Total Shareholder Return (TSR) = change in the total value of an equity investment, including change in share price and reinvestment of dividends
  - Measurement period = April 1 of the fiscal year following the fiscal year in respect of which the grant was made to March 31 three years later (for greater certainty, as an example, the measurement period commencing on April 1, 2018 would conclude on March 31, 2021). In determining Canaccord Genuity’s share price at the beginning and end of each performance period, a ten-day volume weighted average price (“VWAP”) will be used
  - Performance targets are as outlined in the table below:

Performance level	Performance targets	# units vesting* (% of Target)
Below Threshold	CF TSR ≤ 2000 bps below Index return	0%
Target	CF TSR = Index return	100%
Maximum	CF TSR ≥ 2000 bps above Index return	200%

\* The number of units to vest when performance is between the Threshold and Target and Target and Maximum will be interpolated on a linear basis

- For greater clarity: if the 3-year index return is 20%, Canaccord Genuity's 3-year TSR would need to be  $\geq 40\%$  to achieve 200% vesting
- 50% based on three-year average earnings per share (EPS)
  - Measured as the average EPS earned in the fiscal year of the date of grant and the following two fiscal years (for greater certainty, as an example, for the grant made in the first quarter of fiscal 2020, the average EPS over fiscal 2020, fiscal 2021 and fiscal 2022 will be measured versus the set targets)
  - EPS will be the amount reported in the earnings release for each fiscal year of the Performance Period as the diluted earnings per common share excluding significant items as approved by the Board

Performance level	Performance targets	# units vesting* (% of Target)
Below Threshold	Set each year for applicable Performance Period	0%
Target	Set each year for applicable Performance Period	100%
Maximum	Set each year for applicable Performance Period	200%

\* The number of units to vest when performance is between the Threshold and Target and Target and Maximum will be interpolated on a linear basis

**Settlement.** PSUs are settled in cash.

**Dividends.** PSUs will accrue credit for dividends in equivalent units and accumulated amounts will be paid out at vesting.

**Exit provisions.** In all cases, the Board retains discretion to accelerate vesting and/or payout of awards, and payout for U.S. participants will comply with the requirements of section 409A of the United States Internal Revenue Code:

- Termination with cause: all unvested and vested PSUs are forfeited
- Resignation (other than "good leavers"): PSUs vest pro-rata to the date of resignation and are paid out within 90 days of that date; Performance Multiplier will be crystallized and calculated at lower of the last full year of performance before the resignation and Target
- Termination without cause (other than "good leavers"): PSUs vest pro-rata to the end of the notice period and are paid out within 90 days after the end of the notice period; Performance Multiplier will be crystallized based on the last full year of performance before the end of the notice period
- Qualified retirement: PSUs continue to vest and are paid out after the end of the three-year performance period
- No longer an Eligible Individual: PSUs continue to vest and are paid out after the end of the three-year performance period
- Disability: PSUs continue to vest and are paid out after the end of the three-year performance period
- Death: unvested PSUs immediately vest and are settled with the estate within 90 days; Performance Multiplier will be set at higher of the last full year of performance at time of death or Target
- Change of control: there will be no automatic acceleration of vesting upon a change of control; the Performance Multiplier will be crystallized based on the last full year of performance at the time of the Change of Control, or based on Target performance, at the discretion of the Administrators (that is, the Board or such other persons as may be designated by the Board from time to time)
- Termination without cause or resignation for good reason following a change of control: Executive may resign and be treated as a termination without cause following a change of control under certain circumstances including material change to job role, compensation, location, etc. (double trigger); assumes Canaccord Genuity equity continues to exist; any rollover will be negotiated by the Board of Canaccord Genuity with the acquirer

**Good leaver provisions.** The Plan includes "good leaver" provisions that determine the treatment of unvested PSUs on the participant's resignation or termination from the company, based on the assessment of the Administrators.

The definition of "good leaver" will be at the Administrators' discretion; however, it is expected that the participant will facilitate their exit in accordance with an agreement between the participant and the Company (actions may include but are not limited to: giving reasonable notice, carrying out their transition responsibilities, not receiving severance, adhering to restrictive covenants, etc.)

- If executive is considered a "good leaver" the Board may assess that all or a portion of unvested PSUs continue to vest in accordance with the established schedule
- If the executive is not considered a "good leaver", PSUs vest in accordance with the applicable exit provisions described above.

**Clawback.** The PSU awards are subject to clawback in the case of embezzlement, fraud, breach of fiduciary duty or any other misconduct which constitutes cause for dismissal that contributes in any way to an obligation to restate the Company's financial statements.

### **Restricted Share Units (RSUs) under Long Term Incentive Plan (LTIP)**

On August 2, 2007, the shareholders of the Company adopted the Long Term Incentive Plan (the “LTIP”) and approved the issuance of up to 10,000,000 Common shares of the Company under the LTIP. Those shares have all been issued and all awards under the LTIP are now settled by the transfer of shares from employee benefits trusts which acquire such shares through the facilities of the Toronto Stock Exchange and alternative trading systems. No further shares may be issued from treasury under the LTIP.

Effective as of March 31, 2018, the LTIP was amended to remove certain employment-related conditions for the vesting of RSU awards made as part of the normal course incentive compensation payment cycle. With the change, RSUs will continue to vest after termination of employment so long as the employee does not violate certain post-termination restrictions and is not engaged in certain competitive or soliciting activities as provided in 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.

Awards are granted in the form of invested Restricted Share Units (known as RSUs). Upon vesting, the Restricted Share Units entitle the participant to receive (by way of transfer from the employee benefit trusts) 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 their 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, 2020, a total of 10,000,000 Common shares have been issued from treasury; no further shares may be issued from treasury under the LTIP.

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

During the year ended March 31, 2020, no Common shares were issued from treasury and 11,474,632 Common shares were transferred from employee benefit trusts on the vesting of awards.

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.

There are no performance conditions attaching to the LTIP awards.

If the Company terminates a participant's employment for "cause" (as more particularly defined in the LTIP), their unvested share units shall automatically lapse on the date of such termination. In all other circumstances of cessation of employment (other than death), a participant's unvested share units continue to vest in accordance with the rules of the LTIP unless the participant is engaged in competing with the Company at any time within a period of 12 months (which may be extended to 24 months) following the termination and, in the sole discretion of the Committee or one of the Executive Officers and for whatever reasons the Committee or such Executive Officer considers appropriate in the circumstances, the Company does not consent to such competition. If a participant's employment terminates by reason of death, their 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.

**Performance Share Option (PSO) Plan**

On August 2, 2018, the shareholders of the Company approved the Performance Share Option (PSO) Plan pursuant to which a maximum of 6% of the Common shares of the Company issued and outstanding from time to time and approved the Company having the ability to continue granting options under the PSO Plan until August 2, 2021, which is the date that is three years from the date of the approval.

Set out below is a summary of the principal rules of the PSO Plan which is provided for information purposes only and cannot be relied upon in substitution of the rules themselves.

Performance stock options (PSOs) are akin to regular stock options with the added element that vesting is contingent on both the passage of time and the achievement of share price hurdles over the term of the option. Those PSOs linked to share price hurdles that are not met prior to the expiration of the option are forfeited.

PSOs time-vest rateably over four years (with one third vesting on each of the second, third and fourth anniversaries of the date of grant). Performance-vesting conditions are satisfied once the Canaccord Genuity Common share price meets or exceeds the escalating share price "steps" over the life of the option. Steps can be met at any point during the five year option term, as measured by the 20-day closing price of a Common share.

The following outlines the terms and conditions of the Performance Stock Option Plan (the “PSO Plan”) of Canaccord Genuity Group Inc. (“Canaccord Genuity” or the “Company”).

**Program concept.** This program will allow Eligible Persons (that is, Canaccord Genuity executives as determined from time to time at the sole discretion of the Board) to receive awards of Performance Stock Options (“PSOs”).

PSOs vest contingent on both the passage of time – that is, one third per year on the second, third and fourth anniversaries of the date of grant and on the achievement of share price hurdles.

**Administration.** The PSO Plan is administered by the Board or such other committee of the Board as the Board may designate from time to time.

**Eligibility for PSOs.** Eligible participants are employees of Canaccord Genuity and its subsidiaries. Directors who are not also employees of the Company or one of its subsidiaries are not eligible to participate.

**Term.** Each PSO expires on the fifth anniversary of the date of grant. In the event of a trading blackout, the expiry date to be 10 business days following the end of the blackout period.

**Exercise price.** The fair market value per share of the Company’s Common shares on the date of grant which, when the Common shares are listed on the TSX, is the volume weighted average price for the preceding five trading days.

**Financial assistance.** No financial assistance will be provided by the Company to facilitate the payment of the exercise price of the PSOs.

**Insider participation limit.** The PSO Plan limits insider participation such that in no event may any PSOs be granted pursuant to the PSO Plan if the exercise thereof could result, at any time, in the aggregate of the number of Common Shares issuable to insiders of Canaccord Genuity at any time, or issued to insiders of Canaccord Genuity within a one-year period, under the PSO Plan and under all other share compensation arrangements of Canaccord Genuity, exceeding 10% of the number of Common Shares issued and outstanding immediately prior to such exercise.

**Maximum issuable to one person.** The PSO Plan does not provide for a maximum number of Common Shares which may be issued to an individual pursuant to the PSO Plan and any other share compensation arrangement (expressed as a percentage or otherwise).

**Payout cap.** The final payout value (that is, the profit made on exercise of options) will be capped at three times the exercise price.

**Time-based vesting schedule.** PSOs vest rateably over four years (with one third vesting on each of the second, third and fourth anniversaries of the date of grant) based on continued employment and the achievement of share price hurdles as outlined below.

**Performance-based vesting conditions (“stock price hurdles”).** In addition to the time vesting condition, PSOs vest and become exercisable in “steps” as share price hurdles are met during the life of the option. Once a share price “step” is achieved, the number of options linked to that “step” immediately vest and become exercisable, so long as time-based vesting conditions have also been met. If one or more “steps” are not met by the fifth anniversary of the date of grant (that is, date of the option’s expiry), those corresponding options are forfeited.

The performance hurdles established for the options granted on June 14, 2018, are based on Canaccord Genuity’s share price are as follows:

- 25% of options granted vest if the volume weighted average closing price of Canaccord Genuity Common Shares on the TSX for a 20-day trailing period during the life of the option exceeds \$1.00 above the exercise price
- An additional 25% of options granted vest if the volume weighted average closing price of Canaccord Genuity Common Shares on the TSX for a 20-day trailing period during the life of the option exceeds \$2.00 above the exercise price
- An additional 25% of options granted vest if the volume weighted average closing price of Canaccord Genuity Common Shares on the TSX for a 20-day trailing period during the life of the option exceeds \$3.00 above the exercise price
- An additional 25% of options granted vest if the volume weighted average closing price of Canaccord Genuity Common Shares on the TSX for a 20-day trailing period during the life of the option exceeds \$4.00 above the exercise price

**Settlement.** PSOs are settled in shares issued from treasury.

**Size of reserve.** The maximum number of Common shares issuable on the exercise of PSOs will not exceed 6% of the issued and outstanding Common shares from time to time. As a result, should the Company issue additional Common shares in the future, the number of Common shares issuable under the PSO Plan will increase accordingly. The PSO Plan is considered an “evergreen” plan, since the Common shares covered by PSOs which have been exercised will be available for subsequent grants under the PSO Plan and the number of PSOs available to grant increases as the number of issued and outstanding Common shares of the Company increases.

**Assignability.** PSOs and any rights under the PSO Plan may not be assigned or transferred to a third party, whether by operation of law or otherwise

**Amendment provisions.** The Administrators have the discretion to make amendments to the PSO Plan which it may deem necessary, without having to obtain shareholder approval, including without limitation:

- for the purpose of making formal, minor or technical modifications to any of the provisions of the PSO Plan, including amendments of a “housekeeping” nature;
- to correct any ambiguity, defective provision, error or omission in the provisions of the PSO Plan;
- to amend the vesting provisions in the PSO Plan of any PSOs;
- to change the termination provisions of PSOs or the PSO Plan;
- to address matters (including tax-related matters) applicable to particular jurisdictions in which participants are resident;
- to take account of any relevant overseas legal, taxation or securities laws or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants, Canaccord Genuity or any subsidiary and/or the Administrators in any overseas jurisdictions; or
- any other amendment that does not require shareholder approval under applicable laws or the rules of the TSX.

Subject to compliance with the applicable rules of the TSX or any other stock exchange upon which the Common Shares are listed, prior approval of shareholders is required for the following amendments to the PSO Plan:

- to increase the maximum number of Common Shares which may be issued under the PSO Plan;
- to reduce the exercise price of any outstanding PSOs, including a cancellation of a PSO and re-grant of a PSO in conjunction therewith, constituting a reduction of the exercise price of the PSO;
- to the definition of “Eligible Individual” in section 2.1(l) of the PSO Plan or “Participant” in section 2.1(t) of the PSO Plan that may permit the introduction of directors who are not also employees of any of Canaccord Genuity or any subsidiary on a discretionary basis;
- to extend the term of the PSOs beyond the original expiry date of such PSOs (subject to blackout periods as described in definition of “Expiry Date” in section 2.1(o) of the PSO Plan);
- to permit PSOs granted under the PSO Plan to be transferable or assignable other than for transfers by will or the law of succession or to corporations controlled by the individual or family trusts;
- to amend the insider limitations set out in section 5.4 of the PSO Plan; and
- to amend any of the amendment provisions set forth in section 12 of the PSO Plan or granting additional powers to the Administrators to amend the PSO Plan or entitlements without shareholder approval.

**Exit provisions.** In all cases, the Board retains discretion to accelerate vesting and/or payout of awards

- Termination with cause: all unvested and vested PSOs expire upon termination
- Resignation (other than “good leavers”): all unvested PSOs are forfeited and vested PSOs may be exercised on or before the exit date (but in any event prior to the expiry date of such PSOs)
- Termination without cause/qualified retirement (in each case, other than “good leavers”): all unvested PSOs are forfeited and vested PSOs may be exercised within 90 days after the exit date (but in any event prior to the expiry date of such PSOs)
- Disability: unvested PSOs continue to vest, subject to meeting both time-based and performance-based vesting conditions; vested options are exercisable until earlier of option expiry date and three years from the date of disability
- Death: unvested PSOs accelerate; vested options are exercisable until earlier of option expiry date and one year from the date of death
- Change of control: there will be no automatic acceleration of vesting upon a change of control and the plan will allow the Administrators to negotiate a roll-over of unvested equity into NewCo or the Administrators may determine, in their sole discretion, to accelerate vesting

**Good leaver provision.** The PSO Plan includes a “good leaver” provision that determines the treatment of unvested PSOs on the participant’s exit from the company, based on the assessment of the Administrators (or CEO/CFO if authority is delegated)

The definition of “good leaver” will be at the Administrators’ discretion (or CEO/CFO if authority is delegated); however, it is expected that the participant will facilitate their exit in accordance with an agreement between the participant and the Company (actions may include but are not limited to: giving reasonable notice, carrying out their transition responsibilities, not receiving severance, adhering to restrictive covenants, etc.)

- If executive is considered a “good leaver” the Administrators may assess that all or a portion of unvested PSOs continue to vest in accordance with the established schedule or be accelerated

- If the executive is not considered a “good leaver” unvested PSOs will be treated in accordance with the exit provisions described above

**Clawback.** All PSOs are subject to clawback/forfeiture in the following circumstances:

- A material restatement that resulted in amounts being paid that otherwise would not have been paid if the financials had been properly stated; or
- Embezzlement, fraud, breach of fiduciary duty or any other misconduct which constitutes cause

In such circumstances, the Board has the discretion to cancel unvested or vested PSOs and clawback exercise gains.

## 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 (2020):

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	\$ 93,027	\$80,000	\$—	\$—	\$—	\$—	\$173,027
Kalpana Desai	\$ 31,114	\$17,614	\$—	\$—	\$—	\$—	\$ 48,728
Michael Harris	\$ 72,554	\$95,000	\$—	\$—	\$—	\$—	\$167,554
Merri Jones	\$ 95,511	\$73,750	\$—	\$—	\$—	\$—	\$169,261
Terrence Lyons	\$335,017	\$82,188	\$—	\$—	\$—	\$—	\$417,205
Dipesh Shah	\$ 92,760	\$80,000	\$—	\$—	\$—	\$—	\$172,760
Sally Tennant	\$ 61,801	\$64,326	\$—	\$—	\$—	\$—	\$126,127

- (b) For independent directors, the amounts in this column include the annual fee, meeting fees and travel fees. In the case of Mr. Lyons, the amount includes fees earned in UK pounds sterling as a director of Canaccord Genuity Limited and Canaccord Genuity Wealth Limited.
- (c) The amounts in this column for the independent directors (Mr. Bralver, Mr. Harris, Ms. Jones, Mr. Lyons, Mr. Shah and Ms. Tennant) 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 41. 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, 2020 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, 2020, is calculated by multiplying the number of DSUs held by the closing market price of the underlying shares on March 31, 2020 (\$4.33).

Director name	Number of DSUs awarded during the year ended March 31, 2020	Market value of DSUs awarded during the year ended March 31, 2020	Number of DSUs held as of March 31, 2020	Market value of DSUs held as of March 31, 2020
Charles Bralver	20,609	\$ 99,064	88,514	\$383,264
Kalpana Desai	4,970	\$ 27,163	—	\$ —
Michael Harris	29,594	\$147,400	179,638	\$777,832
Merri L. Jones	14,963	\$ 68,829	17,695	\$ 76,621
Terrence Lyons	21,952	\$106,288	102,358	\$443,208
Dipesh Shah	19,892	\$ 95,259	76,127	\$329,632
Sally Tennant	13,153	\$ 58,951	13,153	\$ 56,951

For fiscal 2020 up to the date of the 2019 Annual General Meeting (August 7, 2019), 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.

This rate of compensation had been in effect from April 1, 2011, and during the course of the year, the directors conducted a review of director compensation with input from Hugessen Consulting. As a result of this review, effective from the date of the 2019 Annual General Meeting (August 7, 2019), the basis of compensation was changed to a flat fee (that is, without additional meeting fees or fees for travel) with a greater proportion of the annual fee being paid in the form of deferred share units (DSUs). From that date, non-executive directors were paid for their service as directors of Canaccord Genuity Group Inc. an annual fee of \$180,000 per year of which half was paid in cash and half was paid in the form of DSUs. 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. Each other member of a Committee was paid \$5,000 per year for each Committee on which they served.

Mr. Lyons was paid an annual fee of £40,000 for his service as a director of both Canaccord Genuity Limited and Canaccord Genuity Wealth Limited. Non-executive directors are not otherwise paid for their service as non-executive directors of subsidiaries of the Canaccord Genuity Group. However, those who are directors of such subsidiaries or are designated as attendees at meetings of their boards or board committees are paid attendance and travel fees: (a) in the case of subsidiaries in the United Kingdom, a fee of £1,000 for each meeting attended and £1,000 for travel in any day in excess of four hours and (b) in the case of all other subsidiaries, a fee of \$1,500 for each meeting attended and \$1,500 for travel in any day in excess of four hours.

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

The directors receive 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. From August 7, 2020, half of the directors' annual fee of \$180,000 per year was paid in the form of DSUs. Directors may elect annually to use more of their directors' fees for DSUs. 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 value of \$250,000. The value of the shares is their market value and the value of the DSUs is the greater of the market value of the shares underlying the DSUs and the cost of the original investment. 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 annual fee 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 re-election as director, using the closing market price of the Common shares on March 31, 2020 (\$4.33) 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 May 31, 2020, the total accumulated value of each director's equity holdings, including shares, RSUs and DSUs (valued at the greater of the market value of the shares underlying the DSUs and the cost of the original investment) is as follows:

	Number of Common shares	Number of RSUs	Number of DSUs	Total accumulated value	Share ownership threshold met?
Charles Bralver	60,500		88,514	\$ 783,408	Yes
Daniel Daviau	3,571,046	34,860		\$15,613,573	Yes
Merri Jones	4,500		17,695	\$ 105,014	To be met by August 2023
Michael Harris	82,809		179,638	\$ 1,442,655	Yes
David Kassie	4,768,343	36,400		\$20,804,537	Yes
Terrence Lyons	57,168		102,354	\$ 857,089	Yes
Dipesh Shah	—		76,127	\$ 434,762	Yes
Sally Tennant	—		13,153	\$ 58,951	To be met by August 2024

### 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<sup>(1)</sup>

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)	Annual burn rate for each of the last three fiscal years
Equity compensation plans approved by securityholders				
PSO Plan	6,320,000	\$6.76	148,809	—
Equity compensation plans not approved by securityholders				
CSH Replacement ABED	10,917	\$9.01	0	0%
<b>Total</b>	<b>6,330,917</b>	<b>Not applicable</b>	<b>0</b>	<b>0%</b>

(1) The information in this table is given as of March 31, 2020.

Canaccord Genuity has the following share-based incentive schemes under which shares may be issued from treasury.

#### 1. PERFORMANCE SHARE OPTION (PSO) PLAN

On August 2, 2018, the shareholders of the Company approved the Performance Share Option (PSO) Plan pursuant to which a maximum of 6% of the Common shares of the Company issued and outstanding from time to time.

On June 14, 2018, the Company granted 5,620,000 options under the PSO plan. The options have an exercise price of \$6.73 per share. In addition, the Company granted 600,000 options on August 16, 2018 with an exercise price of \$7.067. On June 12, 2019, the Company granted 100,000 options on the same terms as the June 14, 2018 grant (including a five-year term from June 14, 2018). As of March 31, 2020, all these options were outstanding and, if vested and exercised, would result in the issuance of 6,320,000 Common shares. This represents approximately 5.86% of the number of Common shares outstanding as of the date of this Circular.

A summary of the PSO Plan and its principal rules of the PSO Plan is given above at page 37.

#### 2. COLLINS STEWART HAWKPOINT REPLACEMENT ANNUAL BONUS EQUITY DEFERRAL PLAN (THE “CSH REPLACEMENT ABED”)

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

##### (a) Grants of awards; burn rate and Common shares issuable

CSH 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. No CSH Replacement LTIP awards have been granted since March 21, 2012, and no future CSH Replacement LTIP awards will be granted. The annual burn rate for the CSH Replacement ABED for each of the Company’s three most recently completed fiscal years is therefore zero.

The CSH 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.

During the year ended March 31, 2020, 4,339 Common shares were issued on the exercise of CSH Replacement ABED awards. All CSH Replacement ABED awards had vested and become exercisable by March 17, 2014. All awards must all be exercised by March 17, 2021.

As of March 31, 2020, CSH Replacement ABED awards outstanding, if exercised, would result in the issuance of 10,917 Common shares. This is also the maximum number of Common shares that may be issued by the Company to satisfy the exercise of CSH Replacement ABED awards. This represents approximately 0.01% of the number of Common shares outstanding as of the date of this Circular.

##### (b) Exercise price

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

**(c) Dividends**

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

**(d) Termination of employment**

If an award holder terminates their employment with notice, their CSH 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 CSH Replacement ABED), their CSH 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 their CSH Replacement ABED award and it will continue to be governed by the rules of the CSH Replacement ABED.

Notwithstanding the foregoing and other than in the circumstances in which the CSH 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 CSH 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.

**(e) Manner of exercise**

Within 30 days of the receipt of an exercise notice in respect of a CSH 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).

**(f) 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 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.

**(g) Financial assistance**

No financial assistance was provided by the Company to facilitate the awards under the CSH Replacement ABED.

**(h) Amendments and general**

No rights under a CSH 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 CSH Replacement ABED shall not be pensionable.

The rules of the CSH 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 CSH 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 CSH Replacement ABED, determine that all or any proportion of a CSH 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 CSH Replacement ABED by way of separate schedules to enable it to be operated overseas.

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

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

#### (a) Grants of awards; burn rate and Common shares issuable

CSH 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. No CSH Replacement ABED awards have been granted since March 21, 2012, and no future CSH Replacement ABED awards will be granted. The annual burn rate for the CSH Replacement LTIP for each of the Company’s three most recently completed fiscal years is therefore zero.

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

During the year ended March 31, 2020, 49,897 Common shares were issued on the exercise of CSH Replacement LTIP awards. All CSH Replacement LTIP awards had vested and become exercisable by March 21, 2016. All awards must have been exercised by March 31, 2020 and therefore as of March 31, 2020, there were no CSH Replacement LTIP awards outstanding.

#### (b) Exercise price

The price at which an award holder acquired Common shares on the exercise of a CSH Replacement LTIP award was nil.

#### (c) Dividends

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

#### (d) Financial assistance

No financial assistance was provided by the Company to facilitate the awards under the CSH Replacement LTIP.

## Indebtedness of Directors and Executive Officers

The following table sets out the aggregate indebtedness (other than “routine indebtedness”) outstanding as at May 31, 2020, 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	\$ 0	\$ 0
Other	\$ 76,595,164	\$ 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, 2020, 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.

## Indebtedness of directors and executive officers under normal course margin loans

Name and principal position (a)	Involvement of company or subsidiary (b)	Largest amount outstanding during fiscal 2020 (\$) (c)	Amount outstanding as at May 31, 2020 (\$) (d)
Daniel Daviau Chief Executive Officer	Subsidiary is the lender	\$ 516,569	\$ 68,064
Stuart Raftus Chief Administrative Officer	Subsidiary is the lender	\$2,260,567	\$2,770,294

The indebtedness shown are margin loans made in the ordinary course of the business of an investment dealer on substantially the same terms, including those as to interest rate and security, as are available when a margin loan is made to other customers of the subsidiary with similar credit. They are secured in accordance with the applicable regulatory requirements by assets in the borrower's securities trading accounts. In accordance with the Company policy not to make forgivable loans to any of its directors or executive officers, the loans are not forgivable.

### **Interest of Informed Persons in Material Transactions**

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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, 2019, 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**

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None of the persons who are or have been directors or executive officers of the Company at any time since April 1, 2019, 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.

### **Other Matters to be Acted Upon**

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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 12, 2020.

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## Questions? Need Help Voting?

Please contact our Strategic Shareholder Advisor and Proxy  
Solicitation Agent, Kingsdale Advisors

### CONTACT US:

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