

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

PART II OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 897 OF THE COMPANIES ACT 2006. If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Collins Stewart Hawkpoint Shares, please send this document and the accompanying documents at once to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, these documents must not be forwarded, distributed or transmitted in, into or from any jurisdiction where to do so would violate the laws of that jurisdiction. If you have sold or otherwise transferred only part of your holding of Collins Stewart Hawkpoint Shares you should retain these documents and contact the bank, stockbroker or other agent through whom the sale or transfer was effected.

The distribution of this document and/or the accompanying documents (in whole or in part) in jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

A copy of this document will be published at www.collinsstewarhawkpoint.com by not later than 12.00 noon (London time) on 16 January 2012 and will continue to be made available on that website during the Offer Period.

Recommended Offer
by
Canaccord Financial Inc.
for
Collins Stewart Hawkpoint plc
to be effected by means of
a Scheme of Arrangement
under Part 26 of the Companies Act 2006

This document should be read as a whole (including any documents incorporated into it by reference and the accompanying Forms of Proxy). Your attention is drawn, in particular, to the letter from the Chairman of Collins Stewart Hawkpoint in Part I (Letter from the Chairman of Collins Stewart Hawkpoint) of this document, which contains the unanimous recommendation of the Board of Collins Stewart Hawkpoint that you vote in favour of the resolutions to be proposed at the Court Meeting and General Meeting referred to below. A letter from Hawkpoint and Nomura explaining the Scheme appears in Part II (Explanatory Statement) of this document.

Notices of the Court Meeting and the General Meeting, both of which will be held at 88 Wood Street, London EC2V 7QR on 9 February 2012, are set out at the end of this document. The Court Meeting will start at 2.00 p.m. and the General Meeting at 2.15 p.m. (or as soon thereafter as the Court Meeting shall have been concluded or adjourned).

The action to be taken by Collins Stewart Hawkpoint Shareholders in relation to the Meetings is set out on pages 7 to 9 and in paragraph 18 of Part II (Explanatory Statement) of this document. It is very important that Collins Stewart Hawkpoint Shareholders use their votes so that the Court can be satisfied that there is a fair and reasonable representation of their views.

Hawkpoint, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Collins Stewart Hawkpoint and no-one else in connection with the Offer and will not be responsible to anyone other than Collins Stewart Hawkpoint for providing the protections afforded to clients of Hawkpoint, or for providing advice in relation to the Offer or the contents of, or any matter referred to in, this document.

Nomura, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Collins Stewart Hawkpoint and no-one else in connection with the Offer and will not be responsible to anyone other than Collins Stewart Hawkpoint for providing the protections afforded to clients of Nomura, or for providing advice in relation to the Offer or the contents of, or any matter referred to in, this document.

KBW, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Canaccord and no-one else in connection with the Offer and will not be responsible to anyone other than Canaccord for providing the protections afforded to clients of KBW, or for providing advice in relation to the Offer or the content of, or any matter referred to in, this document.

Charles Stanley Securities, a division of Charles Stanley & Co. Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Canaccord and no-one else in connection with the Offer and will not be responsible to anyone other than Canaccord for providing the protections afforded to clients of Charles Stanley Securities, or for providing advice in relation to the Offer or the content of, or any matter referred to in, this document.

This document does not constitute, and may not be used for the purposes of, an offer to sell or an invitation or the solicitation of an offer to subscribe for or buy, any Canaccord Consideration Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) in which, or to any person to whom, it is unlawful to make such offer, solicitation or invitation or where the making of such offer, solicitation or invitation would impose any unfulfilled registration, qualification, publication or approval requirements on Collins Stewart Hawkpoint, Canaccord or any of their respective, directors, officers, agents and advisers. No action has been taken nor will be taken in any jurisdiction by any such person that would permit a public offering of the Canaccord Consideration Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this document other than in any jurisdiction where action for that purpose is required. Neither Collins Stewart Hawkpoint nor Canaccord nor their respective directors, officers, agents or advisers accept any responsibility for any violation of any of these restrictions by any other person.

Certain terms used in this document are defined in Part VII (Definitions).

IMPORTANT NOTICES

The distribution of this document and/or the accompanying documents (in whole or in part) in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about, and observe, any applicable legal and regulatory requirements. Any failure to comply with any applicable requirements may constitute a violation of the securities laws of any such jurisdiction. Further details in relation to Overseas Shareholders are contained in paragraph 17 of Part II (Explanatory Statement) of this document. Neither this document nor the accompanying documents are intended to, and do not, constitute an offer to sell or issue, or a solicitation of an offer to buy or subscribe for, shares or other securities, or a solicitation of any vote or approval in any jurisdiction in which such offer or solicitation is unlawful. This document and the accompanying documents have been prepared for the purposes of complying with English law, the Listing Rules and the City Code and the information disclosed may not be the same as that which would have been disclosed if this document and the accompanying documents had been prepared in accordance with the laws of any jurisdictions outside the United Kingdom. Nothing in this document or the accompanying documents should be relied upon for any other reason.

This document does not constitute, and may not be used for the purposes of, an offer to sell or an invitation or the solicitation of an offer to subscribe for or buy, any Canaccord Consideration Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) in which, or to any person to whom, it is unlawful to make such offer, solicitation or invitation or where the making of such offer, solicitation or invitation would impose any unfulfilled registration, qualification, publication or approval requirements on Collins Stewart Hawkpoint, Canaccord or any of their respective, directors, officers, agents and advisers. No action has been taken nor will be taken in any jurisdiction by any such person that would permit a public offering of the Canaccord Consideration Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this document other than in any jurisdiction where action for that purpose is required. Neither Collins Stewart Hawkpoint, Canaccord nor their respective directors, officers, agents or advisers accept any responsibility for any violation of any of these restrictions by any other person.

None of the securities issuable in connection with the Scheme have been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the United States.

The Canaccord Consideration Shares to be issued under the Scheme have not been registered under the US Securities Act of 1933 or applicable state securities laws and are being issued in reliance on the exemption from registration set forth in Section 3(a)(10) thereof on the basis of the approval of the Court. For the purposes of qualifying for this exemption from the registration requirements of the Securities Act, Collins Stewart Hawkpoint will advise the Court that Collins Stewart Hawkpoint and Canaccord will rely upon section 3(a)(10) of the Securities Act based on the Court's approval of the Scheme following a hearing on its fairness at which all Collins Stewart Hawkpoint Shareholders are entitled to attend in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification has been given to all such shareholders.

Collins Stewart Hawkpoint Shareholders in the United States should be aware that the exchange of their Collins Stewart Hawkpoint Shares for Canaccord Consideration Shares as described herein may have tax consequences in both the United States and the United Kingdom. Such consequences for Collins Stewart Hawkpoint Shareholders who are resident in, or citizens of, the United States are not described fully herein. Accordingly, Collins Stewart Hawkpoint Shareholders who are resident in, or citizens of, the United States are advised to consult their own tax advisors to determine the particular United States tax consequences to them of the Scheme in light of their particular situation, as well as any tax consequences that may arise under the laws of any other relevant foreign, state, local, or other taxing jurisdiction.

Neither the fact that a registration statement or an application for a license has been filed under Chapter 421-b of the New Hampshire Revised Statutes with the state of New Hampshire nor the fact that a security is effectively registered or a person is licensed in the state of New Hampshire constitutes a finding by the Secretary of State that any document filed under RSA 421-b is true, complete and not misleading. Neither any such fact nor the fact that an exemption or exception is available for a security or a transaction means that the Secretary of State has passed in any way upon the merits or qualifications of or recommended or given approval to, any person, security or transaction. It is unlawful to make, or cause to be made, to any prospective purchaser, customer, or client any representation inconsistent with the provisions of this paragraph.

In the state of Utah, this document will only be sent to Collins Stewart Hawkpoint Shareholders that are exempt institutions as defined under the laws of Utah. Accordingly, no offer to sell or solicitation of an offer to buy the Canaccord Consideration Shares may be made to anyone with an address in Utah who is not an exempt institution in Utah. Exempt institutions include any broker-dealer, bank or other depository institution, trust, company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust or Qualified Institutional Buyer as defined in Rule 144A under the Securities Act. Collins Stewart Hawkpoint Shareholders in Utah who are not exempt institutions will be Excluded Overseas Shareholders and will be treated in accordance with paragraph 15.4 of Part II (Explanatory Statement).

In the state of Ohio, this document will only be sent to Collins Stewart Hawkpoint Shareholders that are exempt institutions as defined under the laws of Ohio. Accordingly, no offer to sell or solicitation of an offer to buy the Canaccord Consideration Shares may be made to anyone with an address in Ohio who is not an exempt institution in Ohio. Exempt institutions include any broker-dealer, corporation, bank, any trust in respect of which a bank is trustee or co-trustee, insurance company, pension fund or pension fund trust or any trust in respect of which a bank is trustee or co-trustee. Collins Stewart Hawkpoint Shareholders in Ohio who are not exempt institutions will be Excluded Overseas Shareholders and will be treated in accordance with paragraph 15.4 of Part II (Explanatory Statement).

Each of the Scheme and the Offer relates to the shares in an English company and is proposed to be made by means of a scheme of arrangement or takeover offer, as applicable, provided for under company law of the United Kingdom. The scheme of arrangement will relate to the shares of a UK company that is a “foreign private issuer” as defined under Rule 3b-4 under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”). A transaction effected by means of a scheme of arrangement or pursuant to the Offer is not subject to the shareholder vote, proxy and tender offer rules under Canadian law or the Exchange Act. Accordingly, each of the Scheme and the Offer is subject to the disclosure requirements and practices applicable in the UK to schemes of arrangement or takeovers, as applicable, which differ from the disclosure requirements and practices of Canadian or US shareholder vote, proxy and tender offer rules. Financial information included in the relevant documentation will have been prepared in accordance with accounting standards applicable in the UK that may not be comparable to the financial statements of Canadian or US companies.

No securities regulatory authority in any Canadian jurisdiction or any other regulatory authority in Canada has: (a) approved or disapproved of the securities referred to in this document; (b) approved or disapproved of the Scheme or the Offer; (c) passed upon the merits or fairness of the Scheme or the Offer; or (d) passed upon or determined the adequacy or accuracy of the disclosure in this document. Any representation to the contrary is an offence in Canada.

Any securities to be offered in the Scheme or pursuant to the Offer as described in this document have not been and will not be registered or qualified under the Securities Act, or under the securities laws of any state, province, territory, district or other jurisdiction of the United States, or of Canada, Australia or Japan. Accordingly, such securities may not be offered, sold or delivered, directly or indirectly, in or into such jurisdictions except pursuant to exemptions from applicable requirements of such jurisdictions.

The Canaccord Consideration Shares to be issued in exchange for Collins Stewart Hawkpoint Shares in the Scheme or pursuant to the Offer will be issued in reliance upon exemptions from the prospectus requirements of securities legislation in each province and territory of Canada. Subject to certain disclosure and regulatory requirements and to customary restrictions applicable to distributions of shares that constitute “control

distributions”, Canaccord Consideration Shares issued pursuant to the Offer may be resold in each province and territory in Canada, subject in certain circumstances, to the usual conditions that no unusual effort has been made to prepare the market or create demand, no extraordinary commission or consideration is paid and, if the selling shareholder is an insider or officer of Canaccord, such shareholder has no reasonable grounds to believe that Canaccord is in default of securities legislation.

This document and, in particular, the letter from the Chairman of Collins Stewart Hawkpoint in Part I (Letter from the Chairman of Collins Stewart Hawkpoint) and the Explanatory Statement in Part II (Explanatory Statement) of this document, have been prepared solely to assist Collins Stewart Hawkpoint Shareholders in deciding how to vote on the Scheme. The summary of the principal provisions of the Scheme contained in this document is qualified in its entirety by reference to the Scheme itself, the full text of which is set out in Part V (Scheme of Arrangement) of this document. Collins Stewart Hawkpoint Shareholders are urged to read and consider carefully the text of the Scheme itself.

Canaccord has applied to list the Canaccord Consideration Shares on the Toronto Stock Exchange, which listing will be subject to Canaccord fulfilling all the listing requirements of the Toronto Stock Exchange, and application will be made for the Canaccord Consideration Shares to be admitted to trading on AIM. Canaccord Consideration Shares will settle through CREST through Canaccord CDIs. Share certificates will be issued in respect of Canaccord Consideration Shares held in certificated form. On the basis of current expectations as to the timing of regulatory approvals and Court availability, it is expected that Admission will become effective and unconditional dealings in the Canaccord Consideration Shares on AIM and the listing of the Canaccord Consideration Shares on the Toronto Stock Exchange will commence in the first half of 2012.

No person has been authorised to make any representation(s) on behalf of Collins Stewart Hawkpoint or Canaccord concerning the Offer, the Scheme or any related matter which are inconsistent with the statements contained in this document.

Collins Stewart Hawkpoint Shareholders should not construe anything contained in this document as legal, financial or tax advice and should consult their own professional advisers for any such advice.

The statements contained herein are made as at the date of this document, unless some other time is specified in relation to them, and service of this document shall not give rise to any implication that there has been no change in the facts set forth herein since such date. Nothing contained herein shall be deemed to be a forecast, projection or estimate of the future financial performance of Collins Stewart Hawkpoint or Canaccord except where otherwise stated.

Forward looking statements

This document contains statements about Collins Stewart Hawkpoint and Canaccord that are or may be forward looking statements. All statements other than statements of historical facts included in this document may be forward looking statements. Without limitation, any statements preceded or followed by or that include the words “targets”, “plans”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “estimates”, “projects” or words or terms of similar substance or the negative thereof are forward looking statements. Forward looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Collins Stewart Hawkpoint’s and Canaccord’s operations and potential synergies resulting from the Offer; and (iii) the effects of government regulation on Collins Stewart Hawkpoint’s or Canaccord’s business.

Such forward looking statements involve risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward looking statements, which speak only as of the date hereof. Collins Stewart Hawkpoint and Canaccord disclaim any obligation to update any forward looking or other statements contained herein, except as required by applicable law.

Electronic Communications

Addresses, electronic addresses and certain other information provided by Collins Stewart Hawkpoint Shareholders, persons with information rights and other relevant persons for the receipt of communications from Collins Stewart Hawkpoint will be provided to Canaccord during the Offer Period as required under Section 4 of Appendix 4 to the City Code.

Disclosure requirements of the City Code

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Capitalised terms are defined in the City Code, which can also be found on the Panel's website. If you are in any doubt as to whether or not you are required to make a disclosure under Rule 8, you should consult the Panel.

The date of posting of this document: 14 January 2012

ACTION TO BE TAKEN

For the reasons set out in this document, the Board of Collins Stewart Hawkpoint unanimously considers that the Offer described in this document is in the best interests of Collins Stewart Hawkpoint Shareholders. Accordingly, in order to implement the Offer, the Board of Collins Stewart Hawkpoint recommends that you vote in favour of the resolutions to be proposed at the Court Meeting and General Meeting, as the Collins Stewart Hawkpoint Directors intend to do in respect of their own beneficial holdings of Collins Stewart Hawkpoint Shares, and that you take the action described below.

Voting at the Court Meeting and the General Meeting

The Scheme will require approval at a meeting of Collins Stewart Hawkpoint Shareholders convened pursuant to an order of the Court to be held at 88 Wood Street, London EC2V 7QR at 2.00 p.m. on 9 February 2012 (London time). Implementation of the Scheme will also require approval of Collins Stewart Hawkpoint Shareholders at the General Meeting to be held at the same place immediately thereafter.

Collins Stewart Hawkpoint Shareholders entitled to attend and vote at the Meetings are entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote at the Court Meeting and/or General Meeting. A proxy need not be a Collins Stewart Hawkpoint Shareholder.

It is important that, for the Court Meeting in particular, as many votes as possible are cast, so that the Court may be satisfied that there is a fair and reasonable representation of the opinion of Collins Stewart Hawkpoint Shareholders. Whether or not you intend to attend the Court Meeting and/or the General Meeting, please sign and return your Forms of Proxy, or deliver your voting instructions by one of the other methods mentioned below, as soon as possible.

(a) *Sending Forms of Proxy by post or by hand*

Collins Stewart Hawkpoint Shareholders will find enclosed with this document a BLUE Form of Proxy for use in connection with the Court Meeting and a WHITE Form of Proxy for use in connection with the General Meeting. Please complete and sign the enclosed Forms of Proxy in accordance with the instructions printed on them and return them, either by post or, during normal business hours only, by hand to the Registrars, Capita Registrars, at PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received as soon as possible and in any event not later than the relevant time set out below:

BLUE Forms of Proxy for the Court Meeting 2.00 p.m. (London time) on 7 February 2012

WHITE Forms of Proxy for the General Meeting 2.15 p.m. (London time) on 7 February 2012

or, if in either case the Meeting is adjourned, the relevant Form of Proxy should be received not later than 48 hours before the time fixed for the adjourned Meeting.

If the BLUE Form of Proxy for the Court Meeting is not returned by such time, it may be handed to a representative of the Registrars, on behalf of the Chairman of the Court Meeting, at that Meeting and will still be valid. However, in the case of the General Meeting, the WHITE Form of Proxy must be returned by the time mentioned above, or it will be invalid.

Collins Stewart Hawkpoint Shareholders are entitled to appoint a proxy in respect of some or all of their Collins Stewart Hawkpoint Shares and may also appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder. Collins Stewart Hawkpoint Shareholders who wish to appoint more than one proxy in respect of their holding of Collins Stewart Hawkpoint Shares should contact the Registrars for further Forms of Proxy.

Completion and return of a Form of Proxy, or the appointment of a proxy electronically using CREST (or any other procedure described below) will not prevent you from attending, speaking and voting in

person at either the Court Meeting or the General Meeting, or any adjournment thereof, if you wish and are entitled to do so.

(b) ***Online appointment of proxies***

As an alternative to completing and returning the printed Forms of Proxy, Forms of Proxy may be submitted electronically by logging on to the following website: www.capitaregistrars.com and following the instructions there. You will need your Investor Code which can be found on your dividend tax voucher or other correspondence from Capita Registrars. For an electronic proxy appointment to be valid, the appointment must be received by Capita Registrars no later than 2.00 p.m. on 7 February 2012 (London time) for the Court Meeting and 2.15 p.m. on 7 February 2012 (London time) for the General Meeting.

(c) ***Electronic appointment of proxies through CREST***

If you hold Collins Stewart Hawkpoint Shares in uncertificated form through CREST and wish to appoint a proxy or proxies for the Meetings (or any adjourned Meeting) by using the CREST electronic proxy appointment service, you may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed any voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instructions as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy), must, in order to be valid, be transmitted so as to be received by the Registrar (ID RAIO) not less than 48 hours before the time fixed for the Court Meeting or General Meeting (or adjourned meeting), as applicable. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers, should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed any voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in the CREST Regulations.

(d) ***Further information about proxies and voting***

Further information in relation to the appointment of proxies for and voting at the Meetings is set out in paragraph 18 of Part II (Explanatory Statement) of this document and in the notice of the Court Meeting and notes to the notice of the General Meeting set out at the end of this document and in the instructions printed on the Forms of Proxy.

(e) *Collins Stewart Hawkpoint Share Schemes*

Participants in the Collins Stewart Hawkpoint Share Schemes should refer to paragraph 12 of Part II (Explanatory Statement) of this document for information relating to the effect of the Offer on their rights under such share schemes.

Helpline

If you have any questions in relation to this document, the Meetings, or the completion and return of the Forms of Proxy, please telephone the Registrars between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (except UK public holidays) on 0871 664 0300 from within the UK or +44 20 8638 3399 if calling from outside the UK. Calls to the 0871 664 0300 number cost 10 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Scheme nor give any financial, legal or tax advice.

TABLE OF CONTENTS

	<i>Page</i>
ACTION TO BE TAKEN	7
EXPECTED TIMETABLE OF PRINCIPAL EVENTS	11
PART I LETTER FROM THE CHAIRMAN OF COLLINS STEWART HAWKPOINT	12
PART II EXPLANATORY STATEMENT	18
PART III CONDITIONS TO AND FURTHER TERMS OF THE IMPLEMENTATION OF THE SCHEME AND THE OFFER	38
PART IV ADDITIONAL INFORMATION	47
PART V THE SCHEME OF ARRANGEMENT	72
PART VI INCORPORATION OF INFORMATION BY REFERENCE	78
PART VII DEFINITIONS	80
PART VIII NOTICE OF COURT MEETING	86
PART IX NOTICE OF GENERAL MEETING	88
APPENDIX INTERIM MANAGEMENT STATEMENT DATED 18 NOVEMBER 2011	92

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

All times shown are London times unless otherwise stated. All dates and times are based on Collins Stewart Hawkpoint's current expectations and are subject to change. If any of the dates and/or times in this expected timetable change, the revised dates and/or times will be notified to Collins Stewart Hawkpoint Shareholders by announcement through the Regulatory Information Service of the London Stock Exchange.

Event	Expected time/date 2012
Latest time for lodging Forms of Proxy for:	
Court Meeting (BLUE form)	2.00 p.m. on 7 February 2012 ⁽¹⁾
General Meeting (WHITE form)	2.15 p.m. on 7 February 2012 ⁽¹⁾
Voting Record Time	6.00 p.m. on 7 February 2012 ⁽²⁾
Court Meeting	2.00 p.m. on 9 February 2012
General Meeting	2.15 p.m. on 9 February 2012⁽³⁾
<i>The following dates are indicative only and subject to change; please see note (4) below</i>	
Scheme Court Hearing (to sanction the Scheme)	11.00 a.m. on 24 February 2012 ⁽⁴⁾
Last day of dealings in, and for registration of transfers of, and disablement in CREST of, Collins Stewart Hawkpoint Shares	24 February 2012 ⁽⁴⁾
Suspension of dealings in Collins Stewart Hawkpoint Shares	4.30 p.m. on 24 February 2012 ⁽⁴⁾
Scheme Record Time	6.00 p.m. on 24 February 2012 ⁽⁴⁾
Capital Reduction Hearing (to confirm the Capital Reduction)	11.00 a.m. on 29 February 2012 ⁽⁴⁾
Effective Date of the Scheme	1 March 2012⁽⁴⁾
Canaccord Consideration Shares listed and crediting of Canaccord Consideration Shares to CREST accounts (and cancellation of listing of Collins Stewart Hawkpoint Shares)	8.00 a.m. on 1 March 2012 ⁽⁴⁾
Trading in Canaccord Consideration Shares commences	by 8.00 a.m. on 1 March 2012 ⁽⁴⁾
Latest date for dispatch of cheques/settlement through CREST	14 days after the Effective Date
Latest date by which Scheme must be implemented	15 June 2012 ⁽⁵⁾

Notes:

- (1) The BLUE Form of Proxy for the Court Meeting, if not lodged by the time stated above, may be handed to a representative of the Registrars, on behalf of the Chairman of the Court Meeting, at that Meeting. However, in order to be valid, the WHITE Form of Proxy must be lodged no later than 2.15 p.m. (London time) on 7 February 2012 (or, if the General Meeting is adjourned, 48 hours before the time fixed for the adjourned Meeting). Please see "Action to be taken" on pages 7 to 9.
- (2) If either the Court Meeting or the General Meeting is adjourned, the Voting Record Time for the relevant adjourned Meeting will be 6.00 p.m. on the second day before the date set for such adjourned Meeting.
- (3) To commence at 2.15 p.m. or, if later, immediately after the conclusion or adjournment of the Court Meeting.
- (4) These times and dates are indicative only and will depend on, among other things, the dates upon which: (i) the Conditions are satisfied or (where applicable) waived; (ii) the Court sanctions the Scheme and confirms the associated Capital Reduction; and (iii) the Scheme Court Order sanctioning the Scheme and the Reduction Court Order confirming the Capital Reduction, along with the Statement of Capital, are delivered to the Registrar of Companies and, in respect of the Reduction Court Order, the Reduction Court Order is registered by the Registrar of Companies. If the expected dates of the Court Hearings are changed, Collins Stewart Hawkpoint will give adequate notice of the changes by issuing an announcement through a Regulatory Information Service.
- (5) The latest date by which the Scheme must be implemented may be extended by agreement between Collins Stewart Hawkpoint and Canaccord with the prior consent of the Panel and (if required) the approval of the Court.

PART I

LETTER FROM THE CHAIRMAN OF COLLINS STEWART HAWKPOINT



Independent thinking

(Registered in England and Wales with company number 05807587)

Directors:

Tim Ingram (*Non-Executive Chairman*)
Mark Brown (*Chief Executive*)
John Cotter (*Group Finance Director*)
Paul Baines (*Executive Chairman, Hawkpoint*)
Paul Hewitt (*Non-Executive Director*)
Christian de Juniac (*Non-Executive Director*)
Nicholas Page (*Non-Executive Director*)
Giles Vardey (*Non-Executive Director*)

Registered office:

88 Wood Street
London
EC2V 7QR

14 January 2012

To: **Collins Stewart Hawkpoint Shareholders and, for information only, to participants
in the Collins Stewart Hawkpoint Share Schemes and persons with information rights**

Dear Shareholder,

Recommended Offer for Collins Stewart Hawkpoint by Canaccord

1 Introduction

On 15 December 2011, the Board of Collins Stewart Hawkpoint and the Board of Canaccord announced that they had agreed the terms of a recommended cash and share offer under which Canaccord will acquire the entire issued and to be issued ordinary share capital of Collins Stewart Hawkpoint.

I am writing to you on behalf of the Board of Collins Stewart Hawkpoint to explain the background to and detailed terms of the Offer, to encourage you to vote at the Meetings to be held on 9 February 2012 to consider the Offer, and to explain why the Board of Collins Stewart Hawkpoint is unanimously recommending that Collins Stewart Hawkpoint Shareholders vote at those Meetings in favour of the resolutions to be put to those Meetings.

2 Summary of the Offer

It is proposed that the Offer be implemented by means of a Court sanctioned scheme of arrangement under Part 26 of the Companies Act, which requires the approval of Collins Stewart Hawkpoint Shareholders at the Court Meeting and General Meeting and the sanction of the Court.

Under the Offer, which is subject to the satisfaction (or, where applicable, waiver) of the Conditions and to the further terms set out in Part A of Part III (Conditions) of this document, the holders of Scheme Shares at the Scheme Record Time will receive:

for each Collins Stewart Hawkpoint Share **57.6 pence in cash and
0.072607 Canaccord Consideration Shares**

Based on the price of a Canaccord Share of C\$8.50, being the Closing Price on the Toronto Stock Exchange on 14 December 2011, the day before the date of the announcement of the Offer, the Offer values the entire issued and to be issued share capital of Collins Stewart Hawkpoint at approximately £253.3 million and each

Collins Stewart Hawkpoint Share at 96.0 pence (based on an exchange rate between Canadian Dollars and UK sterling of 1.6072 at 5.00 p.m. GMT on the day before the date of the Press Announcement). The consideration of 96.0 pence for each Collins Stewart Hawkpoint Share represents a premium of approximately 90.1 per cent. over the Closing Price of 50.5 pence per Collins Stewart Hawkpoint Share on 14 December 2011, being the day before the date of the announcement of the Offer. If the second interim dividend of 2.6 pence referred to below were added to the consideration of 96.0 pence, the total consideration would represent a premium of 95.2 per cent.

Based on the price of a Canaccord Share of C\$7.88, being the Closing Price on the Toronto Stock Exchange on 12 January 2012 (being the latest practicable date prior to the publication of this document), the Offer values the entire issued and to be issued share capital of Collins Stewart Hawkpoint at approximately £248.3 million and each Collins Stewart Hawkpoint Share at 94.2 pence (based on an exchange rate between Canadian Dollars and UK sterling of 1.5627 at 5.00 p.m. GMT on 12 January 2012). This represents a premium of approximately 86.6 per cent. over the Closing Price of 50.5 pence per Collins Stewart Hawkpoint Share on 14 December 2011, being the day before the date of the announcement of the Offer. If the second interim dividend of 2.6 pence referred to below were added to the consideration of 94.2 pence, the total consideration would represent a premium of 91.7 per cent.

Collins Stewart Hawkpoint shareholders will receive a second interim dividend of 2.6 pence per Collins Stewart Hawkpoint Share proposed to be paid on 31 January 2012 to shareholders on the register on 30 December 2011, in lieu of a final dividend. No other dividends will be paid by Collins Stewart Hawkpoint prior to the Effective Date.

If the Scheme becomes effective, all of the Scheme Shares will be cancelled and reissued to Canaccord. Collins Stewart Hawkpoint will thus become a wholly-owned subsidiary of Canaccord.

On the Scheme becoming effective, the Canaccord Consideration Shares will be issued to Collins Stewart Hawkpoint Shareholders on the register at the Scheme Record Time. The Canaccord Consideration Shares to be issued pursuant to the Offer are expected to represent approximately 18 per cent. of the issued Canaccord Shares as enlarged by the acquisition of Collins Stewart Hawkpoint.

The Canaccord Consideration Shares will rank equally in all respects with the existing Canaccord Shares and will be entitled to receive any dividends and/or other distributions declared or paid by Canaccord in respect of Canaccord Shares with a record date on or after the date of their issue.

The Offer is conditional on, amongst other things, certain regulatory approvals, certain approvals by Collins Stewart Hawkpoint Shareholders and the sanction of the Scheme by the Court. Your attention is drawn to Part A of Part III (Conditions) of this document. In order to become effective, the Scheme must be approved by a majority in number of the Scheme Shareholders voting at the Court Meeting representing not less than 75 per cent. in value of the Scheme Shares held by the Scheme Shareholders present and voting in person or by proxy.

The expected transaction timetable is set out on page 11 of this document. It is expected that the Offer and the resolutions required to implement the Scheme will be put to Collins Stewart Hawkpoint Shareholders at the Court Meeting and the General Meeting which are expected to be held by 9 February 2012. Subject to the satisfaction, or where relevant, waiver of all relevant Conditions, the Scheme is expected to become effective in the first half of 2012.

Fractions of Canaccord Consideration Shares will not be issued to Collins Stewart Hawkpoint Shareholders pursuant to the Offer. Instead, fractional entitlements will be aggregated and sold in the market with the net proceeds of such sales, to the extent that they exceed £5, being paid to the persons who would be entitled to such fractions.

If the Scheme becomes effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they attend or vote at the Court Meeting and/or the General Meeting. Further details of the Scheme, including the arrangements for settlement of the consideration payable to Scheme Shareholders, are set out in the Explanatory Statement contained in Part II (Explanatory Statement) of this document and full particulars are set out in Part V (Scheme of Arrangement).

The last day of dealings in, and for registration of transfers of, Collins Stewart Hawkpoint Shares is presently expected to be 24 February 2012, following which the Collins Stewart Hawkpoint Shares will be temporarily suspended from the Official List and from trading on the London Stock Exchange's main market for listed securities. No transfers of Collins Stewart Hawkpoint Shares will be registered after that date.

Subject to satisfaction of all relevant Conditions, application will be made to the UKLA for the listing of the Collins Stewart Hawkpoint Shares on the Official List to be cancelled and to the London Stock Exchange for such shares to cease to be admitted to trading on its main market for listed securities, in each case as of 8.00 a.m. (London time) on the Effective Date.

3 Background to and reasons for recommending the Offer

Canaccord and Collins Stewart Hawkpoint are both independent financial services groups with capabilities in wealth management, equity capital markets and corporate advisory. The Board of Collins Stewart Hawkpoint believes that their combination will enable each group to draw on the strengths of the other, both in the services each offers and in geographic coverage in North America, Europe and Asia. The offer value as a whole represents a substantial premium over the Collins Stewart Hawkpoint market price on 14 December 2011, the day before the Press Announcement. Moreover, the cash element alone represents a premium to that price and the additional consideration in Canaccord Shares will enable shareholders to participate in the growth prospects of the enlarged group.

4 Irrevocable undertakings and letters of intent

Canaccord has received irrevocable undertakings to vote in favour of the Scheme and the resolutions at the Court Meeting and the General Meeting, (or in the event that the Offer is implemented by means of a Takeover Offer, to accept or procure acceptance of the Takeover Offer) from the Collins Stewart Hawkpoint Directors in respect of 1,978,659 Collins Stewart Hawkpoint Shares, representing 0.8 per cent. of the issued ordinary share capital of Collins Stewart Hawkpoint.

Canaccord has also received an irrevocable undertaking to vote in favour of the Scheme and the resolutions at the Court Meeting and the General Meeting from Aberforth in respect of 26,473,965 Collins Stewart Hawkpoint Shares, representing 10.7 per cent. of the issued ordinary share capital of Collins Stewart Hawkpoint. Canaccord has also received letters of intent to vote in favour of the Scheme in respect of 19,504,524 Collins Stewart Hawkpoint Shares, representing 7.9 per cent. of the issued ordinary share capital of Collins Stewart Hawkpoint.

Canaccord has therefore received total irrevocable undertakings in respect of Collins Stewart Hawkpoint Shares representing, in aggregate, approximately 11.5 per cent. of the issued ordinary share capital of Collins Stewart Hawkpoint and letters of intent in respect of Collins Stewart Hawkpoint shares representing a further 7.9 per cent. of the issued ordinary share capital of Collins Stewart Hawkpoint.

Further details of these undertakings, including details of the circumstances in which they will cease to be binding, and letters of intent are set out in paragraph 5 of Part IV (Additional Information).

5 Canaccord's strategic plans for Collins Stewart Hawkpoint and its intentions regarding management and employees

Canaccord attaches great importance to the skills and experience of the management and employees of Collins Stewart Hawkpoint and expects Collins Stewart Hawkpoint's management to play a leading role in the new structure. Canaccord's current plans for Collins Stewart Hawkpoint do not involve any material change to Collins Stewart Hawkpoint's commercial offering or its places of business.

Canaccord intends to put in place a £15 million incremental retention package in Canaccord equity for key Collins Stewart Hawkpoint staff following completion of the Offer. No discussions have taken place at this stage regarding the terms of this package or the basis on which it will be allocated.

A joint team (the "**Integration Committee**") from Canaccord and Collins Stewart Hawkpoint has been established to consider how best to realise the advantages of the combined businesses' strategic position and

growth opportunities. Canaccord is, through the Integration Committee, looking to achieve operational synergies but it does not expect this to impact the client service or operational effectiveness of the business.

The management of Canaccord and Collins Stewart Hawkpoint have had initial discussions with regard to integrating their respective securities and capital markets operations in the UK and the US. Both management teams believe that synergies exist between them which, once realised, should enable them to be more competitive through a combination of increased size, the combined talent within the two businesses and the opportunity to benefit from economies of scale. The Integration Committee is, within the two months from 15 December 2011, reviewing the potential combination of the two businesses to assess overlap. This process of assessment may (subject to any applicable consultation process) result in a reduction of aggregate headcount, including support areas, when the businesses are combined. However, it is not anticipated that there will be any reductions in headcount as a result of the Integration Committee's findings before the assessment is concluded.

There is a complementary fit between the Canaccord and Collins Stewart Hawkpoint wealth management businesses; Collins Stewart Hawkpoint's position in the UK on-shore and off-shore wealth management market adds to the current Canaccord wealth management business in Canada with no overlap. No changes are envisaged to the management of Collins Stewart Hawkpoint's wealth management business.

Similarly, Hawkpoint, Collins Stewart Hawkpoint's advisory business, is complementary to Canaccord's advisory business which has limited existing operations in the UK. No changes are envisaged to the management of Hawkpoint.

Apart from the two offices in London and New York mentioned below, there are no current plans to change the location of Canaccord's or Collins Stewart Hawkpoint's places of business or redeploy the fixed assets of Collins Stewart Hawkpoint. The intention in respect of employees within the London offices of Canaccord Genuity Limited is, after the Scheme becomes effective, and subject to space restrictions, to move these employees into the London offices of Collins Stewart Hawkpoint in order to aid the integration process of the securities and capital markets divisions in the UK. After the Scheme becomes effective it is intended that, in due course, the New York employees of Canaccord and Collins Stewart Hawkpoint will be moved to one office, subject to finding appropriate office space or rationalising existing space.

Canaccord has given assurances to the Board of Collins Stewart Hawkpoint that the existing employment rights, including pension rights, of all Collins Stewart Hawkpoint employees will be fully safeguarded on completion of the Offer.

On completion of the Offer, the current CEO of Collins Stewart Hawkpoint, Mark Brown, will be appointed CEO of Canaccord Genuity Limited, and Tim Hoare, CEO of Canaccord Genuity Limited, will become Chairman of Canaccord Genuity Limited. Mark Brown will have overall oversight and management responsibility for Canaccord's operations in the UK, Europe and Asia Pacific.

The Collins Stewart Hawkpoint Non-Executive Directors intend to resign from the board of Collins Stewart Hawkpoint on the Scheme becoming effective.

In accordance with the requirements of Rule 2.12 of the City Code, Collins Stewart Hawkpoint has made available to employees a copy of the announcement of the Offer published on 15 December 2011 and has informed employees of the right of employee representatives under Rule 25.9 of the City Code to require that a separate opinion of the employee representatives on the effects of the Offer on employment be appended to this document. As at the date of publication of this document, no such opinion has been provided. If and to the extent that Collins Stewart Hawkpoint is provided with such an opinion after the date of publication of this document, Collins Stewart Hawkpoint will publish that opinion in accordance with the requirements of Rule 25.9 of the City Code.

The Board of Collins Stewart Hawkpoint has considered the effects of implementation of the Offer on all the Company's interests and Canaccord's stated plans for the businesses, as well as the likely repercussions on employment and locations of the Company's business and believes that these are in the long-term interests of the business within the enlarged group.

6 Collins Stewart Hawkpoint Share Schemes

Appropriate proposals will be made to holders of options and awards under the Collins Stewart Hawkpoint Share Schemes. Full details of these proposals will be set out in separate letters which are to be sent to them in due course.

Further information about the effect of the Offer on options and awards outstanding under the Collins Stewart Hawkpoint Share Schemes is set out in paragraph 12 of Part II (Explanatory Statement) of this document.

7 Information on Collins Stewart Hawkpoint

The Collins Stewart Hawkpoint Group is a leading independent financial advisory group listed on the London Stock Exchange. It has around 850 employees providing services to clients across four main operating divisions: (i) Wealth Management – private clients, intermediaries and charities in the UK and Europe; (ii) Securities – institutional investment clients in the UK, Europe and the US; (iii) Corporate Broking – corporate and private equity clients in the UK, US and Asia; and (iv) Corporate Advisory (Hawkpoint) – corporate, government and private equity clients globally.

The Collins Stewart Hawkpoint Group's strategy is to focus on its core businesses. In doing so, it seeks to maximise the individual strengths of its businesses and, where desirable, combine them to best effect and for the benefit of its clients. Collins Stewart Hawkpoint also seeks to use its strong European position, supported by its presence in the US and Singapore, to extend its international reach into key markets.

The origins of Collins Stewart Hawkpoint lie in the formation, in May 1991, of a stockbroking partnership with Singer & Friedlander Securities which subsequently changed its name to Collins Stewart Limited in 1996. The management team of Collins Stewart Limited bought out the company from Singer & Friedlander in May 2000 and it was floated on the London Stock Exchange in October 2000 as Collins Stewart Holdings plc (later renamed Collins Stewart Tullett plc). As part of its strategy of building an asset management business, Collins Stewart acquired the private client division of NatWest Stockbrokers Limited in May 2001 and, in October 2005, also acquired the Jersey and Isle of Man based Insinger de Beaufort (International) Limited.

In December 2006, a demerger was carried out to separate the stockbroking activities of Collins Stewart Tullett from its inter-dealer broking activities. Two entirely separate publicly traded companies were formed, Collins Stewart plc and Tullett Prebon plc. At the same time, Collins Stewart plc completed its acquisition of the corporate finance advisory firm Hawkpoint. In July 2007 Collins Stewart Inc. (its US business) acquired C. E. Unterberg Towbin, a capital markets, securities and advisory group, C.E. Unterberg Towbin LLC was subsequently renamed as Collins Stewart LLC.

During 2010 the Collins Stewart Hawkpoint Group enlarged its wealth management division through the acquisitions of Corazon Capital and Andersen Charnley.

In May 2011, the Company changed its name from Collins Stewart plc to Collins Stewart Hawkpoint plc, believing that the opportunities for cooperation between Hawkpoint and Collins Stewart would be enhanced by a wider awareness of their common ownership.

8 Current trading and prospects

For the year ended 31 December 2010, the Collins Stewart Hawkpoint Group generated gross revenue of £215.7 million and net income of £14.6 million. On 2 August 2011, the Collins Stewart Hawkpoint Group announced its interim results for the six months to 30 June 2011, during which the Collins Stewart Hawkpoint Group generated gross revenue of £111.1 million and net income of £6.9 million. As at 30 June 2011, Collins Stewart Hawkpoint had total assets of £1,041.3 million, working capital of £100.7 million, cash and cash equivalents of £74.5 million and shareholders' equity of £268.2 million.

As disclosed in the interim management statement dated 18 November 2011 (set out in full in the appendix to this document), Securities and Corporate Broking were loss making in the third quarter of the year as a result of general market volatility and the weak new issue market. Whilst both Securities and Corporate Broking showed an improvement in October, Securities was impacted in both the UK and US for the

remainder of the year to 31 December 2011 by further market volatility. Wealth Management and Hawkpoint, however, contributed solid performances through the second half of the year.

The trading outlook for 2012 remains uncertain due to global economic and market conditions.

9 Cancellation of Listing of Collins Stewart Hawkpoint Shares and re-registration

Your attention is drawn to paragraph 14 of Part II (Explanatory Statement) of this document in relation to Canaccord's intentions regarding the de-listing and cancellation of trading in Collins Stewart Hawkpoint Shares and re-registration of Collins Stewart Hawkpoint as a private company following the Effective Date.

10 United Kingdom taxation

A summary of certain UK tax consequences of the Scheme is set out in paragraph 16 of Part II (Explanatory Statement) of this document. **This summary is intended as a general guide only and if you are in any doubt as to your tax position, or if you are subject to taxation in any jurisdiction other than the UK, you should consult an appropriate independent professional tax adviser.**

11 Overseas Shareholders

Overseas Shareholders should refer to paragraph 17 of Part II (Explanatory Statement) of this document.

12 Action to be taken

Your attention is drawn to pages 7 to 9, and paragraph 18 of Part II (Explanatory Statement) of this document, which explain the actions you should take in respect of voting on the Offer.

13 Further information

I draw your attention to the Explanatory Statement set out in Part II (Explanatory Statement) of this document, the full terms of the Scheme set out in Part V (Scheme of Arrangement), the additional information set out in Part IV (Additional Information) and the Notices of the Meetings set out in Part VIII (Notice of Court Meeting) and Part IX (Notice of General Meeting) of this document.

You should read the whole of this document and not rely solely on the information contained in this letter or the Explanatory Statement.

14 Advisers and Recommendation

The Board of Collins Stewart Hawkpoint has been advised by Hawkpoint and Nomura. The Board of Collins Stewart Hawkpoint, which has been so advised by Nomura, as the independent adviser for the purposes of Rule 3 of the Code, considers the terms of the Offer to be fair and reasonable. In providing its advice to the Board of Collins Stewart Hawkpoint, Nomura has taken into account the commercial assessments of the Board of Collins Stewart Hawkpoint.

The Board of Collins Stewart Hawkpoint considers that the Offer is in the best interests of Collins Stewart Hawkpoint Shareholders as a whole. Accordingly, the Board of Collins Stewart Hawkpoint unanimously recommends that Collins Stewart Hawkpoint Shareholders vote in favour of the resolutions to be proposed at the Court Meeting and the General Meeting, as all members of the Board of Collins Stewart Hawkpoint who hold interests in Collins Stewart Hawkpoint Shares have irrevocably undertaken to do in respect of their own beneficial holdings of 1,978,659 Collins Stewart Hawkpoint Shares, representing at the last practicable date before publication of this document approximately 0.8 per cent. of the issued share capital of Collins Stewart Hawkpoint.

Yours faithfully,

Tim Ingram
Chairman

PART II

EXPLANATORY STATEMENT

(in compliance with section 897 of the Companies Act 2006)



Hawkpoint Partners Limited
41 Lothbury
London
EC2R 7AE

NOMURA

Nomura International plc
1 Angel Lane
London
EC4R 3AB

14 January 2012

To: **Collins Stewart Hawkpoint Shareholders and, for information only, to participants in the Collins Stewart Hawkpoint Share Schemes and persons with information rights**

Dear Shareholder,

Recommended Offer for Collins Stewart Hawkpoint by Canaccord

1 Introduction

On 15 December 2011, the Boards of Collins Stewart Hawkpoint and of Canaccord announced that they had reached agreement on the terms of a recommended cash and share offer under which Canaccord will acquire the entire issued and to be issued ordinary share capital of Collins Stewart Hawkpoint to be effected by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act.

Hawkpoint and Nomura have been authorised by the Board of Collins Stewart Hawkpoint to write to you to set out the terms of the Offer and to provide you with other relevant information. The terms of the Scheme are set out in full in Part V (Scheme of Arrangement) of this document.

Your attention is drawn to the letter from the Chairman of Collins Stewart Hawkpoint, set out in Part I (Letter from the Chairman of Collins Stewart Hawkpoint) of this document, which forms part of this Explanatory Statement. That letter contains, among other things, the unanimous recommendation by the Board of Collins Stewart Hawkpoint to Collins Stewart Hawkpoint Shareholders to vote in favour of the resolutions to approve and implement the Offer, and an explanation of the background to and reasons for recommending the Offer.

The letter states that the Board of Collins Stewart Hawkpoint has been advised by Hawkpoint and Nomura. It also states that the Board of Collins Stewart Hawkpoint, which has been so advised by Nomura as the independent financial adviser for the purposes of Rule 3 of the City Code, considers the terms of the Offer to be fair and reasonable. In providing advice to the Board of Collins Stewart Hawkpoint, Nomura has taken into account the commercial assessments of the Board of Collins Stewart Hawkpoint.

Statements made or referred to in this letter regarding Canaccord's reasons for the Offer, information concerning the business of the Canaccord Group, the financial effects of the acquisition on Canaccord,

and/or intentions or expectations of or concerning the Canaccord Group reflect the views of the Board of Canaccord. Statements made or referred to in this letter regarding the background to and reasons for the recommendation of the Board of Collins Stewart Hawkpoint, information concerning the business of the Collins Stewart Hawkpoint Group, and/or intentions or expectations of or concerning the Collins Stewart Hawkpoint Group, reflect the views of the Board of Collins Stewart Hawkpoint.

2 Summary of the terms of the Offer

It is intended that the Offer be implemented by way of a Court sanctioned scheme of arrangement under Part 26 of the Companies Act.

Pursuant to the Offer, which will be subject to the conditions and further terms set out in Part III (Conditions), Scheme Shareholders will receive:

**for each Collins Stewart Hawkpoint Share 57.6 pence in cash and
0.072607 Canaccord Consideration Shares**

Based on the price of a Canaccord Share of C\$8.50, being the Closing Price on the Toronto Stock Exchange on 14 December 2011, the Offer values the entire issued and to be issued share capital of Collins Stewart Hawkpoint at approximately £253.3 million and each Collins Stewart Hawkpoint Share at 96.0 pence (based on an exchange rate between Canadian Dollars and UK sterling of 1.6072 at 5.00 p.m. GMT on the day before the date of the Press Announcement). The consideration of 96.0 pence for each Collins Stewart Hawkpoint Share represents a premium of approximately 90.1 per cent. over the Closing Price of 50.5 pence per Collins Stewart Hawkpoint Share on 14 December 2011, being the day before the date of the announcement of the Offer. With the second interim dividend of 2.6 pence referred to below added to the consideration of 96.0 pence, the total consideration would represent a premium of 95.2 per cent.

Based on the price of a Canaccord Share of C\$7.88, being the Closing Price on the Toronto Stock Exchange on 12 January 2012 (the latest practicable date prior to the publication of this document), the Offer values the entire issued and to be issued share capital of Collins Stewart Hawkpoint at approximately £248.3 million and each Collins Stewart Hawkpoint Share at 94.2 pence (based on an exchange rate between Canadian Dollars and UK sterling of 1.5627 at 5.00 p.m. GMT on 12 January 2012). This represents a premium of approximately 86.6 per cent. over the Closing Price of 50.5 pence per Collins Stewart Hawkpoint Share on 14 December 2011, being the day before the date of the announcement of the Offer. If the second interim dividend of 2.6 pence referred to below were added to the consideration of 94.2 pence, the total consideration would represent a premium of 91.7 per cent.

Collins Stewart Hawkpoint shareholders will receive a second interim dividend of 2.6 pence per Collins Stewart Hawkpoint Share proposed to be paid on 31 January 2012 to shareholders on the register on 30 December 2011, in lieu of a final dividend. No other dividends will be paid by Collins Stewart Hawkpoint between the date of this announcement and the Effective Date.

The Canaccord Consideration Shares to be issued pursuant to the Offer are expected to represent approximately 18 per cent. of the issued Canaccord Shares as enlarged by the acquisition of Collins Stewart Hawkpoint. The Canaccord Consideration Shares will rank equally in all respects with the existing Canaccord Shares and will be entitled to receive any dividends and/or other distributions declared or paid by Canaccord in respect of Canaccord Shares with a record date on or after the date of their issue.

The Offer is conditional on, amongst other things, certain regulatory approvals, certain approvals by Collins Stewart Hawkpoint Shareholders and the sanction of the Scheme by the Court. Your attention is drawn to Part A of Part III (Conditions) of this document. In order to become effective, the Scheme must be approved by a majority in number of the Scheme Shareholders voting at the Court Meeting representing not less than 75 per cent. in value of the Scheme Shares held by the Scheme Shareholders present and voting in person or by proxy.

The expected transaction timetable is set out on page 11 of this document. The resolutions required to implement the Scheme will be put to Collins Stewart Hawkpoint Shareholders at the Court Meeting and the General Meeting to be held at 2.00 p.m. and 2.15 p.m. respectively on 9 February 2012. Subject to the

satisfaction, or where relevant, waiver of all relevant Conditions, the Scheme is expected to become effective in the first half of 2012.

Fractions of Canaccord Consideration Shares will not be issued to Collins Stewart Hawkpoint Shareholders pursuant to the Offer. Instead, fractional entitlements will be aggregated and sold in the market with the net proceeds of such sales, to the extent that they exceed £5, being paid to the persons who would be entitled to such fractions.

The Scheme will not become effective unless all the Conditions set out in Part A of Part III (Conditions) are satisfied or, if permitted, waived by 15 June 2012 or such later date (if any) as Canaccord and Collins Stewart Hawkpoint may, subject to the City Code and/or with the consent of the Panel agree and (if required) the Court, approve.

3 Canaccord Consideration Shares

Canaccord Consideration Shares which Collins Stewart Hawkpoint Shareholders are entitled to receive under the terms of the Scheme are Canaccord Shares, being common shares in the capital of Canaccord. A description of the rights attaching to Canaccord Shares and other classes of shares in the capital of Canaccord is set out in paragraph 10 of Part IV (Additional Information) of this document.

The Canaccord Shares are listed on the Toronto Stock Exchange under the symbol “CF” and on AIM under the symbol “CF”. Canaccord has applied to list the Canaccord Consideration Shares on the Toronto Stock Exchange, which listing will be subject to Canaccord fulfilling all the listing requirements of the Toronto Stock Exchange, and application will be made for the Canaccord Consideration Shares to be admitted to trading on AIM. Canaccord Consideration Shares will settle through CREST through Canaccord CDIs.

4 Move to the main market

In light of the potential acquisition of Collins Stewart Hawkpoint and the size and business operations of the Canaccord Group as enlarged by the Offer, the Board of Canaccord has considered the listing of the Canaccord Shares and concluded that a move from AIM to a full listing on the Main Market of the London Stock Exchange would benefit both Canaccord and its shareholders. Accordingly, following the Scheme becoming effective, Canaccord intends to apply for the admission of the Canaccord Shares (including the Canaccord Consideration Shares) to the Official List and to trading on the Main Market of the London Stock Exchange for listed securities. It is expected that this will take place by 30 June 2012.

5 Financial effects of the Offer for Collins Stewart Shareholders

Under the Offer, Collins Stewart Hawkpoint Shareholders will receive 0.072607 Canaccord Consideration Shares for every Collins Stewart Hawkpoint Share held, as well as 57.6 pence in cash. The following table sets out, for illustrative purposes only and on the bases and assumptions set out in the notes below, the financial effects of the Offer on the capital value and income for a holder of one Collins Stewart Hawkpoint Share, if the Scheme becomes effective:

5.1 Increase in Capital Value

	<i>Note</i>	<i>Pence</i>
Market value of 0.072607 New Canaccord Share	1	36.61
Cash consideration	2	57.60
Total value of consideration under the terms of the Offer	2	94.21
Market value of one Collins Stewart Hawkpoint Share	3	50.50
Increase in capital value	4	43.71
This represents an increase of		86.55 per cent.

5.2 *Decrease in Income*

	<i>Note</i>	<i>Pence</i>
Dividend income from 0.072607 Canaccord Consideration Shares	5	1.72
Gross income from re-investment of cash consideration	6	1.16
Total gross income from consideration		2.88
Dividend income from one Collins Stewart Hawkpoint Share	7	3.33
Decrease in income	4	0.45
This represents a decrease in income of		13.51 per cent.

Notes:

- (1) The market value of Canaccord Consideration Shares is based on the Closing Price of C\$7.88 per Canaccord Share on the Toronto Stock Exchange as at the close of business on 12 January 2012 and an exchange rate between Canadian Dollars and UK Sterling of 1.5627 as at 5.00 p.m. GMT on 12 January 2012, being the latest practicable date prior to publication of this document.
- (2) The second interim dividend of 2.6 pence proposed to be paid on 31 January 2012 has not been taken into account in calculating these figures.
- (3) The market value of one Collins Stewart Hawkpoint Share is based on the Closing Price of 50.50 pence per Collins Stewart Hawkpoint Share as at the close of business on 14 December 2011, being the last Business Day prior to the date of the Press Announcement.
- (4) In assessing the financial effects of receiving Canaccord Consideration Shares, no account has been taken of any potential taxation liability of a Collins Stewart Hawkpoint Shareholder or of any timing differences in the payment of dividends.
- (5) The dividend income of one Canaccord Share is the aggregate of the C\$0.10 quarterly dividend for the 3 months ended 30 September 2011 (announced on 10 November 2011 and paid on 15 December 2011 based on an exchange rate between Canadian Dollars and UK Sterling of 1.6010 as at 15 December 2011 at 5.00 p.m. GMT), the C\$0.10 quarterly dividend for the 3 months ended 30 June 2011 (announced on 3 August 2011 and paid on 15 September 2011 based on an exchange rate between Canadian Dollars and UK Sterling of 1.5598 as at 15 September 2011 at 5.00 p.m. GMT), the C\$0.10 quarterly dividend for the 3 months ended 31 March 2011 (announced on 17 May 2011 and paid on 15 June 2011 based on an exchange rate between Canadian Dollars and UK Sterling of 1.5858 as at 15 June 2011 at 5.00 p.m. GMT) and the C\$0.075 quarterly dividend for the 3 months ended 31 December 2010 (announced on 10 February 2011 and paid on 15 March 2011 based on an exchange rate between Canadian Dollars and UK Sterling of 1.5824 as at 15 March 2011 at 5.00 p.m. GMT), applying the exchange ratio of 0.072607 Canaccord shares per Collins Stewart Hawkpoint Share.
- (6) The gross interest income on the cash consideration under the terms of the Offer is calculated on the assumption that the cash is re-invested to yield 2.021 per cent. per annum, being the gross redemption yield on UK Government Securities with a maturity of 10 years, as published by Bloomberg on 12 January 2012.
- (7) The dividend income from one Collins Stewart Hawkpoint Share is the aggregate of the 1.44 pence gross interim dividend for the six months ended 30 June 2011 (announced on 2 August 2011 and paid on 24 November 2011) and the 1.89 pence final gross dividend for the year ended 31 December 2010 (announced on 15 March 2011 and paid on 26 May 2011). Only dividends announced and paid by Canaccord and Collins Stewart Hawkpoint in the period 1 January 2011 to 31 December 2011 have been used to calculate the effect of the Offer on income. See paragraph 2 of Part I (Letter from the Chairman of Collins Stewart Hawkpoint) in relation to Collins Stewart Hawkpoint's second interim dividend.

6 Information on Collins Stewart Hawkpoint and current trading and prospects

Information on Collins Stewart Hawkpoint and its current trading and prospects is set out in paragraphs 7 and 8 of Part I (Letter from the Chairman of Collins Stewart Hawkpoint) of this document.

7 Information on Canaccord

Canaccord is a public corporation incorporated under the laws of the Province of British Columbia, Canada. The Canaccord Shares are listed on both the Toronto Stock Exchange and on AIM, a market operated by the London Stock Exchange. Through its principal subsidiaries, Canaccord is a leading independent, full-service financial services firm with operations in two principal segments of the securities industry: wealth management and global capital markets. Canaccord has 49 offices worldwide, including 32 wealth management offices across Canada. The international capital markets division has operations in the United States, the United Kingdom, Canada, China, Barbados, Australia and Hong Kong.

Canaccord, through various predecessor corporations, has been in business since 1950. In 1993, with fundamental changes in Canada's financial services sector underway, Canaccord adopted a focused growth strategy and is now one of the pre-eminent independent investment dealers in Canada. To reach this standing, Canaccord made substantial investments in infrastructure and business development and concentrated on building strong client relationships.

A key contributor to the success of this growth strategy has been the majority ownership of Canaccord by its employees. With employees currently constituting over 50 per cent. of shareholders, Canaccord is independent, entrepreneurial and free from the conflicts that can exist in larger financial institutions.

For the year ended 31 March 2011, the Canaccord Group generated gross revenue of C\$803.6 million and net income (excluding acquisition related items) of C\$114.1 million. On 11 November 2011, the Canaccord Group announced its second quarter results. For the six months ending 30 September 2011, it generated gross revenue of C\$279.3 million and net profit (excluding acquisition related items) of C\$12.5 million. As at 30 September 2011, Canaccord had total assets of C\$5.7 billion, working capital of C\$501 million, cash and cash equivalents of C\$691 million and shareholders' equity of C\$863 million.

The names of the Canaccord Directors are provided in paragraph 2.2 of Part IV (Additional Information).

8 Background to, reasons for and effect of the Offer on Canaccord

Canaccord is a global, independent, full service investment bank with private client and capital markets operations and is committed to a strategy of development of its business in key markets and sectors. In this respect, Canaccord has broadened its operations by making a number of acquisitions in recent years. The most significant acquisitions were of Genuity Capital Markets for C\$285.9 million in 2010 and then more recently the acquisition of Chinese advisory firm, The Balloch Group, and a 50 per cent. interest in the capital of BGF Capital Group Pty Ltd (rebranded Canaccord BGF) which has operations in Australia and Hong Kong.

The Board of Canaccord views the UK as one of the key markets of its international development, and over recent years Canaccord has successfully grown its UK and foreign business to a position where it generated 11.7 per cent. of the group's income in its financial year ended 31 March 2011. The acquisition of Collins Stewart Hawkpoint represents the next stage of Canaccord's growth strategy in this market with the addition of a complementary capital markets business, a highly respected advisory business and a well-regarded on-shore and off-shore private client asset management business with assets under management and administration of £8.1 billion at 30 June 2011 and £7.8 billion at 31 October 2011.

The Board of Canaccord believes that the acquisition of Collins Stewart Hawkpoint delivers a leading position in UK on-shore and off-shore wealth management which has a long heritage and has provided Collins Stewart Hawkpoint with a high quality, profitable earnings stream whilst delivering continued annual growth in assets under management both organically and through acquisition. The combination of Collins Stewart Hawkpoint's securities and capital markets operations in London and New York will substantially augment and enhance Canaccord's existing operations in these locations offering wider research and sales coverage and corporate broking. It will also provide an opportunity to realise synergistic savings through economies of scale. The combination will also create potential revenue synergies through cooperation across the North American, European and Asian regions. In addition, Collins Stewart Hawkpoint's Singapore operations will complement Canaccord's existing capital markets operations.

Canaccord also believes that Hawkpoint, whose name will be retained within the broader Canaccord group, will provide a leading independent corporate finance advisory franchise dedicated to offering strong advisory relationships to corporate, governmental and private equity clients. Hawkpoint's particular strengths in the UK, France and Germany, including providing support to Collins Stewart Hawkpoint's existing corporate broking operations where appropriate, geographically and strategically complement Canaccord's current advisory capabilities.

The effects of the implementation of the acquisition upon Canaccord's earnings and assets and liabilities will be as follows:

- (a) Canaccord expects the acquisition of Collins Stewart Hawkpoint to be earnings per share accretive (before any fair value, other adjustments and one-off integration costs) in the first year of ownership following the completion of the acquisition.¹
- (b) As a result of and following completion of the acquisition of Collins Stewart Hawkpoint, Canaccord expects to consolidate Collins Stewart Hawkpoint's assets and liabilities. As at 30 June 2011, being the end of Collins Stewart Hawkpoint's half year, and under Collins Stewart Hawkpoint's historical accounting policies, Collins Stewart Hawkpoint had a tangible net asset value of £109.5 million. A fair value assessment of Collins Stewart Hawkpoint's assets, liabilities and business will be required to be carried out under Canaccord's accounting policies following completion of the acquisition to determine the on-going tangible and intangible carrying values at which the Collins Stewart Hawkpoint business will be carried on Canaccord's balance sheet.
- (c) The cash portion of the acquisition is being funded in part from Canaccord's existing cash balance and in part from utilisation of the C\$150 million Credit Facility provided by the Canadian Imperial Bank of Commerce under a secured credit agreement. As the acquisition will be funded in part by cash, the combined business will have a reduced cash balance and, to the extent the Credit Facility is drawn down, an increased liability in respect for the drawn down facility amount.

9 Financing of the Offer and cash confirmation

The cash consideration payable under the terms of the Offer will be funded from Canaccord's existing cash resources and by a credit facility provided by the Canadian Imperial Bank of Commerce under a C\$150 million senior secured credit agreement which is repayable 180 days after the facility is first drawn (expected to be 180 days immediately following the Scheme becoming effective). Further details of the CIBC credit facility are set out in paragraph 7.2(b) of Part IV (Additional Information) of this document.

KBW, financial adviser to Canaccord, is satisfied that sufficient resources are available to satisfy in full the cash consideration payable to Collins Stewart Hawkpoint Shareholders under the terms of the Offer.

10 The Collins Stewart Hawkpoint Directors and the effect of the Scheme on their interests

Details of the interests of the Collins Stewart Hawkpoint Directors in the share capital of Collins Stewart Hawkpoint, and options and awards in respect of such share capital, are set out in paragraph 4.2 of Part IV (Additional Information) of this document. Collins Stewart Hawkpoint Shares held by the Collins Stewart Hawkpoint Directors will be subject to the Scheme.

Particulars of the service contracts (including termination provisions) and letters of appointment of the Collins Stewart Hawkpoint Directors are set out in paragraph 8 of Part IV (Additional Information) of this document.

Save as referred to above, the effect of the Scheme on the interests of the directors does not differ from the effect of the Scheme on the interests of other persons.

11 Management, employees and locations

Information regarding the intentions of Canaccord for the management and employees of Collins Stewart Hawkpoint and the views of the Collins Stewart Hawkpoint Directors on these are set out in paragraph 5 of Part I (Letter from the Chairman of Collins Stewart Hawkpoint) of this document.

¹ This statement should not be construed as a profit forecast or be interpreted to mean that the future earnings per share, profits, margins or cash flows of Canaccord will necessarily be greater or less than the historical published earnings per share, profits, margins or cash flows of Canaccord.

12 Collins Stewart Hawkpoint Share Schemes

As a result of the Offer and subject to the rules of each scheme, awards and options under the Collins Stewart Hawkpoint Share Schemes will either vest or be exchanged for a right to receive (upon the Scheme becoming effective or in the future) a mixture of Canaccord Shares and cash. In particular:

- (a) Awards made under the Collins Stewart Hawkpoint plc Annual Bonus Equity Deferral Plan will be exchanged for a right to receive a mixture of cash (as to 60 per cent.) and Canaccord Shares (as to 40 per cent.) with an aggregate value equal to the value of the Collins Stewart Hawkpoint Shares subject to the original award. With the exception of awards made to certain US employees, which were granted on different terms and which as a result will vest in full upon the Scheme becoming effective, the awards made in 2011 will vest in 2014 on the third anniversary of the original date of grant (subject to the participant still being employed or leaving as a good leaver). The share element of the awards made in 2010 will vest in 2013 on the third anniversary of the original date of grant and the cash element will be payable upon the Scheme becoming effective (subject to appropriate deduction for tax and social security (or similar liabilities)).
- (b) Awards granted without performance conditions under the Collins Stewart Long Term Incentive Plan will become exercisable in full upon Court sanction. All awards granted subject to performance conditions will be tested by the remuneration committee of the Board of Collins Stewart Hawkpoint shortly before Court sanction to ascertain the proportion which will vest. Upon exercise, award holders will receive 0.072607 Canaccord Shares and 57.6 pence in cash for each Collins Stewart Hawkpoint Share which they acquire (subject to appropriate deduction for tax and social security or similar liabilities due).
- (c) The holders of LTIP units granted under the Collins Stewart plc 2010 Long Term Incentive Plan will receive replacement awards over Canaccord Shares which will have an equivalent value to the value of the Collins Stewart Hawkpoint Shares subject to the original award. The replacement awards will vest and become exercisable in three equal tranches on the 1st, 2nd, 3rd anniversaries of the Scheme becoming effective (subject to the participant still being employed or leaving as a good leaver).
- (d) Collins Stewart Hawkpoint Shares held in the Collins Stewart Share Savings Plan will be subject to the Scheme and participants will therefore receive the same consideration for such shares as other Collins Stewart Hawkpoint Shareholders.

The terms of the Scheme, if it becomes effective, will bind all Collins Stewart Hawkpoint Shareholders, including persons acquiring Collins Stewart Hawkpoint Shares under the terms of the Collins Stewart Hawkpoint Share Schemes prior to the Scheme Record Time.

Full details of these proposals will be set out in separate letters which are to be sent to participants in the Collins Stewart Hawkpoint Share Schemes in due course.

The proposals (and, in particular, the awards referred to in (a) and (c) above), will be subject to the securities laws of the jurisdictions in which the applicable participants reside and, to the extent that it is not reasonably possible to grant awards over Canaccord Shares in compliance with such securities laws (or similar restrictions), economically equivalent awards will be granted entitling participants to a cash payment.

Any Collins Stewart Hawkpoint Shares issued or otherwise acquired after the Scheme Record Time, including under the Collins Stewart Hawkpoint Share Schemes will not be subject to the Scheme and it is therefore proposed to amend Collins Stewart Hawkpoint's articles of association at the General Meeting (as set out in the notice of General Meeting) so that, if the Scheme becomes effective, any Collins Stewart Hawkpoint Share issued to any person other than Canaccord or its nominee(s) at or after the Scheme Record Time shall, subject if applicable to a prior transfer to a spouse or registered civil partner, be immediately transferred to Canaccord or as it may direct in consideration of and conditional upon the payment of 57.6 pence in cash and 0.072607 Canaccord Consideration Shares for each Collins Stewart Hawkpoint Share so transferred subject, where applicable, to deductions in respect of income tax and National Insurance contributions (or, in each case, similar liabilities).

13 Structure of the Offer

13.1 *The Scheme*

The Offer is to be effected by means of a Court-sanctioned scheme of arrangement between Collins Stewart Hawkpoint and its shareholders under Part 26 of the Companies Act, including a reduction of capital of Collins Stewart Hawkpoint under section 645 of the Companies Act. The procedure requires approval by Collins Stewart Hawkpoint Shareholders at the Court Meeting and General Meeting, sanction of the Scheme by the Court and confirmation by the Court of the cancellation of the Scheme Shares. The Scheme is set out in full in Part V (Scheme of Arrangement) of this document.

The purpose of the Scheme is to provide for Canaccord to become the holder of the entire issued ordinary share capital of Collins Stewart Hawkpoint. This is to be achieved by the cancellation of the Scheme Shares held by Collins Stewart Hawkpoint Shareholders at the Scheme Record Date and the application of the reserve arising from such cancellation in paying up in full a number of new Collins Stewart Hawkpoint Shares equal to the number of Scheme Shares cancelled, which will be issued to Canaccord and in consideration for which Canaccord will pay 57.6 pence in cash and 0.072607 Canaccord Consideration Shares per Scheme Share to the Scheme Shareholders.

Fractions of Canaccord Consideration Shares will not be issued to Collins Stewart Hawkpoint Shareholders pursuant to the Offer. Instead, fractional entitlements will be aggregated and sold in the market with the net proceeds of such sales, to the extent that they exceed £5, being paid to the persons who would be entitled to such fractions.

13.2 *Conditions to the Offer*

The Conditions to the Offer are set out in full in Part A of Part III (Conditions) of this document. In summary, the implementation of the Scheme is conditional upon:

- (a) the Scheme becoming effective by not later than 15 June 2012, failing which the Scheme will lapse;
- (b) the Scheme being approved by a majority in number, representing 75 per cent. or more in value of the Scheme Shareholders present and voting, either in person or by proxy, at the Court Meeting (or any adjournment thereof) by not later than 15 March 2012 or such later date (if any) as Canaccord and Collins Stewart Hawkpoint may, subject to the City Code and/or with the consent of the Panel agree and (if required) the Court may approve;
- (c) the Resolutions in connection with and required to implement the Scheme and the Capital Reduction being duly passed by not less than 75 per cent. of the votes cast at the General Meeting (or any adjournment thereof) by not later than 15 March 2012 or such later date (if any) as Canaccord and Collins Stewart Hawkpoint may, subject to the City Code and/or with the consent of the Panel agree and (if required) the Court may approve;
- (d) the Court sanctioning the Scheme and confirming the Capital Reduction (in either case with or without modification on terms agreed by Collins Stewart Hawkpoint and Canaccord) and office copies of the Court Orders and the Statement of Capital being delivered to the Registrar of Companies for registration;
- (e) the Canaccord Consideration Shares being admitted to trading on AIM or agreement by the London Stock Exchange to admit such shares to trading on AIM subject to their allotment and/or the Scheme becoming or being declared unconditional in all respects and Canaccord having obtained conditional approval of the listing of the Canaccord Consideration Shares on the Toronto Stock Exchange, subject only to the satisfaction of customary conditions of the Toronto Stock Exchange;
- (f) the FSA consenting to the acquisition of each authorised person in the Wider Collins Stewart Hawkpoint Group by Canaccord in the manner contemplated by the Offer;

- (g) each Relevant Regulator approving, to the extent necessary, the acquisition by Canaccord of control over Collins Stewart Hawkpoint and any member of the Wider Collins Stewart Hawkpoint Group which is authorised or regulated by that Relevant Regulator; and
- (h) satisfaction (or, where permitted, waiver) of all the other Conditions.

13.3 *Collins Stewart Hawkpoint Shareholder Meetings*

Before the Court's sanction can be sought for the Scheme, the Scheme requires approval by holders of Scheme Shares at the Court Meeting and the passing of the Resolutions by Collins Stewart Hawkpoint Shareholders at the General Meeting. Notices of the Court Meeting and the General Meeting are set out in Part VIII (Notice of Court Meeting) and Part IX (Notice of General Meeting) of this document, respectively.

Save as set out below, all holders of Collins Stewart Hawkpoint Shares whose names appear on the register of members of Collins Stewart Hawkpoint at the Voting Record Time, or, if any such Meeting is adjourned, on the register of members at 6.00 p.m. (London time) on the date two days before the date set for such adjourned meeting, will be entitled to attend and vote at the Court Meeting and the General Meeting, in respect of the Collins Stewart Hawkpoint Shares registered in their name at the relevant time.

(a) *The Court Meeting*

The Court Meeting has been convened at the direction of the Court for 2.00 p.m. (London time) on 9 February 2012 for Scheme Shareholders to consider and, if thought fit, approve the Scheme.

At the Court Meeting, voting will be by poll and each Scheme Shareholder present in person or by proxy will be entitled to one vote for each Scheme Share held as at the Voting Record Time. The approval required at the Court Meeting is a majority in number of those Scheme Shareholders present and voting in person or by proxy, representing at least 75 per cent. in value of the Scheme Shares held by such Scheme Shareholders.

Due to the length of time anticipated to be required to calculate the result of the poll, the result may not be announced at the Court Meeting. The result of the vote at the Court Meeting will be publicly announced via a Regulatory Information Service as soon as practicable after it is known and in any event by no later than 8.00 a.m. (London time) on the business day following the Court Meeting.

Prior to the date of the Scheme Court Hearing, and subject to the resolutions being passed at the General Meeting and Court Meeting by the requisite majorities, Canaccord will be allotted and become the registered holder and beneficial owner of one deferred share of £1 in the capital of Collins Stewart Hawkpoint. Any Collins Stewart Hawkpoint Shares which are registered in the name of or beneficially owned by any member of the Canaccord Group at the Voting Record Time may not be voted at the Court Meeting.

It is important that, for the Court Meeting in particular, as many votes as possible are cast, so that the Court may be satisfied that there is a fair and reasonable representation of opinion of the Collins Stewart Hawkpoint Shareholders.

(b) *The General Meeting*

The General Meeting has been convened for 2.15 p.m. (London time) on 9 February 2012, or as soon after that time as the Court Meeting has been concluded or adjourned, for Collins Stewart Hawkpoint Shareholders to consider and, if thought fit, pass, the Resolutions necessary to implement the Scheme and certain related matters.

The Resolutions are proposed to approve:

- (i) giving the Board of Collins Stewart Hawkpoint authority to take all necessary action to carry the Scheme into effect;
- (ii) reducing the capital of Collins Stewart Hawkpoint by cancelling and extinguishing the Scheme Shares in accordance with the Scheme;
- (iii) subsequently capitalising and applying the reserve arising on the books of Collins Stewart Hawkpoint as a result of the Capital Reduction to pay up in full at par such number of new Collins Stewart Hawkpoint Shares as is equal to the number of Scheme Shares cancelled pursuant to the Scheme, which will be allotted and issued, credited as fully paid up, to Canaccord;
- (iv) giving the Board of Collins Stewart Hawkpoint authority to allot such new Collins Stewart Hawkpoint Shares to Canaccord; and
- (v) amending Collins Stewart Hawkpoint's articles of association as described in paragraph 13.5 of this Part II (Explanatory Statement).

BLUE Forms of Proxy for use at the Court Meeting and WHITE Forms of Proxy for use at the General Meeting should be returned by post, or, during normal business hours, by hand to the Registrars, Capita Registrars, at PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, as soon as possible and, in any event, so as to be received not later than 48 hours before the time appointed for the relevant Meeting (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned Meeting). If the BLUE Form of Proxy for use at the Court Meeting is not returned by the above time, it may be handed to a representative of the Registrars on behalf of the chairman of the Court Meeting at the start of that Meeting. However, in the case of the General Meeting, unless the WHITE Form of Proxy is returned by the time mentioned in the instructions printed on it, it will be invalid. The completion and return of a Form of Proxy will not prevent you from attending and voting in person at either the Court Meeting or the General Meeting, or at any adjournment thereof, if you so wish and are so entitled.

Further information about the procedures for appointing proxies and giving voting instructions is set out in paragraph 18 (Action to be taken) below of this Part II (Explanatory Statement) and on pages 7 to 9 of this document.

13.4 *Court Hearings*

Under the Companies Act, the Scheme requires the sanction of the Court. The hearings by the Court to sanction the Scheme and to confirm the Capital Reduction necessary to implement it are currently expected to be held on 24 February 2012 and 29 February 2012, respectively, subject to the prior satisfaction or waiver of the other Conditions set out in Part III (Conditions) of this document. The gap between the Court Hearings is included in order to permit registration of Collins Stewart Hawkpoint Shares issued in connection with the Collins Stewart Hawkpoint Share Schemes after the Court sanctions the Scheme but before the Scheme Record Time. Canaccord has confirmed that it will be represented by counsel at such hearings so as to consent to the Scheme and to undertake to the Court to be bound thereby.

The Court Hearings will be held at 7 Rolls Buildings, Fetter Lane, London, EC4A 1NL. Scheme Shareholders are entitled, should they wish to do so, to attend the Scheme Court Hearing in person or through counsel.

Following sanction of the Scheme and confirmation of the Capital Reduction, the Scheme will become effective in accordance with its terms upon office copies of the Court Orders and the Statement of Capital being delivered to the Registrar of Companies. This is presently expected to occur on 29 February 2012, subject to satisfaction (or, where applicable, waiver) of the Conditions. It is intended that at this time Collins Stewart Hawkpoint will become a private limited company.

If the Scheme becomes effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted in favour or against the Scheme at the Court Meeting or in favour of, or against, or abstained from voting on the Resolutions at the General Meeting. If the Scheme does not become effective by 15 June 2012, or such later date (if any) as Collins Stewart Hawkpoint and Canaccord may agree (with, where applicable, the consent of the Panel (and, if required, the Court)), the Scheme will not become effective.

13.5 *Amendment of Collins Stewart Hawkpoint's articles of association*

The Resolutions to be proposed at the General Meeting will contain provisions to amend the Company's articles of association to ensure that any Collins Stewart Hawkpoint Shares issued (other than to Canaccord or its nominee) after the Scheme Record Time will automatically be acquired by Canaccord for the same consideration comprising cash and Canaccord Shares as if they had been Scheme Shares. Accordingly, any Collins Stewart Hawkpoint Shares issued on the exercise of options under the Collins Stewart Hawkpoint Share Schemes after the Scheme Record Time will not be subject to the Scheme, but will be automatically acquired by Canaccord or its nominee. These provisions will avoid any person being left with Collins Stewart Hawkpoint Shares after dealings in such shares have ceased on the London Stock Exchange.

13.6 *Modifications to the Scheme*

The Scheme contains a provision for Collins Stewart Hawkpoint and Canaccord jointly to consent (on behalf of all persons concerned) to any modification of, or addition to, the Scheme or to any condition which the Court may approve or impose. The Court would be unlikely to approve or impose any modification of, or addition or condition to, the Scheme which might be material to the interests of Scheme Shareholders, unless Scheme Shareholders were informed of any such modification, addition or condition. It would be for the Court to decide, in its discretion, whether or not a further meeting of Scheme Shareholders should be held in those circumstances.

14 *Delisting of Collins Stewart Hawkpoint Shares and re-registration*

The last day of dealings in, and for registration of transfers of, Collins Stewart Hawkpoint Shares is expected to be the business day before the Capital Reduction Hearing. Accordingly, the last day of dealings is presently expected to be 24 February 2012, following which Collins Stewart Hawkpoint Shares will be suspended from the Official List and from trading on the London Stock Exchange's market for listed securities with effect from 4.30 p.m. (London time).

Collins Stewart Hawkpoint intends that, subject to satisfaction of all relevant Conditions, application will be made to the UKLA for the listing of the Collins Stewart Hawkpoint Shares on the Official List to be cancelled and to the London Stock Exchange for such shares to cease to be admitted to trading on its main market for listed securities, in each case as of 8.00 a.m. (London time) on the Effective Date. Accordingly, it is intended that, if the Court sanctions the Scheme and confirms the Capital Reduction on 29 February 2012, thereby confirming the cancellation of all the existing Collins Stewart Hawkpoint Shares, the delisting will become effective at 8.00 a.m. (London time) on 1 March 2012.

On the Effective Date, Collins Stewart Hawkpoint will become a wholly owned subsidiary of Canaccord and share certificates in respect of Collins Stewart Hawkpoint Shares will cease to be valid and should be destroyed. In addition, on the Effective Date, entitlements to Collins Stewart Hawkpoint Shares held within the CREST system will be cancelled.

It is also proposed that the order sought at the Capital Reduction Hearing will include an order that Collins Stewart Hawkpoint be re-registered as a private limited company.

15 *Settlement*

Subject to the Scheme becoming effective, settlement of the consideration to which any holder of Scheme Shares is entitled will be effected as soon as practicable and in any event not later than 14 days after the Effective Date in the manner set out below.

15.1 *Consideration where Scheme Shares are held in uncertificated form (that is, in CREST)*

Where, at the Scheme Record Time, a holder of Scheme Shares holds such shares in uncertificated form:

- (a) settlement of cash consideration will be effected through CREST by the creation of an assured payment obligation in favour of the appropriate CREST account through which the relevant Collins Stewart Hawkpoint Shareholder holds such uncertificated shares in respect of the cash consideration due to them in accordance with the terms of the Scheme; and
- (b) settlement of entitlements to Canaccord Consideration Shares will be effected through CREST by crediting the stock account in CREST in which each such uncertificated holder held the relevant Scheme Shares with such holder's entitlement to Canaccord CDIs representing the Canaccord Consideration Shares to which the relevant Collins Stewart Shareholder is entitled under the terms of the Scheme,

in each case as soon as practicable and, in any event no later than 14 days after the Effective Date.

From 4.30 p.m. on the date of the Scheme Court Hearing, each holding of Collins Stewart Hawkpoint Shares credited to any stock account in CREST shall be disabled and all Collins Stewart Hawkpoint Shares will be removed from CREST in due course thereafter.

Notwithstanding the above, Canaccord reserves the right to settle all or part of such consideration in the manner set out in paragraph 15.2 below if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this paragraph 15.1.

15.2 *Consideration where Scheme Shares are held in certificated form*

Where, at the Scheme Record Time, a holder of Scheme Shares holds such shares in certificated form:

- (a) settlement of the cash consideration due pursuant to the Scheme will be effected by cheque. All cheques will be in pounds sterling drawn on the branch of a UK Clearing bank. Payments made by cheque will be payable to the Collins Stewart Hawkpoint Shareholder(s) concerned. Payments will not be sent via CHAPS or BACS; and
- (b) settlement of entitlements to Canaccord Consideration Shares will be effected by the despatch by first class post of certificates representing the Canaccord Consideration Shares to which the relevant Collins Stewart Shareholder is entitled under the terms of the Scheme,

in each case as soon as practicable and, in any event no later than 14 days after the Effective Date.

Cheques in respect of and certificates for the Canaccord Consideration Shares will be despatched by first class post to the address appearing on the Collins Stewart Hawkpoint share register at the Scheme Record Time (or, in the case of joint holders, to the address of that joint holder whose name stands first in the said register in respect of such joint holding).

Pending the despatch of certificates for the Canaccord Consideration Shares, temporary documents of title will not be issued and transfers of Canaccord Consideration Shares in certificated form will not be permitted.

Shareholders should hold their Canaccord share certificate in a safe place. If the share certificate is lost, there is a replacement procedure which consists of a fee (3 per cent. of the market value of the shares) and documentation to complete, in order to replace the share certificate.

Every holder of Collins Stewart Hawkpoint Shares will be bound at the request of Collins Stewart Hawkpoint to deliver up to Collins Stewart Hawkpoint the existing certificate(s) for cancellation or to destroy the certificate(s).

15.3 **General**

Fractions of Canaccord Consideration Shares will not be issued to Collins Stewart Hawkpoint Shareholders pursuant to the Offer. Instead, fractional entitlements will be aggregated and sold in the market with the net proceeds of such sales, to the extent that they exceed £5, being paid to the persons who would be entitled to such fractions.

All documents and remittances sent through the post will be sent at the risk of the person(s) entitled thereto.

Notwithstanding 15.1 and 15.2 above, in the case of Option Scheme Shares, Canaccord reserves the right to settle all or part of any cash consideration due through such other means (including payroll) and subject to such deductions (including for any exercise price, tax and social security (or similar liabilities) due) as is agreed with the Board of Collins Stewart Hawkpoint.

Save with the consent of the Panel, settlement of the consideration to which any Collins Stewart Hawkpoint Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms set out in this Part II (Explanatory Statement) without regard to any lien, right of set off, counterclaim or analogous right to which Canaccord may otherwise be, or claim to be, entitled against any Collins Stewart Hawkpoint Shareholder.

15.4 **Excluded Overseas Shareholders**

Due to restrictions on Excluded Overseas Shareholders holding Canaccord Consideration Shares, Canaccord may, in its sole discretion, determine that Canaccord Shares to be issued to an Excluded Overseas Shareholder shall not be issued to such holder but shall instead be issued to a nominee for such holder who shall sell the Canaccord Shares so issued with the net proceeds of such sales, to the extent that they exceed £5, being paid to the persons who would have been entitled to such shares.

15.5 **Canaccord CDIs**

Issue of Canaccord CDIs

Unlike Collins Stewart Hawkpoint Shares, the Canaccord Consideration Shares are not capable of being held, transferred or settled through the usual UK settlement systems such as CREST and uncertificated shareholders will receive Canaccord CDIs representing the Canaccord Consideration Shares to which the relevant Collins Stewart Shareholder is entitled under the terms of the Scheme.

The Canaccord CDI arrangements do not affect the economic rights attached to the Canaccord Consideration Shares. However, while the holders of Canaccord CDIs will have an entitlement to the underlying Canaccord Shares, they will not be the registered holders of the Canaccord Shares.

For those Collins Stewart Hawkpoint Shareholders who hold their Collins Stewart Hawkpoint Shares in CREST, the Canaccord Consideration Shares to which they (other than Excluded Overseas Shareholders) will be entitled under the Offer will be delivered, held and settled in CREST by means of the CREST International Settlement Links Service, and, in particular, CREST's established link with DTC, the US settlement and clearance system, and CDS, the Canadian settlement and clearance system. This link operates via the services of CREST International Nominees Limited, which is a participant in DTC. Under the CREST International Settlement Links Services, CREST Depository Limited, a subsidiary of Euroclear, issues dematerialised depository interests representing entitlements to non-UK securities (such as Canaccord Consideration Shares) called CDIs. CDIs may be held, transferred and settled exclusively through CREST. The terms on which CDIs are issued and held in CREST are set out in the CREST Manual (and, in particular, the deed poll set out in the CREST International Manual) and the CREST Terms and Conditions issued by Euroclear.

The registered holder of the Canaccord Consideration Shares represented by Canaccord CDIs will be Cede and Co. The custodian of those Canaccord Consideration Shares will be CREST International Nominees Limited, who will hold them through the DTC system as nominee for CREST Depository

Limited. CREST Depository Limited will hold those New Canaccord Shares on trust (as bare trustee under English law) for the relevant shareholders.

On settlement, Canaccord will instruct its transfer agent to issue the credit of the Canaccord Consideration Shares to Canaccord to cause the credit of the Canaccord Consideration Shares through CDS onto DTC and then onto the securities deposit account of CREST International Nominees Limited, as nominee for CREST Depository Limited. CREST Depository Limited will then issue the Canaccord CDIs through CREST to Computershare UK for delivery, in the case of Uncertificated Holders, to the securities deposit account in CREST in which each such Uncertificated Holder previously held Collins Stewart Hawkpoint Shares.

Collins Stewart Hawkpoint Shareholders who hold their shares in certificated form will be issued a certificate in respect of their entitlements to Canaccord Consideration Shares.

Rights attaching to Canaccord CDIs

The holders of Canaccord CDIs will only be able to exercise rights relating to the underlying New Canaccord Shares in accordance with the arrangements described below.

In order to allow the holders of Canaccord CDIs to exercise rights relating to the underlying Canaccord Consideration Shares, Canaccord will enter into arrangements pursuant to which holders of Canaccord CDIs will be able to:

- (i) receive notices of general shareholders meetings of Canaccord;
- (ii) give directions as to voting at general meetings of Canaccord; and
- (iii) have made available to them and be sent, at their request, copies of the annual report and accounts of Canaccord and all other documents issued by Canaccord to shareholders of Canaccord generally.

Holders of Canaccord CDIs will otherwise be treated in the same manner as if they were registered holders of the Canaccord Consideration Shares underlying their Canaccord CDIs, in each case in accordance with applicable law and, so far as is possible, in accordance with CREST arrangements.

Under an agreement for the provision of the CDI register, Euroclear will make a copy of the register of the names and addresses of Canaccord CDI holders available to Canaccord (and/or its voting agent) to enable Canaccord (or its voting agent) to: (a) send out notices of shareholder meetings and proxy forms to its CDI holders; and (b) produce a definitive list of CDI holders as at the record date for the meeting.

In addition, Cede & Co and Euroclear have omnibus proxy arrangements pursuant to which CREST International Nominees Limited (the custodian of the Canaccord Consideration Shares underlying the Canaccord CDIs) will be able to grant each Canaccord CDI holder the right to vote in respect of such holder's underlying Canaccord Consideration Shares. As a result, the custodian and the depository step out of the voting arrangements and simply pass on any voting rights they have, by virtue of holding the underlying Canaccord Consideration Shares, to the Canaccord CDI holders.

Holders of Canaccord CDIs are entitled to attend Canaccord Shareholders meetings in person as a result of their beneficial interest in the Canaccord Consideration Shares.

16 United Kingdom taxation

The following paragraphs, which are intended as a general guide only, are based on current UK tax law and what is understood to be the current HMRC practice, all of which is subject to change, possibly with retrospective effect. They summarise certain limited aspects of the UK taxation treatment of the Scheme for Scheme Shareholders, and do not purport to be a complete analysis of all tax considerations relating to the Offer. The following paragraphs do not constitute tax advice and relate only to the position of Scheme Shareholders who are resident and, in the case of individuals,

ordinarily resident and domiciled in the UK for taxation purposes, who hold their Scheme Shares as an investment (other than under a personal equity plan or an individual savings account), who are the absolute beneficial owners of their Scheme Shares, and who have not (and are not deemed to have) acquired their Scheme Shares by virtue of an office or employment. In addition, certain categories of Scheme Shareholders, such as brokers, dealers or traders in shares or securities, insurance companies and collective investment schemes may be subject to special rules and this summary does not apply to such Scheme Shareholders.

The following paragraphs do not consider the UK taxation consequences should Canaccord (with the consent of the Panel) elect to implement the Offer by way of a contractual takeover offer. Such consequences would be set out in a separate offer document.

Special tax provisions may apply to Collins Stewart Hawkpoint Shareholders who have acquired or who acquire their Shares by exercising options or receiving vested Shares under the Collins Stewart Hawkpoint Share Schemes. The UK tax treatment of such Shareholders will be summarised in separate communications to such Shareholders, but such Shareholders who are in any doubt as to their taxation position should consult an independent professional tax adviser.

If you are in any doubt about the tax consequences of the Scheme in your own particular circumstances, you should consult an appropriate independent professional tax adviser.

16.1 *UK taxation of chargeable gains*

Liability to UK taxation of chargeable gains will depend on a Scheme Shareholder's particular circumstances and on the form of consideration received.

(a) *Receipt of cash*

To the extent that Scheme Shareholders receive cash consideration under the terms of the Scheme, they will be treated as making a disposal or part disposal of Scheme Shares for the purposes of UK taxation of chargeable gains which may, depending on the Scheme Shareholder's particular circumstances (including the availability of exemptions, reliefs and allowable losses), give rise to a liability to UK taxation of chargeable gains or an allowable loss.

There are various reliefs which could apply to reduce any chargeable gain which arises. For individual Scheme Shareholders, the annual exemption from UK capital gains tax, which for the 2011/2012 tax year is £10,600. For Scheme Shareholders within the charge to UK corporation tax, an indexation allowance may be available in respect of their period of ownership of Scheme Shares.

(b) *Receipt of Canaccord Consideration Shares*

To the extent that Scheme Shareholders receive Canaccord Consideration Shares under the terms of the Scheme, they should not be treated as having made a disposal of Scheme Shares.

Canaccord Consideration Shares received under the terms of the Scheme should be treated for UK tax purposes as the same asset as the relevant Scheme Shares, acquired at the same time and for the same consideration as those Scheme Shares were acquired. Any gain or loss that would otherwise have arisen on a disposal of the relevant Scheme Shares at the Effective Date should be treated for UK tax purposes as "rolled over" into the corresponding Canaccord Consideration Shares.

In the case of a Scheme Shareholder who alone or together with connected persons owns more than 5 per cent. of, or of any class of, the shares in or debentures of Collins Stewart Hawkpoint, it is a condition for the "roll over" treatment set out above to apply that the Scheme has been effected for *bona fide* commercial reasons and does not form part of a scheme or arrangements of which the main purpose, or one of the main purposes, is avoidance of liability to capital gains tax or corporation tax. Scheme Shareholders are advised that Collins Stewart Hawkpoint

has received a clearance from HMRC under section 138 of the Taxation of Chargeable Gains Act 1992 that “roll over” treatment will not be disapplied.

The provisions of section 733 Corporation Tax Act 2010 and section 684 Income Tax Act 2007 may apply where a Scheme Shareholder obtains a corporation tax or income tax advantage as a result of a transaction in securities, unless that transaction was carried out for *bona fide* commercial reasons, or in the ordinary course of making or managing investments and the transaction does not have as its main object, or one of its main objects, enabling such a tax advantage to be obtained. Scheme Shareholders are advised that Collins Stewart Hawkpoint has received a clearance under section 748 Corporation Tax Act 2010 and section 701 Income Taxes Act 2000 from HMRC that these provisions will not apply to the Scheme Shareholders. Scheme Shareholders should therefore receive the “roll over” treatment described above.

(c) *Disposal of Canaccord Consideration Shares*

A subsequent disposal of Canaccord Consideration Shares may, depending on the particular circumstances of the Shareholder, give rise to a liability to UK taxation of chargeable gains or an allowable loss, including any gain “rolled over” on acquisition of Canaccord Consideration Shares. Any chargeable gain or allowable loss should be computed taking into account a proportion of the acquisition cost of the original holding of Scheme Shares, based on an apportionment by reference to the market value of the Canaccord Consideration Shares at the Effective Date and of any cash consideration received.

A holder of Canaccord Consideration Shares who is not resident or deemed to be resident in Canada and does not use or hold Canaccord Consideration Shares in, or in the course of, carrying on business in Canada and is not an insurer who carries on an insurance business in Canada and elsewhere will not be subject to tax in Canada on any gain from a disposal of Canaccord Consideration Shares (other than a disposal of Canaccord Consideration Shares to Canaccord otherwise than in the open market in the manner in which shares would normally be purchased and sold by any member of the public in the open market) unless the Canaccord Consideration Shares constitute “taxable Canadian property” to the holder for purposes of the Income Tax Act (Canada) (the “ITAC”). Canaccord Consideration Shares generally will not constitute “taxable Canadian property” to a holder provided at the time of the disposal the Canaccord Consideration Shares are listed on a designated stock exchange (which includes the TSX) and either (i) at no time during the 60-month period immediately preceding the disposal did the holder or persons who did not deal at arm’s length with the holder for purposes of the ITAC, or any combination thereof, own 25 per cent. or more of the issued shares of any class or series of Canaccord; or (ii) at no time during the 60-month period immediately preceding the disposal did the Canaccord Consideration Shares derive more than 50 per cent. of their value from Canadian real property, Canadian resource property (as defined in the ITAC), timber resource property (as defined in the ITAC), interests in or options in respect of any of the foregoing, or any combination of the foregoing.

If Canaccord Consideration Shares are disposed of to Canaccord otherwise than in the open market in the manner in which shares would normally be purchased and sold by any member of the public in the open market, the holder will be deemed to receive a dividend equal to the amount, if any, by which the proceeds of disposal exceed the “paid-up capital” of the Canaccord Consideration Shares for purposes of the ITAC. Such deemed dividend will be subject to Canadian withholding tax as described at paragraph 16.3 (Canadian taxation of dividends on Canaccord Consideration Shares) below.

16.2 *UK taxation of dividends on Canaccord Consideration Shares*

UK income tax is payable on the dividends at your marginal income tax rate for dividend income. The top rate for dividend income in the UK tax year 2011/2012 is 42.5 per cent. You must include the gross amount of the dividends in your tax return for the year of receipt.

Canadian withholding tax will be applied to dividend payments if the dividend is paid to shareholders who are resident outside Canada. Canadian withholding tax on dividend payments to UK resident shareholders will be imposed at a rate of 25 per cent. under the ITAC unless such rate is reduced under the provisions of the Canada – UK Income Tax Convention as discussed in paragraph 16.3 (Canadian taxation of dividends on Canaccord Consideration Shares) below.

As a shareholder, you may be entitled to a credit for Canadian withholding tax, which may reduce your UK tax liability. With effect from the 2010/2011 UK tax year, a UK resident is entitled to a tax credit equal to one-ninth of the amount of the ‘grossed up distribution’. The grossed-up distribution is the distribution plus any foreign tax withheld provided the shareholder is a minority shareholder; that is a person whose shareholding in the company is less than 10 per cent. of the issued share capital.

Where a tax credit is claimed under these rules the income within the charge to UK tax is the total of the dividend plus the tax credit.

Dividends received by holders of Canaccord Consideration Shares within the charge to UK corporation tax will normally be exempt from corporation tax.

16.3 *Canadian taxation of dividends on Canaccord Consideration Shares*

Dividends paid on Canaccord Consideration Shares to a holder who is not resident or deemed to be resident in Canada and does not use of hold Canaccord Consideration Shares in, or in the course of, carrying on business in Canada and is not an insurer who carries on an insurance business in Canada and elsewhere will be subject to Canadian withholding tax at a rate of 25 per cent. under the ITAC unless such rate is reduced under the provisions of an applicable tax treaty or convention. Dividends paid on Canaccord Consideration Shares to a holder who is a resident of the UK for purposes of the Canada-UK Income Tax Convention and who is the beneficial owner of such dividends generally will be subject to Canadian withholding tax at a reduced rate of 15 per cent., or 5 per cent. if the holder is a company that controls, directly or indirectly, at least 10 per cent. of the voting power in Canaccord.

16.4 *Stamp duty and stamp duty reserve tax*

No UK stamp duty or stamp duty reserve tax should be payable by Scheme Shareholders as a result of the Scheme. No UK stamp duty or stamp duty reserve tax should be payable by Scheme Shareholders on a disposal of Canaccord Consideration Shares.

17 **Overseas Shareholders**

17.1 *General*

The implications (and availability) of the Scheme and the Offer for Overseas Shareholders may be affected by the laws of the relevant jurisdictions. Overseas Shareholders should inform themselves about and observe any applicable requirements in those jurisdictions. It is the responsibility of each Overseas Shareholder to satisfy himself/herself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

The distribution of this document and the accompanying documents in jurisdictions outside the United Kingdom may be restricted by law and therefore persons in such jurisdictions into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction.

This document and the accompanying documents have been prepared for the purposes of complying with English law, the Listing Rules and the City Code, and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside the United Kingdom. Nothing in this document or the accompanying

documents should be relied upon for any other reason. Neither this document nor the accompanying documents are intended to, and do not, constitute an offer or invitation to sell, purchase, subscribe for or issue any securities or the solicitation of an offer to buy or subscribe for securities in any jurisdiction in which such offer or solicitation is unlawful.

17.2 *Shareholders in the United States*

The Canaccord Consideration Shares to be issued to Collins Stewart Hawkpoint Shareholders pursuant to the Scheme will be issued in reliance on the exemption from the registration requirements of Section 3(a)(10) of the Securities Act and, as a consequence, will not be registered thereunder or under the securities laws of any state or other jurisdiction of the United States. Section 3(a)(10) of the Securities Act exempts from registration securities which are issued in exchange for outstanding securities where the terms and conditions of such issue and exchange are approved, after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange have the right to appear, by a court or governmental authority expressly authorized by law to grant such approval. The US Securities and Exchange Commission generally recognizes exchanges effected under a United Kingdom scheme of arrangement as qualifying for the exemption from registration under Section 3(a)(10) of the Securities Act. Accordingly, the Scheme Court Order, if granted, will constitute the basis for the exemption from the registration requirements of the Securities Act with respect to the Canaccord Consideration Shares issued in connection with the Scheme.

For the purposes of qualifying for the exemption from the registration requirements of the Securities Act afforded by Section 3(a)(10) thereunder Collins Stewart Hawkpoint will advise the Court that its sanctioning of the Scheme will be relied upon by Canaccord as an approval of the Scheme following a hearing on its fairness to Collins Stewart Hawkpoint Shareholders, at which hearing all Collins Stewart Hawkpoint Shareholders are entitled to attend in person or through counsel to support or oppose Collins Stewart Hawkpoint's sanctioning of the Scheme and with respect to which notification has been given to all Collins Stewart Hawkpoint Shareholders.

Securities to be issued pursuant to the Scheme to a Collins Stewart Hawkpoint Shareholder who is not an "affiliate" (within the meaning of the Securities Act) of Canaccord after the Effective Date will generally not be "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and may generally be sold by such persons without restriction under the Securities Act.

Under US securities laws, a Collins Stewart Hawkpoint Shareholder who is deemed to be an affiliate of Canaccord or Collins Stewart Hawkpoint before completion of the Scheme may not resell Canaccord Consideration Shares received pursuant to the Scheme in the United States without registration under the Securities Act, except pursuant to an applicable exemption from the registration requirements of the Securities Act or in a transaction not subject to such requirements. Persons who may be deemed to be affiliates of either Canaccord or Collins Stewart Hawkpoint include individuals who, or entities that, control directly or indirectly, or are controlled by or are under common control with, Canaccord or Collins Stewart Hawkpoint and may include certain officers and directors and significant shareholders. However, such a determination depends upon specific circumstances and person who believe they may be affiliates of Canaccord or Collins Stewart Hawkpoint should consult their own legal advisers prior to any sale of securities received in the Scheme.

Collins Stewart Hawkpoint Shareholders in the United States should note that the Offer relates to the shares of a UK company and will be governed by English law. The Scheme and the Offer will be subject to the disclosure requirements and practices applicable in the United Kingdom which differ from the disclosure requirements of the US proxy solicitation rules and tender offer rules. Financial information included or referred to in the relevant documentation has been prepared in accordance with accounting standards applicable in the UK that may not be comparable to financial information relating to US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. If Canaccord (with the consent of the Panel) exercises its rights to implement the Offer by way of a contractual takeover offer, such offer, if made into the United States, will be made in compliance with applicable US laws and regulations.

17.3 *Shareholders in Canada*

Each of the Scheme and the Offer relate to the shares in an English company and is proposed to be made by means of a scheme of arrangement or takeover offer, as applicable, provided for under company law of the United Kingdom. A transaction effected by means of a scheme of arrangement or pursuant to the Offer is not subject to the shareholder vote, proxy and tender offer rules under Canadian law. Accordingly, each of the Scheme and the Offer is subject to the disclosure requirements and practices applicable in the UK to schemes of arrangement or takeover offers, as applicable, which differ from the disclosure requirements and practices of Canadian shareholder vote, proxy and tender offer rules. Financial information included in the relevant documentation will have been prepared in accordance with accounting standards applicable in the UK that may not be comparable to the financial statements of Canadian companies.

No securities regulatory authority in any Canadian jurisdiction or any other regulatory authority in Canada has: (a) approved or disapproved of the securities referred to in this document; (b) approved or disapproved of the Scheme or the Offer; (c) passed upon the merits or fairness of the Scheme or the Offer; or (d) passed upon or determined the adequacy or accuracy of the disclosure in this document. Any representation to the contrary is an offence in Canada.

Any securities to be offered in the Scheme or pursuant to the Offer as described in this document have not been and will not be qualified under the securities laws of any province or territory of Canada. Accordingly, such securities may not be offered, sold or delivered, directly or indirectly, in or into such jurisdictions except pursuant to exemptions from applicable requirements of such jurisdictions.

The Canaccord Consideration Shares to be issued in exchange for Collins Stewart Hawkpoint Shares in the Scheme or pursuant to the Offer will be issued in reliance upon exemptions from the prospectus requirements of securities legislation in each province and territory of Canada. Subject to certain disclosure and regulatory requirements and to customary restrictions applicable to distributions of shares that constitute “control distributions”, Canaccord Consideration Shares issued in the Scheme or pursuant to the Offer may be resold in each province and territory in Canada, subject in certain circumstances, to the usual conditions that no unusual effort has been made to prepare the market or create demand, no extraordinary commission or consideration is paid and, if the selling shareholder is an insider or officer of Canaccord, such shareholder has no reasonable grounds to believe that Canaccord is in default of securities legislation.

18 Action to be taken

To become effective, the Scheme requires, among other things, the approval by a majority in number of the Scheme Shareholders who vote, representing at least 75 per cent. in value of the Scheme Shares voted, either in person or by proxy, at the Court Meeting.

The Scheme also requires the sanction of the Court and the passing of the Resolutions which requires the approval of at least 75 per cent. of the votes cast at the General Meeting. Upon the Scheme becoming effective, it will be binding on all Collins Stewart Hawkpoint Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting and whether they voted for, or against, or abstained from voting on, the resolutions proposed at such Meetings.

Forms of Proxy for the Court Meeting and the General Meeting should be returned, by post or (during normal business hours only) by hand to the Registrars, Capita Registrars, at PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and, in any event, so as to be received not later than 2.00 p.m. and 2.15 p.m. respectively on 7 February 2012 (or, in the case of adjournment(s), not later than 48 hours before the time fixed for the holding of the adjourned Meeting(s)). If the BLUE Form of Proxy for use at the Court Meeting is not returned by the above time, it may be handed to a representative of the Registrars on behalf of the Chairman of the Court Meeting before the start of that Meeting. However, in the case of the General Meeting, the WHITE Form of Proxy must be returned by the time mentioned above or it will be invalid. The completion and return of a Form of Proxy will not prevent you from attending and voting in person at either the Court Meeting or the General Meeting, or at any adjournment thereof, if you so wish and are so entitled.

It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of Scheme Shareholder opinion. You are therefore strongly urged to complete and return both of your Forms of Proxy as soon as possible.

If you have any questions in relation to this document, the Meetings, or the completion and return of the Forms of Proxy, please telephone the Registrars between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (except UK public holidays) on 0871 664 0300 from within the UK or +44 20 8638 3399 if calling from outside the UK. Calls to the 0871 664 0300 number cost 10 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Scheme nor give any financial, legal or tax advice.

19 Further information

The terms of the Scheme are set out in full in Part V (Scheme of Arrangement) of this document. Your attention is also drawn to the further information contained in this document, all of which forms part of this Explanatory Statement, and, in particular, to the Conditions set out in Part A of Part III (Conditions), and the additional information set out in Part IV (Additional Information) of this document.

Yours faithfully

Yours faithfully

Charles Williams
Managing Director,
for and on behalf of Hawkpoint

Guy Dawson
Managing Director,
for and on behalf of Nomura

PART III

CONDITIONS TO AND FURTHER TERMS OF THE IMPLEMENTATION OF THE SCHEME AND THE OFFER

PART A: CONDITIONS TO THE OFFER

- 1 The Offer will be conditional upon the Scheme becoming unconditional and being effective by not later than 15 June 2012 or such later date (if any) as Canaccord and Collins Stewart Hawkpoint may, subject to the Takeover Code and/or with the consent of the Panel, agree and (if required) the Court may approve.

The Scheme will be conditional upon:

- 1.1 approval of the Scheme by a majority in number, representing at least 75 per cent. in value, of the Collins Stewart Hawkpoint Shareholders who are present and voting, either in person or by proxy, at the Court Meeting or at any adjournment of that meeting by not later than 15 March 2012 (or such later date (if any) as Canaccord and Collins Stewart Hawkpoint may, subject to the Takeover Code and/or with the consent of the Panel, agree and (if required) the Court may approve);
- 1.2 the resolutions in connection with or required to implement the Scheme and set out in the notice of the General Meeting being duly passed by the requisite majority at the General Meeting or at any adjournment of that meeting by not later than 15 March 2012 (or such later date (if any) as Canaccord and Collins Stewart Hawkpoint may, subject to the Takeover Code and/or with the consent of the Panel, agree and (if required) the Court may approve); and
- 1.3 the sanction of the Scheme and the confirmation of the Capital Reduction, in either case without modification or with modification (on terms reasonably acceptable to Canaccord and Collins Stewart Hawkpoint) by the Court and the delivery for registration of copies of the Court Orders and the Statement of Capital attached thereto to the Registrar of Companies.
- 2 In addition, Collins Stewart Hawkpoint and Canaccord have agreed that, subject to paragraph 3 below, application to the Court to sanction the Scheme and to confirm the Capital Reduction will not be made unless conditions 1.1 and 1.2 above have been fulfilled and unless immediately prior to the hearing to sanction the scheme the following conditions (as amended if appropriate) are satisfied or waived (and in the case of the conditions at 2.2 remain satisfied or waived) as referred to below:
- 2.1 (i) the admission of the Canaccord Consideration Shares to trading on AIM becoming effective in accordance with the AIM Rules or if Canaccord so determines (subject to the consent of the Panel) the London Stock Exchange agreeing to admit such shares to trading on AIM subject to the allotment of such Canaccord Consideration Shares and/or the Scheme becoming or being declared unconditional in all respects; and
- (ii) Canaccord having obtained conditional approval of the listing of the Canaccord Consideration Shares on the Toronto Stock Exchange, subject only to the satisfaction of customary conditions of the Toronto Stock Exchange;
- 2.2 (i) each Relevant Regulator having, to the extent necessary, approved or being deemed to have approved, in terms reasonably satisfactory to Canaccord, the acquisition by Canaccord of control over Collins Stewart Hawkpoint and any member of the Wider Collins Stewart Hawkpoint Group which is authorised or regulated by any Relevant Regulator, either unconditionally or subject to the fulfilment of certain conditions or obligations acceptable to Canaccord;
- (ii) (x) the FSA having notified in writing, to the satisfaction of Canaccord, any required consent in accordance with Part XII of FSMA to the proposed acquisition of

control over each UK authorised person in the Wider Collins Stewart Hawkpoint Group by Canaccord in the manner contemplated by the Offer, such consent being either: (a) unconditional in all respects (save as to the period within which the change of control must occur) or (b) subject to conditions (other than as to timing) which, in the reasonable opinion of Canaccord, do not have and are not likely to have a material adverse effect on Canaccord, any controller of Canaccord or any person in the Wider Collins Stewart Hawkpoint Group (whether in terms of their actual or prospective liquidity, financial or capital position or the manner in which they conduct their operations or in terms of the ownership of Canaccord or otherwise); or

- (y) the period of 60 Business Days (excluding any interruption periods imposed by the FSA) having elapsed from the date of acknowledgment of receipt of a complete application by the FSA for the proposed acquisition of each UK authorised person in the Wider Collins Stewart Hawkpoint Group by Canaccord without the FSA having refused to approve the proposed acquisition of any UK authorised person in the Wider Collins Stewart Hawkpoint Group.

For the purposes of this condition “control” shall have the meaning given to it in Part XII of FSMA and “controller” shall have the meaning given to it in section 422 of FSMA;

- (iii) Collins Stewart CI Limited (“CS(CI)L”) having given the Isle of Man Financial Supervision Commission notice of the proposed acquisition by Canaccord of Collins Stewart Hawkpoint as is required by Part 7 of the Financial Services Rule Book 2009 (as amended) and the Isle of Man Financial Supervision Commission having given no indication it is minded to revoke CS(CI)L’s licence in accordance with section 9 of the Financial Services Act 2008 in the event the acquisition by Canaccord of Collins Stewart Hawkpoint is completed;
 - (iv) The Financial Regulatory Authority, Inc. of the United States of America having approved, in writing, a continuing membership application for a change in control of Collins Stewart LLC;
 - (v) The Monetary Authority of Singapore having approved in writing, with respect to the Capital Markets Services Licence held by Collins Stewart Pte Limited, the change in effective control of Collins Stewart Pte Limited arising from the completion of the acquisition by Canaccord of control over Collins Stewart Hawkpoint;
 - (vi) The Guernsey Financial Services Commission having approved in writing, with respect to its regulation of Corazon Capital Limited, CS(CI)L and Corazon Fund Management Limited (the “Guernsey Regulated Subsidiaries”) under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended), the change in effective control of the Guernsey Regulated Subsidiaries arising from the completion of the acquisition by Canaccord of control over Collins Stewart Hawkpoint; and
 - (vii) The Jersey Financial Services Commission having approved in writing, with respect to its regulation of CS(CI)L under the Financial Services (Jersey) Law 1998, the change in effective control of CS(CI)L arising from the completion of the acquisition by Canaccord of control over Collins Stewart Hawkpoint;
- 2.3 to the extent that the Offer is reportable under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (as amended) the relevant waiting period (and any extension thereof) applicable to the Offer or its implementation, including the acquisition of any shares or securities in, or control of, any member of the Wider Collins Stewart Hawkpoint Group, having been terminated or having expired;
- 2.4 each clearance or consent of, filing with, or notice to, any Third Party (as defined below) that is reasonably considered by Canaccord to be necessary or appropriate in connection with the

Offer or its implementation, including the acquisition of any shares or securities in, or control of, any member of the Wider Collins Stewart Hawkpoint Group, in any country, territory or jurisdiction in which a member of the Wider Canaccord Group or the Wider Collins Stewart Hawkpoint Group is established or conducts business, having been granted, filed or delivered (as appropriate), in each case in terms satisfactory to Canaccord;

- 2.5 no government or governmental, quasi-governmental, supranational, statutory, regulatory or investigative body, authority, court, trade agency, association or institution or professional or environmental body or any other similar person or body whatsoever in any relevant jurisdiction (each a “Third Party”) having decided to take, institute, implement or threaten any action, proceedings, suit, investigation, enquiry or reference or having required any action to be taken or information to be provided or otherwise having done anything or having made, proposed or enacted any statute, regulation, order or decision or having done anything which would or might reasonably be expected to:
- (i) make the Offer or its implementation, or the acquisition or the proposed acquisition by Canaccord of any shares or other securities in, or control of, Collins Stewart Hawkpoint or any member of the Wider Collins Stewart Hawkpoint Group void, illegal or unenforceable in any jurisdiction, or otherwise directly or indirectly restrain, prohibit, restrict, prevent or delay to a material extent the same or impose additional material conditions or financial or other obligations with respect thereto, or otherwise challenge or interfere therewith;
 - (ii) require, prevent or delay the divestiture or alter the terms envisaged for any proposed divestiture by Canaccord or any of its subsidiaries or subsidiary undertakings or associated undertakings (including any joint venture, partnership, firm or company in which any member of the Canaccord Group is substantially interested) of any Collins Stewart Hawkpoint Shares or of any shares in a member of the Wider Canaccord Group which in any such case would be material in the context of the Wider Collins Stewart Hawkpoint Group, taken as a whole;
 - (iii) require, prevent or delay the divestiture or alter the terms envisaged for any proposed divestiture by any member of the Wider Canaccord Group or by any member of the Wider Collins Stewart Hawkpoint Group of all or any material portion of their respective businesses, assets or property, or (to an extent which is material in the context of the Offer or the Wider Collins Stewart Hawkpoint Group concerned taken as a whole) impose any limit on the ability of any of them to conduct their respective businesses (or any of them) or to own or control any of their respective assets or properties or any part thereof;
 - (iv) impose any material limitation on, or result in any material delay in, the ability of any member of the Wider Canaccord Group or any member of the Wider Collins Stewart Hawkpoint Group to acquire, hold or exercise effectively, directly or indirectly, all or any rights of ownership of Collins Stewart Hawkpoint Shares or any shares or securities convertible into Collins Stewart Hawkpoint Shares or to exercise voting or management control over any member of the Wider Collins Stewart Hawkpoint Group or any member of the Wider Canaccord Group;
 - (v) require any member of the Wider Canaccord Group and/or of the Wider Collins Stewart Hawkpoint Group to acquire or offer to acquire or repay any shares or other securities in and/or indebtedness of any member of the Wider Collins Stewart Hawkpoint Group owned by or owed to any Third Party;
 - (vi) impose any material limitation on the ability of any member of the Wider Canaccord Group and/or of the Wider Collins Stewart Hawkpoint Group to integrate or co-ordinate its business, or any material part of it, with the business of any member of the Wider Collins Stewart Hawkpoint Group or of the Wider Canaccord Group respectively; or

- (vii) otherwise adversely affect any or all of the businesses, assets, prospects, profits or financial or trading position of any member of the Wider Collins Stewart Hawkpoint Group or any member of the Wider Canaccord Group which in any such case would be material in the context of the Wider Collins Stewart Hawkpoint Group, taken as a whole,

and all applicable waiting and other time periods during which any Third Party could institute, implement or threaten any such action, proceedings, suit, investigation, enquiry or reference under the laws of any relevant jurisdiction, having expired, lapsed or been terminated;

- 2.6 all filings and applications having been made and all waiting and other time periods (including any extensions thereof) under any applicable legislation or regulations of any relevant jurisdiction having expired, lapsed or been terminated and all statutory or regulatory obligations in any relevant jurisdiction having been complied with in connection with the Offer and its implementation or the acquisition or proposed acquisition by Canaccord or any member of the Wider Canaccord Group of any shares or other securities in, or control of, Collins Stewart Hawkpoint or any member of the Wider Collins Stewart Hawkpoint Group and all authorisations, orders, recognitions, grants, consents, clearances, confirmations, licences, certificates, permissions and approvals (“Authorisations”) for or in respect of the Offer or the acquisition or proposed acquisition by Canaccord of any shares or other securities in, or control of, Collins Stewart Hawkpoint or the carrying on by any member of the Wider Collins Stewart Hawkpoint Group of its business or in relation to the affairs of any member of the Wider Collins Stewart Hawkpoint Group having been obtained in terms and in a form satisfactory to Canaccord from all appropriate Third Parties or persons with whom any member of the Wider Collins Stewart Hawkpoint Group has entered into contractual arrangements and all such Authorisations remaining in full force and effect and all filings necessary for such purpose having been made and there being no notice or intimation of any intention to revoke, suspend, restrict or amend or not renew the same at the time at which the Proposals become otherwise unconditional to an extent which in any such case would have a material adverse effect on the Wider Collins Stewart Hawkpoint Group, taken as a whole, and there being no indication that the renewal costs of any Authorisation might be materially higher than the renewal costs for the current Authorisation;
- 2.7 except as publicly announced by Collins Stewart Hawkpoint prior to 15 December 2011 through a RIS or fairly disclosed in writing to Canaccord prior to 15 December 2011, there being no provision of any arrangement, agreement, licence or other instrument to which any member of the Wider Collins Stewart Hawkpoint Group is a party or by or to which any such member or any of its respective assets is or are or may be bound, entitled or subject or any circumstance which, in consequence of the making or implementation of the Offer or the proposed acquisition of any shares or other securities in, or control of, Collins Stewart Hawkpoint by Canaccord or because of a change in the control or management of Collins Stewart Hawkpoint or otherwise, could reasonably be expected to result in to an extent which is material in the context of the Wider Collins Stewart Hawkpoint Group taken as a whole:
 - (i) any indebtedness or liabilities actual or contingent of, or any grant available to, any member of the Wider Collins Stewart Hawkpoint Group being or becoming repayable or capable of being declared repayable immediately or prior to its stated maturity or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or capable of being withdrawn or inhibited;
 - (ii) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property, assets or interests of any member of the Wider Collins Stewart Hawkpoint Group or any such security (whenever created, arising or having arisen) being enforced or becoming enforceable;
 - (iii) any such arrangement, agreement, licence or instrument or the rights, liabilities, obligations, or interests of any member of the Wider Collins Stewart Hawkpoint Group under any such arrangement, agreement, licence or instrument (or any arrangement,

agreement, licence or instrument relating to any such right, liability, obligation, interest or business) or the interests or business of any such member in or with any other person, firm, company or body being or becoming capable of being terminated or adversely modified or adversely affected or any adverse action being taken or any onerous obligation or liability arising thereunder;

- (iv) any asset or interest of any member of the Wider Collins Stewart Hawkpoint Group being or falling to be disposed of or charged (otherwise than in the ordinary course of business) or ceasing to be available to any member of the Wider Collins Stewart Hawkpoint Group or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any member of the Wider Collins Stewart Hawkpoint Group;
- (v) any member of the Wider Collins Stewart Hawkpoint Group ceasing to be able to carry on business under any name under which it presently does so;
- (vi) any member of the Wider Canaccord Group and/or of the Wider Collins Stewart Hawkpoint Group being required to acquire or repay any shares in and/or indebtedness of any member of the Wider Collins Stewart Hawkpoint Group owned by any Third Party;
- (vii) any change in or effect on the ownership or use of any intellectual property rights owned or used by any member of the Wider Collins Stewart Hawkpoint Group;
- (viii) the value or financial or trading position or prospects of any member of the Wider Collins Stewart Hawkpoint Group being prejudiced or adversely affected; or
- (ix) the creation of any liability, actual or contingent, by any such member (other than in the ordinary course of business),

and no event having occurred which, under any provision of any such arrangement, agreement, licence or other instrument, might reasonably be expected to result in any of the events referred to in this paragraph 2.7 to an extent which in any such case, would be material in the context of the Wider Collins Stewart Hawkpoint Group, taken as a whole;

2.8 since 31 December 2010 and except as fairly disclosed in Collins Stewart Hawkpoint's annual report and accounts for the year ended 31 December 2010 or as fairly disclosed by or on behalf of Collins Stewart Hawkpoint to Canaccord or its advisers in writing prior to 15 December 2011 or as otherwise publicly announced by Collins Stewart Hawkpoint on or prior to 15 December 2011 through an RIS, no member of the Wider Collins Stewart Hawkpoint Group having:

- (i) issued or agreed to issue or authorised or proposed the issue of additional shares or securities of any class, or securities convertible into or exchangeable for shares, or rights, warrants or options to subscribe for or acquire any such shares, securities or convertible securities (save for issues between Collins Stewart Hawkpoint and any of its wholly-owned subsidiaries or between such wholly-owned subsidiaries and save for options as disclosed to Canaccord granted under the Collins Stewart Hawkpoint Employee Share Schemes before 15 December 2011 or the issue of any Collins Stewart Hawkpoint Shares allotted upon the exercise of options granted before 15 December 2011 under the Collins Stewart Hawkpoint Employee Share Schemes) or redeemed, purchased, repaid or reduced or proposed the redemption, purchase, repayment or reduction of any part of its share capital or any other securities;
- (ii) recommended, declared, made or paid or proposed to recommend, declare, make or pay any bonus, dividend or other distribution whether payable in cash or otherwise other than any distribution by any wholly-owned subsidiary within the Collins Stewart Hawkpoint Group;

- (iii) save as between Collins Stewart Hawkpoint and its wholly-owned subsidiaries and otherwise than pursuant to the Offer, effected, authorised, proposed or announced its intention to propose any change in its share or loan capital;
- (iv) save as between Collins Stewart Hawkpoint and its wholly-owned subsidiaries, effected, authorised, proposed or announced its intention to propose any merger, demerger, reconstruction, arrangement, amalgamation, commitment or scheme or any acquisition or disposal or transfer of assets or shares (other than in the ordinary course of business) or any right, title or interest in any assets or shares or other transaction or arrangement in respect of itself or another member of the Wider Collins Stewart Hawkpoint Group which in each case would be material in the context of the Wider Collins Stewart Hawkpoint Group taken as a whole;
- (v) acquired or disposed of or transferred (other than in the ordinary course of business) or mortgaged, charged or encumbered any assets or shares or any right, title or interest in any assets or shares (other than in the ordinary course of business) or authorised the same or entered into, varied or terminated or authorised, proposed or announced its intention to enter into, vary, terminate or authorise any agreement, arrangement, contract, transaction or commitment (other than in the ordinary course of business and whether in respect of capital expenditure or otherwise) which is of a loss-making, long-term or unusual or onerous nature or magnitude, or which involves or could involve an obligation of such a nature or magnitude, in each case which is material in the context of the Wider Collins Stewart Hawkpoint Group taken as a whole;
- (vi) entered into any agreement, contract, transaction, arrangement or commitment (other than in the ordinary course of business) which is material in the context of the Wider Collins Stewart Hawkpoint Group taken as a whole;
- (vii) entered into any contract, transaction or arrangement which would be restrictive on the business of any member of the Wider Collins Stewart Hawkpoint Group or the Wider Canaccord Group or which is or could involve obligations which would or might reasonably be expected to be so restrictive;
- (viii) issued, authorised or proposed the issue of or made any change in or to any debentures, or (other than in the ordinary course of business) incurred or increased any indebtedness or liability, actual or contingent, which is material in the context of the Wider Collins Stewart Hawkpoint Group taken as a whole;
- (ix) been unable or admitted that it is unable to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business or proposed or entered into any composition or voluntary arrangement with its creditors (or any class of them) or the filing at court of documentation in order to obtain a moratorium prior to a voluntary arrangement or, by reason of actual or anticipated financial difficulties, commenced negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;
- (x) made, or announced any proposal to make, any change or addition to any retirement, death or disability benefit or any other employment-related benefit of or in respect of any of its directors, employees, former directors or former employees;
- (xi) save as between Collins Stewart Hawkpoint and its wholly-owned subsidiaries, granted any lease or third party rights in respect of any of the leasehold or freehold property owned or occupied by it or transferred or otherwise disposed of any such property which in any such case would be material in the context of the Wider Collins Stewart Hawkpoint Group, taken as a whole;

- (xii) entered into or varied or made any offer (which remains open for acceptance) to enter into or vary the terms of any service agreement with any director or senior executive of Collins Stewart Hawkpoint or any director or senior executive of the Wider Collins Stewart Hawkpoint Group which in any such case would be material in the context of the Wider Collins Stewart Hawkpoint Group, taken as a whole;
 - (xiii) (other than in respect of a company which is dormant and was solvent at the relevant time) taken or proposed any corporate action or had any proceedings started or threatened against it for its winding-up (voluntary or otherwise), dissolution, striking-off or reorganisation or for the appointment of a receiver, administrator (including the filing of any administration application, notice of intention to appoint an administrator or notice of appointment of an administrator), administrative receiver, trustee or similar officer of all or any part of its assets or revenues or for any analogous proceedings or steps in any jurisdiction or for the appointment of any analogous person in any jurisdiction;
 - (xiv) made any amendment to its articles of association;
 - (xv) waived or compromised any claim or authorised any such waiver or compromise, save in the ordinary course of business, which is material in the context of the Wider Collins Stewart Hawkpoint Group taken as a whole;
 - (xvi) taken, entered into or had started or threatened against it in a jurisdiction outside England and Wales any form of insolvency proceeding or event similar or analogous to any of the events referred to in sub-paragraphs (ix) and (xiii) above; or
 - (xvii) agreed to enter into or entered into an agreement or arrangement or commitment or passed any resolution or announced any intention with respect to any of the transactions, matters or events referred to in this paragraph 2.8;
- 2.9 except as publicly announced by Collins Stewart Hawkpoint prior to 15 December 2011 through an RIS or fairly disclosed in writing to Canaccord prior to 15 December 2011 and save as disclosed in the annual report and accounts of Collins Stewart Hawkpoint for the financial year ended 31 December 2010, since 31 December 2010:
- (i) there having been no material adverse change or deterioration in the business, assets, financial or trading position or profits or prospects of the Wider Collins Stewart Hawkpoint Group taken as a whole;
 - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider Collins Stewart Hawkpoint Group is or may become a party (whether as claimant or defendant or otherwise), and no material enquiry or investigation by or complaint or reference to any Third Party, against or in respect of any member of the Wider Collins Stewart Hawkpoint Group, having been threatened, announced or instituted or remaining outstanding by, against or in respect of any member of the Wider Collins Stewart Hawkpoint Group in any way which is material in the context of the Wider Collins Stewart Hawkpoint Group, taken as a whole; and
 - (iii) no contingent or other liability having arisen or become apparent or increased which might be reasonably likely in either case to have a material adverse effect on the Wider Collins Stewart Hawkpoint Group taken as a whole;
- 2.10 save as fairly disclosed by or on behalf of Collins Stewart Hawkpoint to Canaccord or its advisers in writing prior to 15 December 2011 Canaccord not having discovered:
- (i) that any financial, business or other information concerning Collins Stewart Hawkpoint or the Wider Collins Stewart Hawkpoint Group which is contained in the information publicly disclosed at any time by or on behalf of any member of the Wider Collins

Stewart Hawkpoint Group either publicly or in the context of the Offer contains a misrepresentation of fact which has not, prior to 15 December 2011, been corrected by public announcement through an RIS or omits to state a fact which would make the information contained therein not misleading and which in any such case is material in the context of the Wider Collins Stewart Hawkpoint Group, taken as a whole;

- (ii) any information which materially affects the import of any such information as is mentioned in paragraph 2.10(i); or
 - (iii) that any member of the Wider Collins Stewart Hawkpoint Group is subject to any liability, contingent or otherwise, which is not disclosed in the annual report and accounts of Collins Stewart Hawkpoint for the financial year ended 31 December 2010 and which in any such case is material in the context of the Wider Collins Stewart Hawkpoint Group, taken as a whole.
- 3 The Offer and the Scheme will not proceed if, prior to the date of the Court Meeting, the Offer is, or any part of the Offer is, referred to the UK Competition Commission.
- 4 Subject to the requirements of the Panel, Canaccord reserves the right to waive in whole or in part, in its discretion, all or any of the conditions contained in paragraphs 2.2 to 2.10.
- 5 If Canaccord is required by the Panel to make an offer for Collins Stewart Hawkpoint shares under the provisions of Rule 9 of the Takeover Code, Canaccord may make such alterations to the terms and conditions of the Offer as are necessary to comply with the provisions of that Rule.
- 6 Canaccord reserves the right, with the consent of the Panel (where necessary), to elect to implement the Offer by way of a takeover offer (as defined in Part 28 of the Companies Act) as an alternative to the Scheme. Any such Takeover Offer will be implemented on substantially the same terms, so far as applicable, as those which would apply to the Scheme, subject to appropriate amendments to reflect the change in method of effecting the Offer including (without limitation and subject to the consent of the Panel) an acceptance condition set at such percentage as Canaccord may decide, and in compliance with applicable laws and regulations.
- 7 Canaccord will not invoke any condition so as to cause the Offer not to proceed, to lapse or to be withdrawn, unless the circumstances which give rise to the right to invoke the condition are of material significance to Canaccord in the context of the Offer and the Panel consents to such right being invoked.

PART B: CERTAIN FURTHER TERMS OF THE OFFER

- 1 Fractions of Canaccord Consideration Shares will not be issued to Collins Stewart Hawkpoint Shareholders pursuant to the Offer. Instead, fractional entitlements will be aggregated and sold in the market with the net proceeds of such sales, to the extent that they exceed £5, being paid to the persons who would be entitled to such fractions.
- 2 The Offer will not be, directly or indirectly, in or into, or by use of the mail, or by any means or instrumentality (including without limitation facsimile transmission, telex, telephone, internet or email) of interstate or foreign commerce of, or of any facility of a national securities exchange of any jurisdiction: (i) in which such offer or invitation is not authorised; (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) in which, or to any person to whom, it is unlawful to make such offer, solicitation or invitation or where the making of such offer, solicitation or invitation would impose any unfulfilled registration, publication or approval requirements on Collins Stewart Hawkpoint, Canaccord or any of their respective, directors, officers, agents and advisers.
- 3 The Canaccord Consideration Shares to be issued pursuant to the Offer have not been and will not be registered or qualified under any of the relevant securities laws of any jurisdiction: (i) in which such offer or invitation is not authorised; (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) in which, or to any person to whom, it is unlawful to make such offer, solicitation or invitation or where the making of such offer, solicitation or invitation would impose any unfulfilled registration, qualification, publication or approval requirements on Collins Stewart Hawkpoint, Canaccord or any of their respective, directors, officers, agents and advisers. Accordingly, the Canaccord Consideration Shares may not be offered, sold or delivered, directly or indirectly to any Excluded Overseas Shareholder.
- 4 The new Canaccord Consideration Shares will be issued as fully paid and will rank equally in all respects with the existing Canaccord Shares. Canaccord has applied to list the Canaccord Consideration Shares on the Toronto Stock Exchange, which listing will be subject to Canaccord fulfilling all the listing requirements of the Toronto Stock Exchange, and application will be made for the Canaccord Consideration Shares to be admitted to trading on AIM.
- 5 Collins Stewart Hawkpoint Shares which will be acquired pursuant to the Offer will be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all right now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the date of the Press Announcement other than the Collins Stewart Hawkpoint second interim dividend of 2.6 pence per Collins Stewart Hawkpoint Share to be paid on 31 January 2012 to Collins Stewart Hawkpoint Shareholders on the register on 30 December 2011.

PART IV

ADDITIONAL INFORMATION

1 Responsibility

- 1.1 The Collins Stewart Hawkpoint Directors, whose names are set out in paragraph 2.1 of this Part IV (Additional Information), accept responsibility for the information contained in this document, except for that information for which the Canaccord Directors accept responsibility in accordance with paragraph 1.2 below. To the best of the knowledge and belief of the Collins Stewart Hawkpoint Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which it is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The Canaccord Directors, whose names are set out in paragraph 2.2 of this Part IV (Additional Information), accept responsibility for the information contained in this document relating to the Canaccord Group and the Canaccord Directors, their immediate families, related trusts and other connected persons and persons acting in concert with Canaccord. To the best of the knowledge and belief of the Board of Canaccord (which has taken all reasonable care to ensure that such is the case), the information contained in this document for which it is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

2 Directors

- 2.1 The Collins Stewart Hawkpoint Directors and their respective functions are as follows:

Tim Ingram	Non-Executive Chairman
Mark Brown	Chief Executive
John Cotter	Group Finance Director
Paul Baines	Executive Chairman, Hawkpoint
Paul Hewitt	Non-Executive Director
Christian de Juniac	Non-Executive Director
Nicholas Page	Non-Executive Director
Giles Vardey	Non-Executive Director

Collins Stewart Hawkpoint's registered office is at 88 Wood Street, London EC2V 7QR.

- 2.2 The Canaccord Directors and their respective functions are as follows:

David Kassie	Group Chairman
Peter Brown	Chairman and Founder
Paul Reynolds	President and CEO
Charles Bralver	Non-Executive Director
Massimo Carello	Non-Executive Director
William Eeuwes	Non-Executive Director
Michael Harris	Non-Executive Director
Terrence Lyons	Non-Executive Director
Michael Walker	Non-Executive Director

Canaccord's registered office is Suite 1000-840 Howe Street, Vancouver, British Columbia, Canada V6Z 2M1.

3 Market quotations

- 3.1 The following table shows the Closing Price for one Collins Stewart Hawkpoint Share on:
- 3.1.1 the first business day of each of the six months immediately before the date of this document;

3.1.2 14 December 2011, being the last business day prior to the commencement of the Offer Period;
and

3.1.3 12 January 2012, being the latest practicable date prior to the posting of this document.

<i>Date</i>	<i>Price per Collins Stewart Hawkpoint Share (pence)</i>
1 August 2011	75.00
1 September 2011	67.75
3 October 2011	62.00
1 November 2011	60.50
1 December 2011	48.75
14 December 2011	50.50
3 January 2012	89.50
12 January 2012	91.50

3.2 The following table shows the Closing Price for one Canaccord Share on AIM (where the Canaccord Shares are traded in the form of depositary interests) and on the Toronto Stock Exchange on:

3.2.1 the first business day of each of the six months immediately before the date of this document;

3.2.2 14 December 2011, being the last business day prior to commencement of the Offer Period;
and

3.2.3 12 January 2012, being the latest practicable date prior to posting of this document.

<i>Date</i>	<i>Price per Canaccord Share on AIM (pence)</i>	<i>Price per Canaccord Share on the Toronto Stock Exchange (C\$)</i>
1 August 2011	837.5	–
2 August 2011	837.5	12.50
1 September 2011	700.0	10.35
3 October 2011	600.0	8.94
1 November 2011	600.0	9.20
1 December 2011	600.0	9.25
14 December 2011	600.0	8.50
3 January 2012	500.0	7.88
12 January 2012	500.0	7.88

4 Interests and dealings in relevant securities

4.1 Definitions used in this section

For the purposes of this paragraph 4:

“**acting in concert**” has the meaning given to it by the City Code;

“**arrangement**” includes indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing (other than irrevocable commitments and letters of intent to vote in favour of the Scheme and/or related resolutions, details of which are set out in paragraph 5 of this Part IV (Additional Information));

“**connected adviser**” has the meaning given to it in the City Code;

“**connected person**” in relation to a director of Canaccord or Collins Stewart Hawkpoint includes: (a) such director’s spouse or civil partner and children or step-children under the age of 18; (b) the

trustee(s) of any trust for the benefit of such director and/or any person mentioned in (a); (c) any company in which such director and/or any person mentioned in (a) or (b) is entitled to exercise or control the exercise of one-third or more of the voting power, or which is accustomed to act in accordance with the directions of such director or any such person; and (d) any other person whose interests in shares are taken to be interests of such director pursuant to Part 22 of the Companies Act;

“**control**” means an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether such interest(s) give(s) de facto control;

“**dealing**” has the meaning given to it in the City Code and “**dealt**” has the corresponding meaning;

“**derivative**” includes any financial product the value of which, in whole or in part, is determined directly or indirectly by reference to the price of an underlying security;

“**Disclosure Date**” means the close of business on 12 January 2012, being the latest practicable date prior to the posting of this document;

“**Disclosure Period**” means the period commencing on 15 December 2010 (being the date 12 months prior to the date of commencement of the Offer Period) and ending on the Disclosure Date;

“**exempt fund manager**” and “**exempt principal trader**” have the meanings given to them in the City Code;

“**financial collateral arrangements**” are arrangements of the kind referred to in note 4 on Rule 4.6 of the City Code;

“**interest**” in relevant securities has the meaning given to it in the City Code;

“**Offer Period**” means in this context the period commencing on 15 December 2011 and ending on the Disclosure Date;

“**relevant securities of Canaccord**” means common shares in the capital of Canaccord, without nominal or par value, and securities of Canaccord carrying conversion or subscription rights into such shares;

“**relevant securities of Collins Stewart Hawkpoint**” means Collins Stewart Hawkpoint Shares and securities of Collins Stewart Hawkpoint carrying conversion or subscription rights into Collins Stewart Hawkpoint Shares; and

“**short position**” means any short position (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

4.2 *Interests in relevant securities of Collins Stewart Hawkpoint*

- (a) As at the Disclosure Date, the interests of members of the Canaccord Group in relevant securities of Collins Stewart Hawkpoint (other than short positions which are specified in 4.2(b) below) were as set out below:

	<i>Nature of interest</i>	<i>Number of shares</i>
Canaccord Genuity Limited	Collins Stewart Hawkpoint Shares	76,328

All members of the Canaccord Group ceased all dealings in relevant securities of Collins Stewart Hawkpoint on 15 December 2011 immediately following release of the Press Announcement.

- (b) As at the Disclosure Date, the following persons acting in concert with Canaccord were interested in or had rights to subscribe in respect of or had short positions in respect of relevant securities of Collins Stewart Hawkpoint as set out below:

	<i>Nature of interest</i>	<i>Number of shares</i>
Charles Stanley & Co Limited on behalf of discretionary managed private and institutional clients	Collins Stewart Hawkpoint Shares	740,191

- (c) As at the Disclosure Date, Collins Stewart Hawkpoint had interests in or had rights to subscribe in respect of relevant securities of Collins Stewart Hawkpoint as set out below:

	<i>Number of Collins Stewart Hawkpoint Shares</i>	<i>Percentage of issued share capital</i>
Relevant securities owned and/or controlled:	1,098,159	0.44

- (d) As at the Disclosure Date, Collins Stewart Hawkpoint Directors and their connected persons had interests in or had rights to subscribe in respect of relevant securities of Collins Stewart Hawkpoint as set out below:

<i>Name of Director</i>	<i>Number of Collins Stewart Hawkpoint Shares</i>	<i>Percentage of issued share capital</i>
Paul Baines	1,482,988	0.60
Mark Brown	75,000	0.03
John Cotter ¹	50,000	0.02
Tim Ingram ²	285,736	0.12
Nicholas Page ³	62,000	0.02
Paul Hewitt	22,935	0.01

1 John Cotter's Collins Stewart Hawkpoint Shares are jointly held with Maria Cotter.

2 Tim Ingram holds 250,000 Collins Stewart Hawkpoint Shares through Lloyd's Nominees and 35,736 Collins Stewart Hawkpoint Shares through Alliance Trust Savings Limited.

3 Nicholas Page's Collins Stewart Hawkpoint Shares are held in the name of Rosalind Page.

Options and awards under the Collins Stewart Hawkpoint Share Schemes

	<i>2006 LTIP</i>	<i>2010 LTIP¹</i>	<i>2010 Deferred Equity</i>	<i>2011 Deferred Equity</i>
John Cotter	none	20 units	16,308	70,300
Paul Baines	173,120	15 units	41,378	79,090
Mark Brown	none	100 units	117,417	316,340

1 Under the terms of the 2010 LTIP, at the end of the vesting period Units are converted into nil price options, subject to satisfaction of performance conditions, over a number of Collins Stewart Hawkpoint shares calculated by reference to an increase in the Collins Stewart Hawkpoint share price over the vesting period.

- (e) As at the Disclosure Date, the Collins Stewart Employees' Share Ownership Trust holds a total of 6,909,456 shares in Collins Stewart Hawkpoint plc.
- (f) As at the Disclosure Date, the Andersen Charnley Employee Benefit Trust holds a total of 688,942 shares in Collins Stewart Hawkpoint plc.
- (g) As at the Disclosure Date, the Hawkpoint ESOT (the Damascus II Offshore Trust) holds a total of 230,000 shares in Collins Stewart Hawkpoint plc.

- (h) As at the Disclosure Date, the Collins Stewart (CI) Limited ESOT holds a total of 134,011 shares in Collins Stewart Hawkpoint plc.

4.3 *Dealings in relevant securities of Collins Stewart Hawkpoint*

- (a) During the Disclosure Period, Canaccord Genuity Limited dealt in relevant securities of Collins Stewart Hawkpoint as set out below on an aggregated basis:

<i>Transaction period</i>	<i>Nature of Dealing</i>	<i>Number of Collins Stewart Hawkpoint shares</i>	<i>High price</i>	<i>Low price</i>
16.12.2010 –	Buy	1,762,730	90p	78p
15.03.2011	Sell	2,460,317	92p	79.5p
16.03.2011 –	Buy	204,353	86p	77.54p
15.06.2011	Sell	163,988	87.44p	78p
16.06.2011 –	Buy	180,430	78p	65p
15.09.2011	Sell	145,430	77p	67.5p
16.09.2011 –	Buy	82,174	63p	59.38p
15.10.2011	Sell	132,174	71.5p	59p
16.10.2011 –	Buy	33,744	61.33p	54p
15.11.2011				
16.11.2011 –	Buy	142,214	52.5p	48.5p
15.12.2011	Sell	99,630	52.25p	49.75p

Dealings aggregated in accordance with Note 2 of Rule 24.4 of the City Code. Purchases and sales are aggregated separately and are not netted off. The highest and lowest prices per share have been stated. A full list of dealings is on display as set out in paragraph 13.5 of this Part IV (Additional Information) of this document.

- (b) During the Disclosure Period, Charles Stanley & Co Limited (on behalf of discretionary managed private and institutional clients) who are persons acting in concert with Canaccord have dealt in relevant securities of Collins Stewart Hawkpoint as set out below:

<i>Date of dealing</i>	<i>Nature of dealing</i>	<i>Number of Collins Stewart Hawkpoint Shares</i>	<i>Price paid</i>
01.08.2011	Sell	1,100	74.31p
23.09.2011	Buy	210,000	62.34p
28.09.2011	Buy	210,000	62.94p
05.10.2011	Buy	60,000	59.25p
27.10.2011	Buy	49,935	60.78p
28.10.2011	Buy	60,000	61p
10.11.2011	Buy	55,000	55.63p
16.11.2011	Buy	50,000	54.17p
17.11.2011	Buy	42,256	49.34p

- (c) During the Offer Period, Collins Stewart Employees' Share Ownership Trust has dealt in relevant securities of Collins Stewart Hawkpoint as set out below:

<i>Date of dealing</i>	<i>Nature of dealing</i>	<i>Number of Collins Stewart Hawkpoint Shares</i>
20.12.2011	Share option exercise	112,148
23.12.2011	Share option exercise	56,172
05.01.2012	Share option exercise	38,739

4.4 *Interests in relevant securities of Canaccord*

- (a) As at the Disclosure Date, the interests of members of the Canaccord Group in relevant securities of Canaccord were as follows:

	<i>Nature of interest</i>	<i>Number of relevant Canaccord securities</i>
Canaccord Genuity Corp.	Canaccord Shares	99,585
Canaccord Genuity Inc.	Canaccord Shares	106,493
Canaccord Genuity Limited	Canaccord Shares	500

- (b) As at the Disclosure Date, Canaccord Directors and their connected persons were interested in relevant securities of Canaccord as set out below:

	<i>Nature of interest</i>	<i>Number of relevant Canaccord securities</i>
Corina Taylor (wife of Paul Reynolds)	Canaccord Shares	33,000
Peter Brown (Director)	Canaccord Shares	1,350,000
Charles Bralver (Director)	Canaccord Shares	20,500
Massimo Carello (Director)	Canaccord Shares	55,000
Michael Harris (Director)	Canaccord Shares	60,850
Laura Harris (wife of Michael Harris)	Canaccord Shares	200
David Kassie (Director)	Canaccord Shares	3,421,660
Terrence Lyons (Director)	Canaccord Shares	30,000
Paul Reynolds (Director)	Canaccord Shares	916,904
Michael Walker (Director)	Canaccord Shares	19,535

- (c) As at the Disclosure Date, Canaccord Directors and their connected persons held options and awards over relevant securities of Canaccord as set out below:

<i>Name</i>	<i>Scheme</i>	<i>Number of relevant Canaccord securities</i>	<i>Exercise price</i>	<i>Exercise period(s)</i>
Paul Reynolds (Director)	Senior management options	117,318 options	C\$9.47	31 August 2016
Paul Reynolds (Director)	Restricted Share Units ("RSUs")	207,089 RSUs	Nil	One third (69,029) to vest every year over three years.
Charles Bralver (Director)	Options	25,000 options	C\$8.39	31 March 2017
Charles Bralver (Director)	Deferred Share Units ("DSUs")	3,207 DSUs	Nil	Paid out in cash when the director leaves the Board of Directors.

<i>Name</i>	<i>Scheme</i>	<i>Number of relevant Canaccord securities</i>	<i>Exercise price</i>	<i>Exercise period(s)</i>
Massimo Carello (Director)	Options	75,000 options (each grant was 25,000 options)	(1) C\$7.87 (2) C\$7.21 (3) C\$8.39	(1) 31 March 2015 (2) 31 March 2016 (3) 31 March 2017
Massimo Carello (Director)	DSUs	1,730 DSUs	Nil	Paid out in cash when the director leaves the Board of Directors.
Michael Harris (Director)	Options	100,000 options (each grant was 25,000 options)	(1) C\$23.13 (2) C\$9.48 (3) C\$7.21 (4) C\$8.39	(1) 31 March 2014 (2) 31 March 2015 (3) 31 March 2016 (4) 31 March 2017
Michael Harris (Director)	DSUs	7,602 DSUs	Nil	Paid out in cash when the director leaves the Board of Directors.
William Eeuwes (Director)	Options	100,000 options (each grant was 25,000 options)	(1) C\$23.13 (2) C\$9.48 (3) C\$7.21 (4) C\$8.39	(1) 31 March 2014 (2) 31 March 2015 (3) 31 March 2016 (4) 31 March 2017
William Eeuwes (Director)	DSUs	3,457 DSUs	Nil	Paid out in cash when the director leaves the Board of Directors.
Terrence Lyons (Director)	Options	100,000 options (each grant was 25,000 options)	(1) C\$23.13 (2) C\$9.48 (3) C\$7.21 (4) C\$8.39	(1) 31 March 2014 (2) 31 March 2015 (3) 31 March 2016 (4) 31 March 2017
Terrence Lyons (Director)	DSUs	4,273 DSUs	Nil	Paid out in cash when the director leaves the Board of Directors.
Michael Walker (Director)	Options	100,000 options (each grant was 25,000 options)	(1) C\$23.13 (2) C\$9.48 (3) C\$7.21 (4) C\$8.39	(1) 31 March 2014 (2) 31 March 2015 (3) 31 March 2016 (4) 31 March 2017
Michael Walker (Director)	DSUs	3,457 DSUs	Nil	Paid out in cash when the director leaves the Board of Directors.
David Kassie (Director)	RSUs	37,797 RSUs	Nil	One third (69,029) to vest every year over three years.

Note 1: One third of RSUs automatically vest every year over three years although there is no set dates for vesting.

Note 2: DSUs are paid out in cash automatically when the director leaves the Board of Canaccord.

- (d) As at the Disclosure Date, the following persons acting in concert with Canaccord were interested in or had rights to subscribe in respect of or had short positions in respect of relevant securities of Canaccord as set out below:

	<i>Nature of interest</i>	<i>Number of relevant Canaccord securities</i>
Keefe, Bruyette and Woods Inc.	Canaccord Shares	20,000

4.5 Dealings in relevant securities of Canaccord

- (a) During the Disclosure Period, Canaccord Directors and/or their connected persons have dealt in relevant securities of Canaccord as set out below:

<i>Name</i>	<i>Date of dealing</i>	<i>Price paid</i>	<i>Nature of dealing</i>	<i>Number of relevant Canaccord securities</i>
Paul Reynolds	11.02.2011	Nil	Vesting of RSUs	12,088
Michael Harris	30.03.2011	C\$14.03	Buy	400
Paul Reynolds	19.05.2011	Nil	Vesting of RSUs	97,704
Paul Reynolds	19.05.2011	C\$14.00	Sell	100,000
Paul Reynolds	19.05.2011	Nil	Vesting of RSUs	82,094
David Kassie	19.05.2011	Nil	Vesting of RSUs	37,797
Charles Bralver	28.06.2011	C\$12.00	Buy	20,500
Paul Reynolds	05.08.2011	Nil	Vesting of RSUs	73,545
Paul Reynolds	08-10.08.2011*	C\$10.32	Sell	32,839
Michael Harris	11.11.2011	C\$8.42	Buy	850
Massimo Carello	15.11.2011	C\$8.59	Buy	15,000
Paul Reynolds	14.11.2011	Nil	Vesting of RSUs	600
Paul Reynolds	14.11.2011	C\$8.38	Sell	254
Paul Reynolds	01.12.2011	Nil	Vesting of RSUs	3,021
Peter Brown	15.12.2011	C\$ 7.99	Buy	100,000
Paul Reynolds	16.12.2011	Nil	Donation	40,000
Corina Taylor (wife of Paul Reynolds)	19.12.2011	C\$7.10	Buy	20,000
David Kassie (through Kassie Capital Inc.)	21.12.2011	C\$7.4	Buy	150,000
Michael Harris (through LMH Investments Ltd)	21.12.2011	C\$7.36	Buy	14,000
Paul Reynolds	21.12.2011	C\$7.10	Buy	8,900
Corina Taylor (wife of Paul Reynolds)	21.12.2011	C\$7.25	Buy	4,700
Corina Taylor (wife of Paul Reynolds)	22.12.2011	C\$7.25	Buy	8,300
Charles Bralver	31.12.2011	C\$7.46**	Award of DSUs	1,677
Massimo Carello	31.12.2011	C\$7.46**	Award of DSUs	839
William Eeuwes	31.12.2011	C\$7.46**	Award of DSUs	1,677
Michael Harris	31.12.2011	C\$7.46**	Award of DSUs	3,688
Terrence Lyons	31.12.2011	C\$7.46**	Award of DSUs	1,970
Michael Walker	31.12.2011	C\$7.46**	Award of DSUs	1,677

*This disposal forms part of a routine sale arranged for a number of shareholders to cover tax liabilities arising in connection with the vesting of the RSUs. Shares in respect of all relevant shareholders were aggregated and sold over a three day period and an average sale price of C\$10.32 per share remitted to tax authorities for the account of each shareholder.

**The number of DSUs awarded is calculated using the 10 day volume weighted average price before the date of the award.

- (b) During the Disclosure Period, Keefe, Bruyette & Woods Inc. who are acting in concert with Canaccord have dealt in relevant securities of Canaccord as set out below on an aggregate basis. No dealings took place between 16 December 2010 and 16 March 2011:

<i>Transaction period</i>	<i>Nature of of Dealing</i>	<i>Number of relevant Canaccord securities</i>	<i>High price (in C\$)</i>	<i>Low price (in C\$)</i>
16.03.2011 –	Buy	12,500	14.15	13.70
15.06.2011	Sell	25,000	14.43	13.70
16.06.2011 –	Buy	212,000	12.81	9.53
15.09.2011	Sell	202,000	12.81	9.53
16.09.2011 –	Buy	7,000	8.95	8.95
15.10.2011				
16.10.2011 –	Buy	3,000	8.80	8.80
15.11.2011				
16.11.2011 –	Buy	2,500	9.20	9.20
15.12.2011	Sell	2,500	9.49	9.49

Dealings aggregated in accordance with Note 2 of Rule 24.4 of the City Code. Purchases and sales are aggregated separately and are not netted off. The highest and lowest prices per share have been stated. A full list of dealings is on display as set out in paragraph 13.5 of this Part IV (Additional Information) of this document.

(c) **Redemptions and purchases of relevant Canaccord securities by Canaccord**

During the Disclosure Period, Canaccord has redeemed or purchased relevant securities of Canaccord as set out below. Certain of these purchases were made by other members of the Canaccord Group as brokers for or on behalf of Canaccord.

<i>Date of redemption or purchase</i>	<i>Price paid</i>	<i>Nature of dealing and action</i>	<i>Number of relevant Canaccord Shares</i>	<i>Cancelled or redeemed</i>
14.01.2011	C\$8.98	Buy	877	Cancelled
14.01.2011	C\$7.87	Buy	10,447	Cancelled
20.01.2011	C\$7.87	Buy	1,270	Purchased for cancellation
17.02.2011	US\$14.00	Buy	1,974	Purchased and held
07.03.2011	US\$5.57	Buy	4,800	Purchased and held
07.03.2011	US\$7.24	Buy	6,468	Purchased and held
07.03.2011	US\$7.70	Buy	1,014	Purchased and held
14.04.2011	C\$7.87	Buy	4,413	Purchased for cancellation
14.04.2011	C\$9.16	Buy	387	Purchased for cancellation
30.05.2011	C\$12.43	Buy	1,005	Purchased for cancellation
30.05.2011	C\$9.16	Buy	1,637	Purchased for cancellation
23.06.2011	C\$12.43	Buy	1,883	Purchased for cancellation
19.08.2011	C\$9.16	Buy	2,728	Purchased for cancellation
19.08.2011	C\$10.5	Buy	11,904	Purchased for cancellation
29.09.2011	C\$10.69	Buy	33,050	Purchased for cancellation
29.09.2011	C\$10.4	Buy	2,024	Purchased for cancellation
29.09.2011	C\$9.16	Buy	5,456	Purchased for cancellation
03.10.2011	C\$10.83	Buy	462	Purchased for cancellation
11.11.2011	C\$8.44	Buy	40,400	Cancelled
14.11.2011	C\$8.69	Buy	40,500	Cancelled
15.11.2011	C\$8.44	Buy	26,300	Cancelled
16.11.2011	C\$8.60	Buy	15,500	Cancelled
17.11.2011	C\$8.72	Buy	40,500	Cancelled
18.11.2011	C\$8.7	Buy	36,300	Cancelled

<i>Date of redemption or purchase</i>	<i>Price paid</i>	<i>Nature of dealing and action</i>	<i>Number of relevant Canaccord Shares</i>	<i>Cancelled or redeemed</i>
21.11.2011	C\$8.5	Buy	7,000	Cancelled
22.11.2011	C\$8.7	Buy	10,500	Cancelled
23.11.2011	C\$8.45	Buy	87,800	Cancelled
24.11.2011	C\$8.45	Buy	1,300	Cancelled
25.11.2011	C\$8.49	Buy	40,500	Cancelled
28.11.2011	C\$8.65	Buy	40,500	Cancelled
30.11.2011	C\$8.7	Buy	1,000	Cancelled
19.12.2011	C\$7.3	Buy	40,500	Cancelled
20.12.2011	C\$7.33	Buy	40,500	Cancelled
21.12.2011	C\$7.30	Buy	40,500	Cancelled
22.12.2011	C\$7.19	Buy	40,500	Cancelled
23.12.2011	C\$7.35	Buy	1,000	Cancelled
28.12.2011	C\$7.44	Buy	38,300	Cancelled
29.12.2011	C\$7.41	Buy	40,500	Cancelled
30.12.2011	C\$7.71	Buy	19,400	Cancelled
03.01.2012	C\$7.80	Buy	700	Cancelled

4.6 **General**

Save as disclosed in this document:

- (a) as at the Disclosure Date, none of (i) Canaccord, (ii) any director of Canaccord or any connected person of any such director, or (iii) any other person acting in concert with Canaccord, had any interest in, right to subscribe in respect of, or short position in respect of relevant securities of Collins Stewart Hawkpoint; and no such person has dealt in any relevant securities of Collins Stewart Hawkpoint during the Disclosure Period;
- (b) as at the Disclosure Date, none of (i) Canaccord, (ii) any director of Canaccord or any connected person of any such director, (iii) any other person acting in concert with Canaccord, had any interest in, right to subscribe in respect of, or short position in respect of relevant securities of Canaccord; and no such person has dealt in any relevant securities of Canaccord during the Disclosure Period;
- (c) as at the Disclosure Date, neither Canaccord nor any person acting in concert with Canaccord had borrowed or lent any relevant securities of Collins Stewart Hawkpoint (including any financial collateral arrangements), save for borrowed shares which have been either on-lent or sold;
- (d) as at the Disclosure Date, neither Canaccord nor any person acting in concert with Canaccord had borrowed or lent any relevant securities of Canaccord (including any financial collateral arrangements), save for borrowed shares which have been either on-lent or sold;
- (e) as at the Disclosure Date, none of (i) Collins Stewart Hawkpoint, (ii) any director of Collins Stewart Hawkpoint, or any connected person of any such director, (iii) any other person acting in concert with Collins Stewart Hawkpoint, had any interest in, right to subscribe in respect of, or short position in relation to relevant Collins Stewart Hawkpoint securities; and no such person has dealt in any relevant securities of Collins Stewart Hawkpoint during the Offer Period;
- (f) as at the Disclosure Date, neither Collins Stewart Hawkpoint nor any person acting in concert with it had borrowed or lent any relevant securities of Collins Stewart Hawkpoint;
- (g) as at the Disclosure Date, none of Collins Stewart Hawkpoint, the Collins Stewart Hawkpoint Directors or any person connected with any Collins Stewart Hawkpoint Director has any interest in or right to subscribe in respect of or short position in respect of relevant securities of Canaccord; and no such person has dealt in relevant securities of Canaccord during the Offer Period;

- (h) as at the Disclosure Date, neither Canaccord nor any person acting in concert with Canaccord has any arrangement of the kind referred to in Note 11 on the definition of acting in concert of the City Code with any other person; and
- (i) as at the Disclosure Date, neither Collins Stewart Hawkpoint nor any person who is an acting in concert with Collins Stewart Hawkpoint has any arrangement of the kind referred to in Note 11 on the definition of acting in concert of the City Code with any other person.

5 Irrevocable undertakings and letters of intent

5.1 *Directors (and their connected persons)*

Canaccord has received irrevocable undertakings from the Collins Stewart Hawkpoint Directors to vote in favour of the Scheme and the resolutions to be proposed at the Court Meeting and the General Meeting (and if the Offer is subsequently structured as a Takeover Offer, to accept any such offer made by Canaccord) in respect of their entire holdings in Collins Stewart Hawkpoint Shares, representing approximately 0.8 per cent. of the existing issued ordinary share capital of Collins Stewart Hawkpoint. Details of these undertakings are set out below.

These irrevocable undertakings remain binding in the event of a higher competing offer for Collins Stewart Hawkpoint.

5.2 *Other Collins Stewart Hawkpoint Shareholders*

Canaccord has received an irrevocable undertaking to vote (or procure the vote) in favour of the Scheme and the resolutions to be proposed at the Court Meeting and the General Meeting from Aberforth in respect of 26,473,965 Collins Stewart Hawkpoint Shares which it manages on behalf of clients and in respect of which it is able to exercise discretionary and voting control. Such shares represent approximately 10.7 per cent. of the existing issued ordinary share capital of Collins Stewart Hawkpoint.

The irrevocable undertaking received from Aberforth will cease to be binding in the event of a competing offer for Collins Stewart Hawkpoint, the value of which (in the opinion of Aberforth) exceeds the value of the Offer by ten per cent. or more. Certain of the clients whose assets Aberforth manage have reserved the right to lend stock to third parties and the undertakings received from Aberforth do not apply to any of the Collins Stewart Hawkpoint Shares in respect of which the irrevocable undertaking was given to the extent that such shares have been lent to a third party and Aberforth has been unable to recall such shares (provided they have used their reasonable endeavours to do so). In addition, the irrevocable undertaking will cease to apply to the extent that Aberforth no longer has, at the relevant time, authority to exercise discretionary and voting control over such shares.

Accordingly, the number of Collins Stewart Hawkpoint Shares in respect of which irrevocable undertakings have been received is, in aggregate, 28,452,624, representing approximately 11.5 per cent. of the issued share capital of Collins Stewart Hawkpoint.

5.3 *Details of irrevocable undertakings*

The following Collins Stewart Hawkpoint Directors (and their connected persons) and other shareholders have given irrevocable undertakings on the terms summarised above:

<i>Name</i>	<i>Number of Collins Stewart Hawkpoint Shares</i>	<i>% of Collins Stewart Hawkpoint issued share capital</i>
Paul Baines	1,482,988	0.60
Mark Brown	75,000	0.03
John Cotter ¹	50,000	0.02
Tim Ingram ²	285,736	0.12
Nicholas Page ³	62,000	0.02
Paul Hewitt	22,935	0.01

Other shareholders:

<i>Name</i>	<i>Number of Collins Stewart Hawkpoint Shares</i>	<i>% of Collins Stewart Hawkpoint issued share capital</i>
Aberforth	26,473,965	10.67
Total	28,452,624	11.47

- 1 John Cotter's Collins Stewart Hawkpoint Shares are jointly held with Maria Cotter. Both have entered into the irrevocable undertaking.
- 2 Tim Ingram holds 250,000 Collins Stewart Hawkpoint Shares through Lloyd's Nominees and 35,736 Collins Stewart Hawkpoint Shares through Alliance Trust Savings Limited.
- 3 Nicholas Page's Collins Stewart Hawkpoint Shares are held in the name of Rosalind Page.

5.4 *Letters of Intent*

In addition, Canaccord has received non-binding letters of intent from certain Collins Stewart Hawkpoint shareholders to vote or to procure the vote in favour of the Scheme and the resolutions to be proposed at the Court Meeting and the General Meeting, in respect of Collins Stewart Hawkpoint Shares representing approximately 7.9 per cent. of the existing issued ordinary share capital of Collins Stewart Hawkpoint. Details of these letters of intent are set out below.

<i>Name</i>	<i>Number of Collins Stewart Hawkpoint Shares</i>	<i>% of Collins Stewart Hawkpoint issued share capital</i>
Aberforth ²	4,788,590	1.93
Blackrock ¹	6,328,639	2.55
The Wellcome Trust Limited ²	5,045,570	2.03
The Church Commissioners ²	3,341,725	1.35
Total	19,504,524	7.86

- 1 Blackrock's letter of intent relates to such number of Collins Stewart Hawkpoint Shares as Blackrock is able to control as at the record date for the General Meeting and Court Meeting. As at 14 December 2011, the number was 6,328,639 Collins Stewart Hawkpoint Shares.
- 2 Shareholding as at 15 December 2011.

6 **Persons acting in concert**

6.1 The persons who, for the purposes of the City Code, are acting, or deemed to be acting, in concert with Canaccord include:

- (a) the Canaccord Directors, other members of the Canaccord Group and associated companies of members of the Canaccord Group;
- (b) KBW, whose registered office is at One Broadgate, 7th Floor, London, EC2M 2QS, financial advisers and joint corporate brokers to Canaccord in connection with the Offer; and
- (c) Charles Stanley Securities (together with other members of Charles Stanley & Co. Limited), whose registered office is at 25 Luke Street, London EC2A 4AR, Nominated Advisers and joint corporate brokers to Canaccord.

- 6.2 The persons who, for the purposes of the City Code, are acting, or deemed to be acting, in concert with Collins Stewart Hawkpoint include:
- (a) the Collins Stewart Hawkpoint Directors, other members of the Collins Stewart Hawkpoint Group and associated companies of members of the Collins Stewart Hawkpoint Group;
 - (b) Nomura, whose registered office is at 1 Angel Lane, London EC4R 3AB and Hawkpoint, whose registered office is at 41 Lothbury, London EC2R 7AE, financial advisers to Collins Stewart Hawkpoint in connection with the Offer; and
 - (c) Oriel, whose registered office is at 150 Cheapside, London EC2V 6ET, corporate brokers to Collins Stewart Hawkpoint.

7 Material contracts

7.1 *Collins Stewart Hawkpoint Material Contracts*

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by Collins Stewart Hawkpoint and its subsidiaries since 15 December 2009 (being the date two years prior to the commencement of the Offer Period) and are or may be material:

(a) *Cooperation Letter*

On 15 December 2011, Canaccord and Collins Stewart Hawkpoint entered into the Cooperation Letter, details of which are set out at paragraph 9 of this Part IV (Additional Information).

(b) *Agreement for sale and purchase of shares in Andersen-Charnley Limited (“Andersen-Charnley”)*

Collins Stewart Hawkpoint (as Collins Stewart plc) entered into two agreements on 16 June 2010 with all the shareholders of Andersen-Charnley (together the “A-C Sellers”) to acquire the entire issued and to be issued share capital of Andersen-Charnley for an aggregate initial consideration of £5,000,000 (with £3,500,000 payable in cash and £1,500,000 payable in ordinary shares of 25 pence each in the capital of Collins Stewart Hawkpoint). The principal terms of the acquisition were set out in the agreement made between Collins Stewart Hawkpoint and the holders of A ordinary shares and B ordinary shares (the “A-C SPA”). The holders of C ordinary shares signed a separate ancillary agreement with Collins Stewart Hawkpoint.

Consideration of £1,500,000 was retained in an escrow account for transfer to the A-C Sellers in the event of, and with the amount based upon, the successful transfer of assets from the control of Andersen-Charnley and its subsidiary, Andersen Charnley Investment Management Limited, to the control of Collins Stewart Hawkpoint within one year of completion. The amount payable on the anniversary of completion was calculated according to a formula set out in the A-C SPA.

Further deferred earn-out consideration was payable to the A-C Sellers under the terms of the A-C SPA up to a maximum aggregate of £5,500,000 as follows:

- (i) on the first anniversary of the A-C SPA, 0.9 times any new business revenues (calculated in accordance with the terms of the agreement) in excess of £500,000 less the amount by which the management revenues generated by clients existing at the time of the agreement fell short of £3,750,000 during the one year period following the date of the A-C SPA; and
- (ii) on the second anniversary of the A-C SPA, 0.934375 times any new business revenues (calculated in accordance with the terms of the agreement) in excess of £500,000 less the amount by which the management revenues generated by clients existing at the time

of the agreement fell short of £3,500,000 during the one year period following the first anniversary of the A-C SPA.

- (c) *Agreement for the sale and purchase of shares in Corazon Capital Group Limited (“Corazon”)* Collins Stewart (CI) Holdings Limited (a subsidiary of Collins Stewart Hawkpoint) entered into an agreement on 17 March 2010 with the various individual shareholders (together the “**Corazon Sellers**”) to acquire all the issued ordinary share capital of Corazon for an initial consideration of £1,000,000 payable in cash on completion net of all charges (the “**Corazon SPA**”).

The initial consideration was subject to the retention by Collins Stewart (CI) Holdings Limited of £529,000 which was dealt with as follows:

- (i) £250,000 was payable to the Corazon Sellers if a third party, Lucas House Limited, paid for certain works required to remedy dilapidations to a certain property in Guernsey, on a pound-for-pound basis against the amounts paid by Lucas House Limited; and
- (ii) £279,000 was retained to pay for other works required to remedy the dilapidations, but would be paid to the Corazon Sellers to the extent that it had not been spent by the first anniversary of the Completion Date (as defined in the Corazon SPA).

7.2 *Canaccord Material Contracts*

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by Canaccord and its subsidiaries since 15 December 2009 (being the date two years prior to the commencement of the Offer Period) and are or may be material:

- (a) *Cooperation Letter*

Canaccord and Collins Stewart Hawkpoint entered into the Cooperation Letter on 15 December 2011, details of which are set out at paragraph 9 below.

- (b) *CIBC senior secured credit facility*

The Offer is to be financed in part by way of a credit facility of C\$150,000,000 (the “**Credit Facility**”) made available to Canaccord pursuant to a senior secured credit agreement (the “**Credit Agreement**”) entered into on 15 December 2011 between (1) Canaccord as Borrower, (2) Canadian Imperial Bank of Commerce (“**CIBC**”) as administrative agent, (3) the financial institutions named therein as lenders (the “**Lenders**”) and (4) CIBC as sole lead arranger and sole bookrunner. Subject to satisfaction of certain conditions precedent set out in the Credit Agreement, the Credit Facility is available for borrowing on or before the earlier of (i) 15 June 2012 and (ii) the date the Scheme lapses, is withdrawn or is rejected by the Court (provided that if the Effective Date occurs on or prior to 15 June 2012, then the Credit Facility is available for borrowing until 15 days after the Effective Date) (the “**Expiry Date**”).

All amounts borrowed under the Credit Agreement (together with accrued interest and fees under the Credit Agreement) must be repaid in full 180 days after the date of the first borrowing of the Credit Facility (the “**Initial Borrowing Date**”). Failure to repay the amount borrowed by that date will constitute an event of default and will permit CIBC to declare all amounts payable under the Credit Facility to be immediately due and payable and to commence enforcement proceedings under the Credit Agreement and the guarantees and security granted pursuant to the Credit Agreement (see below). Canaccord may voluntarily prepay, without penalty or premium, amounts borrowed under the Credit Agreement on one business day’s notice (in minimum amounts of C\$1,000,000 and integral multiples of C\$100,000).

Borrowings under the Credit Facility are available at the option of Canaccord by way of Canadian dollar prime rate borrowing and Canadian dollar banker’s acceptances, in each case, plus a margin (the “**Applicable Margin**”). The Canadian dollar prime rate (the “**Prime Rate**”)

is defined in the Credit Facility as a daily rate equal to the greater of (i) the prime rate of CIBC which it quotes as its reference rate of interest for commercial loans in Canadian dollars in Canada to its Canadian borrowers on the applicable date, and (ii) the average rate for one month Canadian dollar banker's acceptances appearing on Reuters service page CDOR at 10.00 a.m. on the applicable date plus 1 per cent per annum. The rate applicable to Canadian dollar banker's acceptances (the "**BA Rate**") is defined in the Credit Facility as the applicable discount rate for Canadian dollar banker's acceptances having an aggregate face amount equal to and with a term equal or comparable to the applicable banker's acceptances that appears on the Reuters service page CDOR on the applicable determination date (plus 0.10 per cent. per annum in respect of certain lenders). The Applicable Margin for the first 30 days after the Initial Borrowing Date is 0.75 per cent. per annum for Prime Rate borrowings and 1.75 per cent per annum for BA Rate borrowings. From the 30th day after the Initial Borrowing Date to the date that is 90 days after the Initial Borrowing Date the Applicable Margin is 1 per cent. per annum for Prime Rate borrowings and 2 per cent. per annum for BA Rate borrowings. From and after the 90th day after the Initial Borrowing Date the Applicable Margin is 1.25 per cent. per annum for Prime Rate borrowings and 2.25 per cent. per annum for BA Rate borrowings.

Amounts outstanding to the Lenders under the Credit Agreement (and any secured hedging counterparties in respect of foreign exchange hedging implemented in conjunction with borrowings made under the Credit Facility) are required to be guaranteed by each of Canaccord's material subsidiaries, provided that any such material subsidiary shall not be required to provide such guarantee where prohibited by applicable law or where compliance with applicable law would result in an additional material capital requirement of Canaccord or any of its subsidiaries. If a material subsidiary of Canaccord is not required to provide a guarantee as a result of the foregoing, Canaccord is required to pledge or cause to be pledged all of the equity interests of such material subsidiary (and to cause its applicable subsidiary to provide a supporting guarantee in respect thereof, if applicable), provided that the company owning such equity interests is not required to enter into such a guarantee or pledge in the same circumstances a material subsidiary is not required to provide a guarantee (in which case the holding company of that company shall pledge the equity interests in that company and provide a supporting guarantee in respect thereof).

Under the Credit Agreement Canaccord has to ensure that the following financial covenants are complied with: (a) the ratio of the total debt of Canaccord and its subsidiaries at the end of each of Canaccord's financial quarters to consolidated EBITDA for Canaccord and its subsidiaries for the four financial quarters ending on that date must be no more than 2.0:1; (b) the ratio of the total debt of Canaccord and its subsidiaries to the aggregate of the amount classified on Canaccord's balance sheet as common equity, retained earnings and preferred shares plus the principal amount of sums borrowed under the Credit Agreement must at all times be no more than 25 per cent.; and (c) the value of Canaccord's total consolidated assets (other than goodwill and intangible assets) minus its total consolidated liabilities must at all times be not less than C\$350,000,000.

In addition, the Credit Agreement contains representations and warranties from Canaccord, operational undertakings requiring action or imposing restrictions on Canaccord and its subsidiaries and events of default.

- (c) *Securities purchase agreement in connection with the acquisition of Genuity Capital Markets*
Canaccord entered into a securities purchase agreement dated 3 March 2010, as amended, in connection with its acquisition of 100 per cent. control of Genuity Capital Markets, an independent advisory and restructuring firm in Canada, for consideration consisting of 26.5 million Canaccord Shares valued at C\$271.9 million and cash of C\$30.0 million. The shares issued were valued at C\$10.26 per share based on the Closing Price as of 22 April 2010, the date before the transaction closed. In addition, the vendors received C\$28.0 million as a working capital adjustment subsequent to closing. All of the Canaccord Shares issued as part

of the purchase price were placed in escrow at closing and are being released rateably over five years. The acquisition closed on 23 April 2010.

- (d) *Securities purchase agreement in connection with the acquisition of The Balloch Group Limited*
Canaccord entered into a securities purchase agreement dated 22 November 2010, as amended and/or supplemented, in connection with its purchase of a 100 per cent. interest in The Balloch Group Limited, a Chinese boutique investment bank, headquartered in Beijing. The purchase price was C\$3.0 million, with up to an additional C\$1.0 million as a working capital adjustment subsequent to closing. The acquisition closed on 17 January 2011.
- (e) *Underwriting agreement in connection with the issue of Series A First Preferred Shares*
Canaccord entered into an underwriting agreement dated 9 June 2011 with a syndicate of underwriters in respect of its offering of Series A First Preferred Shares. Including the exercise of the over-allotment option granted to the underwriters, Canaccord sold an aggregate of 4,540,000 Series A First Preferred Shares for aggregate gross proceeds of C\$113.5 million. The offering of 4.0 million Series A First Preferred Shares closed on 23 June 2011 and the over-allotment option closed on 7 July 2011.
- (f) *Securities purchase agreement in connection with the acquisition of BGF Capital Group Pty Ltd.*
Canaccord entered into a securities purchase and subscription agreement dated 1 August 2011 in connection with its acquisition of a 50 per cent. equity interest in BGF Capital Group Pty Ltd. ("BGF"), an independent investment dealer with operations in Australia and Hong Kong. The agreement also provides Canaccord with a call option to acquire the remaining 50 per cent. equity interest of BGF in five years. The aggregate consideration paid by Canaccord for the 50 per cent. interest in BGF totalled AUD\$40.3 million. The 50 per cent. interest was acquired through the purchase of shares from certain existing shareholders and the subscription of treasury shares, for the following consideration: (i) AUD\$14.7 million for the purchase of existing BGF shares, primarily from passive non-executive shareholders; (ii) AUD\$20.0 million for the subscription of new equity in BGF; and (iii) AUD\$5.6 million in Canaccord Shares, issued to key executives of BGF. A total of 623,796 Canaccord Shares were issued, calculated on the basis of Canaccord's volume-weighted average trading price on the Toronto Stock Exchange for the 20 consecutive trading day period ending on the third trading day before closing. Using this method of valuation, the shares were valued at AUD\$5.3 million. The Canaccord Shares issued to key executives of BGF were placed in escrow at closing and are being released rateably over five years. The acquisition closed on 2 November 2011.

The summaries of the above agreements provided in this section are not intended to be exhaustive and are qualified in their entirety by reference to the text of such agreements, which are available under the profile of Canaccord on SEDAR at www.sedar.com.

8 Collins Stewart Hawkpoint Directors' service contracts and engagement letters

- 8.1 Mark Brown is engaged as chief executive officer pursuant to an engagement letter dated 9 October 2008. With effect from 1 July 2011, Mr Brown is entitled to receive an annual salary of £400,000 (previously £350,000) before deductions for tax and National Insurance plus a discretionary bonus. His salary is subject to annual review by the Company. The engagement is subject to a notice period of 12 months, but the Company may terminate his engagement with immediate effect in certain circumstances relating to misconduct and bankruptcy. The Company reserves the right to terminate Mr Brown's contract with immediate effect by paying in lieu of any unexpired notice period a sum relating to the salary and contractual benefits he would have received during that period. Mr Brown is entitled to private medical and life insurance, and to be reimbursed reasonable expenses. He is subject to certain non-solicitation and non-competition restrictions for periods of six and twelve months following the termination of his employment.

- 8.2 John Cotter is engaged as finance director pursuant to an engagement letter dated 4 June 2009. He is entitled to receive an annual salary of £250,000 (before deductions for tax and National Insurance) plus a discretionary bonus. His salary is subject to annual review by the Company. The engagement is subject to a notice period of six months but the Company may terminate his engagement with immediate effect in certain circumstances relating to misconduct and bankruptcy. The Company reserves the right to terminate Mr Cotter's contract with immediate effect by paying in lieu of any unexpired notice period a sum relating to the salary and contractual benefits he would have received during that period. Mr Cotter is entitled to private medical and life insurance, and to be reimbursed reasonable expenses. He is subject to certain non-solicitation and non-competition restrictions for periods of six and twelve months following the termination of his employment.
- 8.3 Paul Baines was engaged as managing director of Hawkpoint Partners Limited pursuant to a contract of employment commencing 2 October 2000. He was appointed its chief executive on 14 October 2003 and its executive chairman on 1 October 2009. The terms of his contract of employment were amended by a deed of amendment dated 12 December 2006. With effect from 1 September 2011, Mr Baines is entitled to receive an annual salary of £275,000 (previously £225,000) and payment in lieu of pension of £12,511 before deductions for tax and National Insurance and a discretionary bonus. He is entitled to be reimbursed reasonable expenses. Other benefits include private healthcare and life assurance. The engagement is subject to a notice period of six months but the Company may terminate his engagement with immediate effect in certain circumstances relating to fraud, criminality, disqualification from being a director, or ceasing to be an FSA "approved person". Hawkpoint reserves the right to terminate Mr Baines' contract with immediate effect by paying in lieu of six months' notice period a sum relating to his basic salary and contractual benefits he would have received during that period. Mr Baines is subject to certain non-solicitation and non-competition restrictions for periods of six and twelve months following the termination of his employment.
- 8.4 Tim Ingram is engaged as chairman of Collins Stewart Hawkpoint pursuant to a letter of engagement dated 7 July 2010. His appointment commenced on 1 April 2010, and is initially for a three year term commencing on 11 January 2010 (the date of his appointment to the Board of Collins Stewart Hawkpoint as a non-executive director). It is subject to twelve months' notice from either party. Mr Ingram is entitled to receive fees of £180,000 per annum. Under the terms of his appointment as non-executive director on 11 January 2010, Mr Ingram had been entitled to fees of £50,000.
- 8.5 Paul Hewitt is engaged as a non-executive director of Collins Stewart Hawkpoint pursuant to a letter of engagement dated 9 January 2010. His appointment commenced on 11 January 2010, is for a three year term, and is subject to a 12 month notice period. He is entitled to receive fees of £50,000 per annum plus reasonable expenses. Mr Hewitt is also entitled to receive an additional £5,000 per annum as chairman of the Audit and Risk Committee.
- 8.6 Nicholas Page is engaged as a non-executive director of Collins Stewart Hawkpoint pursuant to a contract for services between Collins Stewart Hawkpoint and Three Oaks Investment Partnership LLP dated 27 July 2010. His appointment commenced on 5 July 2010, is for a three year term, and is subject to a 12 month notice period. He is entitled to receive fees of £50,000 per annum plus reasonable expenses.
- 8.7 Giles Vardey is engaged as a non-executive director of Collins Stewart Hawkpoint pursuant to a letter of engagement dated 1 September 2010. His appointment commenced on 1 September 2010, is for a three year term, and is subject to a 12 month notice period. He is entitled to receive fees of £50,000 per annum plus reasonable expenses. Mr Vardey is also entitled to receive an additional £5,000 per annum as chairman of the Remuneration Committee.
- 8.8 Christian de Juniac is engaged as a non-executive director of Collins Stewart Hawkpoint pursuant to a letter of engagement dated 23 August 2011. His appointment commenced on 1 September 2011, is for a three year term, and is subject to a 12 month notice period. He is entitled to receive fees of £50,000 per annum plus reasonable expenses. The appointment did not replace or amend any earlier contract between Mr de Juniac and the Company.

9 Offer-related arrangements

Collins Stewart Hawkpoint and Canaccord entered into a cooperation letter on 15 December 2011 (the “**Cooperation Letter**”) as permitted by Rule 21.2(b) of the City Code, of which the terms are, in summary, that the parties:

- 9.1 shall cooperate in relation to obtaining any consents, clearances, permissions or waivers as may be necessary or expedient and making all filings and waiting periods as are required under the law, regulations or practices applied by any applicable regulatory authority in connection with the conditions set out in Part A of Part III (Conditions) above;
- 9.2 agree to use all reasonable endeavours to implement the proposals by Canaccord in relation to the existing share schemes of Collins Stewart Hawkpoint on the terms set out in the schedule to the Cooperation Letter;
- 9.3 agree, so far as is permitted under the City Code, to keep one another informed as to progress regarding, and supply of information reasonably requested by the other in relation to, the Scheme and its implementation; and
- 9.4 discuss, so far as is permitted under the City Code, any announcements relating to the Offer and any proposed changes to the timetable in relation to the Scheme to effect the acquisition in a timely manner.

10 Rights attaching to the Canaccord Shares

10.1 *General*

The Canaccord Consideration Shares to which Collins Stewart Hawkpoint Shareholders are entitled under the terms of the Scheme are Canaccord Shares, being common shares in the capital of Canaccord. The following summary description sets forth some of the general terms and provisions of the Canaccord Shares. Because this is a summary description, it does not contain all of the information that may be important to you. For a more detailed description of the Canaccord Shares, please refer to the provisions of Canaccord’s articles as the terms and provisions of the Canaccord Shares are governed by the express terms of Canaccord’s articles and applicable corporate law and not by this summary or any other information contained in this document. Accordingly, this summary is subject to, and qualified in its entirety by reference to, Canaccord’s articles and applicable corporate law.

The Canaccord Shares are listed on the Toronto Stock Exchange under the symbol “CF” and on AIM under the symbol “CF.”. Canaccord has applied to list the Canaccord Consideration Shares on the Toronto Stock Exchange, which listing will be subject to Canaccord fulfilling all the listing requirements of the Toronto Stock Exchange, and application will be made for the Canaccord Consideration Shares to be admitted to trading on AIM. Canaccord Consideration Shares will settle through CREST through Canaccord CDIs. Share certificates will be issued in respect of Canaccord Consideration Shares held in certificated form.

10.2 *Canaccord’s authorised and issued share capital*

The authorised share capital of Canaccord consists of (i) an unlimited number of Canaccord Shares, being common shares, without nominal or par value, (ii) an unlimited number of first preferred shares (“**First Preferred Shares**”), without nominal or par value, issuable in series: (a) the first series of which consists of up to 4,600,000 First Preferred Shares designated as Cumulative 5-Year Rate Reset First Preferred Shares, Series A (“**Series A First Preferred Shares**”); (b) the second series of which consists of up to 4,600,000 First Preferred Shares designated as Cumulative Floating Rate First Preferred shares, Series B (“**Series B First Preferred Shares**”); and (iii) an unlimited number of second preferred shares, without nominal or par value, issuable in series (“**Second Preferred Shares**”).

Canaccord is authorized to issue the First Preferred Shares and the Second Preferred Shares, each in one or more series having such specific rights, privileges, restrictions and conditions as the board of directors of Canaccord may fix at any time and from time to time. Canaccord may make further issuances of preferred shares in the future.

As at the date hereof, the following shares of Canaccord are outstanding: (i) 83,412,456 Canaccord Shares; and (ii) 4,540,000 Series A First Preferred Shares. There are no Series B First Preferred Shares or Second Preferred Shares outstanding as at the date hereof.

10.3 ***Rights attaching to shares in the capital of Canaccord***

Distributions, dividends and returns

Each class of preferred shares of Canaccord ranks in priority over the Canaccord Shares and any other shares of Canaccord ranking by their terms junior to such class of preferred shares and the First Preferred Shares rank in priority over the Second Preferred Shares, in each case with respect to the payment of dividends and the distribution of assets or return of capital in the event of the liquidation, dissolution or winding up of Canaccord.

Subject to the rights, privileges, restrictions and conditions attached to any preferred shares and to any other shares of Canaccord ranking senior to the Canaccord Shares with respect to priority in the payment of dividends, holders of Canaccord Shares are entitled to receive dividends if, as and when declared by the board of directors of Canaccord. Subject to the rights, privileges, restrictions and conditions attached to any preferred shares of Canaccord and to any other shares of Canaccord ranking senior to the Canaccord Shares with respect to priority in the distribution of assets upon liquidation, dissolution or winding-up of Canaccord, in the event of liquidation, dissolution or winding-up of Canaccord, whether voluntary or involuntary, or in any distribution of assets of Canaccord among its shareholders for the purpose of winding-up its affairs, the holders of Canaccord Shares will be entitled to share equally in the remaining property and assets of Canaccord.

The Canaccord Consideration Shares will not carry any right to receive any dividends or other distributions declared or paid by Canaccord with respect to Canaccord Shares with a record date prior to the date of issue of the Canaccord Consideration Shares. The board of directors of Canaccord, in its sole discretion, will determine the amount and timing of any dividends. All dividend payments will depend on general business conditions, Canaccord's financial condition, results of operations and capital requirements and such other factors as the board determines to be relevant.

Voting

Holders of Canaccord Shares are entitled to receive notice of and to vote in person or by proxy at every meeting of shareholders of Canaccord and have one vote thereat for each Canaccord Share so held, other than meetings at which only the holders of another class or series of shares are entitled to vote separately as a class or series.

The voting of shares is subject to the provisions of the Articles dealing with "significant equity interests" described below. Canaccord may require that proxies be deposited before the day set for the holding of any meeting at which the proxies are to be used.

Ownership, transfer and significant equity interests in Canaccord Consideration Shares

The Canaccord Consideration Shares to be issued in exchange for Collins Stewart Hawkpoint Shares in the Scheme or pursuant to the Offer will be issued in reliance upon exemptions from the prospectus requirements of securities legislation in each province and territory of Canada. Subject to certain disclosure and regulatory requirements and to customary restrictions applicable to distributions of shares that constitute "control distributions", Canaccord Consideration Shares issued in the Scheme or pursuant to the Offer may be resold in each province and territory in Canada, subject in certain circumstances, to the usual conditions that no unusual effort has been made to prepare the market or create demand, no extraordinary commission or consideration is paid and, if the selling shareholder

is an insider or officer of Canaccord, such shareholder has no reasonable grounds to believe that Canaccord is in default of securities legislation.

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

10.3.1 Canaccord may require a proposed subscriber or transferee of shares to submit a declaration with respect to the holding of shares of Canaccord as beneficial owner and any other matter that the directors consider relevant to determine if the registration of the subscription or transfer would result in a violation of the articles or applicable legislative or regulatory requirements. Canaccord also may require a declaration at any time if proxies are solicited from shareholders at any meeting of shareholders or before such a meeting or when, in the opinion of the directors, the holding of shares by any person could violate the articles or applicable legislative or regulatory requirements.

10.3.2 Canaccord has the power to refuse to issue or record a transfer, and to withdraw the voting rights, of any share of any class if:

- (a) following the issue or recording of the transfer, the shareholder (along with his or her associates and affiliates) would beneficially own or control, directly or indirectly, a “significant equity interest” in Canaccord, unless the required approvals from all relevant securities regulatory authorities have been obtained; or
- (b) the person requesting the issue or recording of the transfer refuses to sign and deliver a declaration with respect to his or her beneficial ownership of shares of Canaccord.

For these purposes, a “significant equity interest” in the context of Canaccord means:

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

Canaccord is entitled to sell, as agent, through a stock exchange designated by the directors of Canaccord or, in the absence of such a designation, by private contract or in any other manner, any number of shares of any class held by any person in violation of the articles, if the directors of Canaccord determine that the sale is necessary or advisable to ensure compliance with the articles and applicable legislative and regulatory requirements. Canaccord is also entitled to effect such a sale if a person fails to reply to a request for a declaration contemplated by the articles. Any such sale will be subject to certain procedural requirements (which are set out in the articles) including notice of the proposed sale.

These restrictions relating to the transfer and the issue of shares of Canaccord do not generally apply in the case of an issue or a transfer in favour of an investment dealer or a holding company of an investment dealer so long as the transfer is effected in the ordinary course of the activities of its securities business. The board of directors of Canaccord has the power to establish the rules and procedures that it considers necessary and appropriate to implement these provisions.

These restrictions on the ownership and transfer of the Canaccord Shares may have an effect on the marketability and liquidity of the Canaccord Shares.

Non-applicability of the City Code

Canaccord is a corporation incorporated under the laws of the Province of British Columbia, Canada and is managed and controlled outside the U.K. As such, the City Code does not apply to Canaccord. It is emphasised that, although the Canaccord Shares will be traded on AIM (and are intended to be traded on the Main Market of the London Stock Exchange in due course), Canaccord will not be subject to takeover regulation in the UK. It follows that holders of Canaccord Shares are not entitled to the protection afforded by the City Code.

However, securities legislation in the provinces and territories of Canada generally provides, for instance, that if any party, alone or together with others, offers to acquire Canaccord Shares which, when added to Canaccord Shares already owned by the offeror(s), constitutes in the aggregate 20 per cent. or more of the outstanding Canaccord Shares, that party or parties will be deemed to have made a “take-over bid” and will be required to comply with the provisions of applicable securities laws of the provinces and territories of Canada concerning take-over bids. Nonetheless, it should be noted that there are certain exemptions to the application of the provisions of the applicable securities laws of the provinces and territories of Canada concerning take-over bids, and the requirement to make a take-over bid to all other holders of the Canaccord Shares will only apply if no such exemption is available. The foregoing summary description of certain aspects of securities legislation in the provinces and territories of Canada is a very limited and generalised summary description of certain general aspects of applicable securities legislation of the provinces and territories of Canada concerning take-over bids, is qualified in its entirety by reference to the full text of the securities legislation of the provinces and territories of Canada and should not in any circumstances be construed as legal advice. If you have any questions in respect of this summary description, you should consult your own Canadian legal advisors.

10.4 **Ratings**

There are no current ratings or outlooks publicly accorded to Canaccord by rating agencies on a standalone basis.

However, the Series A First Preferred Shares, which Canaccord issued in June 2011, have been assigned a rating of Pfd-3 (low) with a Negative trend by DBRS Limited, as at 21 December 2011.

The Series A First Preferred Shares were initially assigned a rating of Pfd-3 (low) with a Stable trend when the Series A First Preferred Shares were first issued in June 2011. The trend was changed to Negative on 21 December 2011. DBRS Limited gave the following reasons for the change (i) the relative size of the transaction with Collins Stewart Hawkpoint (ii) the current economic and market environment and (iii) lack of clarity with respect to the longer-term financing for the cash portion of the transaction once the CIBC facility is repaid. DBRS Limited also stated that “once Canaccord

demonstrates that a successful integration has been achieved and the longer-term take-out financing has been provided, the Stable trend should be readily re-assigned, all else being equal”.

11 Sources of information and bases of calculations

- 11.1 As at the close of business on 14 December 2011, being the last business day prior to the commencement of the Offer Period, Canaccord had in issue 83,674,356 Canaccord Shares and Collins Stewart Hawkpoint had in issue 248,039,935 Collins Stewart Hawkpoint Shares. The ISIN for Canaccord Shares is CA1348011091 and for the Collins Stewart Hawkpoint Shares is GB00B1H0K107.
- 11.2 The value placed on the issued and to be issued share capital of Collins Stewart Hawkpoint as at 14 December 2011 (approximately £253.3 million) is based on 248,039,935 Collins Stewart Hawkpoint Shares in issue on 14 December 2011, being the last business day prior to the commencement of the Offer Period, and options that were anticipated to be exercised prior to the Scheme Record Time in respect of a further 15,843,551 new Collins Stewart Hawkpoint Shares. The number of options anticipated to be exercised prior to the Scheme Record Date was calculated based on the assumption that all the “in the money” options would be exercised and the 2010 LTIP could convert into shares, in order to illustrate the value the offer placed on the diluted capital. The treatment of the options as agreed between Collins Stewart Hawkpoint and Canaccord, however, means that only 2,157,533 Collins Stewart Hawkpoint shares will in fact be issued to satisfy the exercise of those options at or prior to the Scheme Record Time. Please refer to paragraph 12 of Part II (Explanatory Statement) for information on the treatment of the Collins Stewart Hawkpoint Share Schemes.
- 11.3 The value placed on the issued and to be issued share capital of Collins Stewart Hawkpoint as at 12 January 2012 (approximately £248.3 million) is based on 248,039,935 Collins Stewart Hawkpoint Shares in issue on 12 January 2012, being the latest practicable date prior to publication of this document, and outstanding options in respect of a further 15,551,417 Collins Stewart Hawkpoint Shares. The number of options anticipated to be exercised prior to the Scheme Record Date was calculated based on the assumption that all the “in the money” options would be exercised and the 2010 LTIP could convert into shares, in order to illustrate the value the offer placed on the diluted capital. The treatment of the options as agreed between Collins Stewart Hawkpoint and Canaccord, however, means that only 2,157,533 Collins Stewart Hawkpoint shares will in fact be issued to satisfy the exercise of those options at or prior to the Scheme Record Time. Please refer to paragraph 12 of Part II (Explanatory Statement) for information on the treatment of the Collins Stewart Hawkpoint Share Schemes.
- 11.4 The percentage of the Canaccord Shares as enlarged by the acquisition of Collins Stewart Hawkpoint that the Canaccord Consideration Shares to be issued pursuant to the offer are expected to represent (being 18 per cent.) is calculated on the basis of 83,412,456 Canaccord Shares in issue at 12 January 2012 (being the latest practicable date prior to publication of this document), 248,039,935 Collins Stewart Hawkpoint Shares in issue at 12 January 2012 and options being exercised prior to the Scheme Record Time in respect of a further 2,157,533 Collins Stewart Hawkpoint Shares.
- 11.5 The Closing Price of Canaccord Shares on 14 December 2011 is derived from the Toronto Stock Exchange. The Closing Price of Collins Stewart Hawkpoint Shares on 14 December 2011 is derived from the London Stock Exchange Daily Official List.
- 11.6 The information on market quotations provided in paragraph 3 of this Part IV (Additional Information) is extracted: (a) in respect of the Closing Prices of Canaccord Shares on AIM, from the London Stock Exchange Daily Official List; and (b) in respect of the Closing Prices of Canaccord Shares on the Toronto Stock Exchange, from Bloomberg; and (c) in respect of the Closing Prices of Collins Stewart Hawkpoint Shares from the London Stock Exchange Daily Official List.
- 11.7 Unless otherwise stated, the financial information relating to Collins Stewart Hawkpoint is extracted or derived from the Annual Report and the Interim Report (without any adjustment).

- 11.8 Unless otherwise stated, the financial information relating to Canaccord is extracted or derived from the Annual Report and Accounts of Canaccord for the financial year to 31 March 2011 and Canaccord's First Quarter Fiscal 2012 Results and Second Quarter Fiscal 2012 Results (without any adjustment).
- 11.9 The exchange rate between Canadian Dollars and Pounds Sterling was 1.6072 at 5.00 p.m. GMT on 14 December 2011.

12 General

- 12.1 Nomura has given and not withdrawn its written consent to the issue of this document with the inclusion of the references to its name in the form and context in which they appear.
- 12.2 Hawkpoint has given and not withdrawn its written consent to the issue of this document with the inclusion of the references to its name in the form and context in which they appear.
- 12.3 KBW has given and not withdrawn its written consent to the issue of this document with the inclusion of the references to its name in the form and context in which they appear.
- 12.4 Charles Stanley Securities has given and not withdrawn its written consent to the issue of this document with the inclusion of references to its name in the form and context in which they appear.
- 12.5 Save as disclosed in this document, there is no agreement, arrangement or understanding (including any compensation arrangement) between Canaccord or any person acting in concert with it and any of the directors, recent directors, shareholders or recent shareholders of Collins Stewart Hawkpoint, or any person interested or recently interested in Collins Stewart Hawkpoint Shares, having any connection with or dependence on or which is conditional upon the outcome of the Offer.
- 12.6 There is no agreement, arrangement or understanding whereby the beneficial ownership of any of the Collins Stewart Hawkpoint Shares to be acquired by Canaccord will be transferred to any other person, save that Canaccord reserves the right to transfer any such shares to any member of the Canaccord Group.
- 12.7 The aggregate fees and expenses which are expected to be incurred by Canaccord in connection with the Offer are estimated to amount to approximately £6,315,000 plus applicable VAT and other taxes. This aggregate number consists of the following categories:
- 12.7.1 CIBC fees of approximately £760,000 are expected to be incurred. Additional fees of up to approximately £515,000 in aggregate may become payable in the event: (i) the Credit Facility remains outstanding on certain dates following the initial borrowing date and (ii) CIBC elects to syndicate the Credit Facility and so incurs associated administrative costs. If Canaccord or any of its affiliates complete the acquisition of Collins Stewart Hawkpoint using debt financing for which CIBC has not acted as lead arranger a fee of approximately £220,000 would be payable (though this amount would not be payable if certain of the other fees referred to above have been paid);
- 12.7.2 financial and corporate broking advice: approximately £2,570,000 plus applicable taxes;
- 12.7.3 legal advice: approximately £1,270,000 plus applicable taxes;
- 12.7.4 accounting advice: approximately £380,000 plus applicable taxes;
- 12.7.5 public relations advice: approximately £30,000 plus applicable VAT;
- 12.7.6 registrar arrangements: approximately £15,000 plus applicable VAT;
- 12.7.7 internal Canaccord costs and expenses: £480,000 plus applicable taxes; and
- 12.7.8 fees payable to the Panel: approximately £75,000.

- 12.8 The aggregate fees and expenses which are expected to be incurred by Collins Stewart Hawkpoint Group in connection with the Offer are estimated to amount to approximately £1,980,000 plus applicable VAT. This aggregate number consists of the following categories:
- 12.8.1 financial and corporate broking advice: £1,450,000 plus applicable VAT;
 - 12.8.2 legal advice: £375,000 plus applicable VAT;
 - 12.8.3 accounting advice: £65,000 plus applicable VAT; and
 - 12.8.4 public relations advice: approximately £90,000 plus applicable VAT.
- 12.9 Save as disclosed in this document, there has been no significant change in the financial or trading position of the Collins Stewart Hawkpoint Group since 30 June 2011, being the date to which Collins Stewart Hawkpoint's last published interim accounts were prepared.
- 12.10 Save as disclosed in this document, there has been no significant change in the financial or trading position of Canaccord since 30 September 2011, being the date to which Canaccord's last published interim accounts were prepared.
- 12.11 Save as disclosed in this document, the emoluments of the Collins Stewart Hawkpoint Directors will not be affected by the Offer or any other associated transaction.
- 12.12 There is no agreement or arrangement to which Canaccord is a party which relates to the circumstances in which it may or may not invoke a condition to the Scheme.

13 Documents available for inspection

Until and including the Effective Date (or the date on which the Scheme lapses or is withdrawn, if earlier) copies of the following documents will be available via the link on Collins Stewart Hawkpoint's website at: www.collinsstewarthawkpoint.com; and at Canaccord's website at: www.canaccordfinancial.com.

- 13.1 articles of association of Collins Stewart Hawkpoint;
- 13.2 the notice of articles and articles of association of Canaccord;
- 13.3 the letters of consent referred to in paragraphs 12.1 to 12.4 of this Part IV (Additional Information);
- 13.4 the material contracts referred to in paragraph 7 of this Part IV (Additional Information);
- 13.5 a full list of the dealings aggregated in paragraphs 4.3 and 4.5 of this Part IV (Additional Information);
- 13.6 the irrevocable undertakings and letters of intent referred to in paragraph 5 of this Part IV (Additional Information);
- 13.7 the Cooperation Letter referred to in paragraph 9 of this Part IV (Additional Information);
- 13.8 the senior secured credit agreement referred to in paragraph 9 of Part II (Explanatory Statement) and paragraph 7.2 of this Part IV (Additional Information);
- 13.9 the Annual Report and Accounts of Collins Stewart Hawkpoint for the financial year ended 31 December 2010, together with the audit reports on them;
- 13.10 the Annual Report and Accounts of Collins Stewart Hawkpoint for the financial year ended 31 December 2009, together with the audit reports on them;
- 13.11 the Interim Results of Collins Stewart Hawkpoint for the six months ended 30 June 2011;
- 13.12 the Annual Report and Accounts of Canaccord for the financial year ended 31 March 2010, together with the audit reports on them;

- 13.13 the Annual Report and Accounts of Canaccord for the financial year ended 31 March 2011, together with the audit reports on them;
- 13.14 the Earnings Release of Canaccord for Q1 2012 ended 30 June 2011;
- 13.15 the Earnings Release of Canaccord for Q2 2012 ended 30 September 2011; and
- 13.16 this document (including any documents incorporated into this document by reference) and the Forms of Proxy.

PART V

THE SCHEME OF ARRANGEMENT

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT

No. 103 of 2012

IN THE MATTER OF COLLINS STEWART HAWKPOINT PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006

SCHEME OF ARRANGEMENT
(under Part 26 of the Companies Act 2006)

BETWEEN

COLLINS STEWART HAWKPOINT PLC

AND

THE HOLDERS OF SCHEME SHARES
(as hereinafter defined)

PRELIMINARY

- (A) In this Scheme, unless inconsistent with the subject or context, the following expressions have the following meanings:

business day: any day which is not a Saturday, Sunday or a bank or public holiday in England

Canaccord: Canaccord Financial Inc., a public corporation incorporated under the laws of the province of British Columbia, Canada with its registered office at Suite 1000-840 Howe Street, Vancouver, British Columbia, Canada V6Z 2M1

Canaccord Group: Canaccord, its subsidiaries and subsidiary undertakings

Canaccord Shares: common shares in the capital of Canaccord, without nominal or par value

Capital Reduction: the proposed reduction of Collins Stewart Hawkpoint's share capital provided for by the Scheme under section 641 of the Companies Act

Capital Reduction Hearing: the hearing by the Court to confirm the Capital Reduction and to authorise the re-registration of Collins Stewart Hawkpoint as a private company under section 651 of the Companies Act, at which the Reduction Court Order is expected to be granted

CDI: CREST depository interest

certificated or in certificated form: not in uncertificated form (that is, not in CREST)

Collins Stewart Hawkpoint or the Company: Collins Stewart Hawkpoint plc, a public company incorporated in England and Wales with registered number 05807587

Collins Stewart Hawkpoint Share Schemes:

- (i) the Collins Stewart plc Annual Bonus Equity Deferral Plan;
- (ii) the Collins Stewart Long Term Incentive Plan;
- (iii) the Collins Stewart Share Savings Plan;
- (iv) the Collins Stewart plc 2010 Long Term Incentive Plan;
- (v) the Collins Stewart Tullett plc Unapproved Share Option Scheme;
- (vi) the Collins Stewart Tullett plc Unapproved Share Option Scheme No.2;
- (vii) the Collins Stewart Tullett plc Company Share Option Plan;
- (viii) the Andersen Charnley Limited Stand-alone Option;
- (ix) the Corazon Capital Group Limited Share Plan; and
- (x) the Hawkpoint Holdings 2007 Share Option Plan

Collins Stewart Hawkpoint Shares: the existing unconditionally allotted or issued and fully paid ordinary shares of 25 pence each in the capital of Collins Stewart Hawkpoint and any further such ordinary shares which are unconditionally allotted before the Scheme becomes effective

Companies Act: the Companies Act 2006 (as amended, modified, consolidated, re-enacted or replaced from time to time)

Court: the High Court of Justice in England and Wales

Court Meeting: the meeting (or any adjournment thereof) of the Scheme Shareholders to be convened by order of the Court pursuant to Part 26 of the Companies Act to consider and, if thought fit, approve the Scheme (with or without modification)

CREST: the relevant system (as defined in the CREST Regulations), in respect of which Euroclear is the operator (as defined in the CREST Regulations)

CREST Manual: the CREST Manual published by Euroclear, as amended from time to time

CREST Regulations: the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended from time to time

Effective Date: the date on which this Scheme becomes effective

Euroclear: Euroclear UK & Ireland Limited

holder: a registered holder (including any person(s) entitled by transmission)

Option Scheme Shares: Scheme Shares held by or for the account of any Scheme Shareholder as a result of the vesting and/or exercise of Options

Options: options and/or awards over Collins Stewart Hawkpoint Shares granted under the Collins Stewart Hawkpoint Share Schemes

Reduction Court Order: the order of the Court confirming the Capital Reduction under section 641 of the Companies Act provided for by the Scheme and authorising the re-registration of Collins Stewart Hawkpoint as a private company under Section 651 of the Companies Act

Scheme: this proposed scheme of arrangement made under Part 26 of the Companies Act between Collins Stewart Hawkpoint and the Scheme Shareholders (with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Canaccord and Collins Stewart Hawkpoint)

Scheme Court Hearing: the hearing by the Court of the application to sanction this Scheme under Part 26 of the Companies Act

Scheme Document: the circular to holders of Collins Stewart Hawkpoint Shares, of which this Scheme forms part

Scheme Record Time: 6.00 p.m. (London time) on the third business day before the date of the Capital Reduction Hearing

Scheme Shareholder(s): holder(s) of Scheme Shares

Scheme Shares: the Collins Stewart Hawkpoint Shares:

- (i) in issue at the date of the Scheme Document;
- (ii) (if any) issued after the date of the Scheme Document and prior to the Voting Record Time; or
- (iii) (if any) issued at or after the Voting Record Time and at or prior to the Scheme Record Time either on terms that the original or any subsequent holders thereof shall be bound by the Scheme and/or in respect of which the original or any subsequent holders thereof are, or shall have agreed in writing to be, bound by the Scheme,

in each case other than any Collins Stewart Hawkpoint Shares of which any member of the Canaccord Group is the holder or in which any member of the Canaccord Group is beneficially interested

Statement of Capital: the statement of capital (approved by the Court) showing with respect to Collins Stewart Hawkpoint's share capital, as altered by the Reduction Court Order, the information required by section 649 of the Companies Act

TTE Instruction: a transfer to escrow instruction as defined in the CREST Manual

uncertificated or in uncertificated form: recorded on the relevant register of members as being held in uncertificated form and title to which may, by virtue of the CREST Regulations, be transferred by means of CREST

United States or US: the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia

Voting Record Time: 6.00 p.m. (London time) on the day which is two days before the date of the Court Meeting or, if the Court Meeting is adjourned, 6.00 p.m. (London time) on the day which is two days before the date of such adjourned meeting

and references to clauses are to clauses of this Scheme and all times referred to in this Scheme are London times unless otherwise specified.

- (B) The issued share capital of the Company as at the close of business on 12 January 2012 was £62,009,983.75, divided into 248,039,935 Collins Stewart Hawkpoint Shares, all of which were credited as fully paid.
- (C) Prior to the date of the Scheme Court Hearing, Canaccord will be allotted and will become registered holder and beneficial owner of one deferred share of £1 in the capital of Collins Stewart Hawkpoint.
- (D) Canaccord has agreed to appear by Counsel at the Scheme Court Hearing and to undertake to the Court to be bound by the Scheme and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to the Scheme.

THE SCHEME

1 Cancellation of the Scheme Shares

- 1.1 The capital of the Company shall be reduced by cancelling and extinguishing all of the Scheme Shares.
- 1.2 Subject to and forthwith upon the said reduction of capital taking effect, the reserve arising in the books of account of the Company as a result of the said reduction of capital shall be capitalised and applied in paying up in full at par such number of new Collins Stewart Hawkpoint Shares as shall be equal to the number of Scheme Shares cancelled pursuant to clause 1.1, which shall be allotted and issued credited as fully paid up free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature whatsoever to Canaccord and/or its nominee(s).

2 Consideration for the cancellation of the Scheme Shares

- 2.1 In consideration for the cancellation of the Scheme Shares and the allotment and issue of new Collins Stewart Hawkpoint Shares as provided in clause 1, Canaccord shall pay or procure to be paid to or for the account of the holders of Scheme Shares (as appearing in the register of members of the Company at the Scheme Record Time), in accordance with the provisions of clause 4:

**for each Scheme Share 57.6 pence in cash and
0.072607 Canaccord Shares**

- 2.2 The aggregate number of Canaccord Shares to which a holder of Scheme Shares shall be entitled under clause 2.1 shall be rounded down to the nearest whole number. No fractions of Canaccord Shares shall be allotted to any holder of Scheme Shares. All fractions to which, but for this clause 2.2, holders of Scheme Shares would have become entitled shall be sold in the market with net proceeds of such sales, to the extent that they exceed £5, being paid to the persons who would be entitled to such fractions.
- 2.3 The Canaccord Shares to be issued pursuant to clause 2.1 shall rank equally in all respects with the existing Canaccord Shares and shall be entitled to receive any dividends or other distributions declared or paid by Canaccord in respect of common shares of Canaccord with a record date on or after the date of their issue.

3 Overseas Shareholders

- 3.1 The provisions of clause 2 shall be subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, if, in respect of any holder of Scheme Shares with a registered address in a jurisdiction outside the United Kingdom, or whom Canaccord reasonably believes to be a citizen, resident or national of a jurisdiction outside the United Kingdom Canaccord is advised that the allotment and/or issue of Canaccord Shares pursuant to clause 2 would or may infringe the laws of such jurisdiction or would or may require Canaccord to comply with any governmental or other consent or any registration, filing or other formality with which Canaccord is unable to comply or compliance with which Canaccord regards as unduly onerous, Canaccord may, in its sole discretion determine that such Canaccord Shares shall be sold on behalf of the Scheme Shareholder concerned, by instructing a broker to obtain the best price which can reasonably be obtained in the market at the time of sale, and the net proceeds of such sale (having deducted all expenses) shall be paid to the person entitled thereto to the extent that such proceeds exceed £5.
- 3.2 The proceeds of such sale, to the extent that they exceed £5, shall be paid to such holder by sending a cheque or creating an assured payment obligation in accordance with the provisions of clause 4.1.
- 3.3 In the absence of bad faith or wilful default, none of the Company, Canaccord or the person or nominee appointed by Canaccord to sell the relevant shares shall have any liability for any loss or damage arising as a result of the timing or terms of such sale.

4 Settlement

4.1 Not later than 14 days after the Effective Date, Canaccord shall:

4.1.1 allot and issue the Canaccord Shares which it is required to allot and issue to holders of Scheme Shares pursuant to this Scheme and:

- (a) in the case of Scheme Shares which at the Scheme Record Time are in certificated form, procure the despatch of (i) certificates for such Canaccord Shares and (ii) cheques for such cash consideration to the persons entitled thereto in accordance with clause 4.2; and
- (b) in the case of Scheme Shares which at the Scheme Record Time are in uncertificated form, procure that Euroclear is instructed (i) to credit the appropriate stock account in CREST of the relevant holder with such holder's entitlement to CDIs representing Canaccord Shares and (ii) to create assured payment obligations in favour of the appropriate account in CREST of the relevant holder with such holder's entitlement to the cash consideration, provided that Canaccord reserves the right to settle all or part of such consideration in the manner set out in clause 4.1.1(a) if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this clause 4.1.1(b);

4.1.2 in the case of Canaccord Shares sold pursuant to clause 3.1 on behalf of holders of Scheme Shares which at the Scheme Record Time are in certificated form, procure the despatch to the persons entitled thereto in accordance with clause 4.2 of cheques for the sums payable to them respectively in accordance with clause 3; and

4.1.3 in the case of Canaccord Shares sold pursuant to clause 3.1 on behalf of holders of Scheme Shares which at the Scheme Record Time are in uncertificated form, procure that Euroclear is instructed to create an assured payment obligation in favour of the payment bank of the persons entitled thereto in accordance with the CREST assured payment arrangements for the sums payable to them respectively in accordance with clause 3, provided that Canaccord reserves the right to make payment of the said sums by cheque as set out in clause 4.1.2 if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this clause 4.1.3

save that, in the case of Option Scheme Shares, Canaccord shall pay any cash consideration due through such means (including payroll) and subject to such deductions (including for any exercise price, tax and social security (or similar liabilities) due) as is agreed with the Board of Collins Stewart Hawkpoint.

4.2 All deliveries of cheques and share certificates required to be made pursuant to this Scheme shall be effected by sending the same by first class post addressed to the persons entitled thereto at their respective addresses, as appearing in the register of members of Collins Stewart Hawkpoint as at the Scheme Record Time or, in the case of joint holders, at the registered address of the joint holder whose name stands first in such register at such time (except in either case as otherwise directed in writing by the relevant holder or joint holders).

4.3 All cheques shall be in pounds sterling drawn on a UK clearing bank and shall be made payable to the person to whom, in accordance with the foregoing provisions of this clause 4, the envelope containing the same is addressed. The encashment of any such cheque shall be a complete discharge of Canaccord's obligation under this Scheme to pay the monies represented thereby. The creation of an appropriate assured payment obligation as set out in clause 4.1.1(b) or clause 4.1.3 shall be a complete discharge of Canaccord's obligation under the Scheme with references to payments through the CREST system.

4.4 None of Collins Stewart Hawkpoint, Canaccord, or their respective agents and/or nominee(s) shall be responsible for any loss or delay in the posting or transmission of any documents, remittance, cheques

or share certificates sent or transmitted in accordance with this Scheme which shall be sent at the risk of the persons entitled thereto.

- 4.5 The provisions of this clause 4 shall be subject to any condition or prohibition imposed by law.

5 Share Certificates and cancellations

With effect from, and including, the Effective Date:

- 5.1 all certificates representing Scheme Shares shall cease to have effect as documents of title to the Scheme Shares comprised therein and every Scheme Shareholder shall be bound at the request of the Company to deliver up the same for cancellation to the Company or as it may direct or to destroy the same; and
- 5.2 Euroclear shall be instructed to cancel the entitlements of Scheme Shareholders to Scheme Shares in uncertificated form. As regards uncertificated Scheme Shares, appropriate entries will be made in the register of members of the Company with effect from the Effective Date to reflect their cancellation.

6 Effective Date

- 6.1 This Scheme shall become effective as soon as office copies of the order of the Court sanctioning this Scheme under section 899 of the Companies Act and confirming the reduction of capital provided for by this Scheme under section 648 of the Companies Act together with the Statement of Capital shall have been delivered to the Registrar of Companies in England and Wales for registration.
- 6.2 Unless this Scheme shall have become effective on or before 15 June 2012, or such later date, if any, as the Company and Canaccord may agree and the Court and the Panel on Takeovers and Mergers may allow, this Scheme shall never become effective.

7 Modification

The Company and Canaccord may jointly consent on behalf of all concerned to any modification of, or addition to, this Scheme or to any condition which the Court may approve or impose.

8 Governing law

This Scheme is governed by English law and is subject to the jurisdiction of the English courts.

Dated 14 January 2012

PART VI

INCORPORATION OF INFORMATION BY REFERENCE

1 Incorporation of information by reference

- 1.1 The following information is incorporated by reference into this document, in accordance with Rule 24.15 of the City Code:

<i>Document</i>	<i>Information incorporated by reference</i>
Annual report and accounts of Collins Stewart Hawkpoint for the financial year ended 31 December 2010, together with the audit reports on them (available for viewing on Collins Stewart Hawkpoint's website at http://www.collinsstewarhawkpoint.com/Downloads/ReportAndAccounts/RandA_2010.pdf).	Audited consolidated financial information (pages 39-77)
Annual report and accounts of Collins Stewart Hawkpoint for the financial year ended 31 December 2009, together with the audit reports on them (available for viewing on Collins Stewart Hawkpoint's website at http://www.collinsstewarhawkpoint.com/Results/index.html).	Audited consolidated financial information (pages 52-112)
Interim results of Collins Stewart Hawkpoint for the six months ended 30 June 2011 (available for viewing on Collins Stewart Hawkpoint's website at http://www.collinsstewarhawkpoint.com/Downloads/ReportAndAccounts/Interims_2011.pdf).	
Annual report of Canaccord for the financial year ended 31 March 2010, together with the audit reports on them (available for viewing on Canaccord's website at http://www.canaccordfinancial.com/EN/IR/FinReports/Documents/2010%20Annual%20Report%20-%20EN.pdf).	Audited consolidated financial information (pages 51-76)
Annual report of Canaccord for the financial year ended 31 March 2011, together with the audit reports on them (available for viewing on Canaccord's website at http://www.canaccordfinancial.com/EN/IR/Documents/Canaccord_AR_eng_2011.pdf).	Audited consolidated financial information (pages 67-94)
Earnings release for Q1 2012 ended 30 June 2011 (available for viewing on Canaccord's website at http://www.canaccordfinancial.com/EN/Documents/Canaccord_Q1_2012_Aug3_V14%20FINAL.pdf).	Unaudited consolidated financial information (pages 27-58)
Earnings release for Q2 2012 ended 30 September 2011 (available for viewing on Canaccord's website at http://www.canaccordfinancial.com/EN/Documents/Q212%20Canaccord%20Quarterly%20Report_FINAL.pdf).	Unaudited consolidated financial information (pages 29-49)

This information is available in “read only” format for viewing or downloading, free of charge, on the websites listed above.

- 1.2 Collins Stewart Hawkpoint will send within two business days, without charge, to each person to whom a copy of this document has been sent, on their request, a copy of any documents incorporated by reference in this document. Requests should be addressed to the Registrars, Capita Registrars, at PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, or made by telephoning the shareholder helpline on between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (except UK public holidays) on 0871 664 0300 from within the UK or on +44 20 8638 3399 if calling from outside the UK. Calls to the 0871 664 0300 number cost 10 pence per minute (including VAT) plus your service provider’s network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and call may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Scheme nor give any financial, legal or tax advice.

2 No incorporation of website information

Save as expressly referred to herein, neither the content of Collins Stewart Hawkpoint’s website nor the content of Canaccord’s website, nor the content of any website accessible from hyperlinks on either Collins Stewart Hawkpoint or Canaccord’s websites, is incorporated into or forms part of this document.

PART VII

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise.

Aberforth:	Aberforth Partners LLP
AIM:	the AIM market of the London Stock Exchange
AIM Rules:	the AIM Rules for Companies and Nomads
Admission:	the admission of the Canaccord Consideration Shares to trading on AIM in accordance with the AIM Rules and the listing of the Canaccord Consideration Shares on the Toronto Stock Exchange
Annual Report:	the annual report and accounts of Collins Stewart Hawkpoint for the year ended 31 December 2010
Blackrock:	Blackrock Investment Management (UK) Limited
Board of Canaccord:	the Canaccord Directors
Board of Collins Stewart Hawkpoint:	the Collins Stewart Hawkpoint Directors
business day:	any day which is not a Saturday, Sunday or a bank or public holiday in England
C\$:	Canadian Dollars
Canaccord:	Canaccord Financial Inc., a public corporation incorporated under the laws of the Province of British Columbia Canada with its registered office at Suite 1000-840 Howe Street, Vancouver, British Columbia, Canada, V6Z 2M1
Canaccord CDI:	a CREST depository interest representing an entitlement to a Canaccord Share
Canaccord Consideration Shares:	new Canaccord Shares to be allotted and issued to Collins Stewart Hawkpoint Shareholders pursuant to the terms and conditions of the Scheme should the Scheme become effective, which are to be issued to holders of Collins Stewart Hawkpoint Shares in uncertificated form in the form of Canaccord CDIs
Canaccord Directors:	the directors of Canaccord as at the date of this document, whose names are set out in paragraph 2.2 of Part IV (Additional Information) of this document
Canaccord Genuity Limited:	the UK arm of the global capital markets division of Canaccord
Canaccord Group:	Canaccord, its subsidiaries and subsidiary undertakings
Canaccord Shares:	common shares in the capital of Canaccord, without nominal or par value
Capital Reduction:	the proposed reduction of Collins Stewart Hawkpoint's share capital provided for by the Scheme under section 641 of the Companies Act
Capital Reduction Hearing:	the hearing by the Court to confirm the Capital Reduction and to authorise the re-registration of Collins Stewart Hawkpoint as a

	private company under section 651 of the Companies Act, at which the Reduction Court Order is expected to be granted
CDI:	CREST depository interest
certificated or in certificated form:	not in uncertificated form (that is, not in CREST)
Charles Stanley Securities:	Charles Stanley Securities, a division of Charles Stanley & Co. Ltd
City Code or Code:	the City Code on Takeovers and Mergers, as amended from time to time
Closing Price:	in the case of Collins Stewart Hawkpoint Shares, the last closing quotation of a Collins Stewart Hawkpoint Share as derived from the Daily Official List, and in the case of Canaccord Shares, the last closing quotation of a Canaccord Share as derived from the Toronto Stock Exchange
Collins Stewart Hawkpoint or the Company:	Collins Stewart Hawkpoint plc, a public company incorporated in England and Wales with registered number 05807587
Collins Stewart Hawkpoint Directors:	the directors of Collins Stewart Hawkpoint as at the date of this document, whose names are set out in paragraph 2.1 of Part IV (Additional Information) of this document
Collins Stewart Hawkpoint Group:	Collins Stewart Hawkpoint, its subsidiaries and subsidiary undertakings
Collins Stewart Hawkpoint Non-Executive Directors:	the non-executive directors of Collins Stewart Hawkpoint as at the date of this document, whose names are set out in paragraph 2.1 of Part IV (Additional Information) of this document
Collins Stewart Hawkpoint Shareholder(s):	the holder(s) of Collins Stewart Hawkpoint Shares from time to time
Collins Stewart Hawkpoint Shares:	the existing unconditionally allotted or issued and fully paid ordinary shares of 25 pence each in the capital of Collins Stewart Hawkpoint and any further such ordinary shares which are unconditionally allotted before the Scheme becomes effective
Collins Stewart Hawkpoint Share Schemes:	<ul style="list-style-type: none"> (i) the Collins Stewart plc Annual Bonus Equity Deferral Plan; (ii) the Collins Stewart Long Term Incentive Plan; (iii) the Collins Stewart Share Savings Plan; (iv) the Collins Stewart plc 2010 Long Term Incentive Plan; (v) the Collins Stewart Tullett plc Unapproved Share Option Scheme; (vi) the Collins Stewart Tullett plc Unapproved Share Option Scheme No.2; (vii) the Collins Stewart Tullett plc Company Share Option Plan; (viii) the Andersen Charnley Limited Stand-alone Option; (ix) the Corazon Capital Group Limited Share Plan; and (x) the Hawkpoint Holdings 2007 Share Option Plan
Companies Act:	the Companies Act 2006 (as amended, modified, consolidated, re-enacted or replaced from time to time)

Conditions:	the conditions of the Offer set out in Part A of Part III (Conditions) of this document and a “Condition” shall mean any one of them
Court:	the High Court of Justice in England and Wales
Court Hearings:	the Scheme Court Hearing and the Capital Reduction Hearing
Court Meeting:	the meeting (or any adjournment thereof) of the Scheme Shareholders to be convened by order of the Court pursuant to Part 26 of the Companies Act to consider and, if thought fit, approve the Scheme (with or without modification), notice of which is set out in Part VIII (Notice of Court Meeting) of this document (including any adjournment thereof)
Court Order(s):	the Scheme Court Order and the Reduction Court Order, respectively, or, where the context requires, either of them
Credit Facility:	the bank facility defined in paragraph 7.2(b) of Part IV (Additional Information)
CREST:	the relevant system (as defined in the CREST Regulations), in respect of which Euroclear is the operator (as defined in the CREST Regulations)
CREST Manual:	the CREST Manual published by Euroclear, as amended from time to time
CREST Regulations:	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) as amended from time to time
Daily Official List:	the daily official list of the London Stock Exchange
Effective Date:	the date on which the Scheme becomes effective
Euroclear:	Euroclear UK & Ireland Limited
Excluded Overseas Shareholder:	in relation to an offer to sell or an invitation or the solicitation of an offer to subscribe for or buy any Canaccord Consideration Shares, any Scheme Shareholder in any jurisdiction: (i) in which such offer or invitation is not authorised; (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) in which, or to any person to whom, it is unlawful to make such offer, solicitation or invitation or where such offer, solicitation or invitation would impose any unfulfilled registration, qualification, publication or approval requirements on Collins Stewart Hawkpoint, Canaccord or any of their respective, directors, officers, agents and advisers
Form(s) of Proxy:	the BLUE Form of Proxy for use at the Court Meeting and the WHITE Form of Proxy for use at the General Meeting (or either of them as the context may require), which are being sent to Collins Stewart Hawkpoint Shareholders with this document
FSA or Financial Services Authority:	the United Kingdom Financial Services Authority and any successor or replacement regulatory body or bodies
General Meeting:	the general meeting (or any adjournment thereof) of the Collins Stewart Hawkpoint Shareholders to be convened in connection with the Scheme, expected to be held as soon as the preceding Court Meeting shall have been concluded or adjourned

Hawkpoint:	Hawkpoint Partners Limited
HMRC:	HM Revenue & Customs
holder:	a registered holder (including any person(s) entitled by transmission)
IFRS:	International Financial Reporting Standards
Interim Report:	the interim results of Collins Stewart Hawkpoint for the six months ended 30 June 2011
KBW:	Keefe, Bruyette & Woods Inc. and Keefe, Bruyette and Woods Limited, acting as exclusive financial advisor to Canaccord
LIBOR:	the London interbank offered rate, which is the variable rate of interest charged by a bank when lending to other banks in the London inter-bank market
Listing Rules:	the listing rules made by the FSA in its capacity as the UK Listing Authority under the Financial Services and Markets Act 2000 as amended from time to time and contained in the FSA's publication of the same name
London Stock Exchange:	London Stock Exchange plc
Meeting(s):	the Court Meeting and/or the General Meeting, as the case may be
Nomura:	Nomura International plc
Offer:	the proposed acquisition of the entire issued and to be issued share capital of Collins Stewart Hawkpoint by Canaccord to be implemented by means of the Scheme (or if Canaccord so elects, a Takeover Offer) on the terms and subject to the Conditions set out in this document and, where the context admits, any subsequent revision, variation, extension or renewal thereof
Offer Period:	the period commencing on 15 December 2011 and ending on the Effective Date (or such other date as the Panel may determine), provided that references to the Offer Period in paragraph 4 of Part IV (Additional Information) of this document are to the Offer Period up to the close of business on 12 January 2012 (being the latest practicable date before the posting of this document)
Official List:	the Official List of the UK Listing Authority
Option Scheme Shares:	Scheme Shares held by or for the account of any Scheme Shareholder as a result of the vesting and/or exercise of Options
Options:	options and/or awards over Collins Stewart Hawkpoint Shares granted under the Collins Stewart Hawkpoint Share Schemes
Oriel:	Oriel Securities Limited, corporate brokers to Collins Stewart Hawkpoint
Overseas Shareholders:	Scheme Shareholders who are resident in or nationals or citizens of jurisdictions outside the United Kingdom or who are nominees of, or custodians or trustees for, citizens or nationals of countries other than the United Kingdom
Panel:	the Panel on Takeovers and Mergers

Pounds sterling or £:	UK pounds sterling (and references to “pence” or “p” shall be construed accordingly)
Press Announcement:	the joint announcement relating to the Offer made by Canaccord and Collins Stewart Hawkpoint pursuant to Rule 2.7 of the City Code on 15 December 2011
Reduction Court Order:	the order of the Court confirming the Capital Reduction under section 641 of the Companies Act provided for by the Scheme and authorising the re-registration of Collins Stewart Hawkpoint as a private company under Section 651 of the Companies Act
Registrar of Companies:	the Registrar of Companies in England and Wales
Registrars:	Capita Registrars of The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, registrars to Collins Stewart Hawkpoint
Regulatory Information Service:	any of the services authorised by the FSA from time to time for the purpose of disseminating regulatory announcements
Relevant Regulator:	in respect of Collins Stewart Hawkpoint or any member of the Wider Collins Stewart Hawkpoint Group, each and any regulatory authority to the supervision and/or authorisation of which it is subject whether statutory, self-regulatory or otherwise, including, without limitation, the FSA, any settlement system, stock exchange or listing authority
Resolutions:	the resolutions to be proposed at the General Meeting in connection with, <i>inter alia</i> , the Capital Reduction
Scheme or Scheme of Arrangement:	the proposed scheme of arrangement made under Part 26 of the Companies Act between Collins Stewart Hawkpoint and the Scheme Shareholders (with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Canaccord and Collins Stewart Hawkpoint) particulars of which are set out in Part IV (Additional Information) of this document, in its present form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Collins Stewart Hawkpoint and Canaccord
Scheme Court Hearing:	the hearing by the Court of the application to sanction the Scheme under Part 26 of the Companies Act
Scheme Court Order:	the order of the Court sanctioning the Scheme under Part 26 of the Companies Act
Scheme Document:	this document
Scheme Record Time:	6.00 p.m. (London time) on the third business day before the Capital Reduction Hearing
Scheme Shareholder(s):	holder(s) of Scheme Shares
Scheme Shares:	the Collins Stewart Hawkpoint Shares: <ul style="list-style-type: none"> (i) in issue at the date of the Scheme Document; (ii) (if any) issued after the date of the Scheme Document and prior to the Voting Record Time; or

- (iii) (if any) issued at or after the Voting Record Time and at or prior to the Scheme Record Time either on terms that the original or any subsequent holders thereof shall be bound by the Scheme and/or in respect of which the original or any subsequent holders thereof are, or shall have agreed in writing to be, bound by the Scheme,

in each case other than any Collins Stewart Hawkpoint Shares of which any member of the Canaccord Group is the holder or in which any member of the Canaccord Group is beneficially interested

Securities Act:	the US Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
Statement of Capital:	the statement of capital (approved by the Court) showing with respect to Collins Stewart Hawkpoint's share capital, as altered by the Reduction Court Order, the information required by Section 649 of the Companies Act
TTE Instruction:	a transfer to escrow instruction as defined in the CREST Manual
UK or United Kingdom:	the United Kingdom of Great Britain and Northern Ireland
uncertificated or in uncertificated form:	recorded on the relevant register of members as being held in uncertificated form and title to which may, by virtue of the CREST Regulations, be transferred by means of CREST
United States or US:	the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia
US Securities Exchange Act:	the US Securities Exchange Act of 1934 (as amended) and the rules and regulations promulgated thereunder
Voting Record Time:	6.00 p.m. (London time) on the day which is two days before the date of the Court Meeting or, if the Court Meeting is adjourned, 6.00 p.m. on the day which is two days before the date of such adjourned meeting
Wider Canaccord Group:	Canaccord, its subsidiaries, subsidiary undertakings and associated undertakings and any other body corporate, partnership, joint venture or person in which Canaccord and such undertakings (aggregating their interests) have a direct or indirect interest of 20 per cent. or more of the voting or equity capital or the equivalent
Wider Collins Stewart Hawkpoint Group:	Collins Stewart Hawkpoint, its subsidiaries, subsidiary undertakings and associated undertakings and any other body corporate, partnership, joint venture or person in which Collins Stewart Hawkpoint and such undertakings (aggregating their interests) have a direct or indirect interest of 20 per cent. or more of the voting or equity capital or the equivalent

Unless otherwise indicated, all references in this document to times are to London times.

For the purposes of this document, the terms "subsidiary", "subsidiary undertaking", "undertaking" and "associated undertaking" shall be construed in accordance with Sections 1159 to and including 1162 of and Schedules 6 and 7 to the Companies Act.

PART VIII

NOTICE OF COURT MEETING

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT
REGISTRAR BARBER

No. 103 of 2012

IN THE MATTER OF COLLINS STEWART HAWKPOINT PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006

NOTICE IS HEREBY GIVEN that, by an Order dated 12 January 2012 made in the above matters, the Court has directed a meeting (the “**Court Meeting**”) to be convened of the holders of Scheme Shares (as defined in the scheme of arrangement referred to below) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement (the “**Scheme**”) proposed to be made pursuant to Part 26 of the Companies Act 2006 (the “**Act**”) between Collins Stewart Hawkpoint plc (“**Collins Stewart Hawkpoint**” or the “**Company**”), and the holders of the Scheme Shares and that the Court Meeting will be held at 88 Wood Street, London EC2V 7QR on 9 February 2012, at 2.00 p.m., at which place and time all holders of Scheme Shares are requested to attend.

Copies of the Scheme and of the explanatory statement required to be published pursuant to section 897 of the Act are incorporated in the document of which this notice forms part.

Voting on the resolution to approve the Scheme will be by poll, which shall be conducted as the Chairman of the Court Meeting may determine.

Right to Appoint a Proxy; Procedure for Appointment

Scheme Shareholders entitled to attend and vote at the Court Meeting may vote in person at such meeting or they may appoint another person or persons, whether a member of the Company or not, as their proxy or proxies, to exercise all or any of their rights to attend, speak and vote at the Court Meeting.

A BLUE Form of Proxy, for use at the Court Meeting, is enclosed with this notice. Instructions for its use are set out on the form. It is requested that the BLUE Form of Proxy (together with any power of attorney or other authority, if any, under which it is signed, or a duly certified copy thereof) be returned to the Company’s Registrars, Capita Registrars, at PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by post or (during normal business hours only) by hand, not later than 2.00 p.m. (London time) on 7 February 2012 or, in the case of an adjournment of the Court Meeting, 48 hours before the time appointed for the adjourned meeting. However, if not so lodged, BLUE Forms of Proxy (together with any such authority, if applicable) may be handed to the Registrars, on behalf of the chairman of the Court Meeting, at the Court Meeting.

As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend and to speak and vote at a meeting of the Company. A proxy does not need to be a member of the Company. You may appoint more than one proxy in relation to a meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by you. If you require additional proxy forms in order to appoint more than one proxy, please contact the Company’s registrar on 0871 664 0300.

If you appoint a proxy, this does not preclude you from attending the meeting and voting in person.

Members who hold their shares in uncertificated form through CREST who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. Further details concerning these procedures are set out on page 8 the document of which this Notice forms part.

Completion and return of a Form of Proxy, or the appointment of a proxy electronically using CREST (or any other procedure described on page 8 of the document of which this Notice forms part), will not prevent a holder of Scheme Shares from attending, speaking and voting in person at the Court Meeting, or any adjournment thereof, if such Shareholder wishes and is entitled to do so.

Voting Record Time

Entitlement to attend, speak and vote at the Court Meeting or any adjournment thereof and the number of votes which may be cast at the Court Meeting, will be determined by reference to the register of members of the Company at 6.00 p.m. (London time) on 7 February 2012 or, if the Court Meeting is adjourned, 6.00 p.m. (London time) on the date two days before the date fixed for the adjourned meeting. Changes to the register of members after the relevant time shall be disregarded in determining the rights of any person to attend, speak and vote at the Court Meeting.

Joint Holders

In the case of joint holders of Scheme Shares, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s). For this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

Corporate Representatives

As an alternative to appointing a proxy, any Scheme Shareholder which is a corporation may appoint one or more corporate representatives who may exercise on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

By the said Order, the Court has appointed Tim Ingram or, failing him, Mark Brown or, failing him, John Cotter, to act as Chairman of the Court Meeting and has directed the Chairman to report the result thereof to the Court.

The Scheme will be subject to the subsequent sanction of the Court.

Dated 14 January 2012
Macfarlanes LLP
20 Cursitor Street
London
EC4A 1LT
Solicitors for the Company

Nominated Persons

The statements of the rights of Scheme Shareholders in relation to the appointment of proxies above do not apply to a person nominated under section 146 of the Act to enjoy information rights (a "**Nominated Person**"). Such rights can only be exercised by members of the Company. Any person to whom this notice is sent who is a Nominated Person may, under an agreement between such Nominated Person and the member by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Court Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.

Nominated Persons are reminded that they should contact the registered holder(s) of the shares in respect of which they were nominated (and not the Company) on matters relating to their investments in the Company.

PART IX

NOTICE OF GENERAL MEETING

COLLINS STEWART HAWKPOINT PLC
(Registered in England and Wales No. 05807587)

NOTICE IS HEREBY GIVEN that a General Meeting of Collins Stewart Hawkpoint plc (the “**Company**”) will be held at 88 Wood Street, London EC2V 7QR on 9 February 2012 at 2.15 p.m. (London time) (or as soon thereafter as the Court Meeting (as defined in the document of which this notice forms part) shall have been concluded or adjourned) for the purpose of considering and, if thought fit, passing the following resolutions which are proposed as special resolutions:

SPECIAL RESOLUTIONS

THAT:

- (1) for the purpose of giving effect to the scheme of arrangement dated 14 January 2012 between the Company and the holders of the Scheme Shares (as defined in the said scheme), a print of which has been produced to this meeting and for the purpose of identification signed by the chairman hereof, in its original form or subject to any modification, addition or condition agreed between the Company and Canaccord and approved or imposed by the Court (the “**Scheme**”):
 - (a) the directors of the Company be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect;
 - (b) the share capital of the Company be reduced by cancelling and extinguishing all the Scheme Shares (as defined in the Scheme);
 - (c) subject to and forthwith upon the said reduction of capital referred to in paragraph (b) above taking effect and notwithstanding anything to the contrary in the articles of association of the Company:
 - (i) the reserve arising in the books of account of the Company as a result of the reduction of capital referred to in paragraph (b) above be capitalised and applied in paying up in full at par such number of new ordinary shares of 25p each (“**New Collins Stewart Hawkpoint Shares**”) as shall be equal to the aggregate number of Scheme Shares cancelled pursuant to paragraph (b) above, which shall be allotted and issued, credited as fully paid, to Canaccord and/or its nominee(s) in accordance with the Scheme; and
 - (ii) conditionally upon the Scheme becoming effective, the directors of the Company be generally and unconditionally authorised for the purposes of section 551 of the Companies Act to allot the New Collins Stewart Hawkpoint Shares, provided that (1) the maximum aggregate nominal amount of the shares which may be allotted under this authority shall be equal to the aggregate nominal amount of the New Collins Stewart Hawkpoint Shares; (2) this authority shall expire (unless previously revoked, varied or renewed) on the fifth anniversary of the date of passing of this resolution; and (3) this authority shall be in addition and without prejudice to any other authority under the said section 551 previously granted and in force on the date on which this resolution is passed; and

- (2) with effect from the passing of this resolution, the Articles of Association of the Company be amended by the adoption and inclusion of the following new article 129:

“129 SCHEME OF ARRANGEMENT

- 129.1 In this article 129, the “**Scheme**” means the scheme of arrangement dated 14 January 2012 between the Company and the holders of its Scheme Shares (as defined in the Scheme) under Part 26 of the Companies Act 2006, as such scheme may be modified or amended in accordance with its terms and (save as otherwise provided by this article) expressions defined in the Scheme shall have the same meanings in this article.
- 129.2 Notwithstanding any other provision of these articles, if the Company issues any shares (other than to Canaccord Financial Inc. (“**Canaccord**”)), any subsidiary of Canaccord or any nominee(s) of Canaccord) after the adoption of this article and at or prior to the Scheme Record Time (as defined in the Scheme), such shares shall be issued subject to the terms of the Scheme and the holders of such shares shall be bound by the Scheme accordingly.
- 129.3 Notwithstanding any other provision of these articles, subject to the Scheme becoming effective, any shares issued, or transferred pursuant to article 129.4 below, to any person (a “**New Member**”) (other than to Canaccord, any subsidiary of Canaccord or any nominee(s) of Canaccord) after the Scheme Record Time (“**Post-Scheme Shares**”) shall be issued on terms that they shall (on the Effective Date (as defined in the Scheme) or, if later, on issue, but subject as provided by articles 129.4 and 129.9 below,) be immediately transferred to Canaccord (or as it may direct) (the “**Purchaser**”), who shall be obliged to acquire the Post-Scheme Shares in consideration for an amount in cash and a number of common shares in the capital of Canaccord, without nominal or par value (“**Canaccord Shares**”) for each Post-Scheme Share equal to the cash and share consideration that New Member would have been entitled to had each Post-Scheme Share been a Scheme Share.
- 129.4 Any New Member (for the avoidance of doubt, other than a person who becomes a New Member by virtue of a transfer pursuant to this article 129.4) may, prior to the issue of Post-Scheme Shares to him or her pursuant to the exercise of an option or satisfaction of an award under one of the Collins Stewart Hawkpoint Share Schemes, give not less than two business days’ written notice to the Company in such manner as the board shall prescribe of his or her intention to transfer some or all of such Post-Scheme Shares to his or her spouse or civil partner and may, if such notice has been validly given, on such Post-Scheme Shares being issued to him or her, immediately transfer to his or her spouse or civil partner any such Post-Scheme Shares, provided that such Post-Scheme Shares will then be immediately transferred by that spouse or civil partner (as applicable) to the Purchaser pursuant to article 129.3 above. If notice has been validly given pursuant to this article 129.4 but the New Member does not immediately transfer to his or her spouse or civil partner the Post-Scheme Shares in respect of which notice was given, such shares will be transferred to the Purchaser and/or its nominee(s) pursuant to article 129.3 above.
- 129.5 The Canaccord Shares issued pursuant to this Article will rank equally in all respects with the existing Canaccord Shares and will be entitled to receive any dividends or other distributions declared or paid by Canaccord in respect of common shares of Canaccord with a record date on or after the date on which the Canaccord Shares are issued and shall be subject to the Articles of Canaccord and applicable law.
- 129.6 On any reorganisation of, or material alteration to, the share capital of the Company (including, without limitation, any subdivision and/or consolidation) carried out after the Effective Date, the value of the consideration per Post-Scheme Share to be paid under article 129.3 of this article 129 shall be adjusted by the Company in such manner as the auditors of the Company may determine to be appropriate to reflect such reorganisation or alteration. References in this article to such shares shall, following such adjustment, be construed accordingly.

- 129.7 Canaccord Shares allotted to any New Member pursuant to article 129.3 shall not be allotted as fractions of shares but any fraction of a share to which the New Member would otherwise have been entitled shall be rounded down to the nearest whole number of shares (which may be zero).
- 129.8 To give effect to any transfer of Post-Scheme Shares required pursuant to article 129.3 of this article, the Company may appoint any person as attorney for the New Member to transfer the Post-Scheme Shares to the Purchaser and/or its nominees and do all such other things and execute and deliver all such documents as may in the opinion of the attorney be necessary or desirable to vest the Post-Scheme Shares in the Purchaser and pending such vesting to exercise all such rights attaching to the Post-Scheme Shares as the Purchaser may direct. If an attorney is so appointed, the New Member shall not thereafter (except to the extent that the attorney fails to act in accordance with the directions of the Purchaser) be entitled to exercise any rights attaching to the Post-Scheme Shares unless so agreed in writing by the Purchaser. The attorney shall be empowered to execute and deliver as transferor a form of transfer or instructions of transfer on behalf of the New Member (or any subsequent holder) in favour of the Purchaser and the Company may give a good receipt for the consideration for the Post-Scheme Shares and may register the Purchaser as holder thereof and issue to it certificate(s) for the same. The Company shall not be obliged to issue a certificate to the New Member for the Post-Scheme Shares. The Purchaser shall settle the consideration due to the New Member pursuant to article 129.3 above by sending a cheque drawn on a UK clearing bank in favour of the New Member (or any subsequent holder) for the purchase price of such Post-Scheme Shares and entering the New Member in the Purchaser's register of shareholders within 14 days of the date on which the Post-Scheme Shares are issued to the New Member.
- 129.9 Notwithstanding any other provision of this article 129, if, in respect of any holder of Scheme Shares, Canaccord is advised that the allotment and/or issue of Canaccord Shares pursuant to this article 129 would or may infringe the laws of any jurisdiction or would or may require Canaccord to comply with any governmental or other consent or any registration or filing or other formality with which Canaccord is unable to comply or compliance with which Canaccord regards as unduly onerous, Canaccord may in its sole discretion determine that such Canaccord Shares shall be sold on behalf of the person entitled thereto, by instructing a broker to obtain the best price which can reasonably be obtained in the market at the time of sale and the net proceeds of such sale (having deducted all expenses) shall be paid to such person.
- 129.10 If the Scheme shall not have become effective by the applicable date referred to in clause 6.2 of the Scheme, this article 129 shall cease to be of any effect.
- 129.11 Notwithstanding any other provision of these articles, both the Company and the board shall refuse to register the transfer of any Scheme Shares effected between the Scheme Record Time and the Effective Date.”

By order of the Board
Dated 14 January 2012

Simon Pearce
Company Secretary

Registered office
88 Wood Street
London
EC2V 7QR

Notes:

Right to Appoint a Proxy; Procedure for Appointment

- 1 Members of the Company entitled to attend and vote at the General Meeting are entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote at the General Meeting. A proxy need not be a member of the Company.
- 2 A WHITE Form of Proxy for use at the General Meeting is enclosed with this notice. Instructions for its use are set out on the form. To be valid, the WHITE Form of Proxy, together with any power of attorney or other authority (if any) under which it is signed, or a duly certified copy thereof, must be returned to the Registrars, Capita Registrars, at PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by post or (during normal business hours only) by hand not later than 2.15 p.m. (London time) on 7 February 2012 or, in the case of an adjournment of the General Meeting, 48 hours before the time appointed for the adjourned meeting.
- 3 As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend and to speak and vote at a meeting of the Company. A proxy does not need to be a member of the Company. You may appoint more than one proxy in relation to a meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by you. If you require additional proxy forms in order to appoint more than one proxy, please contact the Company's registrar on 0871 664 0300.
- 4 If you appoint a proxy, this does not preclude you from attending the meeting and voting in person.
- 5 Members who hold their shares in uncertificated form through CREST who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. Further details concerning these procedures are set out on page 8 of the document of which this Notice forms part.
- 6 **Completion and return of a Form of Proxy, or the appointment of a proxy electronically using CREST (or any other procedure described on page 8 of the document of which this Notice forms part), will not prevent a member from attending, speaking and voting in person at the General Meeting, or any adjournment thereof, if such member wishes and is entitled to do so.**

Voting Record Time

- 7 Pursuant to regulation 41(1) of the Uncertificated Securities Regulations 2001, entitlement to attend, speak and vote at the General Meeting or any adjournment thereof and the number of votes which may be cast at the General Meeting will be determined by reference to the register of members of the Company at 6.00 p.m. (London time) on 7 February 2012 or, if the General Meeting is adjourned, 6.00 p.m. (London time) on the date two days before the date fixed for the adjourned meeting. Changes to the register of members after the relevant time shall be disregarded in determining the rights of any person to attend, speak and vote at the General Meeting.

Joint Holders

- 8 In the case of joint holders of Collins Stewart Hawkpoint Shares, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s). For this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

Corporate Representatives

- 9 As an alternative to appointing a proxy, any member which is a corporation may appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

Nominated Persons

- 10 The statements of the rights of members in relation to the appointment of proxies above do not apply to a person nominated under section 146 of the Act to enjoy information rights (a "Nominated Person"). Such rights can only be exercised by members of the Company. Any person to whom this notice is sent who is a Nominated Person may, under an agreement between such Nominated Person and the member by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Court Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.
- 11 Nominated Persons are reminded that they should contact the registered holder(s) of the shares in respect of which they were nominated (and not the Company) on matters relating to their investments in the Company.

APPENDIX

Collins Stewart Hawkpoint plc Interim Management Statement

18 November 2011

Collins Stewart Hawkpoint plc (the “**Group**”) today issues its Interim Management Statement for the period from 1 July 2011 to date.

Total revenues for the four months to 31 October 2011 were £63 million compared with £75 million and £57 million in the corresponding periods of 2010 and 2009 respectively.

During the period, Wealth Management was named Asset Manager of the Year for High Net Worths by Spears and Best Advisory Stockbroker at the 2011 Shares Awards. Assets under management at 31 October 2011 were £7.8 billion compared to £ 8.1 billion at 30 June 2011 with negative market movements offset by healthy net inflows of £104 million, most of which were discretionary assets.

Hawkpoint has maintained its solid performance over the period supported by a steady M&A flow in spite of market conditions and assisted by an increase in restructuring related business.

In Securities and Corporate Broking a sharp recovery in trading in October, helped by three IPOs, mitigated the previously notified one-off trading losses caused by market volatility in the third quarter. However, overall we do not expect Securities to be profitable this year.

Market developments have led to greater self financing of inventory and net cash amounted to £68 million at 31 October 2011, compared with £74 million at 30 June 2011.

Mark Brown, Chief Executive, said “The Group continues to benefit from the diversity of its businesses and our strenuous efforts to upgrade Securities and Corporate Broking have put us in a strong position compared to our competitors.”

