CANACCORD GENUITY GROUP INC.
ANNUAL INFORMATION FORM

For the fiscal year ended March 31, 2020

June 26, 2020

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Caution Regarding Forward-Looking Statements:

This document may contain "forward-looking statements" (as defined under applicable securities laws). These statements relate to future events or future performance and reflect management's expectations, beliefs, plans, estimates, intentions and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts, including business and economic conditions and the potential continued impacts of the coronavirus (COVID 19) pandemic on our business operations, financial results and financial condition and on the global economy and financial market conditions, and Canaccord Genuity Group's growth, results of operations, performance and business prospects and opportunities. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target", "intend", "could" or the negative of these terms or other comparable terminology. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and a number of factors could cause actual events or results to differ materially from the results discussed in the forward-looking statements. In evaluating these statements, readers should specifically consider various factors that may cause actual results to differ materially from any forward-looking statement. These factors include, but are not limited to, market and general economic conditions, the nature of the financial services industry and the risks and uncertainties and the potential continued impact of the coronavirus (COVID 19) pandemic on our business operations, financial results and financial condition and on the global economy and financial market conditions discussed from time to time in the Company's interim condensed and annual consolidated financial statements and its annual report filed on www.sedar.com as well as the factors discussed in this Annual Information Form ("AIF") in particular the sections entitled "Risk Management" and "Risk Factors", which include market, liquidity, credit, operational, legal, cyber and regulatory risks. Material factors or assumptions that were used by the Company to develop the forward-looking information contained in this document include, but are not limited to, those set out in the Fiscal 2021 Outlook section in the annual MD&A and those discussed from time to time in the Company's interim condensed and annual consolidated financial statements and its annual report filed on www.sedar.com and in this AIF. The preceding list is not exhaustive of all possible risk factors that may influence actual results. Readers are also cautioned that the preceding list of material factors or assumptions is not exhaustive.

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

Notes

Unless otherwise indicated or the context otherwise requires, the "Company", "Canaccord Genuity" and "Canaccord Genuity Group" refers to Canaccord Genuity Group Inc. and its direct and indirect subsidiaries. "Canaccord Genuity Capital Markets" refers to the investment banking and capital markets segment of the Company and "Canaccord Genuity Wealth Management" refers to the wealth management operations.

The Company's fiscal year end is March 31. Unless otherwise indicated, "fiscal" in connection with a year relates to the 12-month period ended March 31 in that year.

Unless otherwise indicated, the information provided herein is as of March 31, 2020 and expressed in Canadian dollars.

NON-IFRS MEASURES

Certain non-IFRS measures are utilized by the Company as measures of financial performance. Non-IFRS measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Non-IFRS measures presented include assets under administration, assets under management and figures that exclude significant items.

Assets under administration (AUA) and assets under management (AUM) are non-IFRS measures of client assets that are common to the wealth management business. AUA – Canada, AUM – Australia and AUM – UK & Europe are the market value of client assets managed and administered by the Company from which the Company earns commissions and fees. This measure includes funds held in client accounts as well as the aggregate market value of long and short security positions. AUM – Canada includes all assets managed on a discretionary basis under programs that are generally described as or known as the Complete Canaccord Investment Counselling Program and the Complete Canaccord Private Investment Management Program. Services provided include the selection of investments and the provision of investment advice. The Company's method of calculating AUA – Canada, AUM – Canada, AUM – Australia and AUM – UK & Europe may differ from the methods used by other companies and therefore may not be comparable to other companies. Management uses these measures to assess operational performance of the Canaccord Genuity Wealth Management business segment. AUM – Canada is also administered by the Company and is included in AUA – Canada.

Financial statement items that exclude significant items are non-IFRS measures. Significant items include restructuring costs, amortization of intangible assets acquired in connection with a business combination, impairment of goodwill and other assets and acquisition-related expense items, which include costs recognized in relation to both prospective and completed acquisitions, gains or losses related to business disposals including recognition of realized translation gains on the disposal of foreign operations, certain accounting charges related to the change in the Company's long-term incentive plan (LTIP) as recorded with effect on March 31, 2018, certain incentive-based costs related to the acquisitions and growth initiatives in the UK & Europe wealth management business, loss related to the extinguishment of convertible debentures as recorded for accounting purposes as well as certain expense items, typically included in development costs, which are considered by management to reflect a singular charge of a non-operating nature.

Management believes that these non-IFRS measures allow for a better evaluation of the operating performance of the Company's business and facilitate meaningful comparison of results in the current period to those in prior periods and future periods. Figures that exclude significant items provide useful information by excluding certain items that may not be indicative of the Company's core operating results. A limitation of utilizing these figures that exclude significant items is that the IFRS accounting effects of these items do in fact reflect the underlying financial results of the Company's business; thus, these effects should not be ignored in evaluating and analyzing the Company's financial results. Therefore, management believes that the Company's IFRS measures of financial performance and the respective non-IFRS measures should be considered together.

Corporate Structure

Name, address and incorporation

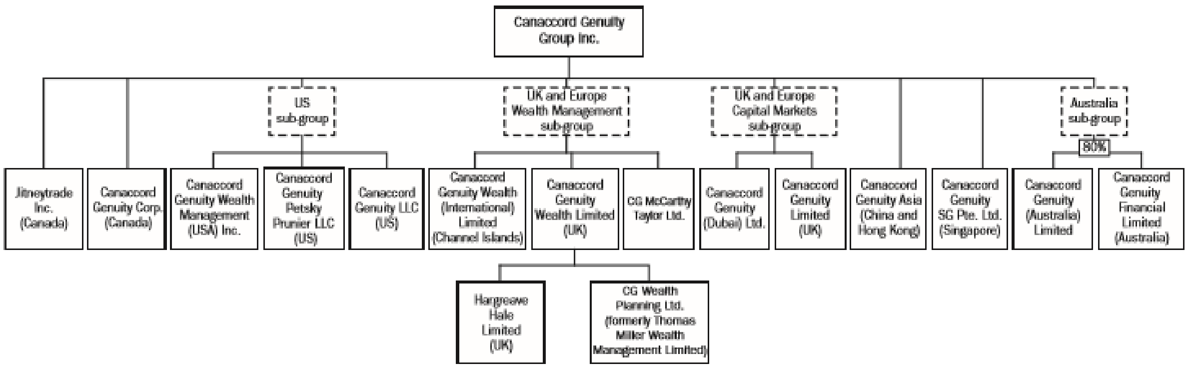
Canaccord Genuity Group Inc. was incorporated as Canaccord Holdings Ltd. on February 14, 1997 by the filing of a memorandum and articles with the Registrar of Companies for British Columbia under the *Company Act* (British Columbia) and continues in existence under the *Business Corporations Act* (British Columbia). Pursuant to resolutions of the shareholders passed at the Annual General Meeting of the Company on June 21, 2004 and the subsequent filing of a notice of alteration to its articles and pursuant to an arrangement approved by an order of the Supreme Court of British Columbia made June 22, 2004, the Company changed its name to Canaccord Capital Inc. and altered its capital by converting all previously outstanding classes of common shares, preferred shares and debentures into common shares. The arrangement was made effective on June 30, 2004. The Company was amalgamated in a short-form vertical amalgamation with its wholly owned subsidiary 0719880 B.C. Ltd. on April 1, 2007. The Company changed its name to Canaccord Financial Inc. on December 1, 2009, and to Canaccord Genuity Group Inc. on October 1, 2013.

The Company’s head office is located at Suite 2200 - 609 Granville Street, Vancouver, British Columbia, V7Y 1H2. The Company’s registered office is located at Suite 400 – 725 Granville Street, Vancouver, British Columbia, V7Y 1G5.

Details of the Company’s principal subsidiaries are set out in the following section.

Intercorporate relationships

Canaccord Genuity Group Inc. Corporate Structure



The chart above shows the principal operating companies of Canaccord Genuity Group as of March 31, 2020.

The Company owns 80% of the issued shares of Canaccord Financial Group (Australia) Pty Ltd., and through that ownership an 80% indirect interest in Canaccord Genuity (Australia) Limited and Canaccord Genuity Financial Limited (previously Patersons Securities Limited) [March 31, 2019 – 80%], but for accounting purposes, as of March 31, 2020, the Company is considered to have an 85% interest because of the shares held in an employee trust controlled by Canaccord Financial Group (Australia) Pty Ltd. [March 31, 2019 – 85%].

Name of subsidiary	Country of incorporation	% of equity interest	Principal business
Canaccord Genuity Corp.	Canada	100%	Capital Markets and Wealth Management – Canada
CG Investments Inc.	Canada	100%	Capital Markets – Canada
CG Investments Inc. III	Canada	100%	Capital Markets – Canada
Jitneytrade Inc.	Canada	100%	Capital Markets– Canada
Finlogik Inc.	Canada	100%	Capital Markets – Canada
Finlogik Inc. Tunisia SARL	Tunisia	75%	Capital Markets – Canada
Canaccord Genuity SAS	France	100%	Capital Markets – Europe

Canaccord Genuity Wealth (International) Limited	Guernsey	100%	Wealth Management – Channel Islands
Canaccord Genuity Financial Planning Limited	United Kingdom	100%	Wealth Management – United Kingdom
Canaccord Genuity Wealth Limited	United Kingdom	100%	Wealth Management – United Kingdom
Canaccord Genuity Wealth Group Limited	United Kingdom	100%	Wealth Management – United Kingdom
Canaccord Genuity Wealth (International) Holdings Limited	Guernsey	100%	Holding company – United Kingdom
Hargreave Hale Limited	United Kingdom	100%	Wealth Management – United Kingdom
CG McCarthy Taylor Ltd.	United Kingdom	100%	Wealth Management – United Kingdom
CG Wealth Planning Limited	United Kingdom	100%	Wealth Management – United Kingdom
Canaccord Genuity Limited	United Kingdom	100%	Capital Markets – United Kingdom
Canaccord Genuity Wealth Group Holdings Ltd.	Canada	100%	Wealth Management – Canada
Canaccord Genuity LLC	United States	100%	Capital Markets – United States
Canaccord Genuity Wealth Management (USA) Inc.	United States	100%	Wealth Management – United States
Canaccord Genuity Wealth & Estate Planning Services Ltd.	Canada	100%	Wealth Management – Canada
Canaccord Genuity Petsky Prunier LLC	United States	100%	Capital Markets – United States
Canaccord Asset Management Inc.	Canada	100%	Wealth Management – Canada
Canaccord Adams Financial Group Inc.	United States	100%	Capital Markets – United States
Collins Stewart Inc.	United States	100%	Capital Markets – United States
Canaccord Adams BC ULC	Canada	100%	Capital Markets – Canada
Canaccord Genuity Finance Corp.	Canada	100%	Capital Markets – Canada
Canaccord Adams Finance Company ULC	Canada	100%	Capital Markets – Canada
Canaccord Adams Finance Company LLC	United States	100%	Capital Markets – United States
Canaccord Adams (Delaware) Inc.	United States	100%	Capital Markets – United States
Canaccord Genuity Securities LLC	United States	100%	Capital Markets – United States
Stockwave Equities Ltd.	Canada	100%	Wealth Management – Canada

CLD Financial Opportunities Limited	Canada	100%	Wealth Management – Canada
Canaccord Genuity (Hong Kong) Limited	China (Hong Kong SAR)	100%	Capital Markets – Hong Kong
Canaccord Financial Group (Australia) Pty Ltd (1)	Australia	80%	Capital Markets and Wealth Management – Australia
Canaccord Genuity (Australia) Limited (1)	Australia	80%	Capital Markets – Australia
Canaccord Genuity Financial Limited (1)	Australia	80%	Wealth Management – Australia
加通贝祥（北京）投资顾问有限公司 (Canaccord Genuity Asia (Beijing) Limited)	China	100%	Capital Markets – China
The Balloch Group Limited	British Virgin Islands	100%	Wealth Management – United Kingdom
Canaccord Genuity Asia (Hong Kong) Limited	China (Hong Kong SAR)	100%	Capital Markets – Hong Kong
Canaccord Genuity (Dubai) Ltd.	United Arab Emirates	100%	Capital Markets – Dubai
Canaccord Genuity SG Pte Ltd.	Singapore	100%	Capital Markets – Singapore
Canaccord Genuity Wealth Group Holdings (Jersey) Limited	Jersey	100%	Holding company – United Kingdom
Canaccord Genuity Hawkpoint Limited	United Kingdom	100%	Holding company– United Kingdom
Canaccord Genuity Management Company Limited	Ireland	100%	Wealth Management – United Kingdom

(1) The Company owns 80% of the issued shares of Canaccord Financial Group (Australia) Pty Ltd, Canaccord Genuity (Australia) Limited, and Canaccord Genuity Financial Limited, but for accounting purposes, as of March 31, 2020 the Company is considered to have an 85% interest because of the shares held in a trust controlled by Canaccord Financial Group (Australia) Pty Ltd. [March 31, 2019 – 85%].

Our Dubai operation is included as part of Canaccord Genuity Capital Markets UK & Europe. For purposes of the discussion provided herein the Canaccord Genuity Capital Markets operations in the UK, Europe and Dubai are referred to as “UK & Europe”. Starting in Q1/20, our Asian based operations, including Singapore, China and Hong Kong, have been combined with our Canadian and Australian capital markets operations to reflect management of these operating units. Also, commencing in Q3/20, our Australian wealth management business, comprised of the operating results of Patersons since October 21, 2019 and the wealth management business of Australia previously included as part of Canaccord Genuity Capital Markets Australia, is disclosed as a separate operating segment in the discussions below. Comparatives have not been restated.

In the discussions below, unless otherwise noted, Hargreave Hale Limited is referred to as “Hargreave Hale”, Petsky Prunier LLC is referred to as “Petsky Prunier”, McCarthy Taylor Ltd. (renamed as CG McCarthy Taylor Limited) is referred to as “McCarthy Taylor”, Thomas Miller Wealth Management Limited (renamed as CG Wealth Planning Limited) and the private client business of Thomas Miller Investment (Isle of Man) Limited is referred to as “Thomas Miller”, Patersons Securities Limited (renamed as Canaccord Genuity Financial Limited) is referred to as “Patersons”, and Jitneytrade Inc., Finlogik Capital Inc. and Finlogik Inc. are collectively referred to as “Jitneytrade”.

General Development of the Business

Introduction

The Company, through the succession of various predecessor corporations, has been in business since 1950. Beginning in 1992, the Company adopted a focused growth strategy to become one of the leading independent investment dealers in Canada. The Company has achieved this through significant investments in its business infrastructure, with a focus on building strong client relationships.

The Company continually invests in its employees, IT systems and office infrastructure, and the results of these initiatives have allowed the Company to grow into a global independent investment bank, with operations in 10 countries. Today, Canaccord Genuity Group Inc. has:

- An integrated global capital markets group that provides financing and advisory services to a broad range of corporate clients; global sales and trading for institutional clients; and in-depth research coverage of a growing universe of companies.

- An extensive network of wealth management offices located across Canada, the UK & Europe, and Australia. With 146 Advisory Teams in Canada, 210 Investment Professionals and Fund Managers in the UK & Europe and 119 Advisors in Australia, as of March 31, 2020, the Company's wealth management operations provide financial planning and wealth management solutions and trading services to individual investors, institutions and intermediaries, and charities.

The Company's independent nature means the Company is free from institutional constraints that sometimes affect larger financial institutions. This independence allows the Company to provide a wider range of local and international products for its clients and the ability to act quickly when opportunities arise or when prompt solutions need to be found.

The Company has devoted substantial resources to growing its global presence. Today, the Company has capital markets operations in North America, the UK & Europe, Asia, Australia and the Middle East. These offices focus on providing services to the Company's corporate and institutional clients from the domestic and international communities. Given its capital markets expertise, combined with its capital markets strength in 9 countries, the Company remains in a favourable position to provide its clients with a wide array of international financing services and alternatives.

Below are the key corporate developments during fiscal 2020:

On May 1, 2019, the Company completed its acquisition of Thomas Miller Wealth Management Limited and the private client investment management business of Thomas Miller Investment (Isle of Man) Limited.

On August 7, 2019 at the fiscal 2019 Annual General Meeting of Shareholders, Sally Tennant, OBE, was elected to the Company's Board of Directors as an independent director. The Company has eight directors, six of whom are independent.

In a substantial issuer bid which commenced on July 3, 2019, and expired on August 9, 2019, the Company made an offer to repurchase for cancellation up to $40.0 million of its common shares. The offer was made by way of a "modified Dutch auction", which allowed shareholders who chose to participate in the offer to individually select the price, within a price range of not less than $5.50 per common share and not more than $6.30 per common share (in increments of $0.10 per common share), at which they were willing to sell their common shares. Upon expiry of the offer, the Company determined that $5.50 was the lowest purchase price that allowed it to purchase the maximum number of common shares properly tendered to the offer, and not properly withdrawn, having an aggregate purchase price of $40.0 million. The Company therefore purchased for cancellation 7,272,727 of its common shares at a purchase price of $5.50 per share, representing approximately 6.28% of the issued and outstanding common shares on a non-diluted basis at July 3, 2019. These shares were cancelled effective August 19, 2019.

On August 12, 2019, the Company filed a notice to renew the normal course issuer bid (NCIB) to provide the Company with the choice to purchase up to a maximum of 5,423,872 of its common shares during the period from August 15, 2019 to August 14, 2020 through the facilities of the TSX and on alternative trading systems in accordance with the requirements of the TSX. The purpose of the purchase of common shares under the NCIB is to enable the Company to acquire shares for cancellation. The maximum number of shares that may be purchased under the current NCIB represents 5.0% of the Company's outstanding common shares at the time of the notice. There were 7,272,727 shares purchased and cancelled under a substantial issuer bid that commenced on July 3, 2019 and completed on August 9, 2019. There were an additional 1,467,656 shares purchased and cancelled under the current NCIB during the year ended March 31, 2020.

On October 21, 2019, through its Australian business, the Company completed its acquisition of Patersons Securities Limited, increasing the scale of the Company's wealth management business in Australia and establishing a significant platform for expansion. Patersons Securities Limited has now been renamed Canaccord Genuity Financial Limited.

During Q4/20, the COVID-19 pandemic led to significant disruptions in the global financial markets and economies around the world. This disruption led to significant declines in the broader equity markets and, in turn, declines in the equity portfolios of our wealth management clients. Accordingly, fee-based revenues as determined based on the value of client assets as of March 31, 2020 decreased in a corresponding fashion, although this decrease was partially offset by increased commission revenue generated through higher levels of trading activity. Revenue generated through trading by institutional clients, market making and other trading activity was also positively impacted by the volatility in the equity markets at the end of Q4/20. The extent to which the Company's business and financial condition will continue to be affected by COVID-19 is uncertain and will depend on future developments including the duration and spread of the pandemic and the impact of related controls and restrictions imposed by various government and regulatory authorities. If the uncertainty in the market environment continues and if equity values remain lower for an extended period of time then the Company's revenue from all sources, including investment banking and advisory activity as well as trading, fees and commission-based activity, and the corresponding effect of that reduced revenue on the Company's results of operations may be negatively impacted.

Three-year history

Through its principal subsidiaries, the Company is a leading independent, full-service financial services firm, with operations in two principal segments of the securities industry: capital markets and wealth management. Together, these operations offer a wide range of complementary investment products, brokerage services and investment banking services to the Company's corporate, institutional and private clients.

The Company continues to build on the foundation it has established and focus on its complementary capabilities, which include:

- Capital markets strength and expertise in North America, the UK, Europe, Dubai, Australia and Asia
- Strong private, corporate and institutional client relationships
- Globally integrated international trading operations
- Broad venture capital capability
- Comprehensive, timely and focused research coverage

In the last three years, the Company has concentrated on the development of its two principal business units, Canaccord Genuity Capital Markets and Canaccord Genuity Wealth Management, and its operating infrastructure to support their operations, including the development of leading proprietary information systems and technology. The Company also increased its focus on improving the operational efficiency of its businesses.

As an investment banking firm, the Company derives its revenue primarily from sales commissions, underwriting and advisory fees, and principal trading activity. The Company's business has benefited from the stabilizing conditions in the financial marketplace, primarily in North America and Europe. The Company's revenue increased by 2.8% during the year ended March 31, 2020 compared to the prior year.

Geographies

The Company's revenue for the three-year period ending March 31, 2020 was:

(C$ thousands)	Revenue for the years ended March 31 2020	2019	2018
Commissions and fees	**$586,884**	$556,475	$461,937
Investment banking	**236,962**	294,241	282,195
Advisory fees	**206,507**	142,228	122,372
Principal trading	**108,834**	125,830	113,921
Interest	**63,690**	51,008	27,875
Other	**20,990**	20,785	14,577
Total	**$1,223,867**	$1,190,567	$1,022,877

The following table provides a breakdown of the Company's segmented revenue for the three years ending March 31, 2020:

(C$ thousands)	Revenue for the years ended March 31 2020	2019	2018
Canaccord Genuity Capital Markets	**689,469**	$704,326	$637,556
Canaccord Genuity Wealth Management	**511,435**	461,811	370,265
Corporate and Other	**22,963**	24,430	15,056
Total	**1,223,867**	$1,190,567	$1,022,877

Operations by Geography

The Company's revenue by geographic segment for the three-year period is as follows:

(C$ thousands)	Revenue for the years ended March 31 2020	2019	2018
Canada	**$434,054**	$489,515	**$397,053**
UK & Europe (1)	**374,056**	363,774	**329,841**
United States	**353,490**	305,993	**238,933**
Australia	**62,267**	31,366	**57,022**
Other Foreign Locations (2)	—	(81)	**28**
Total	**$1,223,867**	$1,190,567	**$1,022,877**

(1) Includes our Dubai based operations.
(2) Starting in Q1/20, our Asian based operations, including Singapore, China and Hong Kong, have been combined with our Canadian and Australian capital markets operations to reflect management of these operating units.

Revenue in Canada is derived from the Canaccord Genuity Capital Markets, Canaccord Genuity Wealth Management, and Corporate and Other segments. Revenue from the UK & Europe is derived from the Canaccord Genuity Capital Markets and Canaccord Genuity Wealth Management segments. Revenue in the US is principally included in the Canaccord Genuity Capital Markets segment with an approximate 0.9% included in the Canaccord Genuity Wealth Management segment in the US during fiscal 2020. Commencing in Q3/20, our Australian wealth management business, comprised of the operating results of Patersons since October 21, 2019 and the wealth management business of Australia previously included as part of Canaccord Genuity Capital Markets Australia, is disclosed as a separate operating segment. Comparatives have not been restated. Revenue from Other Foreign Locations during fiscal 2019 and 2018 was entirely made up of Canaccord Genuity Capital Markets activity.

CANACCORD GENUITY WEALTH MANAGEMENT (GLOBAL)

Globally, Canaccord Genuity Wealth Management generated $511.4 million in revenue during fiscal 2020 and, excluding significant items [(1)], recorded net income before taxes of $80.2 million.

• Canaccord Genuity Wealth Management (North America) generated $209.6 million in revenue and, after intersegment allocations and taxes, recorded net income before taxes of $22.7 million

• Wealth management operations in the UK & Europe generated $278.0 million in revenue and, after intersegment allocations and excluding significant items [(1)], recorded net income before taxes of $56.5 million in fiscal 2020

• Wealth management operations in Australia generated earned revenue of $23.9 million and, after intersegment allocations and excluding significant items [(1)], recorded net income before taxes of $1.0 million in fiscal 2020

• Client assets were $60.7 billion at March 31, 2020, representing a decrease of $5.0 billion or 7.6% from $65.7 billion at March 31, 2019 and a 16.6% decrease from $72.8 billion at December 31, 2019. The decline in client assets during the fourth quarter of fiscal 2020 reflects the broader market declines in equity markets arising from uncertainties in connection with the COVID-19 pandemic which arose during that period. Client assets across the individual business units were:

> • Client assets in North America were $18.4 billion as of March 31, 2020, a decrease of $2.2 billion or 10.8% from March 31,2019 [(2)]
>
> • Client assets in the UK & Europe were $39.9 billion (£ 22.7 billion) as at March 31, 2020, a decrease of $4.3 billion (£ 2.7 billion) or 9.8% from $44.2 billion (£25.4 billion) at the end of the previous fiscal year [(2)].
>
> • Client assets in Australia held in our investment management platforms were $2.4 billion as at March 31, 2020 [(2)].

CANACCORD GENUITY CAPITAL MARKETS

Globally, Canaccord Genuity Capital Markets generated revenue of $689.5 million, and excluding significant items, recorded net income before taxes of $59.8 million.

• Canaccord Genuity Capital Markets led or co-led 185 transactions globally to raise total proceeds of $9.7 billion during fiscal 2020.

• During fiscal 2020 Canaccord Genuity Capital Markets participated in a total of 373 investment banking transactions globally, raising total proceeds of $51.7 billion

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS measures on page 4.
(2) See Non-IFRS Measures on page 4.

Description of the Business

Overview

The Company's operations are divided into two business segments: Canaccord Genuity Capital Markets (investment banking and capital markets operations) and Canaccord Genuity Wealth Management. Together, these operations offer a wide range of complementary investment banking services, investment products and brokerage services to the Company's institutional, corporate and private clients. The Company's administrative segment is referred to as Corporate and Other.

<table>
<tr><td>Canaccord Genuity Capital Markets

789 employees</td><td>Canaccord Genuity Wealth Management (Global)

1,180 employees</td></tr>
<tr><td>Research
Institutional equity sales and trading
Investment banking
Mergers & acquisitions and advisory services
Venture capital
International and principal trading
Fixed income trading</td><td>Investment advice
Brokerage services
Managed accounts
Fee-based accounts
Wealth management services
Insurance and estate planning
Portfolio management</td></tr>
<tr><td>• Offices in Toronto, Vancouver, Calgary, Montréal, New York, Boston, San Francisco, Nashville, Chicago, Minneapolis, London, Dublin, Paris, Dubai, Beijing, Hong Kong, Singapore, Melbourne, Perth, and Sydney</td><td>• Twelve offices throughout Canada
• 146 Advisory Teams in Canada
• Eleven offices in the UK & Europe
• 210 Investment Professionals and Fund Managers in the UK & Europe
• 119 Advisors in Australia</td></tr>
<tr><td>• Revenue for fiscal 2020 of $689.5 million
• Canaccord Genuity led or co-led 185 transactions globally with total proceeds of $9.7 billion. Also, in fiscal 2020, the team participated in 373 transactions globally, raising total proceeds of $51.7 billion.</td><td>• Revenue for fiscal 2020 of $511.4 million
• Assets under management in the UK & Europe of $39.9 billion
• Assets under administration in Canada of $18.4 billion (1)
• Assets under management in Canada, UK & Europe, and Australia (discretionary and non-discretionary) of $60.7 billion (1)</td></tr>
<tr><td colspan="2">Corporate and Other
339 employees

Compliance and Risk Management
Finance
Information Technology
Legal
Operations
Pinnacle Correspondent Brokerage Services</td></tr>
</table>

(1) See Non-IFRS measures on page 4

Canaccord Genuity Capital Markets

Canaccord Genuity Capital Markets consists of approximately 789 employees and professionals located in Toronto, Vancouver, Calgary, Montréal, New York, Boston, San Francisco, Nashville, Chicago, Minneapolis, London, Dublin, Paris, Dubai, Beijing, Hong Kong, Singapore, Melbourne, Perth, and Sydney. Canaccord Genuity Capital Markets is comprised of the following geographic operating divisions:

- Canada (Canaccord Genuity Capital Markets)
- UK & Europe, including our Dubai operations (Canaccord Genuity Capital Markets)
- US (Canaccord Genuity Capital Markets)
- 85% effective interest in Australia [March 31, 2019 – 85%] (Canaccord Genuity Capital Markets)
- Other Foreign Locations (Canaccord Genuity (Hong Kong) Limited, Canaccord Genuity Asia (Hong Kong) Limited, Canaccord Genuity SG Pte. Ltd.)

Canaccord Genuity Capital Markets' revenue (1)

(C$ thousands	Revenue for the years ended March 31 **2020**	2019	2018
Canada	**$204,636**	$260,665	$216,106
UK & Europe (2)	**96,103**	108,789	128,458
US	**350,379**	303,587	235,942
Australia	**38,351**	31,366	57,022
Other Foreign Locations (3)	**–**	(81)	28
Total Canaccord Genuity	**$689,469**	$704,326	$637,556

(1) Data includes the operating results of Jitneytrade since June 6, 2018 and Petsky Prunier since February 13, 2019.
(2) Includes our Dubai based operations
(3) Starting in Q1/20, our Asian based operations, including Singapore, China and Hong Kong, have been combined with our Canadian and Australian capital markets operations to reflect management of these operating units.

Revenue

Canaccord Genuity Capital Markets' revenue is generated from commissions and fees earned in connection with investment banking transactions and institutional sales and trading activity, as well as trading gains and losses from Canaccord Genuity's principal trading operations. Accordingly, this revenue is directly affected by the level of corporate and institutional activity and general economic, market and business conditions in Canada and internationally.

Canaccord Genuity Capital Markets' quarterly results are not significantly affected by seasonal factors. However, Canaccord Genuity Capital Markets' revenue and income can experience considerable variations from quarter to quarter and year to year due to factors beyond Canaccord Genuity Capital Markets' control. The business is affected by the overall condition of the worldwide market. The timing of revenue recognition can also materially affect Canaccord Genuity's quarterly results. Canaccord Genuity Capital Markets' revenue from an underwriting transaction is recorded only when the transaction has closed.

On June 6, 2018 the Company completed its acquisition of Jitneytrade Inc. and Finlogik Inc., directly and indirectly through the purchase of Finlogik Capital Inc. (collectively referred to as "Jitneytrade"). Jitneytrade Inc. is a direct access broker and an active trader in futures and equity options in Canada. Finlogik Inc. is in the business of delivering value-added fintech solutions in the Canadian market. This acquisition serves to support the Company's mid-market growth strategy by enhancing its market share of equities trading and providing access to new areas of growth through accelerating its development of an enhanced fintech product offering.

Also, on February 13, 2019, the Company completed its acquisition of 100% of the business of a pre-eminent New York-based boutique M&A Advisory firm, Petsky Prunier LLC (Petsky Prunier). This development supports the Company's objective of adding scale to its fixed cost base in the region and diversifying its revenue streams, while enhancing its client offering to capture greater market share in its core areas of strength.

Canaccord Genuity Capital Markets operates out of 20 offices internationally and provides a broad range of research, sales and trading, and investment banking services to its clients. Canaccord Genuity Capital Markets has developed comprehensive investment banking knowledge and expertise, and strong research capabilities in the following key sectors of the global economy: Metals & Mining, Energy, Technology, Real Estate, Sustainability, Healthcare & Life Sciences, Consumer & Retail, Infrastructure, Industrials , Financials and Private Equity. Coverage of these sectors included investment banking, mergers and acquisitions (M&A) and advisory services, and institutional equity activities, such as sales, trading and research.

The integrated team at Canaccord Genuity Capital Markets provides comprehensive and high- quality services to its corporate and institutional clients in:

- Research
- Institutional equity sales and trading
- Investment banking
- Venture capital
- International and principal trading
- Fixed income trading

- M&A and advisory services

Canaccord Genuity's ability to target and service key clients in global equity financing is a strong differentiator and competitive advantage for the Company. Canaccord Genuity Capital Markets' transactions and revenue by focus sectors are detailed below.

Canaccord Genuity Capital Markets – Overall

	For the year ended March 31, 2020	
Sectors	*as a % of investment banking transactions*	*as a % of investment banking revenue*
Life Sciences	22.4%	28.9%
Technology	17.9%	26.4%
Industrials	5.9%	12.6%
Metals & Mining	19.2%	12.1%
Diversified	6.6%	7.1%
Financials	4.9%	5.8%
Consumer & Retail	4.0%	3.3%
Real Estate	5.9%	2.0%
Others	4.0%	0.9%
Structured Products & Sustainability	6.0%	0.5%
Energy	3.2%	0.4%
Total	100.0%	100.0%

Canaccord Genuity Capital Markets – by geography
Investment banking transactions by sector (as a % of investment banking transactions for each geographic region)

Sectors	***Canada***	***US***	***UK***	***Australia***
Life Sciences	20.6%	43.4%	5.4%	7.2%
Metals & Mining	23.8%	0.0%	5.4%	43.3%
Technology	6.4%	43.4%	25.7%	15.5%
Diversified	11.7%	0.0%	0.0%	2.1%
Structured Products & Sustainability	11.2%	0.0%	0.0%	0.0%
Real Estate	10.7%	0.0%	1.4%	0.0%
Industrials	1.0%	11.4%	25.6%	1.0%
Financials	5.6%	0.0%	13.5%	4.1%
Consumer & Retail	1.8%	1.8%	16.2%	7.2%
Others	4.1%	0.0%	0.0%	13.4%
Energy	3.1%	0.0%	6.8%	6.2%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Investment banking revenue by sector (as a % of investment banking revenue for each geographic region)

Sectors	***Canada***	***US***	***UK***	***Australia***
Life Sciences	39.3%	34.9%	1.9%	5.5%
Technology	6.7%	51.3%	14.3%	11.9%

Industrials	0.2%	12.2%	46.8%	5.4%
Metals & Mining	21.2%	0.0%	0.8%	51.5%
Diversified	18.7%	0.0%	0.0%	5.5%
Financials	6.0%	0.0%	23.8%	0.1%
Consumer & Retail	0.5%	1.6%	11.1%	9.2%
Real Estate	5.3%	0.0%	0.5%	0.0%
Others	0.3%	0.0%	0.0%	9.6%
Structured products & Sustainability	1.3%	0.0%	0.0%	0.0%
Energy	0.5%	0.0%	0.8%	1.3%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Revenue from Canadian operations
Capital markets revenue in Canada originates from equity financing transactions, commissions, underwriting fees, advisory fees and management fees related to capital markets activity in Canada. Investment banking revenue consists of underwriting fees and commissions earned on corporate finance activities. Investment banking revenue also reflects profits and gains recorded in certain warrant and inventory positions earned in respect of investment banking activity in the current and prior periods. Advisory fees consist of management and advisory fees, and include revenue earned from M&A activities.

Revenue from the UK & Europe operations
Canaccord Genuity Capital Markets' operations in the UK & Europe include institutional sales and trading, investment banking and research teams. In addition, this division has an active advisory business providing M&A and advisory services to its UK, Europe and Dubai clients. Canaccord Genuity Capital Markets is an approved broker, sponsor and Nominated Advisor (Nomad) for AIM and LSE companies. Canaccord Genuity Capital Markets is in a strong position to serve its private, corporate and institutional clients and capitalize on the opportunities in this market area. This division serves its clients through offices in London, Dublin, Paris and Dubai.

Revenue from US operations
Canaccord Genuity Capital Markets' US segment includes institutional sales and trading, advisory fees, investment banking and research activities. This division serves its clients through offices in Boston, New York, San Francisco, Chicago, Nashville, and Minneapolis. The US operations also has an extensive global equity sales and trading team which includes an electronic trading group, the Sales & Trading team, and the International Equities Group. The US expanded its advisory business in fiscal 2019 with the acquisition of Petsky Prunier in Q4/19.

Revenue from Australia
Capital markets revenue in Australia originates from equity financing transactions, commissions, underwriting fees, advisory fees and management fees related to capital markets activity in Australia. Investment banking revenue consists of underwriting fees and commissions earned on corporate finance activities. Investment banking revenue also reflects profits and gains recorded in certain warrant and inventory positions earned in respect of investment banking activity in the current and prior periods. Advisory fees consist of management and advisory fees, and includes revenue earned from M&A activities.

Competition

In the capital markets sector, Canaccord Genuity competes with other domestic and foreign securities firms. Canaccord Genuity competes based on the caliber and abilities of its professional personnel, relative prices of the services and products it offers, available capital, institutional relationships, ability to assist with financing arrangements, access to global markets, and quality of service.

There is also competition for securities industry professionals. Canaccord Genuity competes with other financial institutions for investment bankers, trading professionals and other specialized personnel based on its services and product breadth, its management, its entrepreneurial culture, and its compensation structure.

Smaller regional or local investment dealers are increasingly under pressure, and some international competitors have recently retrenched to focus on local markets. We believe this changing competitive landscape provides significant opportunity for Canaccord Genuity in the mid-market, as this space is currently relatively underserviced by other global investment banks. Canaccord Genuity's mid-market strategy focuses on key sectors and differentiates the firm among the competition.

Canaccord Genuity Wealth Management

Revenue

	Revenue for the years ended March 31		
(C$ thousands)	**2020**	2019	2018
Canada	**$206,455**	$204,420	$165,891
UK & Europe (1)	**277,953**	254,985	201,383
US	**3,111**	2,406	2,991
Australia (2)	**23,916**	—	—
Total Canaccord Genuity Wealth Management	**$511,435**	$461,811	$370,265

(1) Data includes operating results of Hargreave Hale since September 18, 2017, McCarthy Taylor since January 29, 2019 and Thomas Miller since May 1, 2019.

(2) Commencing in Q3 fiscal 2020, our Australian wealth management business, comprised of the operating results of Patersons since October 21, 2019 and the wealth management business of Australia previously included as part of Canaccord Genuity Capital Markets Australia, is disclosed as a separate operating segment. Comparatives have not been restated.

Globally, Canaccord Genuity Wealth Management provides tailored financial planning and brokerage services to individual Canadian, UK & European investors, institutions and intermediaries, and charities. The division offers a broad range of investment products to its client base, including both proprietary and third- party products.

Wealth management revenue is generated through traditional commission-based brokerage services; fee-based products and services; client-related interest; and fees and commissions earned by Advisory Teams in Canada, Investment Professionals and Fund Managers in the UK & Europe, and Advisors in Australia for investment banking and venture capital transactions. Commission revenue from the sale of investment products and the provision of brokerage and other financial services is based on an established commission schedule. Discounts and adjustments to this schedule are based on the client's level of business, transaction size, complexity and other relevant factors.

On January 29, 2019, the Company, through its UK & Europe wealth management business, completed the acquisition of McCarthy Taylor Ltd. ("McCarthy Taylor"), an independent UK-based financial advisory firm. This development advances the Company's objective of expanding its national footprint and broadening its offering of fully integrated investment and wealth planning services**.**

On May 1, 2019, the Company completed, through its UK & Europe wealth management business, the acquisition of Thomas Miller Wealth Management Limited (TMWML) and the private client investment management business of Thomas Miller Investment (Isle of Man) Limited. TMWML provides financial planning and investment management services to private clients, trusts, charities and corporates in the UK.

On October 21, 2019, the Company, through its 80% owned subsidiary, completed the acquisition of Patersons Securities Limited (Patersons). Patersons (renamed as Canaccord Genuity Financial Limited) provides comprehensive investment management, financial planning, stockbroking advice and execution services for wealth management clients in Australia.

As of March 31, 2020, Canaccord Genuity Wealth Management division had 146 Advisory Teams in Canada and 119 Advisors in Australia. Advisory Teams in Canada are normally comprised of one or more Investment Advisors (IAs) and their assistants and associates, who together manage a shared set of client accounts. Advisory Teams that are led by, or only include, an IA who has been licensed for less than three years are not included in our Advisory Team count, as it typically takes a new IA approximately three years to build an average-sized book.

In the UK & Europe, the wealth management business has 210 Investment Professionals and Fund Managers. Investment Professionals include all staff with direct sales responsibilities, which include brokers and assistants with direct client contacts. Fund Managers include all staff who manage client assets.

Canaccord Genuity Wealth Management group has 31 offices throughout Canada, the UK & Europe, and Australia in the following locations:

British Columbia	**Alberta**	**Manitoba**	**Ontario**	**Québec**	**Nova Scotia**	**UK & Europe**	**Australia**
Vancouver – Head Office	*Calgary*	*Winnipeg*	*Toronto*	*Montréal*	*Halifax*	*London*	*Melbourne*
Kelowna	*Edmonton*		*Waterloo*			*Jersey*	*Sydney*
Prince George						*Guernsey*	*Perth*
Penticton						*Isle of Man*	*Albany*
						Blackpool	*Busselton*
						Lancaster	*Canberra*
						Norwich	*Gold Coast*
						Llandudno	*Maroochydore*
						Nottingham	
						Worcester	
						York	

Services

Canaccord Genuity Wealth Management is dedicated to providing a variety of comprehensive brokerage services and wealth management products and services to its clients. Advisory Teams, Investment Professionals, Fund Managers and Advisors assist their clients in building their financial assets and maximizing their returns within the context of their investment objectives and risk tolerance. Canaccord Genuity Wealth Management offers its clients various account structures such as commission-based accounts, fee-based accounts, managed accounts and margin accounts.

The division offers wealth management services with a fee-based structure, in addition to traditional commission-based investment offerings. With more individuals approaching retirement, the demand for various wealth management products and financial planning services is on the rise. With these changing demographics, more clients are choosing fee-based alternatives over the traditional commission-based products and services.

Canaccord Genuity Wealth Management provides the following services:

- Investment advice
- Brokerage services
- Managed accounts
- Portfolio management
- Fee-based accounts
- Wealth management services
- Insurance and estate planning

The products and services listed above are complementary and enable the Company's Advisory Teams, Investment Professionals and Fund Managers, and Advisors to provide a full suite of investment services to their clients. Traditionally, revenue in this segment in Canada is generated through transaction-based commissions. However, changing demographics over the last decade have brought about a change in clients' financial needs and, as a result, demand for managed account products such as separately managed accounts, retirement planning and wealth management services has increased. By responding to these needs, the Company expects the composition of Canaccord Genuity Wealth Management's Canadian revenue will increasingly reflect a greater proportion of recurring, fee-based revenue.

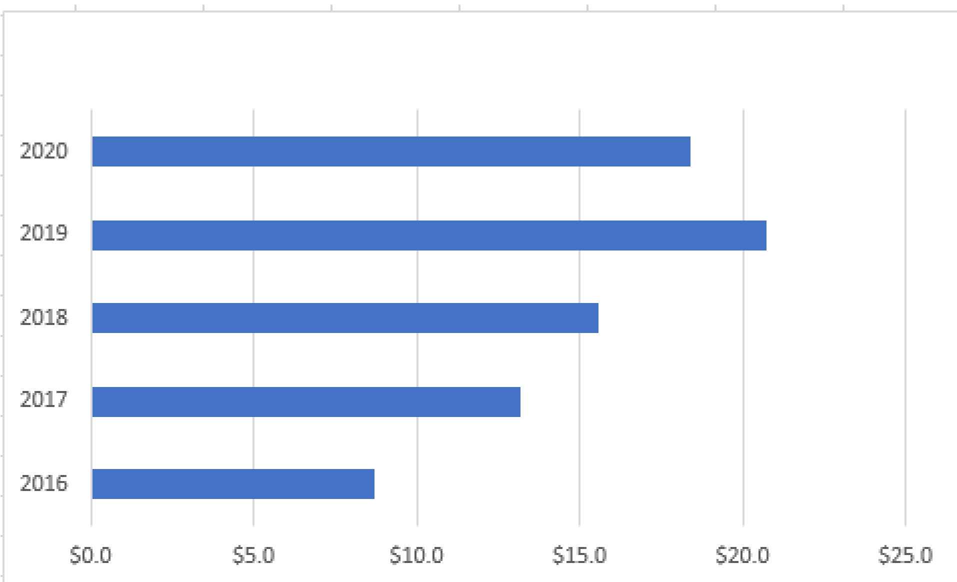
In the UK & Europe, Canaccord Genuity Wealth Management has historically had high levels of fee-based client accounts, and the business derives most of its revenue from fee-based activities.

In Australia, through the acquisition of Patersons, Canaccord Genuity Wealth Management significantly expanded its wealth management business in the region. As at March 31, 2020, the Company had 119 Advisors in Australia.

Assets under administration (AUA) in Canada [(1) (2)]

As of March 31,2020 assets under administration (AUA) in Canada were $18.4 billion, a decrease of 10.8% from $20.7 billion at the end of prior year.

(C$ billions)



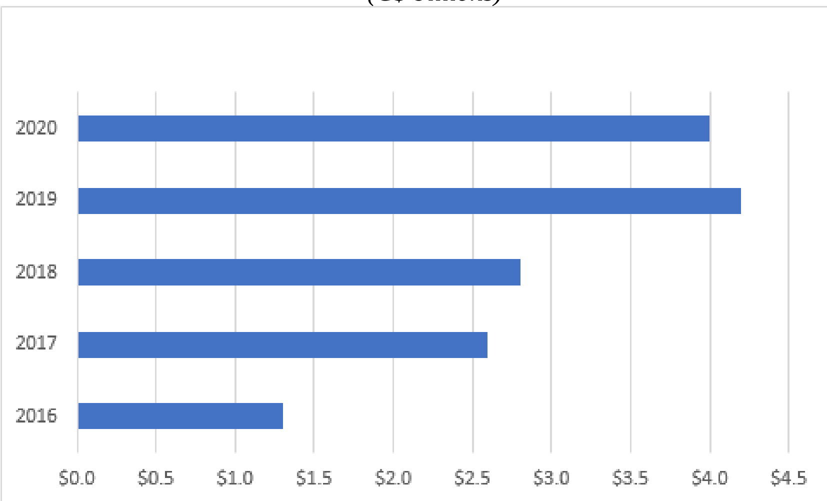
[1] AUA is the market value of client assets administered by Canaccord Genuity Group, for which the Company earns commissions or fees. This measure includes funds in client accounts, as well as the aggregate market value of long and short security positions. The Company's method of calculating AUA may differ from approaches used by other companies and therefore may not be comparable. Management uses this measure to assess operational performance of the Canaccord Genuity Wealth Management business segment.

[2] This is a non-IFRS measure. Non-IFRS measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies.

Assets under management (discretionary) in Canada [1] [2]

As of March 31, 2020, assets under management (AUM) in Canada were $4.0 billion, a decrease of 5.0% from $4.2 billion at the end of the prior year. AUM is included in the total AUA.

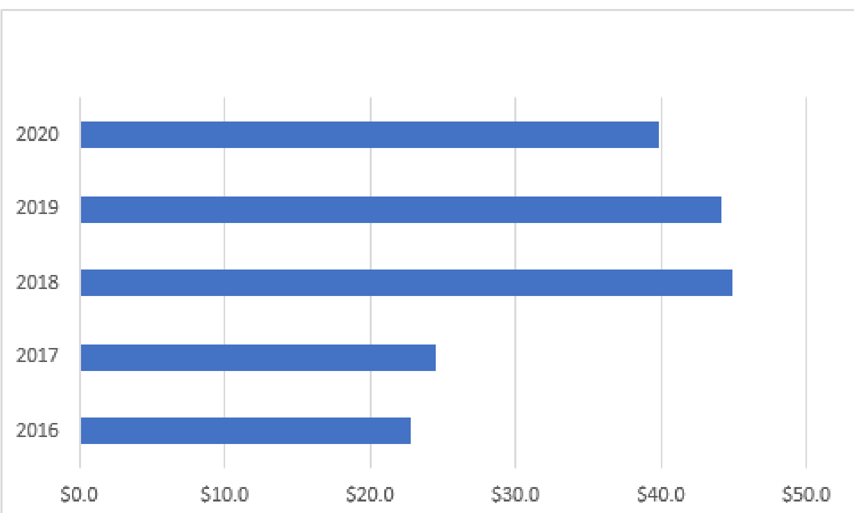
(C$ billions)



Assets under management (discretionary and non-discretionary) in the UK & Europe [2]

Assets under management (discretionary and non-discretionary) were $39.9 billion (£22.7 billion) as at March 31, 2020, a decrease of 9.8% from $44.2 billion (£25.4 billion) at March 31, 2019[2].

(C$ billions)



[1] AUA is the market value of client assets administered by Canaccord Genuity Group, for which the Company earns commissions or fees. This measure includes funds in client accounts, as well as the aggregate market value of long and short security positions. The Company's method of calculating AUA may differ from approaches used by other companies and therefore may not be comparable. Management uses this measure to assess operational performance of the Canaccord Genuity Wealth Management business segment.

[2] This is a non-IFRS measure. Non-IFRS measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies.

Separately managed accounts (Canada)
Separately managed accounts (SMAs) are designed so that each account has individual ownership of securities rather than ownership of a pooled fund. Accounts are charged an all-inclusive fee, based on account size.

Canaccord's SMA program is known as the *Complete Canaccord Investment Counselling Program (ICP)*. Since 2005, Canaccord has expanded its SMA program to include a selection of portfolio managers and a number of mandates. Together, these accounts offer professional portfolio management with a choice of strategies based on a client's investment objectives. The minimum account size for the *Complete Canaccord Investment Counselling Program* starts at $100,000.

Advisor managed accounts (Canada)

In addition to the *Complete Canaccord Investment Counselling Program*, Canaccord Genuity Wealth Management provides an advisor managed account program known as the *Complete Canaccord Private Investment Management Program*. Through this program, Investment Advisors who have their Associate Portfolio Manager or Portfolio Manager designation have the ability to provide discretionary management services similar to those offered by a registered investment counsel.

The Company continues to develop products and services with the purpose of offering Advisory Teams the freedom to present the best product mix to their clients, while reinforcing an entrepreneurial culture in which Advisory Teams may continue their business. As part of the *Complete Canaccord Private Investment Management Program* platform, the Company added a sophisticated suite of Portfolio Management application tools designed specifically to support Portfolio and Associate Portfolio Managers. National training sessions have also been offered to aid these Advisors in building the *Complete Canaccord Private Investment Management Program* platform.

Competition

In the retail brokerage sector, Canaccord Genuity Wealth Management faces competition from other investment dealers, online brokerage firms, banks, insurance companies and other financial institutions. Canaccord Genuity Wealth Management competes on the basis of quality of its service, price, product selection, expertise, innovation and reputation.

There is also competition for Investment Advisors and other securities industry professionals. Similar to the competition for personnel in the Canaccord Genuity division of the business, the Canaccord Genuity Wealth Management division competes with other financial institutions for advisors and other specialized personnel on the basis of its service and product breadth, its management, its entrepreneurial culture, and its compensation structure.

Corporate and Other segment

Revenue

	Revenue for the years ended March 31		
(C$ thousands)	**2020**	2019	2018
Corporate and Other	**$22,963**	$24,430	$15,056

The Corporate and Other segment includes Pinnacle Correspondent Brokerage Services (Pinnacle) along with interest, foreign exchange revenue and expenses not specifically allocable to Canaccord Genuity Capital Markets and Canaccord Genuity Wealth Management.

The Company operates a correspondent brokerage services operation in Canada under Pinnacle. Pinnacle provides secure and confidential fully integrated clearing and settlement, administrative, trading and research services to other brokerage firms. The development of Pinnacle was a natural extension and application of the Company's substantial investment in its information technology and operating infrastructure. The Company's management believes that with the segregation of the Canadian securities industry into groups (bank or foreign-owned large dealers; large, full-service independent dealers; and an increasing number of small boutique and specialized dealers) there is growth potential for Pinnacle to provide correspondent brokerage services to the dealers in the boutique and specialized dealer category.

The Corporate and Other segment also includes operations and support services such as front- and back-office information technology (IT), compliance and risk management, operations, legal, finance, and other administrative functions. This segment principally supports the Company's Canadian operations, significant aspects of its global operations and public company operations and related reporting. The IT team maintains and supports the Company's front and back-office IT systems. The compliance department is responsible for client credit and account monitoring in relation to certain legal and regulatory requirements. The operations group carries out all activity in connection with processing securities transactions including trade execution and settlement of securities transactions. It isalso responsible for the custody of client securities. The finance department is responsible for internal financial accounting and controls, and external financial and regulatory reporting and compliance.

There were 339 Corporate and Other staff on March 31, 2020. Most of these employees are located in the Company's Vancouver and Toronto offices.

The Company's front-office IT systems include applications for providing and enhancing client service and increasing the effectiveness and information access capabilities of the Company's Advisory Teams, Investment Professionals and Fund Managers, and Advisors as well as Canaccord Genuity professionals. The Company's back-office IT systems include applications for information and transaction processing, control systems, and management information reporting. All IT systems are supported by an overall network architecture comprised of hardware, software and key relationships with strategic service providers. For more information, please refer to the Information Technology section.

The Company's risk management and compliance activities include procedures to identify, control, measure and monitor the Company's risk exposure at all times. These principal risk areas relate to market risk, credit risk, operational risk and other risks. For more information, please refer to the Risk management section.

Information Technology

The Company is committed to providing its Advisory Teams and other wealth management professionals, capital markets professionals and management with the information processing capability and real-time solutions required for maintaining a superior level of client service. The Company is also committed to ensuring that its technology platform continues to provide the resources necessary to meet the increased level of service, secure access to information and processing requirements critical to future growth and business development. To accomplish these objectives, the Company's strategy is to invest in the best, most cost effective, proven technology available and utilize strategic business technology relationships to provide the latest in hardware, software and business process solutions.

An important factor in the Company's success to date has been the development of strategic, adaptive relationships with key financial industry suppliers providing flexibility to adopt new technologies on a cost-effective basis. With this strategy, the Company has developed key relationships with the following organizations:

- Broadridge Financial Solutions – a real time integrated transaction system for client recordkeeping and reporting, multi-functional order management, transaction processing, account maintenance and account history
- Hewlett Packard – computer hardware and software related to servers, network storage, desktop hardware and critical systems support
- Telus – fully managed wide area network and telecommunications services
- Microsoft – software support for servers, workstations and business systems
- Cisco – network and telecommunications equipment and network monitoring software
- Thomson Reuters – real time stock quotes and market information
- Fidessa – trading systems and market data information
- Avaloq – operating system for the wealth management business in UK & Europe

The Company also draws on the key relationships described above and others for project development and non-strategic services allowing the technology department to focus more on strategic, value-added initiatives, business applications, and systems and network management.

Other projects include continued improvements to the network and hardware architecture and security posture, enhancement of client services through the addition of value-added information processing applications and improvements to control systems, information processing and management information reporting.

Continued investment in improving its information technology platform and business solutions is a significant factor in the overall efficiency and effectiveness of the Company's business**.**

Share-based payment plans

The Company has the following share-based payment plans in place:

Long-term incentive plan

Under the long-term incentive plan (LTIP or the Plan), eligible participants are awarded restricted share units (RSUs), which generally vest over three years. All awards under the LTIP are settled by transfer of shares from employee benefit trusts (Trusts) which are funded by the Company, or certain of its subsidiaries, as the case may be, with cash which is used by the trustees to purchase common shares on the open market that will be held in the Trusts until the RSUs vest. No further shares may be issued from treasury under the LTIP.

For RSUs granted as part of the normal course incentive compensation payment cycle, vesting will continue after termination of employment so long as the employee does not violate certain post-termination restrictions and is not engaged in certain competitive or soliciting activities as provided in the Plan. These RSUs are expensed in the period in which those awards are deemed to be earned with, a corresponding increase in contributed surplus, which is generally either the fiscal period in which the awards are made or the immediately preceding fiscal year for those awards made after the end of such fiscal year but determined and earned in respect of that fiscal year.

For certain awards, typically new hire awards or retention awards, vesting is subject to continued employment, and therefore these awards are subject to a continuing service requirement. Accordingly, the Company recognizes the cost of such awards as an expense on a graded basis over the applicable vesting period, with a corresponding increase in contributed surplus.

There were 6,262,102 RSUs [year ended March 31, 2019 – 4,661,519 RSUs] granted in lieu of cash compensation to employees during the year ended March 31, 2020. The Trusts purchased 7,502,033 common shares [year ended March 31, 2019 – 4,554,070 common shares] during the year ended March 31, 2020.

The fair value of the RSUs at the measurement date is based on the fair value on the grant date. The weighted average fair value of RSUs granted during the year ended March 31, 2020 was $5.42 [March 31, 2019 – $7.06].

Forgivable common share purchase loans

The Company may provide loans to certain employees (other than directors or executive officers) for the purpose of partially funding the purchase of shares of the Company and increasing share ownership by the employees. The Company has provided such loans to executive officers in the past but has now adopted a policy not to make any further such loans to directors or executive officers.

Replacement plans

As a result of the acquisition of Collins Stewart Hawkpoint plc (CSHP), the following share-based payment plans were introduced to replace the share-based payment plans that existed at CSHP at the acquisition date:

<u>Canaccord Genuity Group Inc. Collins Stewart Hawkpoint Replacement Annual Bonus Equity Deferral (ABED) Plan</u>

On March 21, 2012, the Company introduced the Replacement ABED Plan, which replaced the ABED plans that existed at CSHP as of the acquisition date. Eligible employees who participated in the CSHP ABED plans were granted options to purchase common shares of the Company under the Replacement ABED Plan. The exercise price of these options was $nil. The options, which are now vested, vested between one and three years from the acquisition date of CSHP. In accordance with IFRS 3, "Business Combinations" (IFRS 3), a portion of the awards granted was included as part of the purchase consideration for the acquisition of CSHP and a portion was deferred and amortized to incentive compensation expense over the vesting period. The awards were fully amortized as of March 31, 2015.

Canaccord Genuity Group Inc. Collins Stewart Hawkpoint Replacement Long-Term Incentive Plan Award

On March 21, 2012, the Company introduced the Replacement LTIP, which replaced the existing LTIPs at CSHP on the acquisition date. Eligible employees who participated in the CSHP LTIPs were granted options to purchase shares of the Company under the Replacement LTIP. The exercise price of these options was $nil. The options, which are now vested, vested annually on a graded basis over a three-year period. In accordance with IFRS 3, a portion of awards granted was included as part of the purchase consideration for the acquisition of CSHP and a portion was deferred and amortized to incentive compensation expense over the vesting period. The awards were fully amortized as of March 31, 2015.

Deferred share units

Beginning April 1, 2011, the Company adopted a deferred share unit (DSU) plan for its independent directors. From August 7, 2019, half of the independent directors' annual fee was paid in the form of DSUs. Directors may elect annually to use more of their directors' fees for DSUs. When a director leaves the Board of Directors, outstanding DSUs are paid out in cash with the amount equal to the number of DSUs held multiplied by the volume weighted average price of the Company's common shares for the ten trading days immediately preceding the first publication of interim financial statements and management's discussion and analysis for the fiscal quarter of the Company next ending following the director's leaving.

During the year ended March 31, 2020, the Company granted 125,134 DSUs [2019 – 62,916 DSUs]. The carrying amount of the liability relating to DSUs at March 31, 2020 was $2.3 million [2019 – $2.7 million].

Performance share units

The Company adopted a performance share unit (PSU) plan for certain senior executives during the year ended March 31, 2018. On June 12, 2018, the Company granted 877,485 units under the PSU plan. The Company also granted an additional 1,844,497 PSUs on June 6, 2019 and an additional 2,541,004 PSU's on June 2, 2020. The PSUs are a notional equity-based instrument linked to the value of the Company's common shares. At the end of a three-year vesting period, the number of PSUs which vest is determined upon performance against certain metrics pre-determined for each annual grant. The PSUs cliff-vest on the third anniversary of the date of the grant. The PSUs are settled in cash, based on the market price of the Company's shares at the time of vesting.

The PSUs are measured at fair value. . The liability is remeasured to fair value at each reporting date up to and including the settlement date, with changes in fair value recognized through the statements of operations. The carrying amount of the liability recognized in accounts payable and accrued liabilities relating to PSUs at March 31, 2020 was $22.7 million [March 31, 2019 – $5.7 million].

Performance share options

On June 1, 2018, the Company created a performance share option (PSO) plan that was approved at the Company's Annual General Meeting held on August 2, 2018. On June 14, 2018, the Company granted 5,620,000 options under the PSO plan. The options have an exercise price of $6.73 per share. In addition, the Company granted 600,000 options on August 16, 2018 with an exercise price of $7.067. On June 12, 2019, the Company granted 100,000 options on the same terms as the June 14, 2018 grant (including a five-year term from June 14, 2018). For accounting purposes under IFRS 2, the grant date of the initial PSOs is August 2, 2018, being the date the PSO plan was approved at the Annual General Meeting. The PSOs have a term of five years and will time-vest ratably over four years (with one-third vesting on each of the second, third and fourth anniversaries of the date of the grant). The PSOs will also be subject to market (stock price) performance vesting conditions and have a four times exercise price cap on payout value (i.e., the gain on the exercise of the options is limited to three times the exercise price). The PSOs will expire on June 14, 2023.

Under IFRS 2, "Share-Based Payments", the impact of market conditions, such as a target share price upon which vesting is conditioned, should be considered when estimating the fair value of the PSOs. A Monte Carlo simulation is used to simulate a range of possible future stock prices for the Company over the period from the grant date to the expiry date of the PSOs. The purpose of this modelling is to use a probabilistic approach for estimating the fair value of the PSOs under IFRS 2. The following assumptions were used in the Monte Carlo model for grants made in the year ended March 31, 2020:

Dividend yield	2.16%
Expected volatility	40.92%
Risk-free interest rate	2.24%
Expected life	4 years

The weighted average fair value of the PSOs awarded is $1.93 per option. Compensation expense of $3.9 million was recognized for the year ended March 31, 2020.

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's PSOs.

Other share-based payment plans

During the year ended March 31, 2019, the Company granted a share-based award to a senior executive. The award vests on March 31, 2021 or, at the holder's option, can be extended to March 31, 2022. Compensation expense of $2.7 million was recorded for the year ended March 31, 2020 [2019 - $0.1 million].

Risk management

Overview

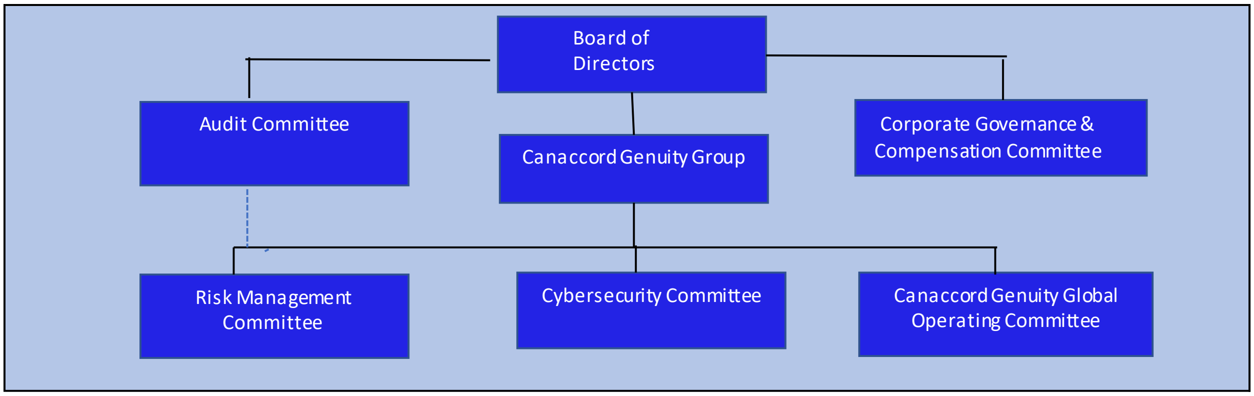
Uncertainty and risk are inherent when conducting operations within financial markets. As an active participant in the Canadian and international capital markets, the Company is exposed to risks that could result in financial losses. The Company has identified its principal risks as: market risk, credit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

Risk management structure and governance

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

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

The Company's governance structure includes the following elements:



The Board of Directors (the Board) has oversight of the company-wide risk management framework. These responsibilities are delegated to the Audit and Risk Management Committees. See Schedule "A" of this Annual Information Form (AIF) for details of the Audit Committee's mandate as it relates to risk management.

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

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

The segregation of duties and management oversight are important aspects of the Company's risk management framework. The Company has a number of functions that are independent of the revenue-producing businesses that perform risk management activities, including the monitoring, evaluating and analyzing of risk. These functions include Enterprise Risk Management, Compliance, Operations, Internal Audit, Treasury, Finance, Information Technology and Legal.

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

Market risk

Market risk is the risk that a change in market prices and/or any of the underlying market factors will result in losses. Each business area is responsible for ensuring that its market risk exposure is prudent within a set of risk limits set by the Risk Management Committee and approved by the Board. In addition, the Company has established procedures to ensure that risks are measured, closely monitored, controlled and visible to senior levels of management.

Canaccord Genuity Group is exposed to equity price risk, liquidity risk and volatility risk as a result of its principal trading activities in listed options and equity securities. The Company is also exposed to specific interest rate risk, credit spread risk and liquidity risk in respect of its principal trading in fixed income securities. In addition to active supervision and review of trading activities by senior management, Canaccord Genuity Group mitigates its risk exposure through a variety of limits to control concentration, capital allocation and usage, as well as through trading policies and guidelines. The Company manages and monitors its risks in this area using both qualitative and quantitative measures, on a company-wide basis, as well as by trading desk. Management regularly reviews and monitors inventory levels and positions, trading results, liquidity profile, position aging and concentration levels. Canaccord Genuity Group also utilizes scenario analysis and a Value-at-Risk (VaR) risk measurement system for its equity and fixed income and derivative inventories. Consequently, the Company can ensure that it is adequately diversified with respect to market risk factors and that trading activity is within the risk tolerance levels established by senior management.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The primary source for credit risk to Canaccord Genuity Group is in connection with trading activity by clients in the Jitneytrade trade business acquired by the Company in fiscal 2019 (now rebranded as CG Direct) and Canaccord Genuity Wealth Management business segments, including client margin accounts. In order to minimize financial exposure in this area, the Company applies a set of credit standards and conducts financial reviews with respect to clients and new accounts.

The Company provides financing to clients by way of margin lending. In margin-based lending, the Company extends credit for a portion of the market value of the securities in a client's account, up to certain limits. The margin loans are collateralized by those securities in the client's account. In connection with this lending activity, the Company faces a risk of financial loss in the event that a client fails to meet a margin call if market prices for securities held as collateral decline and if the Company is unable to recover sufficient value from the collateral held. For margin lending purposes, the Company has established risk-based limits that are generally more restrictive than those required by applicable regulatory policies. In addition, the Company has established limits to how much it will lend against an individual security or group of securities in a single sector so as to limit credit concentration risk.

Trading strategies involving derivative products, such as exchange traded options and futures carry certain levels of risk to the Company. Due to the non-linear and intrinsically leveraged nature of derivative securities, the speed at which their value changes is exacerbated, thereby potentially triggering margin calls and client-related losses. Although the Company imposes strict limits on clients' trading and monitors client exposure on a real-time basis there is no certainty that such procedures will be effective in eliminating or reducing the risk of losses to the Company.

The extension of credit via margin lending is overseen by the firm's Credit Committee. The Credit Committee meets regularly to review and discuss the firm's credit risks, including large individual loans, collateral quality, loan coverage ratio and concentration risk. The Credit Committee will also meet, as required, to discuss any new loan arrangements proposed by senior management.

The Company also faces a risk of financial loss with respect to trading activity by clients if such trading results in overdue or unpaid amounts in under-secured cash accounts. The Company has developed a number of controls within its automated trade order management system to ensure that trading by individual account and advisor is done in accordance with customized limits and risk parameters.

The Company is engaged in various trading and brokerage activities whose counterparties primarily include broker dealers, banks, clearing agents, exchanges, financial intermediaries and other financial institutions. These activities include agency and principal trading, securities borrowing and lending, and entering into repurchase agreements and reverse repurchase agreements. In the event that counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty and/or the issuer of the instrument. The Company manages this risk by imposing and monitoring individual and aggregate trading and position limits within each business segment, for each counterparty, conducting regular credit reviews of financial counterparties, reviewing security and loan concentrations, holding and marking to market collateral on certain transactions, and conducting business through clearing organizations that guarantee performance.

The Company records a provision for bad debts in general and administrative expense. Any actual losses arising from or associated with client trading activity as described above are charged to this provision. Historically, this provision has been sufficient to cover actual losses.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events such as the occurrence of disasters or security threats. Operational risk exists in all of the Company's activities, including processes, systems and controls used to manage other risks. Failure to manage operational risk can result in financial loss, reputational damage, regulatory fines and failure to manage market, credit or other risks.

The Company operates in different markets and relies on its employees and systems to process a high number of transactions. In order to mitigate this risk, the Company has developed a system of internal controls and checks and balances at appropriate levels, which includes overnight trade reconciliation, control procedures related to clearing and settlement, transaction and daily value limits within all trading applications, cash controls, physical security, independent review procedures, documentation standards, billing and collection procedures, and authorization and processing controls for transactions and accounts. In addition, the Company has implemented an operational risk program that helps Canaccord Genuity Group measure, manage, report and monitor operational risk issues (see RCSA below). The Company also has disaster recovery procedures, business continuity plans and built-in redundancies in place in the event of a systems or technological failure. In addition, the Company utilizes third party service agreements and security audits where appropriate.

Risk and Control Self-Assessments (RCSAs)

The purpose of RCSAs is to:

- Identify and assess key risks inherent to the business and categorize them based on severity and frequency of occurrence
- Rate the effectiveness of the control environment associated with the key risks
- Mitigate the risks through the identification of action plans to improve the control environment where appropriate
- Provide management with a consistent approach to articulate and communicate the risk profiles of their areas of responsibility
- Meet regulatory requirements and industry standards

The Company has established a process to determine the strategic objectives of each group/unit/department and identify, assess and quantify operational risks that hinder the Company's ability to achieve those objectives. The RCSA results are specifically used to calculate the operational risk regulatory capital requirements for operations in the UK and operational risk exposure in all geographies. The RCSAs are periodically updated and results are reported to the Risk Management and Audit Committees.

Other risks

Other risks encompass those risks that can have an adverse material impact on the business but do not belong to market, credit or operational risk categories.

Regulatory and legal risk

Regulatory risk results from non-compliance with regulatory requirements, which could lead to fines and/or sanctions. The Company has established procedures to ensure compliance with all applicable statutory and regulatory requirements in each jurisdiction in which it operates. These procedures address issues such as regulatory capital requirements, disclosure requirements, internal controls over financial reporting, sales and trading practices, use of and safekeeping of client funds, use of and safekeeping of client data, credit granting, collection activity, anti-money laundering, insider trading, employee misconduct, conflicts of interest and recordkeeping.

Legal risk results from potential criminal, civil or regulatory litigation against the Company that could materially affect the Company's business, operations or financial condition. The Company has in-house legal counsel, as well as access to external legal counsel, to assist the Company in addressing legal matters related to operations and to defend the Company's interests in various legal actions.

Losses or costs associated with routine regulatory and legal matters are included in general and administrative expense in the Company's Audited Consolidated Financial Statements.

The Company and its affiliates provide financial advisory, underwriting and other services to, and trade the securities of issuers that are involved with new and emerging industries, including the US cannabis industry. Activities within such industries, including the US cannabis industry, typically have not had the benefit of a history of successful operating results. In addition to the economic uncertainties associated with new industries, new activities and new issuers, the laws applicable to such industries or activities, particularly the US cannabis industry and the activities of issuers in that industry, and the effect or enforcement of such laws are undetermined, conflicting and uncertain. With respect to the US cannabis industry, cannabis continues to be a controlled substance under the United States Controlled Substances Act and as such, there is a risk that certain issuers, while in compliance with applicable state law, may be prosecuted under federal law. Accordingly, the Company has adopted policies and procedures reasonably designed to ensure compliance with the United States Currency and Foreign Transactions Reporting Act of 1970 (the "Bank Secrecy Act") and the guidance issued by the United States Department of the Treasury Financial Crimes Enforcement Network, FIN-2014-G001 (the "FinCEN Guidance") relating to providing financial services to marijuana related businesses in the United States (as that term is used in the FinCEN Guidance). While the Company takes steps to identify the risks associated with emerging industries, including the US cannabis industry, and only provides services to those issuers where it determines that there is no material risk to the Company or where any risk is unlikely to result in a material adverse consequence to the Company, there is a risk that the Company could be the subject of third party proceedings which may have a material adverse effect on the Company's business, revenues, operating results and financial condition as well as the Company's reputation, even if such proceedings were concluded successfully in favour of the Company. The Company has determined that any such proceedings are unlikely and, accordingly, has not recorded a provision in respect of such matters.

Risks associated with emerging industries such as the cannabis and e-cigarette and vaping industries also include the risk of the insolvency of issuers and the consequent inability of such issuers to satisfy their indemnification obligations to the Company. Accordingly, in the event of a loss to the Company, the ability of the Company to recover amounts in respect of any indemnity claims also cannot be predicted with certainty.

Cybersecurity risk

Cybersecurity risk is the risk that the Company's information networks, data or internal systems will be damaged, disrupted, misappropriated, stolen, accessed without permission or otherwise attacked. This risk exists due to the interconnected nature of the Company's business with its clients, suppliers, vendors, partners and the public via the internet and other networks. As a result of this interconnectivity, third parties with which the Company does business with or that facilitate the Company's business may also be a source of cybersecurity risk to the firm. The Company devotes considerable effort and resources to defend against and mitigate cybersecurity risk, including increasing awareness throughout the organization by implementing a firm-wide cybersecurity training program for all employees. The Company's management of cybersecurity risk, as well as any reported incidents, is regularly presented to both senior management via the Cybersecurity Committee and the Audit Committee of the Board of Directors. The Company has implemented a third party risk management framework as part of onboarding new vendors and other third parties as well as vetting existing vendors. The purpose of this mitigant is to ensure all parties interacting with the Company are adhering to high standards as it relates to cybersecurity.

Reputational risk

Reputational risk is the risk that an activity undertaken, or alleged to have been undertaken, by an organization or its representatives will impair its image in the community or lower public confidence in it, resulting in loss of revenue, legal action or increased regulatory oversight. Possible sources of reputational risk could come from operational failures, non-compliance with laws and regulations, leading an unsuccessful financing, disparaging traditional or online media coverage, or internal employee misconduct. The Company could face reputational risk through its association with past or present corporate finance clients who are the subject of regulatory and/or legal scrutiny. Reputational risk can also be reflected within customer satisfaction and external ratings, such as equity analyst reports. In addition to its various risk management policies, controls and procedures, the Company has a formal Code of Business Conduct and Ethics and an integrated program of marketing, branding, communications and investor relations to help manage and support the Company's reputation.

Pandemic risk

Pandemic risk is the risk of large-scale outbreaks of infectious diseases that can greatly increase morbidity and mortality over a wide geographic area and cause significant social and economic disruption. Such disruptions could have a negative impact on the Company's operations and could prevent the Company from operating as it would under normal conditions. The global outbreak of COVID-19 and the declaration of a pandemic by the World Health Organization in March 2020 caused a significant disruption in economic activity and resulted in a sharp downturn in global equity markets which impacted the normal operation of the Company's business. In the early stages of the outbreak, the Company overhauled its Disaster Recovery Plan in preparation of an escalation of the outbreak. This overhaul included the setup of low-latency remote access trading systems for trading desks, updates of technology solutions and the network infrastructure, load testing of remote access systems, and policy and procedural enhancements to reduce the need for manual processes to ensure the smooth operations of the business in the event of a remote working environment. As a result, the company was prepared and experienced no visible disruptions to its operations as a result of moving to an environment where most employees worked from remote locations. Trading desks operated smoothly and effectively to both service clients and to limit the Company's exposure and risks in managing its own inventory and trading positions. Although the Company's systems, processes and procedures were effective in limiting the risk associated with the outbreak of the COVID-19 pandemic there is a risk that such systems, processes and procedures may not be successful in the event of future pandemics or in the event that conditions under the COVID-19 pandemic deteriorate or persist for an extended period of time.

Control risk

As of March 31, 2020, senior officers and directors of the Company collectively owned approximately 13.1% of the issued and outstanding (17.9% fully diluted) common shares of Canaccord Genuity Group Inc. If a sufficient number of these shareholders act or vote together, they will have the power to exercise significant influence over all matters requiring shareholder approval, including the election of the Company's directors, amendments to its articles, amalgamations and plans of arrangement under Canadian law and mergers or sales of substantially all of its assets. This could prevent Canaccord Genuity Group from entering into transactions that could be beneficial to the Company or its other shareholders. Also, third parties could be discouraged from making a tender offer or takeover bid to acquire any or all of the outstanding common shares of the Company. Any significant change in these shareholdings through sale or other disposition, or significant acquisitions by others of the common shares in the public market or by way of private transactions, could result in a change of control and changes in business focus or practices that could affect the profitability of the Company's business.

Restrictions on ownership and transfer of common shares

Restrictions on ownership and transfer of common shares in the articles of the Company to prevent unauthorized change in control without regulatory approval could, in certain cases, affect the marketability and liquidity of the common shares.

Risk factors

Overview

The securities industry and the Company's activities are by their very nature subject to a number of inherent risks. Economic conditions, competition and market factors such as volatility in the Canadian and international markets, interest rates, commodity prices, market prices, trading volumes and liquidity will have a significant impact on the Company's profitability. Revenue from Canaccord Genuity Wealth Management's activity is dependent on assets under management and trading volumes and, therefore, is linked to the level of market activity and investor confidence. Revenue from Canaccord Genuity's activity is dependent on corporate clients retaining Canaccord Genuity for advisory engagements, financing activity by corporate issuers and the willingness of institutional clients to actively trade and participate in capital markets transactions. There may also be a lag between market fluctuations and the level of the Company's market activity and the impact that these factors have on the Company's operating results and financial position. Furthermore, the Company's business is cyclical and thus experiences considerable variations in revenue and income from quarter to quarter and year to year due to the factors discussed above. These factors are beyond the Company's control and, as a result, revenue and net income will fluctuate, as they have historically.

An investment in the common or preferred shares of the Company involves a number of risks. Some of these, including market risk, credit risk, operational risk and other risks could be substantial and are inherent in the Company's business. Risk management at the Company is a significant priority due to the importance of its effectiveness on the Company's operations. For the discussion on risk management, please see "Risk Management" above. A summary of the general risk factors as well as the risk factors specific to preferred shares related to the Company (see "Description of Capital Structure" below in relation to preferred shares) are listed below. Risks include, but are not necessarily limited to, those set out below. Investors should carefully consider the following information about risks, together with the other information in this document, before making investment decisions. It should be noted that this list is not exhaustive but contains risks that the Company considers to be of particular relevance. Other risk factors may apply. The risk factors are broken out into two sections:

A. Summary of risk factors
B. Summary of risk factors specific to preferred shares

A. Summary of risk factors:

1. Risks associated with the financial services business generally
2. Regulation risk
3. Risk from changes in market volume, prices or liquidity
4. Risk from changes in global economic, political or market conditions
5. Risk from periods of declining prices or reduced activity in targeted industries
6. Significant fluctuations in results
7. Principal trading risk
8. Foreign exchange risk
9. Interest rate risk
10. Liquidity risk
11. Underwriting risk
12. Credit/Counterparty risk
13. Derivatives trading risk
14. Employee misconduct
15. Inadequate risk management policies and procedures
16. Cybersecurity risk and network security
17. Dependence on information systems
18. Inability to retain and recruit skilled personnel
19. Potential conflicts of interest
20. Legal risk
21. Significant competition
22. Lack of available funding or regulatory capital
23. Inadequate management of growth
24. New and emerging industries

1. Risks Associated with the Financial Services Business Generally

The financial services business is, by its nature, subject to numerous and substantial risks, particularly in volatile or illiquid markets and in markets influenced by sustained periods of low or negative economic growth. In addition, there is the risk of losses resulting from the underwriting or ownership of securities, principal trading, a counterparty's failure to meet commitments, customer fraud, employee errors, misconduct and fraud (including unauthorized transactions by traders), failures in connection with the processing of securities transactions, litigation, lower revenue in periods of reduced demand for public offerings or less activity in the secondary markets, and the risk of smaller spreads on the trading of securities.

2. Regulation risk

The financial services business is subject to extensive regulation in Canada, the US, the UK and elsewhere. Compliance with many of the regulations applicable to the Company involves a number of risks, particularly in areas where applicable regulations may be subject to interpretation. In the event of non-compliance with applicable regulation, securities regulators such as the Investment Industry Regulatory Organization of Canada (IIROC), the Financial Industry Regulatory Authority (FINRA), the Financial Conduct Authority (FCA) and other authorities may institute administrative or judicial proceedings that may result in censure, fines, civil penalties, issuance of cease-and-desist orders, deregistration or suspension, loss of status as a Nomad, suspension or disqualification of the investment dealer's officers or employees, or other adverse consequences. The imposition of any such penalties or orders on the Company could have a material adverse effect on its operating results and financial condition.

Additional regulation, changes in existing laws and rules, or changes in interpretations or enforcement of existing laws and rules often directly affect the method of operation and profitability of securities firms, as new regulation may require additional investment in personnel and/or systems. The Company cannot predict the effect any such changes might have. Furthermore, the Company's business may be materially affected not only by regulations applicable to the Company as a financial market intermediary, but also by regulations of general application. For example, the Company's revenue in a given time period could be adversely affected by, among other things, proposed tax legislation, changes to competition policy and other governmental regulations and policies.

The Company's ability to comply with all applicable laws and regulations is dependent on the creation, implementation and maintenance of effective compliance systems, policies and procedures and on its ability to hire and retain qualified compliance personnel.

3. Risk from changes in market volume, prices or liquidity

The Company's revenue may decrease in the event of a decline in market volume, prices or liquidity. Declines in the volume of securities transactions and in market liquidity generally result in lower revenue from trading activities and commissions. Lower price levels of securities may also result in a decreased volume of underwriting transactions and could cause a reduction in revenue from corporate finance activities as well as losses from declines in the market value of securities held in trading, investment and underwriting positions, a reduction in Canaccord Genuity Wealth Management fees, and a reduction in assets under management, either as a result of a decrease in market prices and/or the withdrawal of funds by clients. Sudden sharp declines in market values of securities can result in illiquid markets and the failure of issuers and counterparties to perform their obligations, as well as increases in claims and litigation. In such markets, the Company may also experience declining revenue or losses in its principal trading and market-making activities.

4. Risk from changes in global economic, political or market conditions

Reductions in the number and size of public offerings and mergers and acquisitions, and reduced securities trading activities, due to changes in global economic, political or market conditions that are beyond the Company's control, could cause revenues from the Company's activities to decline materially. The amount and profitability of these activities are affected by many national and international factors, including economic, political and market conditions; the level and volatility of interest rates; changes to tax policy; changes to global trade agreements; legislative and regulatory changes; exposure to fluctuations in currency values; inflation; inflows and outflows of mutual funds, exchange traded funds and pension funds; financial scandals; war or insurgency; and availability of short-term and long-term funding and capital.

Weak economic and global financial market conditions and uncertainties with respect to Brexit and US-China trade relationships could result in a challenging business environment for small and mid-market M&A and capital raising activity but may provide opportunities for our restructuring business.

5. Risk from periods of declining prices or reduced activity in targeted industries

The Company's revenue is likely to be lower during periods of declining prices or inactivity in the market for securities of companies in the Company's focus sectors. The Company's business is particularly dependent on the market for equity offerings by companies in Healthcare & Life Sciences, Technology, Industrials, Financials, Metals & Mining, Diversified, Consumer & Retail, Real Estate and Sustainability. These markets have historically experienced significant volatility, not only in the number and size of equity offerings, but also in the aftermarket trading volume and prices of newly issued securities.

The Company's revenue growth historically is partially attributable to the increased number and size of underwritten transactions by companies in the Company's target industries and by the related increase in agency trading for such companies. Underwriting activities in the Company's focus sectors can decline for a number of reasons, including market uncertainty, new or changed regulation, inflation, rising interest rates and related issues. Underwriting and brokerage activity can also be materially adversely affected for a company or industry segment by disappointments in quarterly performance relative to a research analyst's expectations or by changes in long-term prospects.

The Company's investment banking clients generally retain the Company on a short-term, non-recurring basis for specific capital markets or advisory transactions. During reduced market activity in its focus sectors, if the Company is unable to generate a substantial number of new engagements that generate fees from the successful completion of transactions, then its business and results of operations would likely be adversely affected.

6. Significant fluctuations in results

The Company's revenue and operating results may fluctuate from quarter to quarter and from year to year due to a combination of factors, including the number of underwriting and advisory transactions completed, the realized and unrealized gains or losses on principal trading inventories, the level of institutional and retail brokerage transactions, variations in expenditures for personnel, litigation expenses and expenses of establishing or expanding new business units or product and service offerings. The Company's revenue from underwriting and advisory transactions is recorded only when the underlying transaction is substantially complete under the engagement terms and related revenue is reasonably determinable. Accordingly, the timing of recognition of revenue from a significant transaction can materially affect quarterly and annual operating results. The Company's cost structure is oriented to meet the current level of demand for investment banking transactions. As a result, despite the variability of incentive compensation, the Company could experience losses if demand for these transactions declines more quickly than its ability to change its cost structure, which includes fixed salaries and benefits expenses. Due to the foregoing and other factors, there can be no assurance that the Company will be able to sustain profitability on a quarterly or annual basis.

7. Principal trading risk

The Company generates a considerable amount of revenue from principal trading. This activity includes market-making, hedging and proprietary trading. Consequently, the Company may incur trading losses relating to the purchase, sale or short sale of securities which include, but are not limited to, fixed income securities, currencies, exchange traded derivatives, exchange traded equity securities, private market securities, equity options, exchange traded funds, closed end funds, American depository receipts and global depository receipts. These losses in the Company's inventory positions are most often the result of a decline in market volume, prices or liquidity. A decline in any or all of these factors may result in both mark to market losses on securities held in inventory or in losses realized in executing trades done on a principal basis. In addition, the Company may engage in transactions that are meant to hedge exposure, but that fail to be effective and could result in losses. The Company attempts to mitigate potential losses from principal trading by imposing strict position and desk level limits and through vigilant risk oversight of all principal trading activity.

8. Foreign exchange risk

The Company incurs foreign exchange risk primarily on its net investments in foreign subsidiaries and on financial instruments held by its operating subsidiaries that are denominated in currencies other than its functional currency. The Company's results are reported in Canadian dollars. A portion of the Company's business is conducted and denominated in UK pounds sterling, in US dollars, in Australian dollars, and in other currencies. Any fluctuations in the value of any of these currencies relative to the Canadian dollar may result in variations in the comprehensive income of the Company. The Company manages some of its foreign exchange settlement risk by periodically hedging pending settlements in foreign currencies. However, these procedures may not be adequate and do not address the impact that any changes in currency exchange rates may have on the Company's financial reporting in Canadian dollars and the possibility that such changes may have an adverse impact on the Company's business and financial condition.

9. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of financial instruments and fixed income securities held by the Company. The Company strives to reduce and monitor its exposure to interest rate risk through quantitative analysis of its net positions in fixed income securities. The Company hedges its positions when required in order to minimize its net exposure to interest rate risk.

Related to interest rate risk is the risk that there is a change in the difference between interest rates charged on risky assets and risk-free assets, commonly referred to as credit spread. This change in credit spreads may adversely affect the value of fixed income securities held by the Company.

10. Liquidity risk

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they become due. Liquidity, or ready access to funds, is essential to the Company and all financial services firms generally. Insufficient liquidity can be a cause of failure for financial services firms. In addition, perceived liquidity issues rather than actual liquidity problems may also be a cause of failure for such firms. Perceptions of insufficient liquidity may affect the Company's customers and counterparties' willingness to engage in brokerage transactions with the Company. The Company's liquidity could be impaired because of circumstances that the Company may be unable to control, such as operating losses, counterparty failure, a general market disruption, a prolonged market downturn or operational problems.

Lack of adequate funding would also limit the Company's ability to pay dividends or to repay debt. The Company has, in the past, satisfied its need for funding from internally generated funds, sales of shares of common and preferred stock and short-term loans or term debt from third parties. While the Company currently has adequate capital and liquid resources, adequate funding may not continue to be available to the Company in the future on terms that are acceptable to the Company or at all.

11. Underwriting risk

The Company's participation in underwritings involves both financial and regulatory risks. The Company may incur losses if it is unable to resell the securities it has committed to purchase or if it is forced to liquidate its commitment below the agreed purchase price.

In addition, the Company may retain a significant concentration in individual securities. Increasing competition is expected to continue to erode underwriting spreads, thereby reducing profitability. The Company may also be subject to substantial liability for material misstatements or omissions in prospectuses and other communications or offering documents with respect to offerings in which it acts as underwriter, and may be exposed to claims and litigation arising from such offerings.

12. Credit/Counterparty risk

The Company is exposed to the risk that third parties owing the Company money, securities or other assets will not meet their obligations. These parties include trading counterparties, clients, clearing agents, exchanges, clearing houses and other financial intermediaries as well as issuers whose securities are held by the Company or for which the Company provides underwriting or other services. These parties may default on their obligations due to bankruptcy, insolvency, lack of liquidity, operational failure or other reasons.

The Company provides financing to private clients by way of margin lending. In margin-based lending, the Company extends credit for a portion of the market value of the securities in a client's account up to certain limits. The margin loans are collateralized by those securities in the client's account. In connection with this lending activity, the Company faces a risk of financial loss in the event that a client fails to meet a margin call if market prices for securities held as collateral decline and if the Company is unable to sell the securities held as collateral at a price that will cover the amount of the outstanding loan.

Although the Company regularly reviews credit exposure to specific clients, counterparties, industries, countries and regions that it believes may present credit concerns, default risk may arise from events or circumstances that are difficult to detect, such as fraud. The Company may also fail to receive full or accurate information with respect to the credit risks of a counterparty.

13. Derivatives trading risk

In addition to the risks that are associated with all investments, the Company faces certain derivative specific risks, including, without limitation, the following: derivative prices are affected by several factors other than the price of the underlying security; there is no guarantee a market will exist when the Company wants to buy or sell one of these derivative contracts; the other party to the contract may not be able to meet its financial obligations; a derivative hedging strategy to reduce risk may not be effective and the market value of the investment being hedged and the derivative instrument being used may not be perfectly correlated; and investors may speculate in derivatives, driving the price up or down, all of which could result in a loss to the Company. Although many derivatives are exchange traded (e.g. equity options and futures) which helps mitigate against counterparty risk via a central clearing house and liquidity risk via standardized contracts with publicly available market prices, the Company may also engage in over the counter derivative trading where there is neither a central clearing house nor a public market and, as a result, the counterparty and liquidity risks may be greater.

14. Employee misconduct

Within the financial services industry, there have been a number of highly publicized cases involving fraud or other misconduct by employees in recent years, and the Company runs the risk that employee misconduct could occur. Misconduct by employees could include binding the Company to transactions that exceed authorized limits or present unacceptable risks, or hiding from the Company unauthorized or unsuccessful activities, which may result in unknown and unmanaged risks or losses. Employee misconduct could also involve the improper use of confidential information, which could result in regulatory sanctions and serious reputational harm. Finally, employees may misappropriate the Company's proprietary intellectual property for their own personal gain. It is not always possible to deter employee misconduct and the precautions the Company takes to prevent and detect this activity may not be effective in all cases.

15. Inadequate risk management policies and procedures

The Company's risk management policies and procedures are based on historical market behaviour and depend on evaluations of certain information regarding markets, clients and other matters. The Company's risk management strategies and techniques may not be fully effective in mitigating its risk exposure in all market environments or against all types of risk, and there may be situations where existing procedures and methods do not adequately identify existing risk exposure or predict future risk exposure or where risk exposure may be substantially higher than historical measures indicate. Accordingly, there is no certainty that the Company's risk management policies, systems and procedures will be adequate to prevent substantial financial loss.

16. Cybersecurity risk and network security

The Company's operations rely on the secure processing, storage and transmission of confidential and other information in computer systems and networks. Although the Company takes protective measures and tries to modify them as circumstances warrant, computer systems, sensitive data, software and networks may be vulnerable to cyber-attacks, unauthorized access, computer viruses or other malicious code and events that could have a security impact. Canaccord Genuity relies on third party information technology vendors and there is the risk that third parties could expose it to cybersecurity breaches. If one or more of these events occur, this could potentially jeopardize the Company's, or its clients' or counterparties' confidential and other personal information processed and stored in, and transmitted through, computer systems and networks, or otherwise cause interruptions or malfunctions in clients', counterparties' or third parties' operations. The Company may be required to expend significant additional resources to modify protective measures or to investigate and remediate vulnerabilities or other exposures. As a result, the Company may be subject to financial losses, litigation, fines and/or liability for failure to comply with privacy and data security laws and regulations as well as regulatory investigations and heightened regulatory scrutiny. These all may lead to reputational harm affecting client and investor confidence.

A cyber attack could also compromise any proprietary, confidential or sensitive information or systems that the Company maintains for the purpose of competitive advantage and such a compromise could lead to lost revenues while the firm attempts to recover or replace the lost information or systems.

The increased use of smartphones and other mobile devices, as well as enabling employees to securely access the Company's network remotely, may also heighten these risks.

17. Dependence on information systems

The Company's business is highly dependent on communications and information systems. Any failure or interruption of the Company's systems, or those of third parties such as service providers, clearing corporations and exchanges, could cause delays or other problems in the Company's sales, trading, clearing, settlement and other client services, which could have a material adverse effect on its operating results and financial condition. To mitigate this risk, any software developed for the Company is thoroughly tested before being employed to ensure that it is performing as intended. There can be no assurance that the Company will be able to prevent any systems failures or interruptions, including those caused by an earthquake, fire, other natural disaster, power or telecommunications failure, act of God, operator error, cyber attack, act of war or terror or otherwise, or that back-up procedures and capabilities in the event of failure or interruption will be adequate. Even though the Company has back-up procedures, duplicate systems, excess capacity and business continuity plans in place, there is no assurance that procedures and plans will be sufficient or adequate in the event of a failure or catastrophe and, consequently, such an event could have a material adverse effect on the Company's operating results and financial condition.

18. Inability to retain and recruit skilled personnel

The Company's business is dependent on highly skilled and, often, highly specialized employees. The establishment and maintenance of relationships with clients and potential clients depends in part on individuals. Retention of investment advisors, investment professionals and fund managers, advisors, investment banking, research, sales and trading professionals, and management and administrative personnel is particularly important to the Company.

The level of competition for key personnel is very high, particularly due to the market entry efforts of new retail brokerage operations, certain non-brokerage financial services companies and other investment banks targeting or increasing their efforts in all or some of the areas in which the Company operates. While the Company aims to limit the turnover in professional employees, there can be no assurance that losses of key personnel, due to competition or otherwise, will not occur in the future. The loss of an investment advisor, investment banking, research, or sales and trading professional, particularly any member of senior management or other senior professional with a broad range of contacts in an industry, could materially and adversely affect the Company's operating results.

Competition for the recruiting and retention of employees is responsible for the compensation costs contributing significantly to the Company's overall costs, and the Company expects that this trend will continue in the future. There can be no assurance that the Company will be able to recruit a sufficient number of new employees with the desired qualifications, in a timely manner and on financial terms that are acceptable to the Company. The failure to recruit new employees or the unintentional recruitment of underperforming employees could materially and adversely affect future operating results.

19. Potential conflicts of interest

Directors, officers and employees of the Company from time to time may invest in securities of private or public companies or investment funds in which the Company, or an affiliate of the Company, is an investor or for which the Company carries out investment banking assignments, publishes research or acts as a market maker. There are certain risks that, as a result of such investment, a director, officer or employee may take actions that would conflict with the best interests of the Company.

In addition, certain directors of the Company also serve as directors of other companies involved in a wide range of industry sectors. Consequently, there exists the possibility these directors could potentially be in a conflict of interest.

20. Legal risk

Many aspects of the Company's business involve substantial risks of liability. An underwriter is exposed to substantial liability under securities laws, other laws and court decisions, including decisions with respect to underwriters' liability and limitations on indemnification of underwriters by issuers. For example, a firm that acts as an underwriter may be held liable for misstatements or omissions of fact in a prospectus used in connection with the securities being offered and firms may be held liable for statements made by its securities analysts or other personnel. Risks also include potential liability for fairness opinions and other advice the Company provides to participants in strategic transactions. Such advice frequently requires complex analysis and professional judgment, which could give rise to subsequent disputes. In recent years, there has been increasing litigation involving the securities industry, including class actions that seek substantial damages. The Company is subject to the risk of litigation, including litigation that may be without merit. As the Company intends to actively defend itself against any such litigation, significant legal expenses could be incurred, and the Company could suffer substantial reputational harm which could adversely affect future business opportunities and activity. An adverse resolution of any actions or claims against the Company may materially affect its operating results and financial condition.

The legal risks facing the Company also include potential liability under securities laws or through civil litigation in the event that the Company's Investment Advisors, Investment Professionals, Fund Managers or employees violate investor suitability requirements, provide negligent advice, make materially false or misleading statements in relation to securities transactions, effect unauthorized transactions, fail to properly implement instructions, commit fraud, misuse client funds, or breach any other statute, regulatory rule or requirement. This could have a material adverse effect on the Company's operating results or financial condition.

When the Company recruits investment advisors with existing clients from other employers, there may be existing non-competition or non-solicitation agreements and other contractual or common law obligations. The former employer may claim damages or injunctive relief against the investment advisor or the Company, and the Company may incur expenses in awards, settlements and legal expenses.

21. Significant competition

The Company is engaged in the highly competitive securities brokerage and financial services business. The Company competes directly with large domestic and international securities firms, securities subsidiaries of major chartered banks, major regional firms and smaller niche players. Many other large companies have more personnel and greater financial resources than the Company does, while niche boutiques can offer a specialized focus. These companies compete directly with the Company for private clients, investment banking clients, institutional buy-side clients, investment advisors, professional staff and other industry personnel. Larger competitors are able to advertise their products and services on a regional or national basis and may have a greater number and variety of distribution outlets for their products, including retail distribution. Discount brokerage, robo-advisor and other fintech firms market their services through aggressive pricing and promotional efforts. In addition, some competitors have a much longer history of investment banking activities than the Company and, therefore, may possess a relative advantage with regard to access to deal flow and capital. This competition could have a material adverse effect on the Company's operating results as well as the Company's ability to attract and retain highly skilled individuals. There can be no assurance that the Company will be able to compete effectively.

22. Lack of available funding or regulatory capital

The Company's business depends on the availability of adequate funding and regulatory capital under applicable regulatory requirements. Underwriting commitments require a charge against capital and, accordingly, the Company's ability to make underwriting commitments may be limited by the requirement that it must at all times be in compliance with applicable net capital regulations. Other Canaccord Genuity activity and Canaccord Genuity Wealth Management activity also require charges against capital for regulatory purposes. Although the Company expects to have sufficient capital to satisfy all of its capital requirements, there can be no assurance that any, or sufficient, funding or regulatory capital will continue to be available to the Company in the future on acceptable terms.

23. Inadequate management of growth

Over the past several years, the Company has experienced growth in its business activities. This growth has required and will continue to require increased investment in management personnel, financial and management systems, and controls and facilities, which, in the absence of continuing revenue growth, would cause the Company's operating margins to decline from current levels.

As part of the Company's business strategy, the Company has acquired and may make further acquisitions of assets or businesses related to, or complementary to, its current operations. The Company has also devoted significant time and resources recruiting new investment advisors. Any acquisitions or large recruiting initiatives will be accompanied by certain risks including inability to retain key employees of acquired companies, inability to onboard clients of new advisors, impairment of relationships with clients and business partners, exposure to unknown liabilities of acquired companies, higher than anticipated acquisition costs and expenses, increased investments in management and operational personnel, financial and management systems and facilities, the difficulty and expense of integrating operations and personnel of acquired companies or onboarded advisor teams, disruption of ongoing business, diversion of management's time and attention, and possible dilution to shareholders. In addition, acquisitions often involve the recording of a significant amount of goodwill and other intangible assets. Under IFRS, the Company must assess, at least annually and potentially more frequently, whether the value of goodwill and other indefinite-lived intangible assets has been impaired. Amortizing intangible assets will be assessed for impairment in the event of an impairment indicator. Any reduction or impairment of the value of goodwill or other intangible assets will result in a charge against earnings, which could materially adversely affect the Company's results of operations and shareholders' equity in future periods.

The Company may not be able to successfully address these risks and other problems associated with acquisitions, which could adversely affect the Company's results of operations and shareholders' equity in future periods.

24. New and emerging industries

The Company provides financial advisory, underwriting and other services to, and trades the securities of issuers that are involved with new and emerging industries, including the US cannabis industry. Activities within such industries, including the US cannabis industry, typically have not had the benefit of a history of successful operating results. In addition to the economic uncertainties associated with new industries, new activities and new issuers, the laws applicable to such industries or activities, particularly the US cannabis industry and the activities of issuers in that industry, and the effect or enforcement of such laws are undetermined, conflicting and uncertain. With respect to the US cannabis industry, cannabis continues to be a controlled substance under the United States Controlled Substances Act and as such, there is a risk that certain issuers, while in compliance with applicable state law, may be prosecuted under federal law. Accordingly, the Company has adopted policies and procedures reasonably designed to ensure compliance with the United States Currency and Foreign Transactions Reporting Act of 1970 (the Bank Secrecy Act) and the guidance issued by the United States Department of the Treasury Financial Crimes Enforcement Network, FIN-2014-G001 (the FinCEN Guidance) relating to providing financial services to marijuana related businesses in the United States (as that term is used in the FinCEN Guidance). While the Company takes steps to identify the risks associated with emerging industries, including the US cannabis industry, and only provides services to those issuers where it determines that there is no material risk to the Company or where any risk is unlikely to result in a material adverse consequence to the Company, there is a risk that the Company could be the subject of third party proceedings which may have a material adverse effect on the Company business, revenues, operating results and financial condition as well as the Company's reputation, even if such proceedings were concluded successfully in favour of the Company. The Company has determined that any such proceedings are unlikely and, accordingly, has not recorded a provision in respect of such matters.

Risks associated with emerging industries such as the cannabis and e-cigarette and vaping industries also include the risk of the insolvency of issuers and the consequent inability of such issuers to satisfy their indemnification obligations to the Company. Accordingly, in the event of a loss to the Company, the ability of the Company to recover amounts in respect of any indemnity claims also cannot be predicted with certainty.

B. Summary of Risk Factors Specific to Preferred Shares:

1. Unpredictability and volatility of market price
2. Inability to meet its financial obligations
3. Preferred share credit rating
4. Limitations on ability to liquidate preferred shares
5. Limitations on the payment of dividends
6. Limitations on the repurchase of shares
7. The Company may redeem the preferred shares
8. Creditors of the Company rank ahead of preferred shareholders
9. Dividend rates of the preferred shares will reset
10. Interest rate risk for floating rate preferred shares
11. Conversion of preferred shares without the holders' consent
12. Dividends declared at the Board's discretion
13. No voting rights, except under limited circumstances

1. Unpredictability and volatility of market price

From time to time, the stock market experiences significant price and volume volatility that may affect the market price of the preferred shares for reasons unrelated to the Company's performance. The value of the preferred shares is also subject to market fluctuations based upon factors that influence the Company's operations, such as legislative or regulatory developments, competition, technological change and global capital market activity. The value of the preferred shares will also be affected by the general creditworthiness of the Company.

The market value of the Company's preferred shares, as with other preferred shares, is primarily affected by changes (actual or anticipated) in prevailing interest rates and in the credit rating assigned to such shares. Real or anticipated changes in ratings on the preferred shares may also affect the cost at which the Company can transact or obtain funding, and thereby affect its liquidity, financial condition or results of operations.

Prevailing yields on similar securities will affect the market value of the preferred shares. Assuming all other factors remain unchanged, the market value of the preferred shares would be expected to decline as prevailing yields for similar securities rise and would be expected to increase as prevailing yields for similar securities decline. Spreads over the Government of Canada Yield, T-Bill Rate and comparable benchmark rates of interest for similar securities may affect the market value of the preferred shares in an analogous manner.

The market value of the preferred shares may also depend on the market price of the common shares. The prices at which the common shares will trade cannot be predicted. The price at which the common shares trade is influenced by the Company's financial results and by complex and interrelated political, economic, financial and other factors that can affect the capital markets generally, the stock exchanges on which the common shares are traded and the market segment of which the Company is a part.

2. Inability to meet its financial obligations

As the Company is a holding company, the Company's ability to pay dividends and other operating expenses and interest and to meet its obligations depends to a significant extent upon receipt of sufficient funds from its principal subsidiaries, the returns generated by its investments, its ability to raise additional capital and the value of its underlying business and assets. Accordingly, the likelihood that holders of the preferred shares will receive dividends will depend to a significant extent upon the financial position and creditworthiness of the Company's principal subsidiaries and affiliates, the principal entities in which the Company invests and its underlying business and assets. The payment of interest and dividends to the Company by certain of these principal subsidiaries or investee entities is also subject to restrictions set forth in certain laws and regulations that require that solvency and capital standards be maintained by such companies.

3. Preferred share credit rating

The preferred share credit rating applied to the preferred shares is an assessment, by DBRS Limited (DBRS), of the Company's ability to meet its financial obligations. The rating is based on certain assumptions about the future performance and capital structure of the Company that may or may not reflect the actual performance or capital structure of the Company. Changes in the credit rating of the preferred shares may affect the market price or value and the liquidity of the preferred shares. There is no assurance that any rating assigned to the preferred shares will remain in effect for any given period of time or that any rating will not be lowered or withdrawn entirely by the relevant rating organization.

4. Limitations on ability to liquidate preferred shares

The preferred shares do not have a fixed maturity or redemption date and they are not redeemable at the option of the holders thereof. The ability of a holder to liquidate his, her or its holdings of preferred shares, as applicable, may be limited.

5. Limitations on the payment of dividends

Although the preferred shares carry cumulative dividends, the Company may not be in a position pursuant to law to declare and pay such dividends. The Company may not declare or pay a dividend if there are reasonable grounds for believing that (i) the Company is unable to pay its debts as they become due in the ordinary course of its business, or (ii) the payment of the dividend would render the Company unable to pay its debts as they become due in the ordinary course of its business.

6. Limitations on the repurchase of shares

The Company may not make a payment or provide any consideration to purchase or otherwise acquire any of its shares if there are reasonable grounds for believing that (i) the Company is unable to pay its debts as they become due in the ordinary course of its business, or (ii) the making of the payment or providing the consideration would render the Company unable to pay its debts as they become due in the ordinary course of its business.

7. The Company may redeem the preferred shares

The Company may choose to redeem the preferred shares from time to time, including when prevailing interest rates are lower than yields borne by the preferred shares. If prevailing rates are lower at the time of redemption, a purchaser would not be able to reinvest the redemption proceeds in a comparable security at an effective yield as high as the yields on the preferred shares being redeemed. The Company's redemption right also may adversely impact a purchaser's ability to sell the preferred shares as the optional redemption date or period approaches.

The Company may not make a payment or provide any consideration to redeem any of its shares if there are reasonable grounds for believing that (i) the Company is unable to pay its debts as they become due in the ordinary course of its business, or (ii) the making of the payment or providing the consideration would render the Company unable to pay its debts as they become due in the ordinary course of its business.

8. Creditors of the Company rank ahead of preferred shareholders

All the Company's preferred shares that may be outstanding in the event of insolvency or winding-up of the Company rank equally. If the Company becomes insolvent or is wound-up, the Company's assets must be used to pay debt, including subordinated and inter-company debt, before payments may be made on the preferred shares.

9. Dividend rates of the preferred shares will reset

The dividend rate in respect of the Series C Preferred Shares will reset on June 30, 2022 and on June 30 every five years thereafter. The dividend rate in respect of the Series A Preferred Shares will reset on September 30, 2021 and on September 30 every five years thereafter. The dividend rate in respect of any floating rate preferred shares will reset quarterly. In each case, the new dividend rate is unlikely to be the same as, and may be lower than, the dividend rate for the applicable preceding dividend period.

10. Interest rate risk for floating rate preferred shares

The resetting of the applicable rate on a floating rate preferred share may result in a lower yield compared to fixed rate preferred shares. The applicable rate on a floating rate preferred share will fluctuate in accordance with fluctuations in the T-Bill Rate on which the applicable rate is based, which in turn may fluctuate and be affected by a number of interrelated factors, including economic, financial and political events over which the Company has no control.

11. Conversion of preferred shares without the holders' consent

An investment in the fixed rate preferred shares, or in the floating rate preferred shares, as the case may be, may become an investment in floating rate preferred shares, or in fixed rate preferred shares, respectively, without the consent of the holder in the event of an automatic conversion in the circumstances described in the Short Form Prospectuses under which the preferred shares were sold. Upon the automatic conversion of the fixed rate preferred shares into floating rate preferred shares, the dividend rate on the floating rate preferred shares will be a floating rate that is adjusted quarterly by reference to the T-Bill Rate which may vary from time to time while, upon the automatic conversion of the floating rate preferred shares into fixed rate preferred shares, the dividend rate on the fixed rate preferred shares will be, for each five-year period, a fixed rate that is determined by reference to the Government of Canada Yield on the 30th day prior to the first day of each such five-year period. In addition, holders may be prevented from converting their fixed rate preferred shares into floating rate preferred shares, and vice versa, in certain circumstances.

12. Dividends declared at the Board's discretion

Holders of the preferred shares do not have a right to dividends on such shares unless declared by the Board of Directors of the Company. The declaration of dividends is at the discretion of the Board of Directors even if the Company has sufficient funds, net of its liabilities, to pay such dividends.

The Company may not declare or pay a dividend if there are reasonable grounds for believing that (i) the Company is unable to pay its debts as they become due in the ordinary course of its business, or (ii) the payment of the dividend would render the Company unable to pay its debts as they become due in the ordinary course of its business. Debts of the Company will include those arising in the course of its business, indebtedness, including inter-company debt, and amounts, if any, that are owed by the Company under guarantees in respect of which a demand for payment has been made.

13. No voting rights, except under limited circumstances

Holders of preferred shares will generally not have voting rights at meetings of the shareholders of the Company except under limited circumstances. Holders of preferred shares will have no right to elect the Board of Directors of the Company.

Risk factors specific to Canaccord Genuity Group Inc.'s outstanding preferred shares

For a detailed list of the risk factors specific to the Series A and Series B Preferred Shares, see "Risk Factors" in the Company's Short Form Prospectus dated June 16, 2011.

For a detailed list of the risk factors specific to the Series C and Series D Preferred Shares, see "Risk Factors" in the Company's Short Form Prospectus dated April 2, 2012.

Dividends

The Company declared the following dividends on its common shares for the three years ending March 31, 2020:

Quarter	Dividends	Record date	Payment date
Q1/18	$0.01	September 1, 2017	September 15, 2017
Q2/18	$0.01	December 1, 2017	December 15, 2017
Q3/18	$0.01	March 2, 2018	March 15, 2018
Q4/18	$0.12	June 22, 2018	July 3, 2018
Q1/19	$0.01	August 31, 2018	September 10, 2018
Q2/19	$0.01	November 30, 2018	December 10, 2018
Q3/19	$0.01	March 1, 2019	March 15, 2019
Q4/19	$0.17	June 21, 2019	July 2, 2019
Q1/20	$0.05	August 30, 2019	September 10, 2019
Q2/20	$0.05	November 29, 2019	December 10, 2019
Q3/20	$0.05	February 28, 2020	March 10, 2020
Q4/20	$0.05	June 19, 2020	June 30, 2020

The Company declared the following dividends on its preferred shares for the three years ended March 31, 2020:

Quarter	Series A Preferred dividends	Series C Preferred dividends	Record date	Payment date
Q1/18	$0.24281	$0.31206	September 15, 2017	October 2, 2017
Q2/18	$0.24281	$0.31206	December 22, 2017	January 2, 2018
Q3/18	$0.24281	$0.31206	March 16, 2018	April 2, 2018
Q4/18	$0.24281	$0.31206	June 22, 2018	July 3, 2018
Q1/19	$0.24281	$0.31206	September 14, 2018	October 1, 2018
Q2/19	$0.24281	$0.31206	December 14, 2018	December 31, 2018
Q3/19	$0.24281	$0.31206	March 15, 2019	April 1, 2019
Q4/19	$0.24281	$0.31206	June 21, 2019	July 2, 2019
Q1/20	$0.24281	$0.31206	September 13, 2019	September 30, 2019
Q2/20	$0.24281	$0.31206	December 20, 2019	December 31, 2019
Q3/20	$0.24281	$0.31206	March 20, 2020	March 31, 2020
Q4/20	$0.24281	$0.31206	June 19, 2020	June 30, 2020

Dividend Policy

On June 5, 2019, with the increasing stability in the Company's wealth management business and its expected growth profile, the Board of Directors implemented a new dividend policy pursuant to which the Company intends to pay a quarterly dividend of at least $0.05 per share, subject to the conditions described below. This new dividend policy was in effect for the first quarter of fiscal 2020. With this new policy, the Company will no longer pay a supplemental dividend at the end of each fiscal year, but instead will adjust the regular quarterly dividend as appropriate in accordance with the factors described below and with a strategy that the Company expects will lead to growth in the quarterly dividend amount.

Although dividends are expected to be declared and paid quarterly, the Board of Directors, in its sole discretion, will determine the amount and timing of any dividends. All dividend payments will depend on general business conditions, the Company's financial condition, results of operations, capital requirements and such other factors as the Board determines to be relevant.

Together with its dividend policy, the Company also expects that it will be more active with share buyback programs, considering the factors described above, and that such programs will be an important feature of its overall strategy for providing returns to shareholders.

Dividend declaration

On June 2, 2020, the Board of Directors approved a dividend of $0.05 per common share, payable on June 30, 2020, with a record date of June 19, 2020.

On June 2, 2020, the Board approved a cash dividend of $0.24281 per Series A Preferred Share payable on June 30, 2020 to Series A Preferred shareholders of record as at June 19, 2020.

On June 2, 2020, the Board approved a cash dividend of $0.31206 per Series C Preferred Share payable on June 30, 2020 to Series C Preferred shareholders of record as at June 19, 2020.

Description of Capital Structure

The authorized capital of the Company consists of an unlimited number of common shares, without nominal or par value and two classes of preferred shares, each unlimited in number and issuable in series, of which 107,812,361 common shares, 4,540,000 Series A Preferred Shares, and 4,000,000 Series C Preferred Shares are issued and outstanding as of March 31, 2020.

Holders of common shares are entitled to receive dividends as and when declared by the Board of Directors of the Company and are entitled to one vote per share on all matters to be voted on at all meetings of shareholders. Upon voluntary or involuntary liquidation, dissolution or winding-up of the Company, the holders of common shares are entitled to share ratably in the remaining assets available for distribution, after payment of liabilities.

The preferred shares may be issued from time to time in one or more series. The Board of Directors of the Company may:

(a) Determine the maximum number of shares of each series or determine that there is no such maximum number or alter any such determination;
(b) Create an identifying name for the shares of each series or alter such identifying name; and
(c) Attach special rights and restrictions to the shares of each series or alter any such special rights and restrictions.

i. Series A Preferred Shares

In fiscal 2012, the Company issued 4,540,000 Cumulative 5-Year Rate Reset First Preferred Shares, Series A (Series A Preferred Shares) at a purchase price of $25.00 per share for gross proceeds of $113.5 million. The aggregate net amount recognized after deducting issue costs, net of deferred taxes of $1.0 million, was $110.8 million.

Quarterly cumulative cash dividends, as declared, were paid at an annual rate of 5.5% for the initial five-year period ended on September 30, 2016. Commencing October 1, 2016 and ending on and including September 30, 2021, quarterly cumulative dividends, if declared, will be paid at an annual rate of 3.885%. Thereafter, the dividend rate will be reset every five years at a rate equal to the five-year Government of Canada bond yield plus 3.21%.

Holders of Series A Preferred Shares had the option to convert any or all of their shares into an equal number of Cumulative Floating Rate First Preferred Shares, Series B (Series B Preferred Shares), subject to certain conditions, on September 30, 2016 and have the option on September 30 every five years thereafter. The number of shares tendered for conversion by the conversion deadline of September 15, 2016 was below the minimum required to proceed with the conversion and, accordingly, no Series B Preferred Shares were issued. Series B Preferred Shares would entitle any holders thereof to receive floating rate, cumulative, preferential dividends payable quarterly, if declared, at a rate equal to the three-month Government of Canada Treasury Bill yield plus 3.21%.

The Company had the option to redeem the Series A Preferred Shares on September 30, 2016, and has the option to redeem on September 30 every five years thereafter, in whole or in part, at $25.00 per share together with all declared and unpaid dividends.

ii. Series C Preferred Shares

In fiscal 2013, the Company issued 4,000,000 Cumulative 5-Year Rate Reset First Preferred Shares, Series C (Series C Preferred Shares) at a purchase price of $25.00 per share for gross proceeds of $100.0 million. The aggregate net amount recognized after deducting issue costs, net of deferred taxes of $1.0 million, was $97.5 million.

Quarterly cumulative cash dividends, as declared, were paid at an annual rate of 5.75% for the initial five-year period ending on June 30, 2017. Commencing July 1, 2017 and ending on and including June 30, 2022, quarterly cumulative dividends, if declared, will be paid at an annual rate of 4.993%. Thereafter, the dividend rate will be reset every five years at a rate equal to the five-year Government of Canada bond yield plus 4.03%.

Holders of Series C Preferred Shares had the option to convert any or all of their shares into an equal number of Cumulative Floating Rate First Preferred Shares, Series D (Series D Preferred Shares), subject to certain conditions, on June 30, 2017 and have the option on June 30 every five years thereafter. The number of shares tendered for conversion by the conversion deadline of June 30, 2017 was below the minimum required to proceed with the conversion and, accordingly, no Series D Preferred Shares were issued. Series D Preferred Shares would entitle any holders thereof to receive floating rate, cumulative, preferential dividends payable quarterly, if declared, at a rate equal to the three-month Government of Canada Treasury Bill yield plus 4.03%.

The Company had the option to redeem the Series C Preferred Shares on June 30, 2017, and has the option to redeem on June 30 every five years thereafter, in whole or in part, at $25.00 per share together with all declared and unpaid dividends.

Convertible Debentures

On August 22, 2018, the Company completed its bought deal offering of convertible unsecured senior subordinated debentures for gross proceeds of $59,225,000 (the Offered Debentures). The Company also closed the concurrent non-brokered private placement with a large Canadian asset manager for gross proceeds of $73,500,000, which together with the gross proceeds from the Offered Debentures, represent an aggregate principal amount of $132,725,000 (together with the Offered Debentures, the "Convertible Debentures"). The proceeds of the non-brokered private placement were used to repay the convertible debentures issued in October 2016 in the principal amount of $60,000,000 and a premium of $13,500,000 for a total of $73,500,000. The remainder of the proceeds was used by the Company to finance growth in its wealth management business in Canada and the UK & Europe, and elsewhere as opportunities arose.

The Convertible Debentures bear interest at a rate of 6.25% per annum, payable semi-annually on the last day of December and June each year commencing December 31, 2018. The Convertible Debentures are convertible at the holder's option into common shares of the Company, at a conversion price of $10.00 per common share. The Convertible Debentures mature on December 31, 2023 and may be redeemed by the Company in certain circumstances, on or after December 31, 2021.

Ratings

The Company's Series A and Series C Preferred Shares are rated as Pfd-4 (high) by DBRS.

DBRS uses a preferred share rating scale that ranges from Pfd-1 to Pfd-5, which represents the range from highest to lowest quality of such securities rated, and also contains the subcategories "high" and "low". The absence of either a "high" or "low" designation indicates the rating is in the "middle" of the category. According to DBRS, preferred shares rated Pfd-4 are generally speculative, where the degree of protection afforded to dividends and principal is uncertain, particularly during periods of economic adversity.

The Company understands that the rating is based on, among other things, information furnished to DBRS by the Company and information obtained by DBRS from publicly available sources. The credit rating given to the Company's preferred shares by DBRS is not a recommendation to buy, hold or sell such instruments since such rating does not comment as to market price or suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be reversed or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant. Credit ratings accorded to the Company's preferred shares may not reflect the potential impact of all risks on the value of such instruments, including risk related to market or other factors discussed in this Annual Information Form.

The Company has paid DBRS its customary fees in connection with the provision of the above credit rating.

Restrictions on ownership and transfer of shares of the Company

Pursuant to rules established by certain securities regulatory authorities in Canada and the United States, the ownership of shares of an investment dealer or broker dealer is subject to certain restrictions. To enable the Company and its subsidiaries to comply with these requirements, the articles of the Company contain provisions which are summarized as follows. This summary is provided for information purposes only and cannot be relied upon in substitution of the articles themselves.

The Company may require a proposed subscriber or transferee of shares to submit a declaration with respect to the holding of shares of the Company as beneficial owner and any other matter that the directors consider relevant to determine if the registration of the subscription or transfer would result in a violation of the articles or applicable legislative or regulatory requirements. The Company 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.

The Company 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) a person beneficially owns or controls, directly or indirectly, a "significant equity interest" in the Company and has not obtained the required approvals from all relevant securities regulatory authorities;

(b) a person requesting the issue or recording of the transfer or who wishes to exercise voting rights, in person or by proxy, refuses to sign and deliver, with respect to their beneficial ownership of shares of the Company, a declaration or other information reasonably necessary to assist the directors in making their determinations under the articles; or

(c) if the directors have determined, on the basis of the declaration or information provided by a person requesting the issue or recording of the transfer or who wishes to exercise voting rights, that such person may own or control, directly or indirectly, a “significant equity interest” in the Company and has not obtained the required approvals from all relevant securities regulatory authorities.

For these purposes, a “significant equity interest” means the interest defined by various securities regulatory authorities (including the Toronto Stock Exchange, the TSX Venture Exchange Inc., the Bourse de Montréal Inc. and the Autorité des marchés financiers in Québec) in respect of which prior approval or notice is required. The least of these interests is variously described as (i) voting securities carrying 10% or more of the votes carried by all voting securities of the Company, (ii) 10% or more of the outstanding participating securities of the Company, (iii) an interest of 10% or more of the total equity in Canaccord Genuity Corp. (a wholly owned subsidiary of the Company) or similar descriptions.

The Company is entitled to sell, as agent, through a stock exchange designated by the directors of the Company 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 the Company determine that the sale is necessary or advisable to ensure compliance with the articles and applicable legislative and regulatory requirements. The Company is also entitled to affect 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 the Company do not generally apply in the case of an issue or a transfer in favor of an investment dealer or a holding company of an investment dealer so long as the transfer is affected in the ordinary course of the activities of its securities business. The Board of Directors of the Company has the power to establish the rules and procedures that it considers necessary and appropriate to implement these provisions.

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

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

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

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

These restrictions on the ownership and transfer of the common shares may have an effect on the marketability and liquidity of the common shares. For more information, please refer to the Risk Factors section.

Market for Securities

The common shares of the Company are listed on the TSX under the symbol "CF".

The Company's Series A Preferred Shares are listed on the TSX under the symbol "CF.PR.A". The Company's Series C Preferred Shares are listed on the TSX under the symbol "CF.PR.C".

The Company's 6.25% Convertible Unsecured Senior Subordinated Debentures are listed on the TSX under the symbol CF.DA.A.

Trading price and volume

The following table presents the high and low closing prices and the monthly trading volume for the Company's common shares on the TSX. Prices and volume are based on the reported amounts from TSX InfoSuite.

Month	High	Low	Monthly trading volume
March, 2020	$5.39	$3.21	10,657,366
February, 2020	5.81	4.80	7,545,801
January, 2020	5.16	4.61	4,898,612
December, 2019	5.13	4.63	5,750,229
November, 2019	5.66	4.62	4,616,633
October, 2019	5.69	4.87	2,957,546
September, 2019	5.46	4.99	3,722,912
August, 2019	5.51	4.82	5,774,266
July, 2019	6.00	5.45	3,820,697
June, 2019	6.00	4.90	6,306,745
May, 2019	5.75	4.95	2,472,033
April, 2019	6.10	5.65	1,854,607

The following table provides the price range and trading volume of the Series A and Series C Preferred Shares on the TSX for the periods indicated. Prices and volume are based on the reported amounts from TSX InfoSuite.

	Series A			Series C		
Month	High	Low	Monthly trading volume	High	Low	Monthly trading volume
March, 2020	$13.54	$7.51	85,527	$17.18	$9.52	81,503
February, 2020	13.95	13.14	33,462	17.92	16.65	39,989
January, 2020	14.09	13.09	63,865	17.19	16.53	49,258
December, 2019	14.02	13.53	60,306	17.10	16.12	56,090
November, 2019	13.90	13.34	63,180	16.96	16.21	63,363
October, 2019	13.92	13.35	58,120	17.04	16.46	65,655
September, 2019	14.15	13.68	59,606	16.98	16.50	56,866
August, 2019	14.14	13.66	70,305	17.02	16.34	56,435
July, 2019	14.17	13.90	51,926	17.14	16.46	49,899
June, 2019	14.19	13.73	35,173	17.60	16.28	42,956
May, 2019	14.15	13.72	42,495	17.45	16.45	35,190
April, 2019	14.54	14.12	29,797	17.55	16.89	24,630

Escrowed Securities

To the Company's knowledge, the following common shares are held in escrow as of March 31, 2020 or are subject to contractual restrictions that prohibit transfer before a certain date. In the case of all escrows or contractual restrictions, the Company may exercise discretion to release the shares from the escrow or from the date restrictions before the date otherwise set for the release.

	Total number of common shares held in escrow or subject to contractual restrictions	Percentage of diluted common shares outstanding	To be released in fiscal year		
			2021	2022	2023 or later
Private Placement	134,228	0.1%	134,228	-	-

Certain shares issued in connection with the Private Placement vested in June 2019 were subject to a one- year escrow period. These shares will be release from escrow on June 30, 2020.

Directors and Officers

Name, occupation and security holding

Set forth below, is the name, municipality of residence, office, period of service and principal occupation during the immediately preceding five years for each director of the Company. Each director of the Company holds office until the next Annual General Meeting of the shareholders of the Company (which has been called for August 7, 2020) or until his or her successor is duly elected or appointed, unless his or her office is vacated earlier in accordance with the articles of the Company or he or she becomes disqualified to act as a director.

Name, municipality of residence and position held	Principal occupation for the past five years	Director since
CHARLES N. BRALVER (1,2) Westport, Connecticut Director	Corporate director and advisor	2010
DANIEL J. DAVIAU (3) Toronto, Ontario President, Chief Executive Officer and Director	Chief Executive Officer of the Company and Canaccord Genuity Corp.	2015
MICHAEL D. HARRIS (1) East York, Ontario Director	Senior business advisor of Fasken Martineau DuMoulin LLP	2004
MERRI JONES (2) TORONTO, ONTARIO DIRECTOR	Corporate director and advisor	2018
DAVID J. KASSIE (4) Toronto, Ontario Executive Chairman and Director	Executive Chairman of the Company and Canaccord Genuity Corp.	2010
TERRENCE A. LYONS (1,2,5) Vancouver, British Columbia Lead Director	Corporate director and advisor	2004
DIPESH J. SHAH (2) London, England Director	Corporate director	2012
SALLY J. TENNANT (1) LONDON, ENGLAND DIRECTOR	Corporate director, advisor and wealth management consultant	2019

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

(2) Member of the Audit Committee.

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

(4) Mr. Kassie was a director of ACE Aviation Holdings Inc. at the time when, on April 25, 2012, it passed a shareholder resolution approving liquidation of the company pursuant to the *Canada Business Corporations Act*. The liquidation process is continuing. Mr. Kassie is also a director of Reitmans (Canada) Ltd. which on May 19, 2020, received an initial order under the *Companies' Creditors Arrangement Act* to allow a restructuring of the women's clothing retailer.(5) Until January 1, 2014, Mr. Lyons was a director of Royal Oak Ventures Inc. (Royal Oak), which was subject to cease trade orders in each of the provinces of British Columbia, Alberta, Ontario and Québec due to the failure of Royal Oak to file financial statements since the financial year ended December 31, 2003. Mr. Lyons was elected to the board of directors of Royal Oak largely because of his valuable experience and expertise in financial restructurings in the insolvency context.

Set forth below, is the name, municipality of residence, office and principal occupation during the immediately preceding five years for each executive officer of the Company in addition to David Kassie and Daniel Daviau.

Name, municipality of residence and position held	Principal occupation for the past five years
JEFFREY BARLOW Boston, Massachusetts President, Canaccord Genuity Inc. (U.S.)	President, Canaccord Genuity Inc. (from 2015); previously Head of Investment Banking of Canaccord Genuity Inc.
PATRICK BURKE Toronto, Ontario President, Canaccord Genuity Capital Markets – Canada	President, Canaccord Genuity Capital Markets – Canada (from 2015); previously Managing Director and Co-Head of Global Equity & Advisory of Scotia Capital
DAVID ESFANDI London, England Chief Executive Officer, Canaccord Genuity Wealth Limited (U.K.)	Chief Executive Officer, Canaccord Genuity Wealth Limited; previously Managing Director of Ashcourt Rowan Asset Management (asset manager)

MARCUS FREEMAN Toorak, Victoria, Australia Managing Director and Chief Executive Officer, Canaccord Genuity (Australia) Limited	Managing Director and Chief Executive Officer, Canaccord Genuity (Australia) Limited (formerly called Canaccord BGF Limited and BGF Holdings Ltd.)
DON MACFAYDEN Toronto, Ontario Executive Vice President, Chief Financial Officer	Executive Vice President and Chief Financial Officer, Canaccord Genuity Group Inc. (from 2017); previously Senior Vice-President, Finance, Canaccord Genuity Group Inc.; reassumed Chief Financial Officer of Canaccord Genuity LLC
MARTIN MACLACHLAN Toronto, Ontario General Counsel and Corporate Secretary	General Counsel, Senior Vice-President, Legal and Corporate Secretary, Canaccord Genuity Group Inc. and Canaccord Genuity Corp.
ADRIAN PELOSI Toronto, Ontario Chief Risk Officer and Treasurer	Chief Risk Officer (from 2017) and Treasurer; previously Senior Vice-President, Risk, Canaccord Genuity Group Inc. and Canaccord Genuity Corp. (from 2016); Senior Vice-President, Risk & Internal Audit, Canaccord Genuity Group Inc. and Canaccord Genuity Corp. (2014-2016); previously Vice-President, Enterprise Risk Management
STUART RAFTUS Toronto, Ontario President, Canaccord Genuity Wealth Management and Chief Administrative Officer	Executive Vice President and Chief Administrative Officer (from 2015), President, Canaccord Genuity Wealth Management (from 2014); previously President and Chief Operating Officer of Beacon Securities Limited (securities dealer)
NICK RUSSELL London, England Chief Executive Officer Canaccord Genuity Limited (U.K.)	Chief Executive Officer of Canaccord Genuity Limited (from 2019); previously Chief Financial Officer of Canaccord Genuity Limited; previously Senior Vice-President, Finance, Canaccord Genuity Group Inc
ANDY VILES Boston, Massachusetts Executive Vice President and Chief Legal Officer	Executive Vice President and Chief Legal Officer, Canaccord Genuity Group Inc. (since 2020), Head of North American Capital Markets Compliance (from 2017); General Counsel – US (since 2003)
MARK WHALING Rye, New York Head of Sales & Trading	Global Head of Sales & Trading (from 2015); Head of Global Equity Sales and Trading (2012-2015); previously President of Collins Stewart LLC and Head of US Securities

As of May 31, 2020, the directors of the Company and executive officers of the Company mentioned above, as a group, beneficially own, directly or indirectly, or exercise control or direction over an aggregate of 14,135,410 common shares, representing 13.1% of the common shares issued and outstanding at that time.

Conflicts of interest

Executive officers, directors and employees of the Company from time to time may invest in securities of private or public companies, or investment funds in which the Company, or an affiliate of the Company, is an investor or for which the Company carries out investment banking assignments, publishes research or acts as a market maker. There are certain risks that, because of such investment, a director, officer or employee may take actions that would conflict with the best interests of the Company. In addition, certain of the directors of the Company also serve as directors of other companies involved in a wide range of industry sectors; consequently, there exists the possibility for such directors to be in a conflict of interest.

Legal Proceedings

In the normal course of business, the Company is involved in litigation, and as of March 31, 2020, it was a defendant in various legal actions. The Company has established provisions for matters where payments are probable and can be reasonably estimated. While the outcome of these actions is subject to future resolution, management's evaluation and analysis of these actions indicate that, individually and in the aggregate, the probable ultimate resolution of these actions will not have a material effect on the financial position of the Company.

The Company is also subject to asserted and unasserted claims arising in the normal course of business which, as of March 31, 2020, have not resulted in the commencement of legal actions. The Company cannot determine the effect of all asserted and unasserted claims on its financial position; however, where losses arising from asserted and unasserted claims are considered probable and where such losses can be reasonably estimated, the Company has recorded a provision.

Litigation matters and asserted and unasserted claims against the Company may be in respect of certain subsidiaries of CGGI, CGGI directly or both CGGI and certain of its subsidiaries.

A final finding of liability has been made in an action against Collins Stewart (C.I.) Limited, now called Canaccord Genuity Wealth (International) Limited (CGWIL), arising out of a non-compete agreement with one of its clients entered into before CGWIL became a subsidiary of the Company in 2012. Proceedings to determine the quantum of damages are continuing and the Company intends to vigorously defend itself. As at the date of this AIF the probable outcome of the current proceedings in respect of this matter cannot be determined and the amount of any damages award cannot be reasonably estimated.

Proceedings have been brought against the Company in respect of the recommendation by a predecessor of certain wealth management tax advantaged film partnership products in the UK which could be material if such claims are successful, additional claims are made or the Company's assumptions used to evaluate the matter as neither probable nor estimable change in future periods.

The Company is either vigorously defending such proceedings or intends to in respect of any further claims that may be advanced. Notwithstanding that the Company considers that all such claims are, and would be, without merit, the Company may be required to record a provision for an adverse outcome which could have a material adverse effect on the Company's financial position. The aggregate investment by the Company's clients who have standstill agreements in place in respect of these products, and for whom such information is available, is estimated to be approximately $10.0 million (£6.0 million). The aggregate initial tax deferral amount realized by the Company's clients who have standstill agreements, in respect of these products when they were purchased during the period from 2006 to 2009, is estimated to be less than $15.0 million (£9.0 million).

Enforcement by HMRC (the U.K. taxation authority), the outcome of litigation in respect of the taxation of other similar products sold by other financial advisors and settlements reached with HMRC by some investors may result in tax liabilities to the purchasers of these products in excess of the initial tax deferral amount. As at the date of these audited annual consolidated financial statements, civil claims have been issued by current and former clients, and one former client is involved in pre-action correspondence under the relevant pre-action protocol. All the claims (or potential claims) notified to the Company have been defended or denied. The potential tax liability for those clients engaged in the issued civil claims and pre-action correspondence, which is in addition to the initial tax deferral amount, is estimated to be less than $18.0 million (£10.8 million) plus other potential costs (such as interest). For those clients not currently engaged in issued civil claims or pre-action correspondence that could assert a tax liability against the Company, the potential tax liability which is in addition to the initial tax deferral amount is estimated to be approximately $5.0 million (£3.0 million).

The probable outcome of the enforcement actions by HMRC in respect of this matter and the likelihood of a loss to, or the amount of any such loss suffered by, the Company in connection with any such claims made or asserted of the type set out above, or which may be further asserted, are not determinable at the date of this AIF.

An action has been commenced in Alberta by a former client and others claiming the return of losses in certain accounts, return of administration fees, interest and costs. The claim alleges breach of contract and negligence in the administration of the accounts. The damages claimed in this action are in excess of $14 million. Although the Company has denied the allegations and intends to vigorously defend itself, the probable outcome of this action and a reliable estimate of the amount of damages in the event of an adverse outcome are not determinable at the date of this AIF.

The Company provides financial advisory, underwriting and other services to, and trades the securities of issuers that are involved with new and emerging industries, including the US cannabis industry. Activities within such industries, including the US cannabis industry, typically have not had the benefit of a history of successful operating results. In addition to the economic uncertainties associated with new industries, new activities and new issuers, the laws applicable to such industries or activities, particularly the US cannabis industry and the activities of issuers in that industry, and the effect or enforcement of such laws are undetermined, conflicting and uncertain. With respect to the US cannabis industry, cannabis continues to be a controlled substance under the United States Controlled Substances Act and as such, there is a risk that certain issuers, while in compliance with applicable state law, may be prosecuted under federal law. Accordingly, the Company has adopted policies and procedures reasonably designed to ensure compliance with the United States Currency and Foreign Transactions Reporting Act of 1970 (the Bank Secrecy Act) and the guidance issued by the United States Department of the Treasury Financial Crimes Enforcement Network, FIN-2014-G001 (the FinCEN Guidance) relating to providing financial services to marijuana related businesses in the United States (as that term is used in the FinCEN Guidance).

While the Company takes steps to identify the risks associated with emerging industries, including the US cannabis industry, and only provides services to those issuers where it determines that there is no material risk to the Company or where any risk is unlikely to result in a material adverse consequence to the Company, there is a risk that the Company could be the subject of third party proceedings which may have a material adverse effect on the Company's business, revenues, operating results and financial condition as well as the Company's reputation, even if such proceedings were concluded successfully in favour of the Company. Notwithstanding these procedures, the Company is currently a party to securities class action proceedings in Canada and the US relating to underwriting services provided to certain issuers in the cannabis and e-cigarette and vaping industries. Although the Company believes that these claims are without merit and intends to vigorously defend itself, the probable outcome of these class action proceedings cannot be predicted with certainty and a reliable estimate of the amount of losses, if any, in the event of adverse outcomes is not determinable as at the date of the audited consolidated financial statements for the year ended March 31, 2020 and, accordingly, the Company has not recorded a provision in respect of these claims. The risk of any further actions against the Company is not known. As at the date of the audited consolidated financial statements for the year ended March 31, 2020, the Company has not recorded a provision in respect of any other such matters.

Risks associated with emerging industries such as the cannabis and e-cigarette and vaping industries also include the risk of the insolvency of issuers and the consequent inability of such issuers to satisfy their indemnification obligations to the Company. Accordingly, in the event of a loss to the Company, the ability of the Company to recover amounts in respect of any indemnity claims also cannot be predicted with certainty.

Interest of Management and Others in Material Transactions

To the best of the Company's knowledge, except as described herein, after due inquiry, none of the directors, executive officers or principal shareholders of the Company, nor any associate or affiliate of those directors, executive officers or principal shareholders, has had any direct or indirect material interest in any transaction or proposed transaction that has materially affected or is reasonably expected to materially affect the Company during the three most recently completed financial years or during the current financial year.

Transfer Agent and Registrar

The Company's transfer agent and registrar is Computershare Investor Services Inc., at its principal offices in Vancouver and Toronto.

Material Contracts

Other than contracts entered into in the ordinary course of business, the Company has not entered into any contract before the most recently completed financial year that is still in effect, which can reasonably be regarded as material.

Experts

The Company's auditors are Ernst & Young, LLP; they have prepared the Independent Auditor's Report on page 56 of the fiscal 2020 Annual Report.

External Auditor Service Fees

The aggregate fees billed for professional services rendered for the years ended March 31, 2020 and March 31, 2019 are as follows:

	2020	2019
Audit fees (1)	$4,667,160	$3,819,860
Audit related fees (2)	107,000	314,525
Tax fees (3)	923,955	802,560

(1) Include statutory and regulatory audits for subsidiaries in all jurisdictions where such audits are required
(2) Include accounting and due diligence work on various matters
(3) Preparation and review of corporate and commodity tax returns. Also includes advisory work on various corporate tax matters, including acquisition-related tax advisory fees

Board Committees

Audit Committee

The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities by monitoring the Company's financial reporting practices and financial disclosures. The members of the Audit Committee are Terrence Lyons (Chair), Charles Bralver. Merri Jones, and Dipesh Shah. Each of them is financially literate and each of them is independent of management as determined under applicable securities legislation.

Specific responsibilities and duties of the Audit Committee include:

- Reviewing the Company's annual and interim consolidated financial statements, annual and interim management's discussion and analyses and press releases prior to dissemination to the public
- Assessing the Company's accounting policies and discussing the appropriateness of such policies with management and the Company's external auditors
- Assisting management to identify the Company's principal business risks
- Reviewing the external auditor's plans for evaluating and testing the Company's internal financial controls
- Overseeing the Company's external auditors, including the approval of the external auditor's terms of engagement
- Ensuring adequate risk management policies are in place to manage the risks to which the Company is exposed

The education and related experience (as applicable) of each Audit Committee member is described below.

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

Mr. Lyons is a Civil Engineer (UBC) with an MBA from the University of Western Ontario (1974). He sits on the Advisory Board of the Richard Ivey School of Business and is active in sports and charitable activities, is a past

Governor of the Olympic Foundation of Canada, past Chairman of the Mining Association of B.C., past Governor and member of the Executive Committee of the B.C. Business Council and a past director of the Institute of Corporate Directors (B.C.). In 2007, Mr. Lyons was awarded the INCO Medal by the Canadian Institute of Mining and Metallurgy for distinguished service to the mining industry.

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

Charles N. Bralver, **ICD.D**, age 68, is a financial services executive with over 30 years of capital markets experience. For more than 23 years – from 1984 to 2007 – Mr. Bralver was a founder and Vice Chairman of management consultancy Oliver, Wyman & Co. where he specialized in strategy, risk and operational work for leading investment banks, asset managers, exchanges and other market utilities. He also served as Senior Associate Dean for International Business and Finance at the Fletcher School of Law and Diplomacy from 2007 to 2010, and from 2007 to 2009 as a strategic advisor to Warburg Pincus LLC. Mr. Bralver serves as a director of the Company and insurance risk exchange AkinovA Ltd., on the Leadership Council of AI solution developer r4, and on the Board of Visitors of the Fletcher School. Mr. Bralver started his career at Booz Allen Hamilton. He is a U.S. citizen and a graduate of the Fletcher School and Dartmouth College.

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

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

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

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

Dipesh Shah, OBE, FRSA, age 67, is a Director and Chairman of the Investment Committee of the 2020 European Fund for Energy, Climate Change and Infrastructure and also of the EU Marguerite Fund. He is a Trustee of the British Youth Opera and a Governor of Merchant Taylors' School.

Mr. Shah was formerly the Chief Executive of the UK Atomic Energy Authority and of various large businesses in BP Plc, where he was a member of the Group Leadership for more than a decade and latterly also the Global Head of Acquisitions and Divestitures. Mr. Shah was Chairman, inter alia, of Notting Hill Genesis and Genesis Housing Association, Viridian Group plc, HgCapital Renewable Power Partners LLP and the European Photovoltaic Industry Association. He was the Senior Independent Director and Chair of the Remuneration Committee of JKX Oil & Gas Plc from 2008 to 2015, the Senior Independent Director and Chair of the Nominations Committee of Equus Petroleum Plc from 2013 to 2016 and a Director of The Crown Estate from 2011 to 2018, Thames Water from 2007 to August 2017 and of Cavendish Fluor Partnership from 2014 to August 2017. In addition, he has been a Director of several major organizations, including Babcock International Group Plc and Lloyd's of London, the insurance market. He was also a member of the UK Government's Renewable Energy Advisory Committee from 1994 to 2002. Earlier, Mr. Shah was the Chief Economist for BP Oil UK.

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

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

Corporate Governance and Compensation Committee

The Corporate Governance and Compensation Committee strives to maintain the high standards of corporate governance with a focus on a strong and diligent board of directors and prudent management of executive compensation. The committee must be comprised of at least three members appointed annually by the Board of Directors. Currently, the members of the Corporate Governance and Compensation Committee are Michael Harris (Chair), Charles Bralver, Terrence Lyons, and Sally Tennant, each of whom is independent of management as determined under applicable securities legislation.

The Corporate Governance and Compensation Committee's mandate includes:

- The development and recommendation to the Board of Directors of appropriate corporate governance guidelines
- The identification of future Board and committee members and the annual review of the Board's performance
- Evaluating the Chief Executive Officer's performance and determining his compensation
- Reviewing and making recommendations to the Board of Directors with respect to the compensation of all executive officers
- Fixing and determining (or delegating the authority to fix and determine) awards to employees of stock or share options under the Company's incentive plans
- Reviewing key human resources policies and programs

The education and related experience (as applicable) of each committee member is described below.

Michael Harris, ICD.D (Chair), age 75, is the President of his own consulting firm, Steane Consulting Ltd., and, in this capacity, acts as a consultant to various Canadian companies, including Fasken Martineau DuMoulin LLP. Before joining Fasken in September 2013, he was a senior business advisor with the law firm of Cassels Brock & Blackwell in Toronto.

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

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

In addition to Canaccord Genuity Group Inc., Mr. Harris is a director of the following public companies: Chartwell Retirement Residences (Chair), Colliers International Group Inc. (CIGI) and Route1 Inc. (Chair).

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

Tennant currently chairs Style Analytics, a portfolio analytics company, and sits on the board of a fashion label, Fiorucci.

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

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

Charles N. Bralver – refer to profile presented under "Audit Committee".
Terrence A. Lyons – refer to profile presented under "Audit Committee".

Additional Information

Additional information relating to the Company may be found on SEDAR's website at sedar.com.

Additional information including remuneration of directors and Named Executive Officers and indebtedness of directors and executive officers, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans is contained in the Company's information circular for its most recent annual meeting of shareholders.

Additional financial information is also provided in the Company's consolidated financial statements and management's discussion and analysis for its most recently completed financial year.

Schedule “A” Audit Committee Charter

(As approved by the Audit Committee on January 27, 2005, and amended on May 22 and November 6, 2012 and on February 4, 2015)

1. MANDATE

The primary mandate of the audit committee (the “Audit Committee”) of the Board of Directors of the Company (the “Board”) is to assist the Board in overseeing the Company’s financial reporting and disclosure. This oversight includes:

(a) reviewing the financial statements and financial disclosure that is provided to shareholders and disseminated to the public;

(b) reviewing the systems of internal controls to ensure integrity in the financial reporting of the Company;

(c) approving risk management policies that establish the appropriate approval levels for decisions and other checks and balances to manage risk;

(d) satisfying itself that policies are in place to manage the risks to which the Company is exposed, including market, operational, liquidity, credit, regulatory and legal, and reputational risk; and

(e) monitoring the independence and performance of the Company’s external auditors and reporting directly to the Board on the work of the external auditors.

2. COMPOSITION AND ORGANIZATION OF THE COMMITTEE

2.1 The Audit Committee must have at least three directors.

2.2 Subject to the applicable securities legislation (including exemptions), every Audit Committee member must be independent. A member of the Audit Committee is independent if the member has no direct or indirect material relationship with an issuer. A material relationship means a relationship which could, in the view of the issuer’s board of directors, reasonably interfere with the exercise of a member’s independent judgment.[1]

2.3 Every Audit Committee member must be financially literate. Financial literacy is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer’s financial statements.[2]

2.4 The Board will appoint from themselves the members of the Audit Committee on an annual basis for one-year terms. Members may serve for consecutive terms.

2.5 The Board will also appoint a chair of the Audit Committee (the “Chair of the Audit Committee”) for a one-year term. The Chair of the Audit Committee may serve as the chair of the committee for any number of consecutive terms.

2.6 A member of the Audit Committee may be removed or replaced at any time by the Board. The Board will fill any vacancies in the Audit Committee by appointment from among members of the Board.

(1) National Instrument 52-110 (*Audit Committees*), section 1.4.

(2) National Instrument 52-110 (*Audit Committees*), section 1.5.

3. MEETINGS

3.1 The Audit Committee will meet at least four times a year. Special meetings may be called by the Chair of the Audit Committee as required.

3.2 Quorum for a meeting of the Audit Committee will be a majority of the members in attendance.

3.3 Members may attend meetings of the Audit Committee by teleconference, videoconference, or by similar communication equipment by means of which all persons participating in the meeting can communicate with each other.

3.4 The Audit Committee Chair will set the agenda for each meeting, after consulting with management and the external auditor. Agenda materials such as draft financial statements must be circulated to Audit Committee members for members to have a reasonable time to review the materials prior to the meeting.

3.5 The Company's auditors will be advised of the names of the members of the Audit Committee and will receive notice of and be invited to attend meetings of the Audit Committee and to be heard at those meetings on matters related to the Auditor's duties.

3.6 Minutes of the Audit Committee meetings will be accurately recorded, with such minutes recording the decisions reached by the committee. Minutes of each meeting must be distributed to members of the Board, the Chief Executive Officer, the Chief Financial Officer and the external auditor.

4. RESPONSIBILITIES OF THE COMMITTEE

4.1 To assist the Board, the Audit Committee will:

External Auditor

(a) select, evaluate and recommend to the Board, for shareholder approval, the external auditor to examine the Company's accounts, controls and financial statements;

(b) evaluate, prior to the annual audit by external auditors, the scope and general extent of their review, including their engagement letter,

(c) set the compensation to be paid to the external auditors and recommend such payment to the Board.

(d) obtain written confirmation from the external auditor that it is objective and independent within the meaning of the Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of Chartered Accountants to which it belongs;

(e) recommend to the Board, if necessary, the replacement of the external auditor;

(f) meet at least annually with the external auditors, independent of management, and report to the Board on such meetings;

(g) pre-approve any non-audit services to be provided to the Company by the external auditor and the fees for those services;

Financial Statements and Financial Information

(h) review and discuss with management and the external auditor the annual audited financial statements of the Company and recommend their approval by the Board;

(i) review and discuss with management the quarterly financial statements and, if appropriate, recommend their approval by the Board;

(j) review and if appropriate, recommend to the Board for approval the financial content of the annual report;

(k) review the process for the certification of financial statements by the Chief Executive Officer and Chief Financial Officer;

(l) review the Company's management discussion and analysis, earnings guidance press releases, annual and interim earnings press releases, and audit committee reports before the Company publicly discloses this information;

(m) review annually with external auditors the Company's accounting principles and the reasonableness of management's judgments and estimates as applied in its financial reporting;

(n) review and consider any significant reports and recommendations issued by the external auditor, together with management's response, and the extent to which recommendations made by the external auditors have been implemented;

Internal Controls and Information Systems

(o) review with the external auditors and with management the general policies and procedures used by the Company with respect to internal accounting and financial controls;

(p) review adequacy of security of information, information systems and recovery plans;

(q) review management plans regarding any changes in accounting practices or policies and the financial impact thereof;

(r) review with the external auditors and, if necessary, legal counsel, any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the financial statements;

(s) discuss with management and the external auditor correspondence with regulators, employee complaints, or published reports that raise material issues regarding the Company's financial statements or disclosure;

(t) review the Company's insurance, including directors' and officers' coverage, and provide recommendations to the Board;

Risk Management

(u) assist management to identify the Company's principal business risks (including market, operational, liquidity, credit, regulatory and legal, and reputational risk);

(v) review with management the Company's policies and procedures on risk identification and monitoring including emerging risk identification;

(w) approve, where appropriate, policies developed and implemented to measure the Company's risk exposures and for identifying, evaluating and managing the significant risks to which the Company is exposed, and review such policies and procedures at least once a year to satisfy itself that they remain appropriate and prudent;

(x) monitor, on a regular basis, the Company’s risk management performance and obtain, on a regular basis, reasonable assurance that the Company’s risk management policies are being adhered to;

Other

(y) review the Company’s significant loans to employees/consultants; and

(z) conduct special reviews and/or other assignments from time to time as requested by the Board.

5. PROCESS FOR HANDLING COMPLAINTS REGARDING FINANCIAL MATTERS

5.1 The Audit Committee will establish a procedure for the receipt, retention and follow-up of complaints received by the Company regarding accounting, internal controls, financial reporting, or auditing matters.

5.2 The Audit Committee will ensure that any procedure for receiving complaints regarding accounting, internal controls, financial reporting, or auditing matters will allow the confidential and anonymous submission of concerns by employees.

6. REPORTING

6.1 The Audit Committee will report to the Board on:

(a) the external auditor’s independence;

(b) the performance of the external auditor and the Audit Committee’s recommendations;

(c) regarding the reappointment or termination of the external auditor;

(d) the adequacy of the Company’s internal controls and disclosure controls;

(e) its review of risk management policies, risk management performance and any material risk management issues;

(f) the Audit Committee’s review of the annual and interim financial statements;

(g) the Audit Committee’s review of the annual and interim management discussion and analysis;

(h) the Company’s compliance with legal and regulatory matters to the extent they affect the financial statements of the Company; and

(i) all other material matters dealt with by the Audit Committee.

7. AUTHORITY OF THE COMMITTEE

7.1 The Audit Committee will have the resources and authority appropriate to discharge its duties and responsibilities. The Audit Committee may at any time retain outside financial, legal or other advisors at the expense of the Company without approval of management.

7.2 The external auditor will report directly to the Audit Committee.