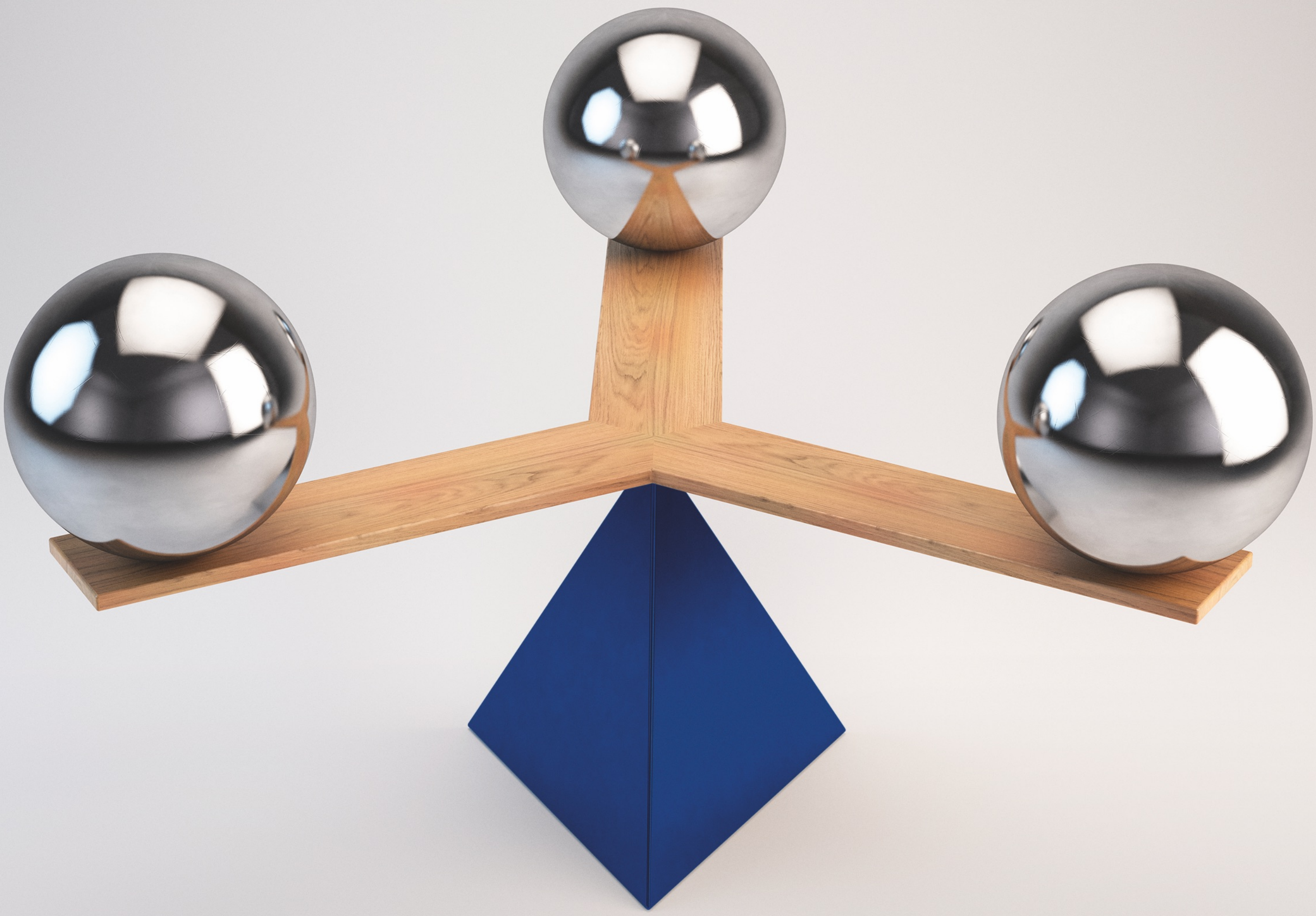
MANAGEMENT INFORMATION CIRCULAR
September 8, 2020

Transforming into a Wealth-Management Leader

BEST ADVISORS • POWERFUL BRAND • STRONG BALANCE SHEET



The Richardson GMP Transaction – a fair and balanced way forward

GMP Capital Inc.

Vote FOR the best path to grow the company. Act TODAY.

Vote using the **BLUE** form of proxy:

- FOR the RGMP Transaction; and
- FOR the Company's nominees for election to the Board.

Questions? Need help voting?

Contact Kingsdale Advisors at 1-866-879-7644

September 8, 2020

Dear Common Shareholders,

Your Board of Directors asks that you vote **FOR** a transformational transaction to acquire 100% of Richardson GMP Limited ("**Richardson GMP**") (the "**RGMP Transaction**"). Your vote will affect the value of your investment in GMP Capital Inc. ("**GMP**" or the "**Company**" or "**we**") immediately and far into the future.

This transaction is the right one to protect and strengthen the three key pillars of the Richardson GMP wealth management business — *the best advisors, a powerful brand and a well-capitalized balance sheet* — and it will give GMP an unmatched foundation for future growth as an independent leader in a dynamic, fast-expanding industry.

In addition to the RGMP Transaction, your vote is requested on other matters, including the election of six Company nominees to GMP's board of directors (the "**Board**"). GMP urges holders (the "**Common Shareholders**") of the common shares of the Company (the "**Common Shares**") to vote only on the **BLUE** form of proxy **FOR** the Company's nominees to ensure that we remain on the best path to deliver long-term value creation.

Voting on both the RGMP Transaction and the election of management's nominees to the Board is scheduled to take place at an annual and special meeting scheduled to be held on October 6, 2020 (the "**Meeting**").

In this letter we summarize the compelling benefits of the RGMP Transaction and the significant risks should it not proceed. A complete analysis of these benefits and risks is provided in the accompanying management information circular (the "**Information Circular**").

Please read the letter and the Information Circular carefully and then vote using the **BLUE** form of proxy:

- **FOR** the RGMP Transaction; and
- **FOR** the Company's nominees for election to the Board.

The RGMP Transaction is in the Best Interest of the Company and All Common Shareholders

GMP believes the RGMP Transaction, which has been unanimously approved by the Board (with the interested directors nominated by Richardson Financial Group Limited ("**RFGL**") recusing themselves from voting on the RGMP Transaction) and was recommended by a special committee of independent GMP directors (the "**Special Committee**"), is in the best interest of the Company and all Common Shareholders.

The RGMP Transaction was negotiated through an extensive, arms-length process by the Special Committee. RBC Capital Markets has provided a formal valuation and fairness opinion to the Board that the RGMP Transaction is fair, from a financial point of view, to the Company. Common Shareholders are urged to read the full text of the valuation and fairness opinion attached to the Information Circular.

You should be aware that a dissident, in an attempt to disrupt the RGMP Transaction, has notified the Company of his intention to propose an alternative slate of nominees for election to the Board. GMP believes the dissident shareholder is mistaken to assume that his alternate slate, if elected, will be able to renegotiate the terms of the RGMP Transaction.

The dissident's position boils down to a demand for a larger distribution than our proposed special dividend (the "**Special Dividend**"). In this letter we explain why our Special Dividend is sized appropriately.

It is important to note that our proposed Special Dividend would be the second distribution paid to GMP Common Shareholders in less than a year. Collectively, the two special distributions represent the vast majority of the proceeds received from the divestiture of GMP's capital markets business last year. We believe that the dissident's position is not in the best interest of the Company, nor the Common Shareholders.

Summary of the Benefits of the RGMP Transaction

The RGMP Transaction, as announced on August 13, 2020, will best position GMP to capitalize on the compelling opportunities in the wealth management industry as demand is expected to increase greatly in coming years for the top-tier wealth management services that Richardson GMP provides.

With approximately $4.4 trillion in retail financial wealth in Canada, which is expected to grow to $7.7 trillion by 2028 (Source: Investor Economics), the opportunity in the market for an independent, non-bank firm with national scale is significant. GMP believes that demographic trends driving a generational shift have created a growing degree of complexity and sophistication of wealth solutions, supporting the long-term value proposition of face-to-face advice.

Richardson GMP is a trophy asset in Canadian wealth management that generates attractive returns now and has tremendous potential. It has 165 highly qualified professional advisory teams serving over 32,000 high net worth families and businesses across Canada. With $28.3 billion of assets under administration as at June 30, 2020, Richardson GMP advisors have among the best practices in Canada with one of the highest assets under administration per advisory team. The firm is also recognized as one of Canada's Best Workplaces™. For the six-month period ended June 30, 2020 and the year ended December 31, 2019, Richardson GMP had revenues of $132 million $272 million, respectively, and adjusted EBITDA of $20 million and $50 million, respectively.

The Company believes that acquiring 100% of Richardson GMP, an independent leader in the industry, offers the greatest potential for long-term value creation for Common Shareholders.

If the RGMP Transaction is approved, the Board intends to pay a Special Dividend of $0.15 per Common Share to holders of record *prior to* the closing date, anticipated in the fourth quarter of 2020. This approach strikes the right balance between returning capital to existing Common Shareholders and retaining necessary capital in GMP that we can use together with Richardson GMP's consistent operating cash flow to fund future growth, service current indebtedness and preferred share obligations, and provide resilience in the current unprecedented and uncertain economic environment.

The RGMP Transaction also provides Common Shareholders with other significant benefits, consisting of ownership in a well-capitalized wealth management company with the ability to grow quickly and at relatively low risk by leveraging:

- The powerful Richardson brand; and
- The strong balance sheet to retain and aggressively recruit investment advisors using incentive payments in exchange for long-term employment commitments, bolstered by increased spend on wealth management solutions, marketing and technology investments to grow organically.

Advisors representing approximately 97% of Richardson GMP's assets under administration have indicated their support for the RGMP Transaction by entering into non-binding acknowledgement and support letters. GMP believes this bodes well for growth. Richardson GMP's investment advisors are the engines of the business. Their support is critical for future success and a well-capitalized business is essential to their commitment. Their endorsement is a testament to the merits and balance of the RGMP Transaction.

In short, the Company believes Common Shareholders will attain significant value as Richardson GMP drives to become the destination of choice for Canada's top advisors, who share Richardson GMP's entrepreneurial spirit, independent culture and philosophy to deliver unparalleled face-to-face advice to Canadians opting for non-bank points of access for wealth management advice.

Extensive Arms-Length Negotiations Underpin the RGMP Transaction

The RGMP Transaction was conducted in accordance with the terms of the shareholders agreement governing Richardson GMP (the "**RGMP Shareholders Agreement**") via arms-length negotiations over an extended period that began with the formation of an independent Special Committee in February 2019. The RGMP Shareholders Agreement, which GMP negotiated and entered into in 2009, governs the relationship between GMP and the other Richardson GMP shareholders, being RFGL and the advisors/employees.

The Special Committee was advised by independent legal counsel and financial advisors with deep backgrounds and expertise in such negotiations. The Special Committee also considered alternative transactions and determined that the RGMP Transaction is in the best interest of all stakeholders.

Discussions regarding the RGMP Transaction began in earnest in the autumn of 2019, continued over a period of many months, and were at times contentious. Details of the negotiations are described more fully in the Information Circular (see "*Background to the RGMP Transaction*"). Both the agreed upon price and the size of the Special Dividend were the result of this extensive process.

Details of the RGMP Transaction

If approved, the RGMP Transaction will result in GMP acquiring all of the common shares in Richardson GMP (the "**RGMP Common Shares**") currently not owned by GMP at a fair price of:

- 1.875 Common Shares per RGMP Common Share after taking into account the proposed $0.15 Special Dividend. This price reflects a GMP share reference value that is an 88% premium to the 10-day VWAP for GMP shares as at August 13, 2020.
- This price, which on a pre-dividend basis equates to 1.76 GMP Common Shares per RGMP Common Share, compares favourably, from a GMP perspective, with the level of 2 Common Shares per RGMP Common Share contemplated in the non-binding term sheet that was announced in February 2020.

After giving effect to the RGMP Transaction, if completed, the Company will have an estimated 182.3 million Common Shares issued and outstanding, of which approximately:

- 40.1% would be held by RFGL, currently GMP's largest Common Shareholder with an aggregate ownership stake of approximately 24.1% of Common Shares immediately prior to the RGMP Transaction;
- 31.4% would be held by existing GMP Common Shareholders (other than RFGL); and
- 28.5% would be held by Richardson GMP investment advisors.

In order to become effective, the RGMP Transaction must be approved by a simple majority of the votes cast by Common Shareholders, excluding the votes attached to Common Shares held by RFGL and certain other related parties.

RFGL's Significant Concessions

Contrary to the opinion expressed by the dissident, the RGMP Transaction does not unduly favour RFGL at the expense of other Common Shareholders. In fact, in the course of negotiations the Special Committee secured the following significant concessions from RFGL compared with what was mandated by the RGMP Shareholders Agreement:

- RFGL agreed to forego the immediate redemption of its $32 million of Richardson GMP preferred shares; and
- In addition to agreeing to a reference value that is an 88% premium on the Common Shares, RFGL accepted Common Shares in lieu of the $43 million cash portion of the purchase price to which RFGL was otherwise entitled.

Both of these concessions will assist GMP in retaining necessary capital to grow the business and facilitate the payment of the Special Dividend.

Ultimately, the RGMP Transaction consists of a carefully balanced and fair package of terms. You should be wary of any attempt by opponents of the RGMP Transaction to single out certain terms that they dislike while ignoring the overall balance that the Special Committee negotiated. You should be skeptical of claims that the dissident can negotiate better terms or distribute more capital to Common Shareholders.

We reiterate that the Board believes that the terms achieved are the best available, are fair, and will benefit all parties. No party obtained an undue advantage.

Summary of Risks if Common Shareholders Do Not Approve the RGMP Transaction

The Special Dividend described above will not be paid if the RGMP Transaction is not approved. While the Board will take actions that are in the best interest of the Company, GMP and Richardson GMP's ability to generate profits and grow might be hampered because:

- GMP's business would be left in limbo. Pursuant to the RGMP Shareholders Agreement, it is likely that there would be a contractual full-year deferral of negotiations between the parties for a new or revised transaction under the current terms of the RGMP Shareholders Agreement;
- Current and prospective Richardson GMP investment advisors and key employees of GMP and Richardson GMP are likely to be dissatisfied with the deferral and might succumb to inducements from aggressive recruitment efforts by competitors; and

- Third parties and clients with whom GMP and Richardson GMP currently do business or may do business in the future are likely to be unsettled by the deferral and might as a result turn to, or remain with, competitors.

The Downside Risk of a Larger Distribution

Following completion of the RGMP Transaction, GMP will have the working capital required to:

- Underpin the resilience of the business, including in the current unprecedented and uncertain economic environment;
- Provide the balance sheet strength necessary to recruit and retain investment advisors and wealth management clients;
- Position the business to invest in technology and marketing at a level appropriate for a national wealth manager;
- Explore potential acquisitions of like-minded high-quality wealth management businesses; and
- Add complementary asset management and insurance capabilities through acquisitions or alliances.

After extensive negotiations, as described in the Information Circular (See "*Background to the RGMP Transaction*"), the Board concluded that a Special Dividend of $0.15 per Common Share struck the right balance for an executable transaction.

As noted above, this would be the second special distribution paid to Common Shareholders in less than a year. The first, paid on December 31, 2019, amounted to $0.275 per Common Share. Combined, these special distributions total $0.425 per Common Share and represent a payout of 76% of the proceeds received from the 2019 divestiture of GMP's capital markets business.

And yet, opponents will try to persuade you that GMP should deliver a still larger capital distribution, notwithstanding the downside risk. Don't let them hamstring management's ability to achieve its growth objectives.

Meeting and Voting Details

The Meeting is scheduled for October 6, 2020 at 10:00 a.m. (Prevailing Eastern Time).

As a result of the global health crisis, the Company had planned that the Meeting would be held in virtual format only. Having been notified on September 4, 2020 that the election of nominees to the Board will be contested, the Company is now considering a physical location for the Meeting and will advise shareholders of that location in due course.

Your vote is very important. Details of how you can vote and how you can attend the Meeting can be found under the subheading "*Voting Information – Attending and Voting at the Meeting*" in the Information Circular.

In addition to the RGMP Transaction and the election of directors, Common Shareholders will be asked to consider and vote at the Meeting upon the appointment of auditors, the change of the Company's name, an advance notice by-law and a reduction in stated capital attributable to the Common Shares.

The Information Circular contains important information about each of the items of business to be dealt with at the Meeting. Please give this material your careful consideration and, if you require assistance, consult your financial, tax or other professional advisors, or the Company's strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors, at 1-866-879-7644 toll free in North America, or call collect outside North America at 1-416-867-2272 or by email at contactus@kingsdaleadvisors.com.

On behalf of the Board, we would like to express our gratitude for the support our Common Shareholders, our investment advisor partners and our employees have demonstrated with respect to our decision to move ahead with the RGMP Transaction. We look forward to your continued support for what promises to be an excellent opportunity to create long-term value in a growing wealth management industry.

Sincerely,

"***Donald A. Wright***"

Donald A. Wright

Chair of the Special Committee and the
Board of Directors
GMP Capital Inc.

NOTICE OF ANNUAL AND SPECIAL MEETING OF COMMON SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general and special meeting (including any postponement or adjournment thereof, the "**Meeting**") of the holders ("**Common Shareholders**") of common shares ("**Common Shares**") of GMP Capital Inc. ("**GMP**" or the "**Company**"):

When:	October 6, 2020 10:00 a.m. (Prevailing Eastern Time)
Virtual-Only Format:	Via live audio webcast online at: https://web.lumiagm.com/466952326

The following items of business will be conducted at the Meeting:

(a) presentation of the financial statements of GMP for the year ended December 31, 2019, and the auditors' report thereon;

(b) election of directors who will serve until the end of the next annual shareholder meeting;

(c) appointment of auditors and authorizing the audit committee of the board of directors of the Company to set the auditors' remuneration;

(d) for the Common Shareholders to consider, and if deemed advisable, to approve an ordinary resolution (the "**RGMP Transaction Resolution**"), the full text of which is included as Schedule B to the accompanying management information circular (the "**Information Circular**"), authorizing the issuance by the Company of Common Shares in connection with the acquisition of all of the issued and outstanding shares in the capital of Richardson GMP Limited not already owned by the Company or its subsidiaries (the "**RGMP Transaction**"), all pursuant to the share purchase agreement (the "**Purchase Agreement**") dated August 12, 2020, as amended on September 7, 2020, among, *inter alia*, the Company, Richardson Financial Group Limited ("**RFGL**") and certain other vendors listed in Schedule 2.1(i) to the Purchase Agreement, as amended and as may be subsequently amended, supplemented or otherwise modified, all as more particularly described in the Information Circular;

(e) for the Common Shareholders to consider, and if deemed advisable, to approve a special resolution (the "**Name Change Resolution**"), the full text of which is included as Schedule C to the Information Circular, amending the articles of the Company to change the name of the Company from "GMP Capital Inc." to "RF Capital Group Inc." or such other name as the board of directors of the Company in their discretion may resolve and as may be acceptable to the Toronto Stock Exchange, all as more particularly described in the Information Circular;

(f) for the Common Shareholders to consider, and if deemed advisable, to approve an ordinary resolution (the "**Advance Notice By-Law Resolution**"), the full text of which is included as Schedule D to the Information Circular, approving, ratifying and confirming the adoption of an advance notice by-law of the Company, approved by the board of directors of the Company on July 30, 2020, all as more particularly described in the Information Circular;

(g) for the Common Shareholders to consider, and if deemed advisable, to approve a special resolution (the "**Stated Capital Reduction Resolution**"), pursuant to subsection 34(1) of the *Business Corporations Act* (Ontario) (the "**OBCA**"), the full text of which is included as Schedule E to the Information Circular, approving a reduction of the stated capital of the Common Shares by an aggregate amount of up to $53 million, such amount to be determined by the board of directors in its sole discretion as more particularly described in the accompanying management information circular; and

(h) transact such further and other business as may properly be brought before the Meeting.

The Information Circular provides additional information relating to proxies and the matters to be dealt with at the Meeting and forms part of this notice. Common Shareholders should access and review all of the information contained in the Information Circular before voting.

In order to become effective, the RGMP Transaction Resolution must be approved by at least a simple majority of the votes cast by Common Shareholders present at the Meeting or represented by proxy at the Meeting and voting thereon, excluding the votes attached to Common Shares held by RFGL and certain other "related parties", in accordance with Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") and the rules of the Toronto Stock Exchange. The Name Change Resolution and the Stated Capital Reduction Resolution must each be approved by not less than two-thirds (66⅔%) of the votes cast by Common Shareholders present at the Meeting or represented by proxy at the Meeting and voting thereon to become effective. Each of the other items of business to be voted upon at the Meeting, including the election of directors, appointment of auditors and the Advance Notice By-Law Resolution, must be approved by a simple majority of the votes cast by Common Shareholders present at the Meeting or represented by proxy at the Meeting and voting thereon.

The record date for determination of Common Shareholders entitled to receive notice of and to vote at the Meeting is August 25, 2020 (the "**Record Date**"). Only Common Shareholders whose names have been entered in the register of Common Shares on the close of business on the Record Date are entitled to receive notice of and to vote at the Meeting. Shareholders who acquire Common Shares after the Record Date will not be entitled to vote such securities at the Meeting. As a Common Shareholder, you are entitled to receive notice of and attend the Meeting and to cast one vote for each Common Share that you own as of the Record Date.

ATTENDING AND VOTING AT THE MEETING

This year, in light of the challenges of social distancing requirements associated with the ongoing COVID-19 public health crisis, and to mitigate certain health and safety risks, the Company has arranged to hold our Meeting in a virtual-only format whereby shareholders may attend and participate in the Meeting via live webcast. Consistent with our commitments to ensure the health and safety of our employees, shareholders and clients, shareholders will not be able to physically attend the Meeting. The Company is also considering a physical location for the Meeting and will issue a press release advising Common Shareholders of that location should that decision be made.

Registered Common Shareholders and duly appointed proxyholders, including non-registered (beneficial) Common Shareholders who have appointed themselves as proxyholders and registered their appointment with AST Trust Company (Canada) ("**AST**") as described below, will be able to attend, ask questions and vote at the Meeting online. In order to do so:

- Log in online at https://web.lumiagm.com/466952326;
- Click "I have a control number";
- Enter your 13-digit control number from your **BLUE** form of proxy (for Registered Common Shareholders) or the 13-digit control number provided to you by AST after registering your appointment (for duly appointed proxyholders); and
- Enter the password "gmpcapital2020" (case sensitive).

Non-registered (beneficial) Common Shareholders who have not duly appointed themselves as proxyholder will be able to attend the Meeting online as guests, but guests will not be able to vote or ask questions. Please see the accompanying Information Circular for details on attending the Meeting online.

Registered Common Shareholders not planning or unable to attend the Meeting are requested to date, sign and return the accompanying **BLUE** form of proxy for use at the Meeting. If you are a non-registered (beneficial) Common Shareholder, you must follow the instructions provided by your broker, securities dealer, bank, trust company or other similar intermediary in order to vote your Common Shares. We encourage Common Shareholders to vote in advance of the Meeting by proxy, to ensure their vote is represented.

If you are appointing a proxyholder other than the Chair of the Meeting or his alternate, **YOU MUST** return your proxy to AST **AND** register your proxyholder by contacting AST at 1-866-751-6315 (within North America) or 212-235-5754 (outside North America) before the proxy cut-off, and provide AST with the required information for your proxyholder, so that AST may provide the proxyholder with a control number. This control number will allow your proxyholder to log in to and vote at the Meeting online. **WITHOUT A CONTROL NUMBER, YOUR PROXYHOLDER WILL NOT BE ABLE TO VOTE OR ASK QUESTIONS AT THE MEETING. THEY WILL ONLY BE ABLE TO ATTEND THE MEETING ONLINE AS A GUEST.**

To be valid, the BLUE form of proxy or BLUE voting instruction form must be received by AST no later than 10:00 a.m. (Prevailing Eastern Time) on October 2, 2020 (or at least 48 hours, excluding weekends and holidays, prior to any reconvened Meeting in the event of any adjournment or postponement of the Meeting): (**i) by mail in the enclosed postage prepaid envelope; (ii) by internet at www.astvotemyproxy.com; (iii) by toll-free telephone at 1-888-489-5760; (iv) by email to proxyvote@astfinancial.com; (v) by delivery in person to 1 Toronto Street, Suite 1200, Toronto, Ontario, M5C 2V6; or (vi) by facsimile to 416-368-2502 or 1-866-781-3111 (toll free), Attention: Proxy Department**. Notwithstanding the foregoing, the Chair of the Meeting has the discretion to accept proxies received after such deadline. The time limit for deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion, without notice.

If you are a non-registered (beneficial) Common Shareholder located in the United States and wish to vote at the Meeting or, if permitted, appoint a third-party proxyholder, you must obtain a valid legal proxy from your intermediary. Follow the instructions from your intermediary included with the legal proxy form and the voting information form sent to you, or contact your intermediary to request a legal proxy form or a legal proxy if you have not received one. After obtaining a valid legal proxy from your intermediary, you must then submit such legal proxy to AST. Requests for registration from non-registered (beneficial) Common Shareholders located in the United States that wish to vote at the Meeting or, if permitted, appoint a third-party proxyholder must be sent by e-mail or by courier to: proxyvote@astfinancial.com, and AST Trust Company (Canada), Attn: Proxy Dept, 1170 Birchmount Road, Toronto, Ontario, M1P 5E3, Canada (if by courier), and in both cases, must be labeled "Legal Proxy" and received no later than the voting deadline on October 2, 2020 at 10:00 a.m. (Prevailing Eastern Time) or at least 48 hours, excluding weekends and holidays, prior to any reconvened Meeting in the event of any adjournment or postponement of the Meeting. You must also contact AST at 1-866-751-6315 (within North America) or 212-235-5754 (outside North America) before the proxy cut-off, and provide AST with the required information for your proxyholder, so that AST may provide the proxyholder with a control number.

The proxyholder has discretion under the accompanying **BLUE** form of proxy or voting instruction form with respect to any amendments or variations of the matters of business to be acted on at the Meeting or any other matters properly brought before the Meeting, in each instance, to the extent permitted by law. As of the date hereof, management of the Company knows of no amendments, variations or other matters to come before the Meeting other than the matters set forth in this notice of meeting. Common Shareholders that are planning on returning the accompanying **BLUE** form of proxy or voting instruction form are encouraged to review the Information Circular carefully before submitting the form of proxy or voting instruction form.

The Information Circular explains the voting process in more detail.

If you have any questions or require assistance with voting your proxy, please contact the Company's strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors, at 1-866-879-7644 toll free in North America, or call collect outside North America at 1-416-867-2272 or by email at contactus@kingsdaleadvisors.com.

We look forward to your participation at the Meeting. On behalf of the board of directors of the Company, we would like to express our gratitude for the support our shareholders and employees have demonstrated with respect to our transformation agenda.

BY ORDER OF THE BOARD OF DIRECTORS

"*Krista Coburn*"

Toronto, Ontario
September 8, 2020

Krista Coburn
General Counsel and Corporate Secretary

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ADDENDA

QUESTIONS AND ANSWERS ABOUT THE INFORMATION CIRCULAR

The following is intended to answer certain key questions concerning the RGMP Transaction and the Meeting and is qualified in its entirety by the more detailed information appearing elsewhere in this Information Circular. All capitalized terms used in this summary and elsewhere in this Information Circular but not otherwise defined herein have the meanings set forth under the "Glossary of Terms" attached as Schedule A to this Information Circular.

GENERAL QUESTIONS RELATED TO THE MEETING

When and where is the Meeting?

The Meeting will be held on October 6, 2020 at 10:00 a.m. (Prevailing Eastern Time) in a virtual only format via live audio webcast online at https://web.lumiagm.com/466952326. The Company is also considering a physical location for the Meeting and will issue a press release advising Common Shareholders of that location should that decision be made.

What is the purpose of the Meeting?

This is an annual general and special meeting of the holders of common shares of GMP. The purpose of the Meeting is to consider and approve the following:

(a) election of directors for the ensuing year who will act in the best interest of the Company;

(b) appointment of auditors and authorizing the audit committee of the board of directors of the Company to set the auditors' remuneration;

(c) approving the RGMP Transaction;

(d) approving a name change of the Company to "RF Capital Group Inc.";

(e) approving the advance notice by-law adopted by the board in July 2020; and

(f) approving a reduction of the stated capital attributable to the Common Shares.

How does GMP recommend I vote?

Management is recommending Common Shareholders vote **FOR** all resolutions and directors on the **BLUE** form of proxy:

- ✓ **FOR** the election of management's highly skilled nominees;
- ✓ **FOR** the appointment of auditors;
- ✓ **FOR** the RGMP Transaction to capitalize on an opportunity to create a leader in the Canadian wealth management field;
- ✓ **FOR** approving the name change;
- ✓ **FOR** approving the advance notice by-law; and
- ✓ **FOR** approving the reduction of stated capital.

Common Shareholders are further advised to discard any proxy received from the dissident shareholder.

Why should I vote the BLUE form of proxy and support GMP Capital Inc.?

Voting on the Company's **BLUE** form of proxy card will enable Common Shareholders to support management's high qualified, experienced nominees for election to the Board. These nominees are well positioned to provide the judgement, character, expertise, skills and knowledge necessary to guide the Company through its future growth.

Voting on the Company's **BLUE** form of proxy will also enable Common Shareholders to support the RGMP Transaction, which offers the greatest potential for long-term value creation for Common Shareholders. The transaction provides Common Shareholders the opportunity to hold ownership in a well-capitalized wealth management company with the ability to grow quickly on a national scale. The Canadian retail financial wealth market is currently valued at approximately $4.4 trillion, expected to grow to $7.7 trillion by 2028 (Source: Investor Economics).

QUESTIONS RELATED TO THE RGMP TRANSACTION

What is the proposed RGMP Transaction?

The RGMP Transaction is the purchase by GMP of 100% of Richardson GMP, one of Canada's leading independent wealth-management providers. GMP currently owns 33.2% of Richardson GMP. Under the terms of the RGMP Transaction, GMP will purchase the rest from RFGL, which owns 34.3%, and the investment advisors and the employees who work at Richardson GMP, who collectively own 32.5%. The consideration will be paid in the form of Common Shares based on an enterprise value for Richardson GMP of $420 million.

The RGMP Transaction is the culmination of an extensive strategic review process. The RGMP Transaction represents the best way for GMP to execute on the Board's plan to build a growth strategy around wealth management, delivering the greatest potential for long-term value creation by taking advantage of expanding demand for the face-to-face wealth management services that Richardson GMP provides. The RGMP Transaction is the right one to protect and strengthen the three key pillars of the Richardson GMP wealth management business — *the best advisors, a powerful brand and a strong balance sheet*.

Ultimately, the RGMP Transaction consists of a carefully balanced and fair package of terms. GMP believes the RGMP Transaction, which has been unanimously approved by the Board (with the interested RFGL directors recusing themselves from voting on the matter) and was recommended by the Special Committee of independent directors, is in the best interest of the Company and all Common Shareholders.

On August 12, 2020, GMP entered into the Purchase Agreement, pursuant to which the Company has agreed, subject to the terms and conditions of the Purchase Agreement, to acquire all of the RGMP Common Shares that are not owned by the Company for a purchase price of 1.875 Common Shares (1.76 Common Shares on a pre-Special Dividend basis) per RGMP Common Share. As part of the RGMP Transaction, the Board intends to pay a Special Dividend of $0.15 per Common Share to Common Shareholders of record *prior to* the Closing of the RGMP Transaction.

The proposed Special Dividend would be the second special dividend paid to Common Shareholders in less than a year. Collectively, the two special dividends represent a payout of 76% of the proceeds received from the divestiture of GMP's capital markets business last year.

See "*The RGMP Transaction – The Purchase Agreement*" for further details of the terms of the RGMP Transaction.

What are the Benefits of the RGMP Transaction for Common Shareholders?

The RGMP Transaction will best position GMP to capitalize on the compelling opportunities in the wealth management industry as demand is expected to increase greatly in coming years for the top-tier wealth management services that Richardson GMP provides.

With approximately $4.4 trillion in retail financial wealth in Canada, which is expected to grow to $7.7 trillion by 2028 (Source: Investor Economics), the opportunity in the market for an independent, non-bank firm with national scale is significant. The Company believes that acquiring 100% of Richardson GMP, an independent leader in the industry, offers the greatest potential for long-term value creation for Common Shareholders.

If the RGMP Transaction is approved, the Board intends to pay a Special Dividend of $0.15 per Common Share to holders of record *prior to* the Closing Date, anticipated in the fourth quarter of 2020. This approach strikes the right balance between returning capital to existing Common Shareholders and retaining necessary capital in GMP that we can use together with Richardson GMP's consistent operating cash flow to fund future growth, service current indebtedness and preferred share obligations, and provide resilience in the current unprecedented and uncertain economic environment.

The RGMP Transaction also provides Common Shareholders with other significant benefits, consisting of ownership in a well-capitalized wealth management company with the ability to grow quickly and at relatively low risk by leveraging:

- The powerful Richardson brand; and

The strong balance sheet to retain and aggressively recruit investment advisors using incentive payments in exchange for long-term employment commitments, bolstered by increased spend

See "*The RGMP Transaction – Reasons for the RGMP Transaction*" for further details on the benefits of the RGMP Transaction for Common Shareholders.

What Concessions did RFGL make in the RGMP Transaction

The RGMP Transaction consists of a carefully balanced and fair package of terms. The Special Committee in the course of negotiations secured the following significant concessions from RFGL compared with what was mandated by the RGMP Shareholders Agreement:

- RFGL agree to forego the immediate redemption of its $32 million of RGMP Preferred Shares; and
- In addition to agreeing to a reference value that is an 88% premium on the Common Shares, RFGL accepted Common Shares in lieu of the $43 million cash portion of the purchase price to which RFGL was otherwise entitled.

Both of these concessions will assist GMP in retaining necessary capital to grow the business and facilitate the payment of the Special Dividend.

Why is consolidating 100% of Richardson GMP in the best interest of GMP shareholders?

When Richardson GMP was founded in 2009 following the combination of GMP Private Client L.P. and Richardson Partners Financial Limited, the shareholders of the company, being GMP, RFGL and the investment advisors and employees, envisioned the possibility of consolidating the ownership of Richardson GMP and, accordingly, incorporated the RGMP Liquidity Mechanism in the RGMP Shareholders Agreement to allow for such an event in the future. The RGMP Liquidity Mechanism provides a specific framework for negotiating such an arrangement among the three principal shareholder groups, including any one of the parties being able to trigger a liquidity event under the RGMP Shareholders Agreement to potentially cause the consolidation of Richardson GMP.

GMP has continuously considered and evaluated opportunities to unlock the value of its ownership interest in Richardson GMP, one if its key assets, including the use of the RGMP Liquidity Mechanism. In 2018, as part of a strategic review process, GMP mapped out a strategy to exit the capital markets business and focus exclusively on opportunities in the wealth management industry including through the consolidation of 100% ownership of Richardson GMP. After much deliberation, GMP embarked on this strategy by selling the capital markets business in December 2019 and then, in February 2020, jointly triggering the RGMP Liquidity Event with RFGL and the IA Designees and announcing that the parties had entered into the Non-Binding Term Sheet, which had the support from investment advisors who had responsibility for managing over 90% of Richardson GMP's client assets. The global pandemic delayed this process but in August 2020 the parties announced that they had reached a binding agreement to complete the RGMP Transaction, which is now being presented to GMP minority shareholders for approval. The parties believe the completion of the RGMP Transaction will allow the Company to associate itself with and leverage the Richardson brand, and tap into the growing opportunities in retail financial wealth in Canada. See also "*The RGMP Transaction – Reasons for the RGMP Transaction*" in the Information Circular.

Over the years since Richardson GMP's formation, GMP and Richardson GMP have also been working together on several fronts including GMP providing Carrying Broker services to Richardson GMP, Richardson GMP introducing clients to GMP and both parties leveraging other opportunities to share operations and infrastructure. They have even shared the names of their two principal sponsors.

Richardson GMP is one of Canada's leading wealth management firms with 165 highly qualified professional advisory teams serving over 32,000 high net worth families and businesses across Canada. With $28.3 billion of AUA as at June 30, 2020, RGMP's advisors have among the best practices in Canada with one of the highest AUA per advisory team and the firm is recognized as one of Canada's best workplaces. For the six-month period ended June 30, 2020 and the year ended December 31, 2019, Richardson GMP had revenues of $132 million and $272 million, respectively, and adjusted EBITDA of $20 million and $50 million, respectively.

How have the terms of the RGMP Transaction changed since the announcement of the Non-Binding Term Sheet on February 26, 2020?

In negotiating the RGMP Transaction, the Special Committee was able to secure certain benefits for Common Shareholders compared to the terms in the Non-Binding Term Sheet announced on February 26, 2020 including:

- Negotiating an exchange ratio of 1.76:1 (on a pre-Special Dividend basis) as compared to 2:1 in February 26, 2020;
- Payment of the Special Dividend to Common Shareholders of record *prior to* closing of the RGMP Transaction; and
- Enhancing the pro forma working capital position of the combined company by securing the agreement of RFGL **not to** redeem their $32 million preferred share ownership in Richardson GMP (as would otherwise be required by the RGMP Shareholders Agreement) until the earliest of three years following closing.

The following table provides a summary of the key revised terms compared with the Non-Binding Term Sheet announced on February 26, 2020.

	August 13, 2020	February 26, 2020	% Change
Exchange ratio, pre-Special Dividend	1.76:1	2:1	(12%)
Exchange ratio, post-Special Dividend	1.875:1	2:1	(6)%
Enterprise value for Richardson GMP (millions)	$420	$500	(16)%
Reference value of RGMP Common Shares	$4.25	$5.14	(17)%
Richardson GMP's AUA[1] (billions)	$28.3	$28.6	(1)%
Richardson GMP net working capital[2] (millions)	$58.2	$54.4	7%
GMP net working capital[2] (millions)	$122.8	$130.6	(6)%
Special Dividend	$0.15/share	Nil	n/a
Reference value of Common Shares, pre-Special Dividend	$2.42	$2.57	(6)%
Reference value of Common Shares, post-Special Dividend	$2.27	$2.57	(12)%
Common Share 10-day VWAP prior to announcement	$1.29	$1.90	(32)%
# of Common Shares to be issued to Richardson GMP shareholders (millions)	106.867	110.994	(4)%

1. June 30, 2020 AUA was $28.3 billion compared with December 31, 2019 AUA of $28.6 billion.
2. Net working capital as at June 30, 2020 compared with December 31, 2019, respectively.

Why did the enterprise value for Richardson GMP decline to $420 million in this most recent agreement from $500 million in the Non-Binding Term Sheet announced in February?

This is primarily a result of a decline in interest rates that occurred because of the COVID-19 pandemic. Lower interest rates reduce the profitability of the Richardson GMP business because it makes less income from client balances.

See "*The RGMP Transaction – Updated Valuation and Fairness Opinion*" and "*Schedule F – Updated Valuation and Fairness Opinion and February Valuation*" for further details on the enterprise value for Richardson GMP.

Does the Board support the RGMP Transaction?

Yes. After careful consideration of, among other factors, the recommendation of the Special Committee comprised of independent directors, the Board (with the interested RFGL nominee directors of GMP having recused themselves from voting on the RGMP Transaction), after receiving legal and financial advice, has unanimously determined that the RGMP Transaction is in the best interests of the Company. The Board (with the interested RFGL nominee directors of GMP having recused themselves from voting on the RGMP Transaction) recommends that the Common Shareholders vote **FOR** the RGMP Transaction Resolution.

What are the reasons for the Board and Special Committee recommendations?

The following is a summary of certain factors, which, among others, were considered in the evaluation of the RGMP Transaction:

- *Wealth Management Strategy* – The Board carefully mapped out a clear strategy of exiting capital markets and focusing on the opportunities in the wealth management industry, which it believes offers the greatest potential for long-term value creation for shareholders. The Company intends to deploy the considerable capital at both GMP and Richardson GMP to accelerate the growth of the wealth management business following the completion of the RGMP Transaction.

- *Association with the Richardson Brand* – By completing the RGMP Transaction, the Company is associating itself with and leveraging the Richardson brand and 90-year legacy in financial services. The RGMP Transaction will create the destination of choice for Canada's top advisors who share Richardson GMP's entrepreneurial spirit, independent culture and philosophy to deliver unparalleled face-to-face advice to Canadians seeking non-bank points of access for wealth management advice. RFGL will own approximately 40.1% of the Common Shares upon closing of the RGMP Transaction.

- *Growing Market Opportunity* – The market for retail financial wealth in Canada is expected to grow from \$4.4 trillion to \$7.7 trillion by 2028 (Source: Investor Economics), creating a considerable opportunity for an independent competitor or independent firm with national scale. The Company believes that demographic trends driving a generational shift have created a growing degree of complexity and sophistication of wealth solutions, supporting the long-term value proposition of face-to-face advice. Firms and advisors that have embraced the evolution of wealth advice and have enhanced professional accreditation will be able to capitalize on this significant opportunity.

- *Leading Wealth Management Advisors* – Richardson GMP is one of Canada's leading wealth management firms with 165 highly qualified professional advisory teams serving over 32,000 high net worth families and businesses across Canada. With approximately \$28.3 billion of AUA as at June 30, 2020, Richardson GMP's advisors have among the best practices in Canada with one of the highest AUA per advisory team, and the firm has been recognized as one of Canada's best workplaces. For the six-month period ended June 30, 2020 and the year ended December 31, 2019, Richardson GMP had revenues of \$132 million and \$272 million, respectively, and adjusted EBITDA of \$20 million and \$50 million, respectively.

- *Strong Management Team* – Led by Kishore Kapoor, current Interim President and Chief Executive Officer of GMP, who has decades of experience at prominent wealth management firms, along with Andrew Marsh, President and Chief Executive Officer of Richardson GMP, who has over 30 years of wealth management experience, including as a founding executive of Richardson GMP, as well as other seasoned executives, following completion of the RGMP Transaction, the Company will have in place a strong management team to execute on its growth strategy. The Board intends to appoint Mr. Kapoor as the permanent President and Chief Executive Office of the Company following the approval of the RGMP Transaction Resolution by Common Shareholders. With the completion of the RGMP Transaction, Mr. Kapoor and the management team has effected the transformation strategy set out by the Board and will be tasked with leading the combined entity as it continues to implement the Company's growth strategy.

- *Special Committee Process* – The RGMP Transaction is the result of an extensive process conducted by the Special Committee, consisting entirely of independent directors, to review and analyze the RGMP Transaction and available alternatives, and extensive negotiations with RFGL and representatives of the other shareholders of Richardson GMP on the pricing and other terms of the RGMP Transaction. In particular, the Purchase Price was the result of lengthy negotiations where the Special Committee was successful in significantly reducing the exchange ratio to 1.76:1 (on a pre-Special Dividend basis) from the 2.57:1 exchange ratio that was RFGL's first offer in January 2020, and the 1.94:1 exchange ratio RFGL proposed on June 3, 2020 to give effect to the impact of COVID-19 on what had been agreed in the Non-Binding Term Sheet.

- *Transaction Certainty* – The Board determined that the RGMP Transaction was the best path for GMP to take having considered available alternatives. Compared to the status quo, the RGMP

Transaction creates certainty and stability of Richardson GMP's ownership structure that will enhance the ability to retain and attract investment advisors and clients and grow the value of the business from a position of working capital strength. Other alternatives would introduce transaction uncertainty and significant risk to Richardson GMP's business while potentially offering little comfort that any transaction would result or that a completed transaction would be on terms more favourable than negotiated process which resulted in the RGMP Transaction. See "*The RGMP Transaction – Background to the RGMP Transaction*".

- *Fairness Opinion* – The Special Committee and the Board received the Updated Valuation and Fairness Opinion from RBC stating that, as of August 12, 2020, and subject to the assumptions, limitations and qualifications contained therein, the Consideration to be paid by the Company pursuant to the RGMP Transaction is fair, from a financial point of view, to the Company.
- *Procedural Protections* – The RGMP Transaction is subject to a number of procedural protections under MI 61-101, including the requirement for approval by the holders of a majority of the Common Shares (excluding the Interested Shareholders required to be excluded under MI 61-101). In evaluating the RGMP Transaction, the Company's shareholders will have the benefit of enhanced disclosure requirements under MI 61-101 and the formal valuation conducted by RBC contained in the Updated Valuation and Fairness Opinion.
- *Acknowledgement and Support Letters* – Richardson GMP investment advisors, collectively, representing approximately 97% of Richardson GMP's AUA, have indicated their support for the RGMP Transaction by entering into non-binding acknowledgement and support letters. Of the Consideration Shares to be received by the Richardson GMP shareholders (including investment advisors), 10% will be freely tradeable as of the closing and 90% will be placed in escrow to be released, subject to the satisfaction of certain conditions, in equal amounts on the first, second and third anniversaries of the Closing.

What alternatives to the RGMP Transaction did the Board consider?

As part of its mandate, the Special Committee engaged in a review and evaluation of available alternatives to a potential RGMP Transaction:

- The Special Committee considered alternative transactions and noted that despite the fact that the Company had announced in June 2019 that it was considering a potential RGMP Transaction, only one potential counterparty had presented it with an alternative transaction to consider, and such alternative transaction was not executable as it included conditions regarding RFGL's support that could not be satisfied given RFGL's opposition to the transaction. The Special Committee acknowledged that this was likely due to the many factors the Special Committee had concluded, at its initial meeting, could limit the availability of alternative transactions. In particular, the Special Committee once again considered the fact that any transaction for the sale of the Company would require that the counterparty be willing to own only one-third of Richardson GMP, and to be bound by the existing Richardson GMP Shareholders Agreement since RFGL had repeatedly indicated its unwillingness to support a sale transaction for the Company, or amend the Richardson GMP Shareholders Agreement. The Special Committee also discussed that, in connection with the Sale Transaction, the Company agreed that it would be required to make a payment to Stifel of up to $15 million if the Company completed a change of control transaction with a counterparty who is principally engaged in a business that is competitive with the capital markets business the Company sold to Stifel, which could act as a significant deterrent to a transaction with certain potential counterparties.
- The Special Committee considered triggering the RGMP Liquidity Mechanism without a pre-negotiated outcome for the process. Because triggering the RGMP Liquidity Mechanism could lead to a number of different potential outcomes under the RGMP Shareholders Agreement (including

a purchase by the Company, a sale to RFGL, a sale to a third party, a one-year freeze and automatic restart of the RGMP Liquidity Mechanism in one year's time, or no transaction at all) that were beyond the control of GMP, the Special Committee concluded that this alternative introduced significant risk to Richardson GMP's business while potentially offering little comfort that any transaction would result or that a completed transaction would be on terms more favourable than what could be negotiated with RFGL.

- The Special Committee discussed the possibility of finding a buyer for the Company on the condition that the Company trigger the RGMP Liquidity Mechanism and successfully acquire the remaining two-thirds interest in Richardson GMP thereunder. The Special Committee acknowledged that this approach would be subject to significant risks since there could be no certainty that triggering the RGMP Liquidity Mechanism would result in such an outcome (including in light of the statements attributed to representatives of RFGL in an article in the Globe & Mail on January 12, 2020 that RFGL was not prepared to sell its interest in Richardson GMP) or that any buyer would be prepared to accept this degree of uncertainty.
- The Special Committee considered and discussed maintaining the status quo but noted the concerns raised by management of both the Company and Richardson GMP that the uncertainty and instability of Richardson GMP's ownership structure made it difficult to retain Richardson GMP's investment advisors and clients and risked eroding the value of that business. In particular, management was aware that Richardson GMP investment advisors were being heavily recruited by competitors using the uncertain future of Richardson GMP and the lack of clarity as to whether employees would ever be able to realize a fair value for their equity in Richardson GMP to entice investment advisors to leave Richardson GMP.

Notwithstanding these challenges, prior to entering into the Purchase Agreement, the Special Committee engaged in preliminary discussions with multiple strategic counterparties to determine their interest in pursuing a transaction. None of these discussions resulted in any counterparty presenting any offer or specific proposed terms for an alternative potential transaction prior to entering into the Purchase Agreement.

See "*The RGMP Transaction – Background to the RGMP Transaction*" for further information.

What is GMP's growth strategy after the completion of the RGMP Transaction?

The Company's mission is to be the destination of choice for:

- Canada's top investment advisors, who share our entrepreneurial spirit, independent culture and philosophy to deliver unparalleled face-to-face advice to Canadians seeking non-bank points of access for holistic wealth management solutions across the entire household balance sheet; and
- For third-party providers of innovative wealth management branded and co-branded solutions for our advisors and clients.

To realize our mission, the Company intends to grow Richardson GMP's 165 investment advisory teams, current \$28.3 billion in AUA and \$132 million in revenue as at and for the six-month period ending June 30, 2020 (\$28.6 billion in AUA and revenues of \$272 million at December 31, 2019) and its earnings by:

- Investing in Richardson GMP's highly talented investment advisors and platform to better serve advisors and their clients;
- Proactively recruiting top advisors, offering cash incentive payments in exchange for long term commitments to be employed at Richardson GMP;

- Exploring potential acquisition of like-minded high-quality wealth management businesses;
- Adding complementary asset management and insurance capabilities through acquisitions or alliances;
- Enhancing operating margins;
- Realizing operating synergies with our carrying broker platform including through addition of new clients to our platform; and
- Expanding, originating and offering greater choice of third-party products and services, including branded and co-branded solutions with industry leading providers of funds, ETFs, alternatives, structured products, deposits, insurance, banking solutions and more.

The key drivers and three pillars of future success to this growth strategy include:

BEST ADVISORS	+	**POWERFUL BRAND**	+	**STRONG BALANCE SHEET**	=	**FORMULA FOR GROWTH**

How much capital will the company have to execute its growth strategy?

As at June 30, 2020, the combined working capital of the Company and Richardson GMP is $181 million ($122.8 million for the Company and $58.2 million for Richardson GMP, respectively). After setting aside sufficient capital to meet the Company's other funding needs as noted in the table below, the Company expects to have approximately $**60** million together with Richardson GMP's consistent operating cash flow to devote to growing the business through recruitment and other growth initiatives.

Pro-forma Uses of Cash ($ millions)	RGMP Transaction with RFGL Concessions	RGMP Transaction without RFGL Concessions[2]
Net working capital at GMP (as at June 30, 2020)	122.8	122.8
Net working capital at RGMP (as at June 30, 2020)	58.2	58.2
	181.0	181.0
Uses of cash:		
Minimum capital for both carrying and introducing broker operations	(40.0)	(40.0)
Proposed Recognition Plan to RGMP's investment advisors on closing	(36.0)	(36.0)
GMP FirstEnergy promissory note payable	(12.8)	(12.8)
Proposed special dividend (conditional on approval of RGMP Transaction)	(11.3)	(11.3)
Capital projects to enhance technology/operating platform	(9.0)	(9.0)
GMP's Series B and Series C preferred share dividend (annual amount)	(4.0)	(4.0)
Richardson GMP debt financing	(3.0)	(3.0)
Richardson GMP preferred shares (annual amount - RFGL portion only)	(2.0)	(2.0)
Part VI.1 Tax on GMP's Preferred Shares (annualized amount)	(1.6)	(1.6)
Estimated RGMP Transaction costs	(1.5)	(1.5)
	59.8	59.8
Redemption of RGMP preferred shares held by RFGL[1]		(32.1)
Requirement of GMP to buy down RFGL ownership to $33^{1/3}$ [1]		(43.0)
Net working capital available to fund growth initiatives	59.8	(15.3)

1. **Pursuant to the terms of the RGMP Shareholders Agreement**
2. **In the event of a no vote following the mandatory 1 year deferral of renegotiation between GMP and RFGL**

While the wealth management industry offers significant growth potential, it is highly competitive. Our ability to compete effectively requires a strong balance sheet, established base of advisors and a powerful brand. Our competition includes divisions of major chartered banks in Canada, national independent wealth managers, insurance companies, mutual fund companies, private equity, investment management firms and boutique wealth managers. Some of these competitors have, and potential future competitors may have, greater technical, financial, marketing, distribution or other resources than Richardson GMP. Many of these competing entities have a greater number of personnel and easier access to capital than Richardson GMP does. These factors together with our strategy to make the retention and recruitment of advisors a top priority highlights the importance of having a strong balance sheet and history of strong recurring revenues.

How does the Company intend to deploy its working capital going forward?

The Company intends to use its available working capital to proactively grow the business. The Company plans to devote significant capital to the recruitment of top advisors, as the initiative is expected to afford on average an attractive three and a half-year payback for the Company's intended target of fee-based advisors in cities where Richardson GMP has excess capacity in its real estate footprint. This, coupled with existing back office support services infrastructure and scale, will allow the Company to absorb considerable asset growth with minimal incremental fixed costs. As a result, a greater percentage of the revenue increase generated from those assets will flow directly to EBITDA, adding considerable enterprise value.

In the wealth management industry, recruiting offers generally include cash incentives paid based on performance and other criteria in exchange for an 8 to 10-year minimum contractual commitment of the investment advisory team to remain employed. The amount of capital required for funding cash incentives may vary but is generally expected to fall within the range of $30 to $45 million dollars for each $3 billion of AUA recruited. The cash incentive paid to each investment advisory team depends on, among other factors, the size of practice, quality of clientele and reputation in the industry.

Has GMP received a formal valuation and fairness opinion in connection with the RGMP Transaction?

RBC Capital Markets has delivered its opinion to the Special Committee and the Board that subject to the assumptions, limitations and qualifications set forth in the Updated Valuation and Fairness Opinion, it is of the opinion that, as of August 12, 2020, (i) the fair market value of RGMP Common Shares on an en bloc basis was in the range of $3.55 to $4.50 per RGMP Common Share; (ii) the fair market value of Common Shares on an en bloc basis was in the range of $2.00 to $2.55 per Common Share (on a post-Special Dividend basis); and (iii) the Consideration to be paid by the Company under the RGMP Transaction is fair from a financial point of view to the Company.

The full text of the Updated Valuation and Fairness Opinion is included in Schedule F hereto.

What is the expected composition of the Board after the completion of the RGMP Transaction?

If elected, current directors David G. Brown, David C. Ferguson, Kishore Kapoor, Julie A. Lassonde and Donald A. Wright will be joined by Marc Dalpé, a current IA Designee, to be members of the Board. If elected by Common Shareholders, Mr. Dalpé has agreed to resign from the GMP Board should the RGMP Transaction subsequently not close.

Who is entitled to receive the Special Dividend?

The Board intends to pay the Special Dividend to Common Shareholders of record *prior to* the Closing of the RGMP Transaction.

Who will be the principal shareholders of the Company after the completion of the RGMP Transaction?

After giving effect to the RGMP Transaction, if completed, existing Common Shareholders (other than RFGL) and Richardson GMP investment advisors and employees, will hold approximately 31.4% and 28.5%, respectively, of the Common Shares, excluding for this purpose any Common Shares that may be issued to Richardson GMP investment advisors and employees as part of the Recognition Plan. RFGL, GMP's largest shareholder with an aggregate ownership stake of approximately 24.1% of Common Shares immediately prior to the RGMP Transaction, will have an estimated aggregate ownership position of approximately 40.1% following completion of the RGMP Transaction.

Were Richardson GMP's investment advisors consulted and do they support the RGMP Transaction?

Yes. There is a mandated consultation that takes place under the RGMP Shareholders Agreement. RFGL and GMP have consulted on numerous occasions with Richardson GMP's investment advisors, including the IA Designees and the IA Liquidity Committee, regarding the terms of the RGMP Transaction.

RGMP's investment advisors collectively representing approximately 97% of Richardson GMP's AUA have indicated their support for the RGMP Transaction by entering into non-binding acknowledgement and support letters. Moreover, Neil Bosch and Marc Dalpé, each of whom is a current IA Designee, have advised GMP management that they support the RGMP Transaction.

Mr. Dalpé has also agreed to stand as a nominee to the Board for election at the upcoming Meeting. However, if he is elected by Common Shareholders, Mr. Dalpé has agreed to resign from the Board should the RGMP Transaction subsequently not close. Andrew Marsh, CEO of Richardson GMP, has also stated he supports the RGMP Transaction.

What happens if the RGMP Transaction Resolution is not approved by Common Shareholders?

If the RGMP Transaction is not approved by Common Shareholders at the Meeting, the RGMP Transaction will be terminated as a result in accordance with the terms of the RGMP Shareholders Agreement. This will create significant risk for both GMP's and Richardson GMP's business by introducing uncertainty about the future direction of both Companies.

In the event the RGMP Transaction is terminated:

- Pursuant to the RGMP Shareholders Agreement, it is likely that there would be a contractual full year deferral of negotiations between the parties for a new or revised transaction;
- The Special Dividend will not be paid;
- The Richardson GMP business may be required to find an entirely new brand because Richardson GMP may lose the ability to use the Richardson name as part of its brand and because, pursuant to the terms of the Sale Transaction, the Company and Richardson GMP can no longer use the name "GMP" after December 31, 2020; and
- There may be an adverse impact on Richardson GMP and its business due to, among other things, uncertainty of Richardson GMP's ownership structure and brand, leading to challenges with recruitment and retention of investment advisors and the maintenance and expansion of the firm's client base.

In the event that the RGMP Transaction is not approved, the Board will take actions that are in the best interest of the Company.

See "*Risk Factors – Risks Relating to the RGMP Transaction – No Certainty that All of the Conditions Precedent will be Satisfied or Waived*", "*– The Purchase Agreement and the RGMP Liquidity Mechanism Process may be Terminated in Certain Circumstance*" and "*– Uncertainty Surrounding the RGMP Transaction Could Adversely Affect GMP's or Richardson GMP's Retention of Clients and Key Personnel*".

Why not distribute more capital to Common Shareholders through a larger special dividend?

After extensive negotiations, the Board concluded that the Special Dividend of $0.15 per Common Share struck the right balance for an executable transaction. The RGMP Transaction gives GMP the working capital required to:

- Underpin the resilience of the business, including in the current unprecedented and uncertain economic environment;
- Provide the balance sheet strength necessary to recruit and retain investment advisors and wealth management clients;
- Position the business to invest in technology and marketing at a level appropriate for a national wealth manager;
- Explore potential acquisition of like-minded high-quality wealth management businesses; and
- Add complementary asset management and insurance capabilities through acquisitions or alliances.

A larger dividend would weaken the firm's balance sheet, one of the three key pillars to success, and put at risk the ability of management to achieve its growth objectives. The Special Dividend would be the second special distribution paid to Common Shareholders in less than a year. The first, paid on December 31, 2019, amounted to $0.275 per Common Share. Combined, these distributions total $0.425 per Common Share and represent a payout of 76% of the proceeds received from the 2019 divestiture of GMP's capital markets business.

Is it possible to renegotiate the RGMP Transaction to make it more favourable to Common Shareholders?

The Board believes that the terms achieved, through its extensive process over many months, are the best available, are balanced and fair, and will benefit all parties. No party obtained an undue advantage. GMP believes that any assertions that the RGMP Transaction can be renegotiated for terms more favourable to GMP shareholders are mistaken.

Is the RGMP Transaction fair to Common Shareholders?

The RGMP Transaction consists of a carefully balanced and fair package of terms. It was negotiated through an extensive, arms-length process by the Special Committee of independent directors. RBC Capital Markets has provided a formal valuation and fairness opinion to the Board that the RGMP Transaction is fair, from a financial point of view, to the Company.

The Board believes that the terms achieved are the best available, are balanced and fair, and will benefit all parties. No party obtained an undue advantage. The Company believes that the RGMP Transaction offers the greatest potential for long-term value creation for Common Shareholders.

Would a new board, such as the slate that a dissident has signaled will be proposed, be able to alter the RGMP Transaction?

GMP believes the dissident shareholder is mistaken to believe that an alternate slate, if elected, will be able to renegotiate the terms of the RGMP Transaction.

Could a new board choose to pay a higher distribution to Common Shareholders?

A higher distribution would require shareholder approval at another special meeting of the Common Shareholders convened specifically to consider and, if deemed appropriate, further reduce the stated capital. That vote would require not less than two-thirds (66⅔%) of the votes cast by all Common Shareholders (including RFGL) at such meeting.

If the RGMP Transaction is not approved by Common Shareholders, the Special Dividend, which would be the second special distribution paid to the Common Shareholders in less than a year, will not be paid.

If the RGMP Transaction is approved together with the dissident slate of nominees to the Board, a higher distribution would impede GMP from having the working capital required to:

- Underpin the resilience of the business, including in the current unprecedented and uncertain economic environment;
- Provide the balance sheet strength necessary to recruit and retain investment advisors and wealth management clients;
- Position the business to invest in technology and marketing at a level appropriate for a national wealth manager;
- Explore potential acquisition of like-minded high-quality wealth management businesses; and
- Add complementary asset management and insurance capabilities through acquisitions or alliances.

How did the Board arrive at the valuations used in determining the price?

This was a vigorously negotiated process undertaken by the Special Committee of independent directors, and one which factored in the Special Dividend level as well as other terms. The Special Committee was informed by the Updated Valuation and Fairness Opinion provided by RBC Capital Markets, which provides a valuation range for both the RGMP Common Shares and Common Shares. The reference values for the RGMP Common Shares and the Common Shares are within the range of values set out in the Updated Valuation and Fairness Opinion.

RBC Capital Markets has also provided a fairness opinion to the Board that the RGMP Transaction is fair, from a financial point of view, to the Company.

Common Shareholders are urged to read the full text of the Updated Valuation and Fairness Opinion included in Schedule F hereto. See also "*The RGMP Transaction – Updated Valuation and Fairness Opinion*" for further information.

How did the Board arrive at the exchange ratio used in the RGMP Transaction?

The Special Committee negotiated an exchange ratio using reference prices within the valuation range for the Common Shares and the RGMP Common Shares determined by the formal valuation provided by RBC Capital Markets. Although the RGMP Shareholders Agreement provides for pricing based on market price for the Common Shares, the Special Committee persuaded RFGL and the IA Designees, to negotiate an exchange ratio using a higher value for the Common Shares based on their intrinsic value. The reference price used in fact reflects a Common Share value that is an 88% premium to the 10-day VWAP for Common Shares as at August 13, 2020. In addition, to account for the negative impact on the enterprise value of Richardson GMP caused by COVID-19, the Special Committee was successful in lowering the exchange ratio to 1.76 GMP Common Shares per RGMP Common Share (on a pre-Special Dividend basis, being 1.875 on a post-Special Dividend basis) from the 2 level set out in the Non-Binding Term Sheet.

Why did the Company not reduce RFGL's ownership stake in the Company to 33 1/3%?

This was purposely negotiated by the Special Committee to ensure GMP will be well capitalized and able to fund its growth strategy, which will create value for all shareholders.

The RGMP Shareholders Agreement specifies that GMP is required to buy-down RFGL's ownership, for cash, to 33 1/3%. However, paying RFGL the consideration in Common Shares rather than cash preserves $43 million of cash that the Company can use to execute its strategy.

Why are the RGMP Preferred Shares held by GMP and RFGL being treated differently?

The value of the Common Shares set forth in the Updated Valuation and Fairness Opinion gives full credit to the RGMP Preferred Shares currently held by GMP. On consolidation, such RGMP Preferred Shares and corresponding liability are eliminated. The RGMP Shareholders Agreement specifies that the acquiror of the Richardson GMP business is required to redeem, for cash, the RGMP Preferred Shares held by the other party to the RGMP Transaction, unless otherwise mutually agreed to. Pursuant to the RGMP Transaction, RFGL has agreed not to have its RGMP Preferred Shares immediately redeemed for cash at the Closing of the RGMP Transaction, leaving Richardson GMP with approximately $32 million of additional working capital for at least three years to enable the Company to grow the wealth management business.

When can RFGL ask for cash payment for the RGMP Preferred Shares it is retaining?

RFGL will have the right to require that the Company purchase the RFGL Preferred Shares, for cash, at any time following the third anniversary of the Closing Date. The Company will have the right to acquire from RFGL, for cash, the RFGL Preferred Shares at any time following the Closing Date.

What is the position of GMP preferred shareholders as it relates to the RGMP Transaction?

Holders of GMP's Preferred Shares are entitled to an aggregate dividend of approximately $4 million per annum. GMP currently incurs approximately $1.6 million in Part VI.1 tax per annum on this dividend which may be effectively recovered by means of a deduction in computing taxable income. Therefore, in those years when GMP does not have any taxable income, it is not able to recover any of the Part VI.1 tax. The completion of the RGMP Transaction will benefit GMP by providing a source of cash flow and taxable income to fund the dividend and, in due course, recover the majority of the Part VI.1 tax. It will also benefit GMP preferred shareholders by providing a larger enterprise to support the Company's obligations to its preferred shareholders. Without the RGMP Transaction, GMP will have to use its current cash position to fund the dividend and will continue to incur the Part VI.1 tax without any recovery.

If the Stated Capital Resolution is approved at the Meeting, GMP will pay the Preferred Share dividends that are currently in arrears and should be positioned to fund those that are due in subsequent quarters.

Are there risks associated with the RGMP Transaction?

Yes. There are a number of risk factors relating to the RGMP Transaction, Richardson GMP and the combined entity, all of which should be carefully considered. See "*The RGMP Transaction – Reasons for the RGMP Transaction*" and "*Risk Factors*" for further information.

Do any directors and executive officers of the Company have any interests in the business to be conducted at the Meeting that are different from, or in addition to, those of Common Shareholders?

Mr. Brown, a current director of GMP, is also a current director of RFGL, and serves as President and Chief Executive Officer of Richardson Capital Limited, the private equity division of RFGL. Mr. Kapoor, a current director and Interim President and Chief Executive Officer of GMP, is also a current director of RFGL. Mr. Brown and Mr. Kapoor hold certain shares of RFGL and have been granted certain options by RFGL to acquire common shares of RFGL. See "*Other Information – Interests of Certain Persons or Companies in Matters to be Acted on at the Meeting* for further details.

Given their ties to RFGL, did Mr. Brown or Mr. Kapoor play any role in the negotiation of the RGMP Transaction on behalf of the Company?

The Company took proper steps to ensure the RGMP Transaction was negotiated in an independent, arms-length manner. As discussed in this Information Circular, the Board formed the Special Committee, which excludes any directors affiliated with JRSL and RFGL, to evaluate the RGMP Transaction and all reasonably available alternatives thereto. Mr. Brown and Mr. Kapoor did not serve on the Special Committee, were not involved in the Special Committee's deliberations, and have recused themselves from voting on the RGMP Transaction at the Board.

Mr. Kapoor was excluded from negotiations on behalf of the Company, which were instead conducted by the Special Committee and its representatives. In addition, due to Mr. Kapoor's appointment as Interim President and Chief Executive Officer of GMP, Mr. Kapoor had no involvement in negotiations on behalf of RFGL.

What is the Recognition Plan and why is the Company implementing it?

The market for investment advisors is extremely competitive and is increasingly characterized by frequent movement by investment advisors among different firms. Richardson GMP currently has 165 highly qualified investment professional advisory teams who manage approximately $28.3 billion in client assets as at June 30, 2020. They have among the best practices in Canada, with some of the highest client assets per advisory team. These desirable qualities also inspire our competitors to aggressively court them. Fortunately, 91% of our advisory teams tell us they are proud to tell people they work at Richardson GMP and believe in the culture, platform and brand Richardson GMP has created. Collectively, the investment advisors own approximately one-third of Richardson GMP and will own 28.5% of the Company after the completion of the RGMP Transaction. They are the key to our future success.

To ensure we are able to retain our teams following closing, in addition to escrowing 90% of the Common Shares issuable to investment advisors as consideration for purchased RGMP Common Shares, we intend to allocate $36 million under the Recognition Plan as consideration for their commitment to continue being employed by Richardson GMP for at least three years following Closing. This is customary for transactions involving wealth management firms of similar size and scale.

As of the date of this Information Circular, investment advisors collectively representing approximately 97% of Richardson GMP's AUA have indicated their support for the RGMP Transaction by entering into non-binding acknowledgement and support letters.

QUESTIONS RELATING TO OTHER MATTERS TO BE VOTED ON AT THE MEETING

What is the proposed name change?

Common Shareholders are being asked to approve a change of name of the Company to "RF Capital Group Inc." In addition, after the closing of the RGMP Transaction, Richardson GMP will change its name for the Anglophone and Francophone markets, respectively, to: "Richardson Wealth" and "Patrimoine Richardson".

Importantly, Common Shareholders should be aware that if the RGMP Transaction does not proceed, not only will the name change not take place, but Richardson GMP may lose the right to use both the Richardson and GMP names, as described above. Pursuant to the terms of the Sale Transaction, the Company can no longer use the name "GMP" after December 31, 2020.

What is the purpose of the Stated Capital Reduction Resolution?

The Board monitors the realizable value of GMP's assets, its liabilities and the existing level of the stated capital account for all classes of its shares. The Board believes that the existing level of stated capital for the Common Shares is unnecessarily high as a result of past share and unit issuances at significantly higher prices than recent market prices of the Common Shares. Because of the high value of stated capital for the Common Shares, the Board may be restricted from declaring or paying a dividend or repurchasing shares. The Board has decided to submit the Stated Capital Reduction Resolution to Common Shareholders in order to give the Board greater flexibility in managing GMP's capital structure going forward and, in particular, to provide the Board with the ability to resume paying dividends on the Preferred Shares. The reduction of the stated capital of the Common Shares will not, on its own, result in a reduction in the number of Common Shares, impact the day-to-day operations of GMP or alter the financial condition of GMP.

What is the Advance Notice By-Law Resolution?

The purpose of the Advance Notice By-Law is to treat all Common Shareholders fairly by ensuring that all Common Shareholders, including those participating in a meeting by proxy rather than in person, receive adequate notice of the nominations to be considered at a meeting and sufficient information to evaluate the proposed nominees' qualifications and suitability as directors, which allows shareholders to exercise their voting rights in an informed manner.

QUESTIONS RELATED TO THE VOTING AT THE MEETING

Who can attend and vote at the Meeting?

Holders of Common Shares of record at the close of business on August 25, 2020 and their duly appointed representatives will be entitled to receive notice of and vote at the Meeting, or any adjournment or postponement thereof.

Registered Common Shareholders and duly appointed proxyholders, including Beneficial Common Shareholders who have appointed themselves as proxyholders, will be able to attend, ask questions and vote at the Meeting online. Beneficial Common Shareholders who have not duly appointed themselves as proxyholder will be able to attend the Meeting online as guests, but guests will not be able to vote or ask questions.

How do I attend and participate in the Meeting?

How you vote depends on whether you are a Registered Common Shareholder or a Beneficial Common Shareholder. Please read the instructions below that are applicable to you.

In order to attend the Meeting, Registered Common Shareholders and duly appointed proxyholders (including Beneficial Common Shareholders who have duly appointed themselves as proxyholder) must log in online as set out below:

- Log in online at https://web.lumiagm.com/466952326.;
- Click "I have a control number";
- Enter your 13-digit control number; and
- Enter the password "gmpcapital2020" (case sensitive).

Once you log in to the virtual Meeting and you accept the terms and conditions, you will be revoking any and all previously submitted proxies. However, in such a case, you will be provided the opportunity to vote by ballot on the matters put forth at the Meeting. If you wish to attend the Meeting online, but do not wish to revoke all previously submitted proxies, do not accept the terms and conditions, in which case you should enter the Meeting as a guest.

Guests (including Beneficial Common Shareholders who have not duly appointed themselves as proxyholder) must log in online as set out below:

- Log in online at https://web.lumiagm.com/466952326;
- Click "I am a guest"; and
- Enter your full name and e-mail address.

Registered Common Shareholders and duly appointed proxyholders will be able to attend, ask questions and vote online by ballot at the appropriate times during the Meeting. Beneficial Common Shareholders who have not duly appointed themselves as proxyholder may listen to the Meeting as guests. Guests will not be permitted to ask questions or vote.

How do I determine whether I am a Registered Common Shareholder or a Beneficial Common Shareholder?

You are a Registered Common Shareholder if the Common Shares you own are registered in your name and appear on a Common Share certificate as of the close of business on August 25, 2020.

You are a Beneficial Common Shareholder if the Common Shares you own are registered in the name of an intermediary such as your broker, an agent or nominee of that broker or another intermediary.

How can a Registered Common Shareholder vote?

If you are a Registered Common Shareholder, you are able to vote on the items of business set out in this Information Circular virtually at the Meeting, or, if you are unable to attend the virtual Meeting, by completing and submitting the accompanying **BLUE** form of proxy in advance of the Meeting. The enclosed **BLUE** form of proxy names the Chair and his alternate, each a director or officer of GMP, as your proxyholder. You have the right to appoint another person or company to be your proxyholder other than the Chair and his alternate as set out on the form of proxy. To do so, fill in that person's name in the blank space located near the top of the enclosed **BLUE** form of proxy and cross out the name of the Chair and his alternate. If you return the attached **BLUE** form of proxy to AST, and have left the line for the proxyholder's name blank, then the Chair (or his alternate) will automatically become your proxyholder.

If you are appointing a proxyholder other than the Chair of the Meeting or his alternate, **YOU MUST** return your proxy to AST **AND** register your proxyholder by contacting AST at 1-866-751-6315 (within North America) or 212-235-5754 (outside North America) before the proxy cut-off, and provide AST with the required information for your proxyholder, so that AST may provide the proxyholder with a control number. This control number will allow your proxyholder to log in to and vote at the Meeting online. **WITHOUT A CONTROL NUMBER, YOUR PROXYHOLDER WILL NOT BE ABLE TO VOTE OR ASK QUESTIONS AT THE MEETING. THEY WILL ONLY BE ABLE TO ATTEND THE MEETING ONLINE AS A GUEST.**

To be valid, your **BLUE** form of proxy must be received by AST by 10:00 a.m. (Prevailing Eastern Time) on October 2, 2020 (or at least 48 hours, excluding weekends and holidays, prior to any reconvened Meeting in the event of any adjournment or postponement of the Meeting): (i) by mail in the enclosed postage prepaid envelope; (ii) by internet at www.astvotemyproxy.com; (iii) by toll-free telephone at 1-888-489-5760; (iv) by email to proxyvote@astfinancial.com; (v) by delivery in person to 1 Toronto Street, Suite 1200, Toronto, Ontario, M5C 2V6; or (vi) by facsimile to 416-368-2502 or 1-866-781-3111 (toll free), Attention: Proxy Department.

Registered Common Shareholders may also elect to vote electronically by proxy in respect of any matter to be acted upon at the Meeting. Votes cast electronically are in all respects equivalent to, and will be treated in the exact same manner as, votes cast via a paper form of proxy. To vote electronically, interested Registered Common Shareholders are asked to go to the website shown on the **BLUE** form of proxy and follow the instructions provided. Please note that each Registered Common Shareholder exercising the electronic voting option will need to refer to the control number indicated on their proxy form to identify them in the electronic voting system. Registered Common Shareholders should also refer to the instructions on the proxy form for information regarding the deadline for voting shares electronically.

How can a Beneficial Common Shareholder vote?

If you are a Beneficial Common Shareholder, along with this Information Circular, you will receive a voting instruction form from your intermediary, which will relate to those Common Shares that are held on your behalf. If you are a Beneficial Common Shareholder, return your voting instruction form as instructed by your intermediary. You should carefully follow the voting instructions provided by your intermediary in order to ensure that your Common Shares are voted at the Meeting. The control number printed on the voting information form can be used for internet and telephone voting purposes by the proxy cut-off; however, that control number will not be valid for online voting at the Meeting.

Beneficial Common Shareholders who wish to vote at the Meeting should follow the applicable instructions provided by your intermediary to appoint yourself as proxyholder, which are included in the voting information form you should have received from your intermediary in advance of the Meeting. By doing so, you are instructing your intermediary to appoint you as proxyholder. You will also be required to register yourself as your proxyholder, as described below.

If you are appointing a proxyholder other than the Chair or his alternate, **YOU MUST** return your voting information form to AST **AND** register your proxyholder by contacting AST at 1-866-751-6315 (within North America) or 212-235-5754 (outside North America) before the proxy cut-off, and provide AST with the required information for your proxyholder, so that AST may provide the proxyholder with a Control Number. This Control Number will allow your proxyholder to log in to and vote at the Meeting online. **WITHOUT A CONTROL NUMBER, YOUR PROXYHOLDER WILL NOT BE ABLE TO VOTE**

OR ASK QUESTIONS AT THE MEETING. THEY WILL ONLY BE ABLE TO ATTEND THE MEETING ONLINE AS A GUEST.

If you are a Beneficial Common Shareholder located in the United States and wish to vote at the Meeting or, if permitted, appoint a third-party proxyholder, you must obtain a valid legal proxy from your intermediary. Follow the instructions from your intermediary included with the legal proxy form and the voting information form sent to you, or contact your intermediary to request a legal proxy form or a legal proxy if you have not received one. After obtaining a valid legal proxy from your intermediary, you must then submit such legal proxy to AST. Requests for registration from Beneficial Common Shareholders located in the United States that wish to vote at the Meeting or, if permitted, appoint a third-party proxyholder must be sent by e-mail or by courier to: proxyvote@astfinancial.com, and AST, Attn: Proxy Dept, 1170 Birchmount Road, Toronto, Ontario, M1P 5E3, Canada (if by courier), and in both cases, must be labeled "Legal Proxy" and received no later than the voting deadline on October 2, 2020 at 10:00 a.m. (Prevailing Eastern Time) (or at least 48 hours, excluding weekends and holidays, prior to any reconvened Meeting in the event of any adjournment or postponement of the Meeting.

Remember that your intermediary must receive your voting instruction form in sufficient time for your intermediary to act on it. To be valid, your **BLUE** voting information form must be received by AST by 10:00 a.m. (Prevailing Eastern Time) on October 2, 2020 (or at least 48 hours, excluding weekends and holidays, prior to any reconvened Meeting in the event of any adjournment or postponement of the Meeting): (i) by mail in the enclosed postage prepaid envelope; (ii) by internet at www.astvotemyproxy.com; (iii) by toll-free telephone at 1-888-489-5760; (iv) by email to proxyvote@astfinancial.com; (v) by delivery in person to 1 Toronto Street, Suite 1200, Toronto, Ontario, M5C 2V6; or (vi) by facsimile to 416-368-2502 or 1-866-781-3111 (toll free), Attention: Proxy Department.

When must my shares be voted by?

Shares must be voted prior to 10:00 a.m. (Prevailing Eastern Time) on Tuesday, October 2, 2020. If you are mailing a signed **BLUE** Form of Proxy or Voting Instruction Form, please ensure that it arrives before this time. It is suggested that shareholders vote online or by telephone to prevent delays that may result in your vote not being received in time.

What proxy or Voting Instruction Form should I use?

Use **ONLY** the **BLUE** Form of Proxy or Voting Instruction Form. Shareholders are further advised to discard any proxy received from the dissident shareholder.

What if I accidentally voted on the dissident proxy or VIF and want to change my vote?

It's not too late to change your vote. Simply voting your shares on the **BLUE** management proxy will have the effect of revoking your vote on the dissident proxy. If you require assistance in doing so, please contact Kingsdale Advisors at 1-866-879-7644 toll free in North America, or call collect outside North America at +1-416-867-2272, or by email at contactus@kingsdaleadvisors.com.

What if I want to revoke my form of proxy or VIF?

Registered Common Shareholders

If you want to revoke your proxy after you have signed and delivered it to AST, but prior to it being acted upon, you may do so by any one of the following methods:

- Delivering another properly executed form of proxy bearing a later date and delivering it as set out above under the heading "Voting By Proxy" above; or
- By clearly indicating in writing that you want to revoke your proxy and delivering this written document to the Corporate Secretary of GMP at GMP Capital Inc., 145 King Street West, Suite 200, Toronto, Ontario M5H 1J8, at any time up to and including the last business day preceding the day of the Meeting (or a reconvened Meeting in the event of an adjournment of the Meeting) at which the form of proxy is to be used; or
- By clearly indicating in writing that you want to revoke your proxy and delivering this written document to the Chair of the Meeting prior to the commencement of the Meeting (or a reconvened Meeting in the event of an adjournment of the Meeting); or
- By any other manner permitted by law.

If you revoke your proxy and do not replace it with another form of proxy that is deposited with AST on or before the deadline, 10:00 a.m. (Prevailing Eastern Time) on October 2, 2020, you may still vote your Common Shares at the Meeting provided you are a Registered Common Shareholder whose name appeared on the shareholders' register of GMP as at the Record Date and have a valid control number for purposes of logging in to the online Meeting.

Beneficial Common Shareholders

If you have already sent your completed voting instruction form or form of proxy to your intermediary and you want to revoke your voting instruction form or proxy, or want to vote in real time at the Meeting, contact your intermediary to determine whether this is possible and the exact procedures to follow

Can I vote for both management and dissident nominees?

You can only vote on one of (A) the Company's **BLUE** form of proxy, and (B) the dissident proxy (if any). If you vote on both, the later dated proxy will revoke and replace your earlier cast vote. We recommend you vote only using the **BLUE** proxy card, and vote **FOR** management's qualified nominees, and **FOR** the RGMP Transaction.

Who is soliciting my proxy?

The solicitation of your **BLUE** form of proxy (your vote) is made by or on behalf of management of GMP. GMP will pay the cost related to the foregoing solicitation of your **BLUE form of** proxy. This solicitation is expected to be made primarily by mail. Regular employees of GMP may also ask for proxies to be returned, but will not be paid any additional compensation for doing so. The Company has retained Kingsdale Advisors as a strategic shareholder advisor and proxy solicitation agent.

What if I have other questions?

If you have any questions about the information contained herein or if you require assistance in completing the **BLUE** form of proxy or voting instruction form, consult your financial, tax or other professional advisors, or the Company's strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors, at 1-866-879-7644 toll free in North America, or call collect outside North America at 1-416-867-2272 or by email at contactus@kingsdaleadvisors.com.

MANAGEMENT INFORMATION CIRCULAR

Unless stated otherwise, the information in this Information Circular is dated as of September 4, 2020.

All capitalized terms used in this Information Circular but not otherwise defined herein have the meanings set forth under the "Glossary of Terms" attached as Schedule A to this Information Circular. All references to dollar amounts are references to Canadian dollars ($), unless stated otherwise.

This Information Circular is furnished in connection with the solicitation of proxies by or on behalf of management of the Company to all of the Common Shareholders, for use at the Meeting, together with the notice of meeting and a BLUE form of proxy.

No person has been authorized to give any information or make any representation in connection with the RGMP Transaction or any other matters to be considered at the Meeting other than those contained in this Information Circular and, if given or made, any such information or representation must not be relied upon as having been authorized. Common Shareholders are encouraged to obtain independent legal, tax, financial and investment advice in their jurisdiction of residence with respect to this Information Circular, and the consequences of the RGMP Transaction, Special Dividend and other matters to be considered at the Meeting.

Unless the context indicates otherwise, all references to "GMP", the "Company", "our", or "we" refer to GMP Capital Inc. and, as applicable, its predecessor, GMP Capital Trust. All references to "GMP Group" refer to GMP, together with the operations controlled and consolidated by it, unless otherwise indicated.

INFORMATION PROVIDED BY RICHARDSON GMP

The information concerning Richardson GMP contained in this Information Circular has been provided by Richardson GMP. GMP assumes no responsibility for the accuracy or completeness of such information, nor for any omission on the part of Richardson GMP to disclose facts or events which may affect the accuracy of any such information.

FORWARD-LOOKING INFORMATION

This Information Circular contains certain forward-looking statements and forward-looking information (collectively referred to herein as forward-looking statements) within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "believe", "plan", "intend", "objective", "continuous", "ongoing", "estimate", "expect", "may", "will", "project", "should", or similar words suggesting future outcomes. In particular, this Information Circular contains forward-looking statements including, without limitation, in relation to:

- the estimated timing and the likelihood of completion of the RGMP Transaction;
- the obtaining of required shareholder, regulatory and third-party approvals to complete the RGMP Transaction;
- the likelihood of satisfaction of all of the conditions precedent in relation to the Purchase Agreement;
- the filing of all applications with, and notices and submissions to Governmental Entities;
- the timing of the Meeting and matters to be discussed thereat;

- any cash distribution to Common Shareholders and tax consequences for certain Common Shareholders;
- the amount of funds available for distribution to Common Shareholders and the timing of distributions to Common Shareholders;
- the anticipated paid-up capital of the Common Shares;
- GMP's strategy, business plan, its financial position and prospects and the performance and success of operations both before and following completion of the RGMP Transaction;
- the nature of the business' growth strategy going forward and execution on any of the potential plans; and
- the anticipated benefits of the RGMP Transaction.

The forward-looking statements are based on certain key expectations and assumptions of GMP concerning, among other things: anticipated financial performance, business prospects, strategies, regulatory developments, exchange rates, tax laws, the sufficiency of budgeted capital expenditures in carrying out planned activities, the availability and cost of labour and services, the structure and effect of the RGMP Transaction being completed in accordance with the terms of the Purchase Agreement and in accordance with the timing currently anticipated, all conditions precedent in the Purchase Agreement being satisfied or waived, including shareholder approval of the RGMP Transaction Resolution, the timely receipt of any and all required regulatory and third-party consents to the RGMP Transaction, and there being no intervening events that will materially reduce the Company's net working capital following completion of the RGMP Transaction. All of these assumptions are subject to change based on market conditions and potential timing delays. Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

By their very nature, forward-looking statements involve inherent risks and uncertainties (both general and specific) and risks that forward-looking statements will not be achieved. Undue reliance should not be placed on forward-looking statements, as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations and anticipations, estimates and intentions expressed in the forward-looking statements, including those set out below and those detailed elsewhere in this Information Circular (including under the heading "*Risk Factors*"):

- possible failure of a party to the Purchase Agreement to satisfy the conditions precedent set out in the Purchase Agreement;
- possible termination of the Purchase Agreement by a party to the Purchase Agreement;
- the possible occurrence of an event, change or other circumstance that could result in the termination of the RGMP Transaction;
- failure of GMP and RFGL to obtain the required shareholders and regulatory approvals for, or satisfy other conditions to effect, the RGMP Transaction;
- the risk that the RGMP Transaction may involve unexpected costs, liabilities or delays;
- the risk that, prior to or as a result of the completion of the RGMP Transaction, the business of GMP and/or Richardson GMP may experience significant disruptions, including loss of clients or employees due to transaction related uncertainty, financial, economic or industry conditions, or other factors;
- risks relating to employee retention;
- the risk that legal proceedings may be instituted against GMP or Richardson GMP;

- risks related to the diversion of management's attention from GMP's and Richardson GMP's ongoing business operations;
- risks related to GMP's and Richardson GMP's strategy going forward;
- risks related to the COVID-19 global pandemic;
- risks related to competitive conditions and regulatory changes going forward; and
- other risks inherent in the financial and wealth management industries.

Readers are cautioned that the foregoing list is not exhaustive. The information contained in this Information Circular identifies additional factors that could affect the operating results and performance of GMP. See "*Risk Factors*". Additional information on other risk factors that could affect the operations or financial results of GMP can be found under "*Risk Factors*" in GMP's AIF and management's discussion and analysis for the year ended December 31, 2019, which can both be found at www.sedar.com and www.gmpcapital.com. GMP urges you to carefully consider those factors.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this Information Circular are made as of the date of this Information Circular and GMP undertakes no obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless so required by applicable securities laws.

NON-GAAP FINANCIAL MEASURES

The Company uses certain measures to assess its financial performance that are not GAAP measures under IFRS. These measures do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers. Non-GAAP measures should not be considered as alternatives to net income or comparable metrics determined in accordance with IFRS as indicators of GMP's performance, liquidity, cash flows, and profitability.

Assets Under Administration

Assets under administration ("**AUA**") is a non-GAAP financial measure of client assets that is common to the wealth management business. AUA represents 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. The Company's method of calculating may differ from the methods used by other companies and therefore may not be comparable to other companies. Management uses these measures to assess Richardson GMP's operational performance.

Adjusted Measures

Financial statement items that exclude significant items are non-GAAP measures under IFRS. Management believes adjusting certain results and measures by excluding the impact of specified items may be more reflective of ongoing operating results and provides readers with an enhanced understanding of how management views GMP's and Richardson GMP's core performance. Management assesses performance on both a reported and an adjusted basis and considers both bases to be useful in assessing underlying, ongoing business performance. Presenting results on both bases also permits readers to assess the impact of the specified items on the results for the periods presented.

Richardson GMP presents earnings before interest, income tax, depreciation and amortization (“**EBITDA”**) which excludes:

- Interest expense recorded primarily in connection with subordinated loan financing arrangements;
- Income tax expense (benefit) recorded;
- Depreciation and amortization expense recorded primarily in connection with equipment and leasehold improvements; and
- Transition assistance loan amortization in connection with investment advisor loan programs. Richardson GMP views these loans as an effective recruiting and retention tool, the cost of which is assessed by management upfront when the loan is provided rather than over its term.

Richardson GMP also presents an adjusted EBITDA which excludes the following (“**adjusted EBITDA**”):

- Share-based compensation costs recorded in connection with awards granted to employees and investment advisors of Richardson GMP.

EBITDA and adjusted EBITDA do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers. These non-GAAP measures should not be considered as alternatives to net income or comparable metrics determined in accordance with IFRS as indicators of Richardson GMP’s performance, liquidity, cash flows, and profitability. Richardson GMP’s management believes adjusting results by excluding the impact of the specified items is more reflective of ongoing financial performance and cash generating capabilities and provides readers with an enhanced understanding of how management views Richardson GMP’s core performance.

Net Working Capital

Net working capital is a non-GAAP financial measure. Net working capital represents the current assets less the current liabilities of the Company and is a measure of the Company’s liquidity, operational efficiency as well as ability to meet its short-term obligations.

SOLICITATION OF PROXIES AND GENERAL PROXY MATTERS

WHO CAN VOTE

You are entitled to vote at the Meeting if you were a holder of Common Shares at the close of business on the Record Date, being August 25, 2020. On the Record Date, there were 75,434,492 Common Shares issued and outstanding. Each Common Share you own as of the close of business on the Record Date entitles you to one vote.

NO NOTICE AND ACCESS

GMP has elected not to use notice and access to distribute this Information Circular, the notice of meeting, the **BLUE** form of proxy and the annual report for fiscal 2019. Both Registered Common Shareholders and Beneficial Common Shareholders will be mailed a paper copy of the notice of meeting and this Information Circular, together with a **BLUE** form of proxy or **BLUE** voting instruction form (as the case may be), unless a Beneficial Common Shareholder has waived the right to receive them. GMP is sending the Meeting materials described above directly to its registered Shareholders and indirectly to all beneficial Shareholders through their intermediaries. GMP will pay for an intermediary to deliver the applicable meeting materials to “objecting beneficial owners”.

SOLICITATION OF PROXIES

The solicitation of your BLUE proxy (your vote) is made by or on behalf of management of GMP. GMP requests that you fill out your **BLUE** form of proxy to ensure your votes are cast at the Meeting. If you leave the **BLUE** form of proxy blank, and if you do not specify how your Common Shares are to be voted on particular resolutions, the Chair (or his alternate) will vote your Common Shares as described above under "*Solicitation of Proxies and General Proxy Matters – How Your Proxy Will Be Voted*".

GMP will pay the cost related to the foregoing solicitation of your proxy. This solicitation is expected to be made primarily by mail. Regular employees of GMP may also ask for proxies to be returned, but will not be paid any additional compensation for doing so.

The Company has retained Kingsdale Advisors to provide strategic advisory services, as well as the following services in connection with the Meeting: review and analysis of this Information Circular, liaising with proxy advisory firms, developing and implementing shareholder communication and engagement strategies, advice with respect to the Meeting and proxy protocol, reporting and reviewing the tabulation of proxies, and the solicitation of proxies including contacting Common Shareholders by telephone. Kingsdale Advisors is expected to receive a fee of C$225,000 plus reasonable out-of-pocket expenses. The Company may also reimburse brokers and other persons holding Common Shares in their name or in the name of nominees for their costs incurred in sending proxy material to their principals in order to obtain their proxies.

Additionally, the Company may use Broadridge QuickVote™ service to assist non-registered or beneficial Shareholders with voting their Company Shares. Non-registered or beneficial Shareholders may be contacted by Kingsdale Advisors to conveniently obtain voting instructions directly over the telephone. Broadridge would then tabulate the results of all instructions received and provide the appropriate instructions respecting the Company Shares to be represented at the Meeting.

VOTES REQUIRED FOR APPROVAL

All resolutions are distinct resolutions. In order to become effective:

(a) The **approval of each nominee for director** must be passed by a simple majority of the votes cast by Common Shareholders.

(b) The **appointment of the auditors** must be passed by a simple majority of the votes cast by Common Shareholders.

(c) The **RGMP Transaction Resolution** must be approved by at least a simple majority of the votes cast by Common Shareholders present at the Meeting or represented by proxy at the Meeting and voting thereon, excluding the votes attached to Common Shares held by RFGL and certain other "related parties", in accordance with MI 61-101 and the rules of the TSX. See "*The RGMP Transaction – Overview Of Regulatory Matters – Toronto Stock Exchange Matters*" and "*The RGMP Transaction – Overview Of Regulatory Matters – Canadian Securities Law Matters*".

(d) The **Name Change Resolution** must be passed by an affirmative vote of not less than two-thirds (66⅔%) of the votes cast by Common Shareholders.

(e) The **Advance Notice By-Law Resolution** must be passed by a simple majority of the votes cast by Common Shareholders.

(f) The **Stated Capital Resolution** must be passed by an affirmative vote of not less than two-thirds (66⅔%) of the votes cast by Common Shareholders.

QUORUM

The quorum for the transaction of business at the Meeting is at least two shareholders entitled to vote thereat, whether present at the Meeting or represented by proxy, holding or representing at least 25% of the total number of issued and outstanding Common Shares entitled to vote at the Meeting.

OWNERS OF 10% OR MORE OF OUR COMMON SHARES

The following table sets forth the only persons or companies who, to the knowledge of the directors and the executive officers of GMP, based on available public records, beneficially own, or control or direct, directly or indirectly, voting securities of GMP carrying 10% or more of the voting rights attached to any class of voting securities of GMP.

Name	Number of Common Shares	Percentage of Class	Percentage of Votes
Richardson Financial Group Limited	18,170,575	24.1%	24.1%
Fidelity Investments Canada ULC	8,854,639	11.7%	11.7%

VOTING INFORMATION

REGISTERED COMMON SHAREHOLDERS

You are a registered Common Shareholder (a "**Registered Common Shareholder**") if the Common Shares you own are registered in your name and appear on a Common Share certificate as of the Record Date.

If you are a Registered Common Shareholder, you are able to vote on the items of business set out in this Information Circular virtually at the Meeting, or, if you are unable to attend the virtual Meeting, by completing and submitting the accompanying **BLUE** form of proxy in advance of the Meeting.

If you wish to attend and vote at the Meeting, you can log in online as set out below:

- Log in online at https://web.lumiagm.com/466952326;
- Click "I have a control number";
- Enter your 13-digit control number from your **BLUE** form of proxy; and
- Enter the password "gmpcapital2020" (case sensitive).

Once you log in to the virtual Meeting and you accept the terms and conditions, you will be revoking any and all previously submitted proxies, but will then be provided the opportunity to vote by ballot on the matters put forth at the Meeting. If you wish to attend the Meeting, but do not wish to revoke all previously submitted proxies, you should enter the Meeting as a guest. See "*How to Attend the Meeting*" below for details.

If you do not wish to attend the Meeting, you may either complete and submit the accompanying **BLUE** form of proxy in advance of the Meeting per the instructions therein or you may authorize another person – called a proxyholder – to attend the Meeting and represent your Common Shares for you. This person does not have to be a shareholder. This is called voting by proxy. You may either tell your proxyholder how you want to vote, or let them choose for you.

If you are appointing a proxyholder other than the representatives of management of the Company whose names are printed on the **BLUE** form or proxy, **YOU MUST** return your proxy to AST **AND** register your proxyholder by contacting AST at 1-866-751-6315 (within North America) or 212-235-5754 (outside North America) before the proxy cut-off, and provide AST with the required information for your proxyholder, so that AST may provide the proxyholder with a control number. This control number will allow your proxyholder to log in to and vote at the Meeting online. **WITHOUT A CONTROL NUMBER, YOUR PROXYHOLDER WILL NOT BE ABLE TO VOTE OR ASK QUESTIONS AT THE MEETING. THEY WILL ONLY BE ABLE TO ATTEND THE MEETING ONLINE AS A GUEST.** See "*Voting By Proxy*" below.

To be valid, your **BLUE** form of proxy must be received by AST by 10:00 a.m. (Prevailing Eastern Time) on October 2, 2020 (or at least 48 hours, excluding weekends and holidays, prior to any reconvened Meeting in the event of any adjournment or postponement of the Meeting): (i) by mail in the enclosed postage prepaid envelope; (ii) by internet at www.astvotemyproxy.com; (iii) by toll-free telephone at 1-888-489-5760; (iv) by email to proxyvote@astfinancial.com; (v) by delivery in person to 1 Toronto Street, Suite 1200, Toronto, Ontario, M5C 2V6; or (vi) by facsimile to 416-368-2502 or 1-866-781-3111 (toll free), Attention: Proxy Department.

Please note that voting by proxy is separate and apart from voting electronically through the online virtual meeting platform.

Registered Common Shareholders may also elect to vote electronically by proxy in respect of any matter to be acted upon at the Meeting. Votes cast electronically are in all respects equivalent to, and will be treated in the exact same manner as, votes cast via a paper form of proxy. To vote electronically, interested Registered Common Shareholders are asked to go to the website shown on the **BLUE** form of proxy and follow the instructions provided. Please note that each Registered Common Shareholder exercising the electronic voting option will need to refer to the control number indicated on their proxy form to identify them in the electronic voting system. Registered Common Shareholders should also refer to the instructions on the proxy form for information regarding the deadline for voting shares electronically.

NON-REGISTERED COMMON SHAREHOLDERS

You are a non-registered Common Shareholder (a "**Beneficial Common Shareholder**") if the Common Shares you own are registered in the name of an intermediary such as your broker, an agent or nominee of that broker or another intermediary. Most Common Shareholders are Beneficial Common Shareholders. If you are a Beneficial Common Shareholder, along with this Information Circular, you will receive a voting instruction form from your intermediary, which will relate to those Common Shares that are held on your behalf. Your intermediary is required by Canadian securities laws to seek voting instructions from you as a Beneficial Common Shareholder in advance of the Meeting.

If you wish to vote online at the Meeting, you may only do so as a duly appointed proxyholder for the registered intermediary holder. Beneficial Common Shareholder who have not duly appointed themselves as proxyholders may attend the Meeting as guests. Guests will be able to listen to the Meeting online, but will not be able to vote or ask questions at the Meeting. This is because our transfer agent, AST, does not have a record of GMP's Beneficial Common Shareholders, and as a result, will have no knowledge of your shareholdings or entitlement to vote, unless you exercise your right to appoint yourself or someone other than the Chair and his alternate, as proxyholder. If you wish to do this, you must follow the instructions of your intermediary on how to vote your Common Shares by proxy.

If you do not wish to attend the online Meeting, you can instruct your intermediary as to how you want your Common Shares to be voted at the Meeting by completing the voting instruction form provided by your intermediary. Return your voting instruction form as instructed by your intermediary. You should carefully follow the voting instructions provided by your intermediary in order to ensure that your Common Shares are voted at the Meeting. The control number printed on the **BLUE** voting information form can be used for internet and telephone voting purposes by the proxy cut-off; however, that control number will not be valid for online voting at the Meeting.

Remember that your intermediary must receive your voting instruction form in sufficient time for your intermediary to act on it. To be valid, your **BLUE** voting information form must be received by AST by 10:00 a.m. (Prevailing Eastern Time) on October 2, 2020 (or at least 48 hours, excluding weekends and holidays, prior to any reconvened Meeting in the event of any adjournment or postponement of the Meeting): (i) by mail in the enclosed postage prepaid envelope; (ii) by internet at www.astvotemyproxy.com; (iii) by toll-free telephone at 1-888-489-5760; (iv) by email to proxyvote@astfinancial.com; (v) by delivery in person to 1 Toronto Street, Suite 1200, Toronto, Ontario, M5C 2V6; or (vi) by facsimile to 416-368-2502 or 1-866-781-3111 (toll free), Attention: Proxy Department.

If you are appointing a proxyholder (which does not need to be a GMP shareholder) other than the representatives of management of the Company whose names are printed on the **BLUE** voting information form, **YOU MUST** return your **BLUE** voting information form to AST **AND** register your proxyholder by contacting AST at 1-866-751-6315 (within North America) or 212-235-5754 (outside North America) before the proxy cut-off, and provide AST with the required information for your proxyholder, so that AST may provide the proxyholder with a control number. This control number will allow your proxyholder to log in to and vote at the Meeting online. **WITHOUT A CONTROL NUMBER, YOUR PROXYHOLDER WILL NOT BE ABLE TO VOTE OR ASK QUESTIONS AT THE MEETING. THEY WILL ONLY BE ABLE TO ATTEND THE MEETING ONLINE AS A GUEST.**

ATTENDING AND VOTING AT THE MEETING

Out of an abundance of caution and due to the uncertain public health impact of the global COVID-19 pandemic and in consideration of the health and safety of our shareholders, colleagues and the broader community, this year's meeting will be held in a virtual meeting format only. Registered Common Shareholders and duly appointed proxyholders will have an equal opportunity to attend, ask questions and vote at the Meeting online. Common Shareholders will not be able to physically attend the Meeting.

How to Attend the Meeting

Registered Common Shareholders and duly appointed proxyholders, including Beneficial Common Shareholders who have duly appointed themselves as proxyholders and registered their appointment with AST as described below, will be able to attend, ask questions and vote online by ballot at the appropriate times during the Meeting. To join the Meeting:

- Log in online at https://web.lumiagm.com/466952326;
- Click "I have a control number";
- Enter your 13-digit control number from your **BLUE** form of proxy (for Registered Common Shareholders) or provided to you by AST after registering your appointment (for duly appointed proxyholders); and
- Enter the password "gmpcapital2020" (case sensitive).

Once you log in to the virtual Meeting and you accept the terms and conditions, you will be revoking any and all previously submitted proxies. However, in such a case, you will be provided the opportunity to vote by ballot on the matters put forth at the Meeting. If you wish to attend the Meeting online, but do not wish to revoke all previously submitted proxies, do not accept the terms and conditions, in which case you should enter the Meeting as a guest.

To find your control number:

- **Registered Common Shareholders**: The control number is located on the **BLUE** form of proxy you received.
- **Duly appointed proxyholders**: AST will provide the proxyholder with a control number after the proxy voting deadline has passed and the proxyholder has been duly appointed **AND** registered as described in "*Voting by Proxy*" below.

Guests, including Beneficial Common Shareholders who have not duly appointed themselves as proxyholder, can listen to the Meeting. Guests are not able to vote or ask questions at the Meeting. To join the Meeting as a guest:

- Log in online at https://web.lumiagm.com/466952326;
- Click "I am a guest"; and
- Enter your full name and e-mail address.

If you attend the Meeting online, it is important that you remain connected to the internet for the duration of the Meeting in order to vote when balloting commences. It is your responsibility to ensure that you remain connected. Online check-in will begin one hour prior to the meeting on October 6, 2020, at 9:00 a.m. (Prevailing Eastern Time). The Meeting will begin promptly at 10:00 a.m. (Prevailing Eastern Time) on October 6, 2020, unless otherwise adjourned or postponed. You should allow ample time for the online check-in procedures. For any technical difficulties or trouble accessing the virtual-only Meeting, please go to: http://go.lumiglobal.com/faq.

VOTING BY PROXY

Whether or not you plan to attend the Meeting online, Common Shareholders still vote by submitting their proxy in advance of the Meeting by one of the methods described in this Information Circular and the accompanying **BLUE** form of proxy or **BLUE** voting information form. Voting by proxy means you are giving the persons or person named in your **BLUE** form of proxy the authority to attend the Meeting and vote your Common Shares for you. **The enclosed BLUE form of proxy names the Chair and his alternate, each a director or officer of GMP, as your proxyholder. You have the right to appoint another person or company to be your proxyholder other than the Chair and his alternate as set out on the BLUE form of proxy.** To do so, fill in that person's name in the blank space located near the top of the enclosed **BLUE** form of proxy and cross out the name of the Chair and his alternate. If you return the attached **BLUE** form of proxy to AST, and have left the line for the proxyholder's name blank, then the Chair (or his alternate) will automatically become your proxyholder.

Votes cast by proxy are in all respects equivalent to, and will be treated in the exact same manner as, votes cast in real-time at the virtual Meeting.

Common Shareholders who wish to appoint someone other than the Chair and his alternate as their proxyholder to attend the Meeting as their proxy and vote their Common Shares, including Beneficial Common Shareholders who wish to appoint themselves as proxyholder, **MUST** submit their form of proxy or voting instruction form, as applicable, appointing that person as proxyholder, **AND** register that proxyholder online, as described below. Registering your proxyholder is an additional step that must be completed **AFTER** you have submitted your form of proxy or voting instruction form. **Failure to register the proxyholder will result in the proxyholder not receiving a control number that will act as their online sign-in credentials and is required for them to vote at the meeting. WITHOUT A CONTROL NUMBER, YOUR PROXYHOLDER WILL NOT BE ABLE TO VOTE OR ASK QUESTIONS AT THE MEETING. THEY WILL ONLY BE ABLE TO ATTEND THE MEETING ONLINE AS A GUEST.**

To be valid, your **BLUE** form of proxy or **BLUE** voting information form must be received by AST by **10:00 a.m. (Prevailing Eastern Time) on October 2, 2020** (or at least 48 hours, excluding weekends and holidays, prior to any reconvened Meeting in the event of any adjournment or postponement of the Meeting): (i) by mail in the enclosed postage prepaid envelope; (ii) by internet at www.astvotemyproxy.com; (iii) by toll-free telephone at 1-888-489-5760; (iv) by email to proxyvote@astfinancial.com; (v) by delivery in person to 1 Toronto Street, Suite 1200, Toronto, Ontario, M5C 2V6; or (vi) by facsimile to 416-368-2502 or 1-866-781-3111 (toll free), Attention: Proxy Department. Notwithstanding the foregoing, the Chair of the Meeting has the discretion to accept proxies received after such deadline. The time limit for deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion, without notice.

If you are a Beneficial Common Shareholder, return your voting instruction form as instructed by your intermediary. Remember that your intermediary must receive your voting instruction form in sufficient time for your intermediary to act on it. You should carefully follow the voting instructions provided by your intermediary in order to ensure that your Common Shares are voted at the Meeting.

HOW YOUR PROXY WILL BE VOTED

You can indicate how you want your proxyholder to vote on the matters listed in the notice of meeting by checking the appropriate boxes on the **BLUE** form of proxy. The Common Shares represented by your **BLUE** form of proxy will be voted or withheld from voting in accordance with your instructions on any ballot that may be called for at the Meeting. If you have specified on the **BLUE** form of proxy how you want to vote on a particular matter, then your proxyholder must cast your votes as instructed.

If you have NOT specified how to vote on a particular matter, your proxyholder is entitled to vote your Common Shares as he or she sees fit. Please note that if your BLUE form of proxy does not specify how to vote on any particular matter, and if you have authorized the Chair (or his alternate) to act as your proxyholder (by leaving the line for the proxyholder's name blank on the BLUE form of proxy), your Common Shares will be voted at the Meeting as follows:

- **FOR** the election of the Company's six nominees to the Board;
- **FOR** the appointment of Ernst & Young LLP as auditors of GMP and to authorize the audit committee of the Board to fix the auditors' remuneration;
- **FOR** the approval of the RGMP Transaction Resolution;
- **FOR** the Name Change Resolution;
- **FOR** the approval of the Advance Notice By-law Resolution; and
- **FOR** the approval of the Stated Capital Reduction Resolution.

For more information on these matters, please refer to "*Election of Directors*", "*Appointment of Auditors*", "*The RGMP Transaction*", "*Name Change*", "*Advance Notice By-Law*" and "*Reduction of Stated Capital*" in this Information Circular. **If any other matters properly arise at the Meeting that are not described in the notice of meeting, or if any amendments or variations are proposed to the matters described in the notice of meeting, your proxyholder is entitled to vote your Common Shares as he or she sees fit.** The notice of meeting sets out all the matters to be determined at the Meeting that are known to the management of GMP as of September 8, 2020.

REVOKING YOUR PROXY

Registered Common Shareholders

If you want to revoke your proxy after you have signed and delivered it to AST, but prior to it being acted upon, you may do so by any one of the following methods:

- Delivering another properly executed **BLUE** form of proxy bearing a later date and delivering it as set out above under the heading "*Voting By Proxy*" above; or
- By clearly indicating in writing that you want to revoke your proxy and delivering this written document to the Corporate Secretary of GMP at GMP Capital Inc., 145 King Street West, Suite 200, Toronto, Ontario M5H 1J8, at any time up to and including the last business day preceding the day of the Meeting (or a reconvened Meeting in the event of an adjournment of the Meeting) at which the form of proxy is to be used; or
- By clearly indicating in writing that you want to revoke your proxy and delivering this written document to the Chair of the Meeting prior to the commencement of the Meeting (or a reconvened Meeting in the event of an adjournment of the Meeting); or
- By logging in to the Meeting online using control number and accepting the terms and conditions (see "*Voting Information – Attending and Voting at the Meeting*"); or
- By any other manner permitted by law.

If you revoke your proxy and do not replace it with another form of proxy that is deposited with AST on or before the deadline, **10:00 a.m. (Prevailing Eastern Time) on October 2, 2020**, you may still vote your Common Shares at the Meeting provided you are a Registered Common Shareholder whose name appeared on the shareholders' register of GMP as at the Record Date and have a valid control number for purposes of logging in to the online Meeting.

Beneficial Common Shareholders

If you have already sent your completed **BLUE** voting instruction form or **BLUE** form of proxy to your intermediary and you want to revoke your voting instruction form or proxy, or want to vote in real time at the Meeting, contact your intermediary to determine whether this is possible and the exact procedures to follow.

THE RGMP TRANSACTION

RGMP TRANSACTION RESOLUTION

At the Meeting, Common Shareholders will be asked to consider, and if deemed advisable, to approve the RGMP Transaction Resolution. The full text of the RGMP Transaction Resolution is set out in Schedule B to this Information Circular. Common Shareholders should review this Information Circular carefully when considering the RGMP Transaction Resolution. In particular, see "*The RGMP Transaction*".

In order to become effective, the RGMP Transaction Resolution must be approved by at least a simple majority of the votes cast by Common Shareholders present at the Meeting or represented by proxy at the Meeting and voting thereon, excluding the votes attached to Common Shares held by RFGL and certain other "related parties", in accordance with MI 61-101 and the rules of the TSX. See "*The RGMP Transaction – Overview of Regulatory Matters – Toronto Stock Exchange Matters*" and "*The RGMP Transaction – Overview of Regulatory Matters – Canadian Securities Law Matters*".

After careful consideration of, among other factors, the recommendation of the Special Committee, the Board (with the interested RFGL nominee directors of GMP having recused themselves from voting on the RGMP Transaction), after receiving legal and financial advice, has unanimously determined that the RGMP Transaction is in the best interests of the Company.

THE BOARD (WITH THE INTERESTED RFGL NOMINEE DIRECTORS OF GMP HAVING RECUSED THEMSELVES FROM VOTING) UNANIMOUSLY RECOMMENDS THAT COMMON SHAREHOLDERS VOTE FOR THE RGMP TRANSACTION RESOLUTION.

Unless specified in a BLUE form of proxy that the Common Shares represented by the proxy shall be voted otherwise, the named proxyholders designated in the enclosed BLUE form of proxy intend to vote FOR the RGMP Transaction Resolution.

RGMP TRANSACTION OVERVIEW

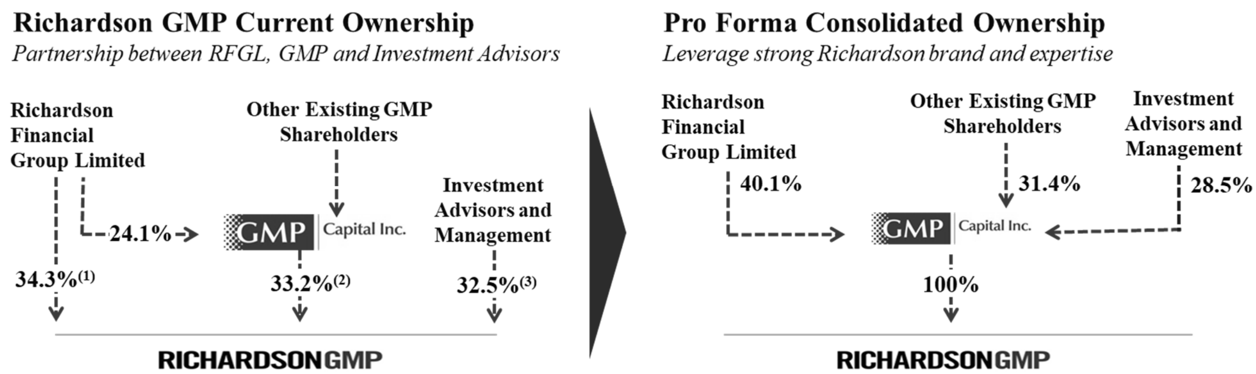
On August 12, 2020, GMP entered into the Purchase Agreement, pursuant to which the Company has agreed, subject to the terms and conditions of the Purchase Agreement, to acquire all of the RGMP Common Shares that are not owned by the Company for a purchase price of 1.875 Common Shares (1.76 Common Shares on a pre-Special Dividend basis) per RGMP Common Share. Conditional upon the approval of the RGMP Transaction Resolution and the Stated Capital Reduction Resolution, the Board intends to pay the Special Dividend of $0.15 per Common Share to Common Shareholders of record *prior to* the closing of the RGMP Transaction. The RGMP Transaction will proceed pursuant to the terms of the RGMP Shareholders Agreement, a copy of which is filed under the Company's profile on SEDAR at www.sedar.com.

After giving effect to the RGMP Transaction, if completed, existing Common Shareholders (other than RFGL) and Richardson GMP investment advisors and employees, will hold approximately 31.4% and 28.5%, respectively, of the Common Shares, excluding for this purpose any Common Shares that may be issued to Richardson GMP investment advisors and employees as part of the Recognition Plan as further described under "*The RGMP Transaction – RGMP Transaction Recognition Plan Award*". RFGL, GMP's largest shareholder with an aggregate ownership stake of approximately 24.1% of Common Shares immediately prior to the RGMP Transaction, will have an estimated aggregate ownership position of approximately 40.1% following completion of the RGMP Transaction.

Pursuant to the Purchase Agreement, RFGL has agreed not to have all of the RFGL Preferred Shares, which is approximately $30.4 million, together with all cumulative unpaid dividends, which is approximately $1.7 million, redeemed or purchased on Closing for cash, as would otherwise be required under the RGMP Shareholders Agreement. RFGL will have the right to require GMP to purchase the RFGL Preferred Shares for cash at any time following the third anniversary of Closing. In addition, GMP will have the right to purchase the RFGL Preferred Shares from RFGL for cash at any time following the Closing.

See "*The RGMP Transaction – The Purchase Agreement*" for further details of the terms of the RGMP Transaction.

The following diagram is a simplified representation of the intercorporate relationships between GMP, Richardson GMP, RFGL, and certain other shareholders of Richardson GMP and their respective shareholdings in Richardson GMP and GMP, as applicable, before and after giving effect to the RGMP Transaction. The current ownership figures are as at September 4, 2020, on a fully diluted basis and adjusted to include 1.6 million Class E Common Shares committed to be issued to RFGL and GMP in connection with Richardson GMP's assumption of certain investment advisor loans from RFGL and GMP.



1. RFGL owns 100% of Class A Common Shares, 17.6% of Class C Common Shares, 17.4% of Class D Common Shares, 22.2% of Class E Common Shares and 50% of Class B Preference Shares in Richardson GMP Limited.
2. GMP, through wholly-owned subsidiaries, owns 100% of Class B Common Shares, 14.7% of Class C Common Shares, 17.4% of Class D Common Shares, 19.3% of Class E Common Shares, 50.0% of Class B Preference Shares, and 100% of Special Preference Shares in Richardson GMP.
3. Richardson GMP Investment Advisors and employees own 100% of Class F Common Shares, 67.7% of Class C Common Shares, 65.2% of Class D Common Shares and 58.5% of Class E Common Shares.

BACKGROUND TO THE RGMP TRANSACTION

The RGMP Transaction is the culmination of an extensive strategic review process with lengthy and at times contentious arms-length negotiations between the parties.

The following is a summary of the main events leading up to the negotiation and the entering into of the Purchase Agreement (and related documents) as well as meetings, negotiations, discussions and actions between the parties that preceded the execution of the Purchase Agreement and public announcement of the RGMP Transaction.

As part of its continuing mandate to strengthen the business of the Company and enhance its value, the Board and senior management of the Company routinely consider and assess possible strategic and other opportunities reasonably available to the Company. Accordingly, over the past several years, the Company has evaluated and considered certain strategic alternatives, including potential change of control transactions, divestitures, wind-downs and strategic acquisitions in the context of the Company's long-term business plan.

In particular, the Company had been continually evaluating its strategy regarding its investment in Richardson GMP. In November 2016, in response to ongoing speculation regarding the Company's equity holding in Richardson GMP and in the wake of having amended the RGMP Liquidity Mechanism in May 2015 and the Board's ongoing assessment of alternatives to unlock the value of the Company's interest in Richardson GMP, the Company announced that it was retaining its investment in Richardson GMP. Further, the Company announced that Richardson GMP would be staying the course as a leading independent Canadian wealth management firm. Please see the AIF for a summary of the RGMP Shareholders Agreement, including the RGMP Liquidity Mechanism.

In 2017, the Board retained a global management consulting firm to assist the Board with a review of the Company's business and to consider strategic alternatives reasonably available to the Company. As a result of this review, the Board determined that the status quo was not in the best interests of the Company and that proactive steps should be taken in an effort to enhance value for its shareholders. It was the belief of the Board at that time that a strategy more focused on wealth management, through Richardson GMP, was the most likely strategy to maximize long-term stakeholder value.

In furtherance of the foregoing, in November 2018, the Board, with the assistance of a committee of independent directors (the "**2018 Special Committee**"), commenced a process to consider strategic transactions available to the Company.

On January 8, 2019, the 2018 Special Committee met with its financial advisor and management of the Company to receive an update regarding the strategic review process. At this time, it appeared evident that the most likely transaction would involve the disposition of the Company's capital markets business. As a result, those present discussed this transaction structure in more detail including considerations relevant to the Company's various stakeholders should the 2018 Special Committee and the Board ultimately decide to pursue a transaction of this nature. The 2018 Special Committee requested that its advisors consider these matters in further detail for discussions at subsequent meetings of the 2018 Special Committee. In addition, those present discussed various factors with respect to an enhanced focus on wealth management should the Company sell its capital markets business, including a potential RGMP Transaction. It was decided that should discussions progress with respect to such a transaction, an additional committee of independent directors, excluding any directors affiliated with JRSL and RFGL, should be formed to lead those discussions on behalf of the Company.

On January 22, 2019, the 2018 Special Committee met to receive input from its advisors regarding, and to discuss, considerations relevant to the Company's various stakeholders should the 2018 Special Committee and the Board ultimately decide to pursue a sale of the Company's capital markets business. Those present also discussed the Company's enhanced focus on wealth management in this transaction scenario.

In January and February 2019, the Company received three indications of interest from potential counterparties, each of which pertained to a potential acquisition of the Company's capital markets business.

On February 28, 2019, in light of the potential that the strategic review process might result in the sale of the Company's capital markets business and the consideration of alternatives with respect to the Company's principal remaining asset, being its approximately one-third interest in Richardson GMP, the Board formed the Special Committee, consisting entirely of independent directors, excluding any directors affiliated with JRSL and RFGL. The mandate of the Special Committee included, among other things, assessing, considering and reviewing a potential RGMP Transaction and related matters; directing and supervising, and if necessary or appropriate, conducting the negotiation of a potential RGMP Transaction; and advising and reporting to the Board with respect to the foregoing. Following its formation, the Special Committee provided formal updates to the Board on its activities at each of the Board's regularly scheduled quarterly meetings, as well as other informal updates.

Throughout the first half of 2019, the 2018 Special Committee continued to negotiate with potential counterparties regarding the sale of the Company's capital markets business and preliminary discussions occurred between the Special Committee, RFGL and their respective advisors concerning the framework of a potential RGMP Transaction. The parties agreed that any potential RGMP Transaction would be undertaken in accordance with the RGMP Shareholders Agreement and that further discussions concerning a potential RGMP Transaction would occur following the execution of a definitive agreement concerning a Sale Transaction.

On June 17, 2019, the Company and Stifel executed definitive transaction documents and announced the Sale Transaction. In the press release announcing the Sale Transaction, the Company also announced that it intended to make wealth management the centrepiece of the Company's growth strategy following the completion of the Sale Transaction and that, accordingly, it was engaged in discussions concerning a potential RGMP Transaction. The Company cautioned in the announcement that there could be no assurance that any transaction involving Richardson GMP would result from such discussions nor on what terms or structure any transaction may occur.

In early July 2019, in recognition that any potential RGMP Transaction would likely constitute a "related party transaction" under MI 61-101 due to RFGL's ownership of approximately 24.1% of the Common Shares and approximately one-third ownership of Richardson GMP, the Special Committee met with a number of investment banking firms who would be capable of providing the Special Committee with an independent valuation pursuant to MI 61-101 and fairness opinion in connection with a potential RGMP Transaction.

On July 4, 2019, the Special Committee met, with representatives of Stikeman Elliott participating, to consider the presentations delivered by potential independent valuators. Following extensive discussion of the qualifications, experience and merits of each candidate, each candidate's experience with MI 61-101 valuations and the fees proposed by each, the Special Committee decided to retain RBC on a fixed fee basis to provide an independent formal valuation of the RGMP Common Shares and the Common Shares pursuant to the requirements of MI 61-101 and, if requested, its opinion as to the fairness of a potential RGMP Transaction.

RBC was formally retained effective July 8, 2019. The Special Committee also confirmed the retention of Stikeman Elliott as its independent legal advisor. Finally, the Special Committee discussed its mandate and concluded that, as part of its mandate, the Special Committee would engage in a review and evaluation of available alternatives to a potential RGMP Transaction. The Special Committee acknowledged that several factors would act to limit the availability of alternative transactions:

- The Special Committee considered the fact that any transaction for the sale of the Company would require that the counterparty be willing to own only one-third of Richardson GMP. In addition, because RFGL had advised the Special Committee that it would not enter into negotiations with a potential counterparty concerning amendments to the RGMP Shareholders Agreement, the counterparty would need to agree to be bound by the existing RGMP Shareholders Agreement.
- The Special Committee also discussed that, in connection with the Sale Transaction, the Company agreed that it would be required to make a payment to Stifel of up to $15 million if the Company completed a change of control transaction with a counterparty who is principally engaged in a business that is competitive with the capital markets business the Company sold to Stifel, which could act as a significant deterrent to a transaction with certain potential counterparties.
- The Special Committee considered the possibility of triggering the RGMP Liquidity Mechanism without a pre-negotiated outcome for the process. Because triggering the RGMP Liquidity Mechanism could lead to for a number of different potential outcomes under the RGMP Shareholders Agreement (including a purchase by the Company, a sale to RFGL, a sale to a third party, a one-year freeze and automatic restart of the RGMP Liquidity Mechanism in one year's time, or no transaction at all) that were beyond the control of GMP, the Special Committee concluded that this alternative introduced significant risk to GMP and Richardson GMP's business while potentially offering little comfort that any transaction would result or would be completed on favourable terms.
- The Company discussed the possibility of triggering the RGMP Liquidity Mechanism with the goal of finding a buyer for the Company on the condition that the Company trigger the RGMP Liquidity

Mechanism and successfully acquire the remaining two-thirds interest in Richardson GMP thereunder. The Special Committee acknowledged that this approach would be subject to significant risks since there could be no certainty that triggering the RGMP Liquidity Mechanism would result in such an outcome or that any buyer would be prepared to accept this degree of uncertainty.

In the management information circular for the special meeting of Common Shareholders to approve the Sale Transaction, filed on July 10, 2019, the Company announced that, if completed, the Sale Transaction would be the first step in a broader strategy of the Board to transform the Company by redeploying significant capital from an uncertain capital markets business toward what the Board believes is a stable, predictable and growing wealth management business, and that the next step would be for the Company to acquire 100% of Richardson GMP and make wealth management the core business for future growth in value of the Company. The Company also disclosed at that time that the Board intended to appoint Kishore Kapoor as Interim President and Chief Executive Officer shortly following such meeting. Mr. Kapoor is also an officer and director of, and has a financial interest in, RFGL.

On July 23, 2019, the Special Committee met, with representatives of RBC and Stikeman Elliott participating, to discuss the process for RBC's preparation of its independent valuation in connection with a potential RGMP Transaction. The Special Committee also considered the recently announced intention of the Board to appoint Mr. Kapoor as Interim President and Chief Executive Officer and its impact on negotiations with RFGL concerning a potential RGMP Transaction. The Special Committee concluded that, due to Mr. Kapoor's intended appointment, RFGL should be represented solely by David G. Brown, who is an officer and director of, and has a financial interest in, RFGL, and is also a director of the Company, and not Mr. Kapoor, in all negotiations with the Special Committee. Furthermore, the Special Committee concluded that all negotiations on behalf of the Company would be conducted by the Special Committee and its representatives, and not Mr. Kapoor. On behalf of the Special Committee, Donald A. Wright, Chair of the Special Committee and the Board, communicated the foregoing to RFGL, Mr. Brown and Mr. Kapoor shortly following the meeting. RFGL agreed to proceed on that basis.

On August 6, 2019, the Company announced that the Common Shareholders had approved the Sale Transaction. The Company also announced that the Special Committee had retained RBC as financial advisor and as an independent valuator to prepare a formal valuation of the Richardson GMP Shares in accordance with MI 61-101.

Through the remainder of summer and into the fall of 2019, RBC met with members of the Company's and Richardson GMP's management and received confidential information concerning the Company and Richardson GMP that would be required for RBC to prepare its independent valuation.

On September 4, 2019, the Board received an unsolicited expression of interest from a strategic counterparty for the acquisition of all the issued and outstanding Common Shares, which expression of interest was considered by the Special Committee. The expression of interest was conditional, among other things, on the completion of the Sale Transaction, due diligence, support from RFGL, renegotiation of the RGMP Shareholders Agreement to provide significant influence on strategic direction to the potential counterparty, execution of a standstill agreement and the deferral of the Company's previously announced return of capital in the amount of $0.275 per Common Share. A copy of the expression of interest was provided to RBC to allow RBC to review the expression of interest and offer its financial analysis of the expression of interest based on the preliminary analysis RBC had conducted to date in the course of preparing its independent valuation.

In light of the fact that the expression of interest was conditional upon both the support of RFGL and the renegotiation of the RGMP Shareholders Agreement, Mr. Wright, on behalf of the Special Committee, asked Mr. Brown whether RFGL would be prepared to pursue the proposed transaction. Mr. Brown indicated to Mr. Wright that RFGL would not support the proposed transaction and would not agree to renegotiate the RGMP Shareholders Agreement.

On September 12, 2019, the Special Committee met, with representatives of RBC and Stikeman Elliott participating, to review and consider the expression of interest the Company had received. At the meeting, RBC provided its preliminary financial assessment of the proposal, which included its preliminary financial assessment of the Company and the value of its interest in Richardson GMP, and informed the Special Committee that based on its work done to date, which was preliminary in nature, its preliminary financial assessment was that the transaction proposed in the expression of interest undervalued the Company and its principal asset, being its approximately one-third interest in Richardson GMP. Mr. Wright also reported to the Special Committee RFGL's position that it would not support the proposed transaction. Following further discussion and the consideration of many factors, including the preliminary financial assessment received from RBC, the feedback from RFGL and the terms and conditions of the proposal, the Special Committee unanimously recommended that the Board reject the expression of interest.

On September 16, 2019, the Board met, with representatives of RBC and Stikeman Elliott participating, to review and consider the expression of interest the Company had received. At the meeting, Mr. Brown, in his capacity as a representative and officer of RFGL, reiterated that the RFGL was not supportive of the proposed transaction and would in no circumstances be willing to renegotiate the RGMP Shareholders Agreement to provide any buyer with significant influence on strategic direction of the business. The Special Committee delivered its unanimous recommendation that, taking into account, among other things, the preliminary financial assessment received from RBC and the terms and conditions of the proposal and the fact that such conditions could not be satisfied given RFGL's position, the Board rejected the expression of interest. Following discussion and the consideration of many factors, including the recommendation of the Special Committee and the information received from Mr. Brown, the Board unanimously rejected the proposed transaction and directed Mr. Wright to communicate this conclusion to the counterparty that had delivered the expression of interest.

Later on September 16, 2019, Mr. Wright informed a representative of the potential counterparty that had delivered the expression of interest that the Company had evaluated the proposed transaction and determined that it was not in the best interests of the Company to pursue the proposed transaction on the terms and conditions set forth in the expression of interest. Following this communication, the Company and its representatives did not receive any further communications or proposals from the potential counterparty.

On October 10, 2019, the Special Committee met, with representatives of RBC and Stikeman Elliott participating, to receive an update from RBC regarding its ongoing preliminary financial assessment of Richardson GMP and the Company based on its further due diligence review and ongoing dialogue with management to that date. RBC highlighted that its analysis remained preliminary as due diligence and other work was ongoing.

On November 7, 2019, the Special Committee met with Mr. Brown and their respective advisors, including representatives of RBC, to continue discussions regarding a potential RGMP Transaction. During the meeting, the Special Committee presented its approach to determining an appropriate exchange ratio for a potential RGMP Transaction. RBC summarized the approach RBC was using in its ongoing preliminary financial assessment, highlighting that, for purposes of RBC's analysis of the value of the Common Shares, RBC would use the value determined for the RGMP Common Shares as a starting point and add to the value of the RGMP Common Shares held by the Company, the net value of the Company's remaining assets, liabilities and operations following the completion of the Sale Transaction. During the meeting, RFGL raised several initial concerns regarding the approach the Special Committee was proposing to determine an appropriate exchange ratio.

On November 8, 2019, the Special Committee met, with representatives of RBC and Stikeman Elliott participating, to discuss the previous day's meeting with RFGL, including discussing with representatives of RBC the concerns RFGL had raised regarding the approach proposed by the Special Committee to determine an exchange ratio. Following discussion, the Special Committee determined to wait for further feedback from RFGL before determining next steps.

On November 12, 2019, the Special Committee met, with representatives of RBC and Stikeman Elliott participating, to receive an update on a conversation between Mr. Wright and Mr. Brown since their last meeting. Mr. Wright noted that, subject to the Special Committee's approval, both parties had agreed to continue to negotiate the non-pricing related terms of a potential RGMP Transaction but to defer further discussion regarding price until after the close of the Sale Transaction.

On December 3, 2019, the Special Committee met, with representatives of RBC and Stikeman Elliott participating, to receive an update on a conversation between Mr. Wright and Mr. Brown since their last meeting. Mr. Wright noted that RFGL had agreed to proceed with negotiations regarding pricing for a potential RGMP Transaction on the basis of the approach generally being proposed by the Special Committee without agreeing to a particular exchange ratio. Based on the progress being made, the Special Committee directed Stikeman Elliott to share an initial draft purchase agreement for a potential RGMP Transaction with RFGL and its advisors.

On December 6, 2019, the Company announced the completion of the Sale Transaction.

On December 17, 2019, members of the Special Committee met with Mr. Brown, on behalf of RFGL, and their respective advisors, including representatives of RBC, to discuss various aspects of a potential RGMP Transaction and the draft Purchase Agreement. During the meeting, RFGL presented a draft mutual letter of intent reflecting its positions regarding a potential RGMP Transaction.

On December 19, 2019, the Special Committee met, with representatives of RBC and Stikeman Elliott participating, to discuss the draft letter of intent provided by RFGL and the matters discussed at the meeting with RFGL and its advisors. Following discussion, the Special Committee directed Stikeman Elliott to work with Mr. Wright and David C. Ferguson, an independent director and member of the Special Committee, to prepare a non-binding term sheet reflecting its positions on the key terms of a potential RGMP Transaction in lieu of the letter of intent presented by RFGL. Representatives of RBC then shared with the Special Committee their updated preliminary valuation analysis, highlighting updates since the prior presentation to the Special Committee. RBC highlighted that its analysis remained preliminary as due diligence and other work was ongoing. Following discussion, the Special Committee decided to deliver a proposal to RFGL for a potential RGMP Transaction at an exchange ratio of 1.57 Common Shares. The Special Committee delivered this proposal to RFGL the next day.

On December 21, 2020, the Special Committee met with RFGL and their respective advisors, including representatives of RBC, to answer questions from RFGL regarding the Special Committee's proposal.

In early January 2020, Mr. Brown informed Mr. Wright that RFGL was not prepared to sell its RGMP Common Shares for the 1.57 proposed exchange ratio and had engaged Cormark as a financial advisor to assist it in preparing a counter-proposal.

On January 15, 2020, members of the Special Committee met with Mr. Brown, on behalf of RFGL, and their respective legal advisors to receive a presentation from Cormark. Based on Cormark's preliminary analysis, RFGL proposed that the Company purchase the RGMP Common Shares at an exchange ratio of 2.57 Common Shares per RGMP Common Share. Immediately following the meeting, the Special Committee met in camera, with representatives of Stikeman Elliott participating.

On January 17, 2020, the Special Committee met, with representatives of RBC and Stikeman Elliott participating, to discuss the presentation made by Cormark earlier that week and the proposal delivered by RFGL based on Cormark's analysis. RBC noted several significant points of difference in the approach taken by RBC in its analysis as compared to that taken by Cormark. RBC noted to the Special Committee that while there were certain assumptions that they wished to consider and discuss further with the Special Committee, RBC did not see any reason to revisit its other assumptions. On this basis, the Special Committee concluded that it would not be able to enter into a potential RGMP Transaction on the exchange ratio proposed by RFGL. Following discussion, the Special Committee directed Messrs. Wright and Ferguson to negotiate with RFGL, on behalf of the Special Committee, for a reduced exchange ratio.

On January 24, 2020, the Special Committee, with representatives of RBC and Stikeman Elliott participating, met to receive an update on the status of negotiations with RFGL regarding the exchange ratio for a potential RGMP Transaction. Messrs. Wright and Ferguson noted that RFGL had offered to reduce the proposed exchange ratio from 2.57 Common Shares per RGMP Common Share to 2.23 and presented materials from Cormark to support the latest proposal. The Special Committee discussed with representatives of RBC the differing assumptions and information in RBC's draft valuation of Richardson GMP and the Company as compared to Cormark's latest analysis and their impact on determining an appropriate exchange ratio for a potential RGMP Transaction. RBC noted for the Special Committee what assumptions RBC was continuing to consider and wanted to discuss further with the Special Committee, as well as areas where additional information from representatives of the Company was still required by RBC to finalize its analysis. Following discussion, the Special Committee directed Messrs. Wright and Ferguson to express to RFGL that the Special Committee was not prepared to agree to an exchange ratio outside of the range supported by RBC's valuation analysis, but to continue discussions with RFGL regarding the possibility of moving forward with a potential RGMP Transaction at a lower exchange ratio. In the course of the discussion, the Special Committee acknowledged that in order to agree on an exchange ratio for a potential RGMP Transaction, the Special Committee may be required to agree to a number at or near the top end of RBC's valuation range for Richardson GMP. The Special Committee determined that it would likely be in the best interests of GMP to do so, if necessary, in light of the fact that almost one-third of the RGMP Common Shares were held by Richardson GMP's investment advisors and other employees and Richardson GMP's business was reliant on retaining such individuals, which would be difficult if they were not satisfied with the value they would be receiving. In light of the fact that the parties remained significantly apart in negotiating an exchange ratio, the Special Committee also engaged in a further discussion regarding several available alternatives to a potential RGMP Transaction, including alternatives first discussed in the Special Committee's July 4, 2019 meeting:

- The Special Committee considered and discussed maintaining the status quo but noted the concerns raised by management of both the Company and Richardson GMP that the uncertainty and instability of Richardson GMP's ownership structure made it difficult to retain Richardson GMP's investment advisors and clients and risked eroding the value of that business. In particular, management was aware that Richardson GMP investment advisors were being heavily recruited by competitors using the uncertain future of Richardson GMP and the lack of clarity as to whether employees would ever be able to realize a fair value for their equity in Richardson GMP to entice investment advisors to leave Richardson GMP.
- The Special Committee considered alternative transactions and noted that despite the fact that the Company had announced in June 2019 that it was considering a potential RGMP Transaction, only one potential counterparty had presented it with an alternative transaction to consider. The Special Committee acknowledged that this was likely due to the many factors the Special Committee had concluded, at its initial meeting, could limit the availability of alternative transactions. In particular, the Special Committee once again considered the fact that any transaction for the sale of the Company would require that the counterparty be willing to own only one-third of Richardson GMP, and to be bound by the existing RGMP Shareholders Agreement since RFGL had repeatedly

indicated its unwillingness to support a sale transaction for the Company, or amend the RGMP Shareholders Agreement. The Special Committee also discussed that, in connection with the Sale Transaction, the Company agreed that it would be required to make a payment to Stifel of up to $15 million if the Company completed a change of control transaction with a counterparty who is principally engaged in a business that is competitive with the capital markets business the Company sold to Stifel, which could act as a significant deterrent to a transaction with certain potential counterparties.

- The Special Committee considered triggering the RGMP Liquidity Mechanism without a pre-negotiated outcome for the process. Because triggering the RGMP Liquidity Mechanism could lead to a number of different potential outcomes under the RGMP Shareholders Agreement (including a purchase by the Company, a sale to RFGL, a sale to a third party, a one-year freeze and automatic restart of the RGMP Liquidity Mechanism in one year's time, or no transaction at all) that were beyond the control of GMP, the Special Committee concluded that this alternative introduced significant risk to Richardson GMP's business while potentially offering little comfort that any transaction would result or that a completed transaction would be on terms more favourable than what could be negotiated with RFGL.
- The Special Committee discussed the possibility of finding a buyer for the Company on the condition that the Company trigger the RGMP Liquidity Mechanism and successfully acquire the remaining two-thirds interest in Richardson GMP thereunder. The Special Committee acknowledged that this approach would be subject to significant risks since there could be no certainty that triggering the RGMP Liquidity Mechanism would result in such an outcome (including in light of the statements attributed to representatives of RFGL in an article in the Globe & Mail on January 12, 2020 that RFGL was not prepared to sell its interest in Richardson GMP) or that any buyer would be prepared to accept this degree of uncertainty.

Notwithstanding these challenges, the Special Committee authorized Mr. Wright to approach a potential strategic counterparty to determine whether it would be interested in pursuing a transaction with the Company. Shortly following the meeting, Mr. Wright met with the potential counterparty regarding such a transaction. The potential counterparty informed Mr. Wright they would consider the matter further and would be in contact if they had any interest in pursuing further discussions. The potential counterparty made no further contact with Mr. Wright or the Company.

On January 30, 2020, the Special Committee met, with representatives of RBC and Stikeman Elliott participating, to receive an update on the status of negotiations as well as an update from RBC on the status of its ongoing financial analysis. Representatives of RBC made a presentation regarding RBC's updated view as to the value of the Company and Richardson GMP based on the additional work RBC had performed, including updated information provided by management and members of the Special Committee. RBC further noted, that based on the results of its updated work, RBC did not expect to be able to conclude that the 2.23 exchange ratio in RFGL's latest proposal was fair, from a financial point of view, to the Company. Messrs. Wright and Ferguson then updated the other members of the Special Committee regarding their recent conversations with Mr. Brown, noting that RFGL was holding firm to the 2.23 exchange ratio it last proposed. Following discussion, the Special Committee determined again that it was not prepared to proceed on the basis of RFGL's proposed exchange ratio. Following further discussion, the Special Committee decided to present to RFGL the Special Committee's best and final proposal for an exchange ratio for a potential RGMP Transaction. In arriving at this proposal, the Special Committee determined to use reference values for the Common Shares and RGMP Common Shares of $2.57 and $5.14 per share, respectively. The Special Committee acknowledged the reference value for the RGMP Common Shares likely would be at or near the top end of RBC's final valuation range for the RGMP Common Shares based on RBC's preliminary financial analysis but that this was reasonable in light of the factors discussed at its January 24, 2020 meeting. Following discussion, the Special Committee directed Messrs. Wright and Ferguson to inform Mr. Brown that, taking into account the advice provided by RBC and the Committee's legal advisor and based on the reference values for the Common Shares and RGMP Common Shares determined by the Special Committee, the Special Committee's best and final proposal for a potential RGMP Transaction was an exchange ratio of 2 Common Shares for each RGMP Common Share.

On February 1, 2020, Messrs. Wright and Ferguson presented the proposed exchange ratio of two Common Shares for each RGMP Common Share to Mr. Brown, on behalf of RFGL. From February 1, 2020 through February 7, 2020, Messrs. Wright and Ferguson and Mr. Brown held further discussions regarding the Company's latest proposal for the exchange ratio and other issues regarding a potential RGMP Transaction. On February 7, 2020, Mr. Brown, on behalf of RFGL, informed Messrs. Wright and Ferguson that RFGL was prepared to sell its RGMP Common Shares to the Company at an exchange ratio of two Common Shares per RGMP Common Share, subject to gauging the support of Richardson GMP's investment advisors, including the IA Designees and the IA Liquidity Committee (as defined in the RGMP Shareholders Agreement).

On February 7, 2020, the Special Committee met, with representatives of Stikeman Elliott participating, to receive an update on the status of negotiations. Messrs. Wright and Ferguson informed the other members of the Special Committee that after extensive discussions over the past week, RFGL had agreed to the two Common Shares per RGMP Common Share exchange ratio, subject to gauging the support of Richardson GMP's investment advisors, including the IA Designees and IA Liquidity Committee. They further noted that they had discussed with RFGL a plan to meet with the IA Designees and IA Liquidity Committee regarding the potential RGMP Transaction to gauge support for a potential RGMP Transaction. If the meetings were successful, the intention was for RFGL and the Company to enter into a non-binding term sheet containing the principal terms for a potential RGMP Transaction and for the Company, RFGL and the IA Designees to jointly initiate the liquidity event process under the RGMP Shareholders Agreement. Following further discussion, the Special Committee directed Messrs. Wright and Ferguson to work with Stikeman Elliott to finalize a non-binding term sheet.

Later on February 7, 2020, Stikeman Elliott provided a draft non-binding term sheet (the "**Non-Binding Term Sheet**") to RFGL and its counsel reflecting the terms the parties had discussed over the past months. Between February 7, 2019 and February 25, 2020, the parties and their advisors negotiated the remaining terms of the non-binding term sheet, with members of the Special Committee providing regular input during the process. The parties met on multiple occasions with the IA Designees and IA Liquidity Committee during this period to discuss the terms of a potential RGMP Transaction and gauge Richardson GMP employee support for same. Based on feedback received by the parties in these meetings, several changes were made to certain terms set forth in the Non-Binding Term Sheet other than the exchange ratio.

On February 25, 2020, the Special Committee, together with representatives of RBC and Stikeman Elliott, met to receive an update as to the degree of support of Richardson GMP's IA Liquidity Committee for the key terms of the potential RGMP Transaction set forth in the Non-Binding Term Sheet and to consider the Non-Binding Term Sheet and related matters concerning the potential RGMP Transaction. RBC then reviewed its financial analyses and orally delivered its valuation to the effect that, as of February 25, 2020, and subject to the assumptions, limitations and qualifications as set out therein, the value of the RGMP Common Shares on an en bloc basis was in the range of $4.25 to $5.15 per share and the value of the Common Shares on an en bloc basis was in the range of $2.20 to $2.90 per share (the "**February Valuation**"). Following the RBC presentation, and after receiving legal and financial advice, the Special Committee unanimously determined to recommend that the Board approve the Non-Binding Term Sheet and initiate the RGMP Liquidity Mechanism.

Thereafter, on February 25, 2020, the Board (excluding conflicted directors), together with representatives of RBC and Stikeman Elliott, met to consider the Non-Binding Term Sheet and related matters concerning the potential RGMP Transaction. Mr. Wright, as Chair of the Special Committee, provided the Board a summary of recent activities relevant to the potential RGMP Transaction, as well as the Special

Committee's recommendation to the Board. At the request of Mr. Wright, representatives of RBC confirmed oral delivery of the February Valuation. Following receipt of the Special Committee's recommendation, RBC's presentation and further discussions, and after receiving legal and financial advice, the Board (excluding conflicted directors), determined that the RGMP Transaction is in the best interests of the Company. Accordingly, the Board (excluding conflicted directors and Eugene C. McBurney and Kevin M. Sullivan, each an employee and non-independent director), authorized the Non-Binding Term Sheet and initiation of the RGMP Liquidity Mechanism. Messrs. McBurney and Sullivan abstained from voting on these matters having regard to the fact that there would be a later meeting of the Board to consider whether to approve the RGMP Transaction and the Purchase Agreement and as they were not members of the Special Committee and had not been involved in the detailed negotiations leading to the Non-Binding Term Sheet they would defer voting until such later meeting.

The Non-Binding Term Sheet was finalized and executed, and the RGMP Liquidity Mechanism was initiated, later in the day on February 25, 2020. Before markets opened on February 26, 2020, the Company announced the entry into of the Non-Binding Term Sheet in respect of the potential RGMP Transaction and that shortly following a contractual 15 business day notice period under the RGMP Liquidity Mechanism, the parties intended to enter into a definitive agreement for the potential RGMP Transaction. The Company also announced that it had called an April 21, 2020 special meeting of Common Shareholders to consider the potential RGMP Transaction.

On February 27, 2020, Kevin Sullivan retired from the Board.

In late February and early March, the parties continued to negotiate the terms of the definitive Purchase Agreement. At the same time, the COVID-19 pandemic continued to spread in North America and globally and market volatility increased. During this period, the Special Committee received regular updates on Richardson GMP's AUA, which had declined to approximately $26.5 billion as at March 11, 2020.

On March 12, 2020, the Special Committee, together with representatives of Stikeman Elliott, met to consider the impact of the COVID-19 pandemic on the potential RGMP Transaction, including how best to proceed. The Special Committee decided that in light of the ongoing pandemic and related market volatility and the impact the pandemic was having on Richardson GMP's business, it was advisable to defer the ongoing process of negotiating the potential RGMP Transaction.

On March 13, 2020, the Special Committee communicated to RFGL its proposal to defer the negotiations and, over the ensuing days, representatives of the Special Committee, RFGL and the IA Designees discussed the impact of the pandemic on the potential RGMP Transaction.

On March 16, 2020, the Company announced that, in light of the ongoing COVID-19 outbreak and recent market volatility, the Company, RFGL and the IA Designees no longer expected that the definitive agreement concerning the potential RGMP Transaction would be entered into within the time period initially anticipated and, therefore, the special meeting of Common Shareholders originally called for April 21, 2020 had been postponed.

On April 13, 2020, in light of the continuing impact of the COVID-19 pandemic, the Company, RFGL and the IA Designees agreed to an extension of the negotiation period provided for under the RGMP Liquidity Mechanism until 60 days following the end of Ontario's emergency order in respect of the COVID-19 pandemic. The extension of the negotiation period with respect to the RGMP Liquidity Mechanism was announced the next morning.

In April 2020, Mr. Wright on behalf of the Special Committee engaged in brief preliminary discussions with a representative of a potential strategic counterparty with respect to its potential interest in a transaction with the Company. Mr. Wright and such party engaged in additional brief discussions over the next few months and, while the party continued to express interest in the Richardson GMP business, in light of, among other factors, the challenges presented by the Company's minority ownership of Richardson GMP, such party at no time presented any offer or specific proposed terms for a potential transaction.

On April 14, 2020, the Special Committee, together with representatives of Stikeman Elliott, met to further discuss the potential process for continuing negotiations with respect to a potential RGMP Transaction after market conditions stabilized. The Special Committee discussed, among other things, the need to receive revised financial projections from Richardson GMP based on then prevailing market conditions and theirs impact on the Richardson GMP business and an updated formal valuation that will take into account those revised projections and other updates in order to properly assess whether a potential RGMP Transaction would remain in the best interests of the Company and, if so, on what terms. The Special Committee also discussed the feedback the Company had received from various stakeholders regarding the terms contained in the Non-Binding Term Sheet following its announcement. The Special Committee acknowledged that in light of the fact that RBC completed its initial mandate, the Special Committee would need to retain RBC again or retain a new financial advisor and independent valuator if the negotiation process progressed. The Special Committee also received an update with respect to the preliminary discussions Mr. Wright had recently held with another potential counterparty.

On April 30, 2020, the Company announced that, in response to the disruption caused by COVID-19, the Board had decided to temporarily suspend the quarterly Common Share cash dividend.

On May 7, 2020, the Special Committee, together with representatives of Stikeman Elliott, met to consider whether to resume substantive negotiations concerning a potential RGMP Transaction and related considerations. Among other things, the Special Committee discussed whether to again retain RBC as a financial advisor and to update the February Valuation, stakeholder feedback concerning the non-binding terms of a potential RGMP Transaction, and key deal terms the Special Committee may wish to renegotiate in light of recent developments. The Special Committee also considered alternatives to resuming negotiations concerning a potential RGMP Transaction, including pursuing a sale of Richardson GMP through the RGMP Liquidity Mechanism, pursuing a sale of the Company itself, maintaining the status quo and a potential initial public offering of Richardson GMP. The Special Committee noted the challenges with each potential alternative, including those the Special Committee had discussed and considered prior to entry into the Non-Binding Term Sheet. In light of the fact that the period of time for discussion with RFGL under the RGMP Liquidity Mechanism had been extended for 60 days following the end of Ontario's emergency order in respect of the COVID-19 pandemic, which emergency order remained in place, and the fact Richardson GMP was in the process of preparing a revised financial forecast, the Special Committee concluded not to re-engage with RFGL at this time and to continue to monitor developments with respect to Richardson GMP's performance and market and general economic conditions in the meantime. The Special Committee also determined to request a proposal from RBC concerning its potential re-engagement as financial advisor and, if requested, to update the February Valuation.

On June 3, 2020, GMP announced that Eugene McBurney and Fiona Macdonald had retired from the Board. With Ms. Macdonald's retirement, the Special Committee was comprised of Mr. Wright (Chair), Mr. Ferguson and Ms. Lassonde.

Later on June 3, 2020, the Special Committee, received a proposal from RFGL to proceed with a potential RGMP Transaction at a proposed exchange ratio of 1.94 Common Shares per RGMP Common Share, and otherwise on the same terms as set forth in the Non-Binding Term Sheet.

On June 4, 2020, the Special Committee, together with representatives of Stikeman Elliott, met to consider the proposal received from RFGL the prior day. In light of the ongoing challenges noted with respect to each of the potential alternatives to a potential RGMP Transaction and the improving market conditions at the time, the Special Committee concluded that it would consider the proposal to determine whether a potential RGMP Transaction could be completed on terms that were in the best interests of the Company. As the Special Committee had not yet received updated financial analysis on the value of Richardson GMP, the Special Committee focused its consideration on the non-financial aspects of the proposal, which RFGL indicated would be consistent with those set forth in the Non-Binding Term Sheet. Following such discussion, and after consideration of, among other things, feedback from various stakeholders in respect of the terms set forth in the Non-Binding Term Sheet, the Special Committee agreed on a list of issues outside of the exchange ratio that the Special Committee wished to revisit with RFGL as part of resuming negotiations concerning a potential RGMP Transaction, including adding a cash distribution to pre-closing Common Shareholders, the treatment of the RGMP Preferred Shares owned by RFGL and the purchase price adjustment mechanism. The Special Committee next discussed the retention of RBC to act as financial advisor and, if requested, to update the February Valuation, to the Special Committee. Following discussion and in light of RBC's independence, experience, knowledge with the Company, Richardson GMP and industry, and familiarity with the structure of a potential RGMP Transaction based on its prior engagement, the Special Committee determined to engage RBC as financial advisor and, if requested, to update the February Valuation, on the terms proposed. The Special Committee formally re-engaged RBC effective June 5, 2020.

On June 10, 2020, the Special Committee, RFGL and their respective advisors met, during which the Special Committee raised with RFGL the issues outside of the exchange ratio that the Special Committee had concluded it wished to revisit as part of resuming negotiations concerning a potential RGMP Transaction. Following discussion, the parties agreed that the Special Committee would deliver a written proposal to RFGL setting forth its positions on non-financial terms for a potential RGMP Transaction, and once RBC had progressed in its preliminary updated analysis of Richardson GMP and the Company, the Special Committee's position on the financial terms upon which it was prepared to enter into a potential RGMP Transaction.

On June 19, 2020, the Special Committee delivered its proposal to RFGL on the non-financial terms the Special Committee proposed to revisit from what had been set forth in the Non-Binding Term Sheet, including proposing that RFGL waive the requirement in the RGMP Shareholders Agreement for the Company to purchase the RGMP Preferred Shares held by RFGL and instead have such RGMP Preferred Shares remain outstanding in accordance with their terms and adding a cash distribution to pre-closing Common Shareholders in an amount to be determined.

On June 29, 2020, the Special Committee, together with representatives of Stikeman Elliott, met to receive a presentation from RBC with its preliminary updated financial analysis of Richardson GMP and the Company. Following discussion, the Special Committee directed RBC and Stikeman Elliott to prepare materials setting forth a complete proposal to RFGL. Taking into the account the earlier feedback received from stakeholders, the Special Committee developed a proposal that would keep the exchange ratio constant with the exchange ratio of 2.0 under the Non-Binding Term Sheet but would add a cash distribution to pre-closing Common Shareholders to address the decline in value of Richardson GMP. This resulted in a proposal with an exchange ratio of 1.5 Common Shares for each RGMP Common Share on a pre-dividend basis and a $0.67 per Common Share dividend, resulting in an exchange ratio of 2 Common Shares for each RGMP Common Share on a post-dividend basis, and a revised purchase price adjustment proposal. The proposal was delivered to RFGL on July 1, 2020.

On July 15, 2020, RFGL sent the Special Committee a letter rejecting the Special Committee's July 1st proposal and setting forth various concerns and issues with the proposal, including the proposed exchange ratio, the amount of the proposed dividend, the proposed purchase price adjustment proposal and the proposal that RFGL waive the requirement in the RGMP Shareholders Agreement for the Company to purchase the RGMP Preferred Shares held by RFGL. In particular, RFGL expressed the view that the size of the dividend would leave the Company with insufficient working capital to invest in growing the wealth management business.

On July 16, 2020, the Special Committee, together with representatives of RBC and Stikeman Elliott, met to discuss, among other things, the letter received from RFGL the day before. Following discussion and after receiving financial and legal advice, the Special Committee decided to propose a meeting with RFGL to explore whether there were any potential paths forward to reach agreement on the principal terms of a potential RGMP Transaction that would be in the best interests of the Company and acceptable to RFGL and the other stakeholders.

On July 21, 2020, the Special Committee, RFGL and their respective advisors met to discuss the terms of a potential RGMP Transaction. Following an extended discussion, RFGL agreed that it would be prepared to waive the requirement in the RGMP Shareholders Agreement for the Company to purchase the RGMP Preferred Shares held by RFGL if the cash savings to the Company were not used to pay a dividend to Common Shareholders and instead would be used to grow the wealth management business. At the end of the meeting, RFGL suggested to the Special Committee that while it was RFGL's belief that the parties may be able to reach agreement on the other terms, the gap on the proposed exchange ratio was so large that RFGL was of the view that it only made sense to continue negotiations on those other items after progress had been made on negotiating the exchange ratio.

On July 22, 2020, the Special Committee, together with representatives of RBC and Stikeman Elliott, met to discuss the previous day's meeting with RFGL. The Special Committee acknowledged the progress made in securing RFGL's consent to waive the requirement in the RGMP Shareholders Agreement for the Company to purchase the RGMP Preferred Shares held by RFGL. The Special Committee again discussed the challenges presented by the available alternatives to a potential RGMP Transaction, including maintaining the status quo. Following discussion and after receiving financial and legal advice, the Special Committee decided to explore developing a revised proposal to RFGL on the exchange ratio and size of the proposed dividend to be paid to pre-closing Common Shareholders. For purposes of the revised proposal, the Special Committee determined that the level of dividend should strike a balance between the desire to return capital to existing Common Shareholders in connection with a potential RGP Transaction and the Company's need for sufficient capital to support the business during uncertain economic times and fund future growth initiatives.

On July 28, 2020, the Special Committee, together with representatives of RBC and Stikeman Elliott, met to discuss further the terms for a revised proposal to RFGL on the exchange ratio and size of the dividend to be paid to pre-closing Common Shareholders.

On July 30, 2020, the Special Committee delivered a revised proposal to RFGL for a potential RGMP Transaction based on an exchange ratio of 1.67 Common Shares for each RGMP Common Share on a pre-dividend basis and a $0.25 per Common Share dividend, resulting in an exchange ratio of 1.85 Common Shares for each RGMP Common Share on a post-dividend basis.

On July 31, 2020, the Company announced its second quarter earnings results. Among other things, the Company announced that assets under administration at Richardson GMP were $28.3 billion as at June 30, 2020 from a low of approximately $23.5 billion at the height of the market decline related to the COVID-19 pandemic in March. The Company also announced that, due to the current level of stated capital of the Common Shares and Preferred Shares, the Board had reasonable grounds to believe that the applicable test to pay dividends under the OBCA would not be satisfied as at September 30, 2020, the date on which the quarterly Preferred Share dividend would normally be paid. As such, the Company announced it was suspending the dividends on the Preferred Shares and would, at its next meeting of Common Shareholders, seek the approval of the Common Shareholders to reduce the stated capital of the Common Shares to allow the Company to resume paying dividends, including accrued, unpaid dividends on the Preferred Shares.

On August 1, 2020, Mr. Brown, on behalf of RFGL, contacted Mr. Wright to inform him that RFGL would be prepared to agree to the payment of a dividend not to exceed $0.15 per Common Share to pre-closing

Common Shareholders and proceed with a potential RGMP Transaction based on an exchange ratio of 1.79 Common Shares for each RGMP Common Share on a pre-dividend basis, resulting in an exchange ratio of 1.91 Common Shares for each RGMP Common Share on a post-$0.15 per Common Share dividend basis.

On August 2, 2020, the Special Committee, together with representatives of RBC and Stikeman Elliott, met to discuss the latest received from RFGL. Following discussion and after receiving financial and legal advice, the Special Committee agreed to deliver to RFGL a counterproposal based on an exchange ratio of 1.7 Common Shares for each RGMP Common Share on a pre-dividend basis and a $0.15 per Common Share dividend, resulting in an exchange ratio of 1.81 Common Shares for each RGMP Common Share on a post-dividend basis. On behalf of the Special Committee, Mr. Wright delivered the proposal to RFGL the next morning.

Later on August 3, 2020, Mr. Brown, on behalf of RFGL, responded to the Special Committee's latest proposal by indicating RFGL would be prepared to agree to a slight decrease in the exchange ratio to 1.78 Common Shares for each RGMP Common Share on a pre-dividend basis, resulting in an exchange ratio of 1.90 Common Shares for each RGMP Common Share on a post-$0.15 per Common Share dividend basis. The response also set forth RFGL's position on certain non-exchange ratio deal terms.

On August 5, 2020, the Special Committee, together with representatives of RBC and Stikeman Elliott, met to consider the latest proposal from RFGL. Following discussion and after receiving financial and legal advice, the Committee decided to deliver a proposal to RFGL to accept the 1.78 exchange ratio on the basis that a $0.25 per Common Share dividend would be paid, resulting in an exchange ratio of 1.99 Common Shares for each RGMP Common Share (post-dividend). If RFGL was insistent on a dividend of $0.15 per Common Share then the exchange ratio would be 1.74 exchange ratio (pre-dividend) resulting in an exchange ratio of 1.86 Common Shares for each RGMP Common Share (post-dividend). On behalf of the Special Committee, Mr. Wright delivered the proposal to RFGL the next day.

Later on August 6, 2020, Mr. Brown, on behalf of RFGL, responded to the Special Committee's latest proposal, stating that RFGL was not prepared to accept a dividend in excess of $0.15 per Common Share or an exchange ratio below 1.78 Common Shares for each RGMP Common Share on a pre-dividend basis. The response also confirmed that RFGL was prepared to waive the requirement in the RGMP Shareholders Agreement for the Company to purchase the RGMP Preferred Shares held by RFGL but only on the condition that the terms of such RGMP Preferred Shares be amended to provide a cash retraction right in RFGL's favour at any time on or after the expiry of three years following the closing of a potential RGMP Transaction.

From August 7, 2020 to August 9, 2020, the Special Committee met on several occasions with Mr. Brown, on behalf of RFGL, and the IA Designees to attempt to bridge the remaining gap on the core economic terms of a potential RGMP Transaction. Following these discussions, and with the support of the IA Designees and the IA Liquidity Committee, RFGL and the Special Committee each agreed to proceed on the basis of the payment of a dividend of $0.15 per Common Share to pre-closing Common Shareholders at an exchange ratio of 1.76 Common Shares for each RGMP Common Share on a pre-dividend basis, resulting in an exchange ratio of 1.875 Common Shares for each RGMP Common Share on a post-$0.15 per Common Share dividend basis. The parties also agreed that RFGL would waive the requirement in the RGMP Shareholders Agreement for the Company to purchase the RGMP Preferred Shares held by RFGL and the terms of such RGMP Preferred Shares be amended to provide a cash retraction right in RFGL's favour at any time on or after the expiry of three years following the closing of an RGMP Transaction.

From August 9, 2020 to August 12, 2020, the parties and their advisors continued negotiations in respect of the Purchase Agreement and remaining open points regarding the RGMP Transaction including the purchase price adjustment mechanism.

On August 12, 2020, the Special Committee, together with representatives of RBC and Stikeman Elliott, met to review the terms of the Purchase Agreement and related matters. The Special Committee considered the improvements that had been made to the terms of the RGMP Transaction from the Company's perspective since the Non-Binding Term Sheet, including the reduction of the exchange ratio from 2.0 to 1.76 on a pre-dividend basis, the addition of a $0.15 per Common Share dividend to be paid to pre-closing Common Shareholders and the agreement by RFGL to waive the requirement in the RGMP Shareholders Agreement for the Company to purchase the RGMP Preferred Shares held by RFGL, which would leave Richardson GMP with approximately $32 million of additional working capital for at least three years. The Special Committee further considered that the 1.76 pre-dividend exchange ratio represented a significant reduction to the 2.57 exchange ratio that was RFGL's first offer in January 2020, and was well below the 1.94 exchange ratio RFGL proposed on June 3, 2020 to give effect to the impact of COVID-19 on what had been agreed in the Non-Binding Term Sheet. RBC then reviewed its financial analyses and rendered an oral opinion to the Special Committee, confirmed by delivery of the Updated Valuation and Fairness Opinion, to the effect that, as of August 12, 2020, and subject to the assumptions, limitations and qualifications as set out in the Updated Valuation and Fairness Opinion, the value of the RGMP Common Shares on an en bloc basis was in the range of $3.55 to $4.50 per share, the value of the Common Shares on an en bloc basis was in the range of $2.00 to $2.55 per share and the Consideration to be paid by the Company pursuant to the RGMP Transaction is fair, from a financial point of view, to the Company. Following the RBC presentation, and following further discussions, the Special Committee, having taken into account the Updated Valuation and Fairness Opinion and such other matters as it considered relevant, including those set forth under the heading "*RGMP Transaction – Reasons for the RGMP Transaction*", and after receiving legal and financial advice, unanimously determined that the RGMP Transaction is in the best interests of the Company. Accordingly, the Special Committee unanimously determined to recommend that the Board approve the RGMP Transaction and the Purchase Agreement and recommend that Common Shareholders vote **FOR** the RGMP Transaction Resolution.

Thereafter, on August 12, 2020, the Board (excluding conflicted directors), together with representatives of RBC and Stikeman Elliott, met to consider the Purchase Agreement and related matters. Mr. Wright, as Chair of the Special Committee, provided the Board a summary of recent activities relevant to the RGMP Transaction and the Special Committee's recommendation to the Board. At the request of Mr. Wright, representatives of RBC confirmed oral delivery of the Updated Valuation and Fairness Opinion. Following receipt of the Special Committee's recommendation and further discussions, the Board (excluding conflicted directors), having taken into account the Updated Valuation and Fairness Opinion, the Special Committee's recommendation and such other matters as it considered relevant, including those set forth under the heading "*RGMP Transaction – Reasons for the RGMP Transaction*", and after receiving legal and financial advice, unanimously determined that the RGMP Transaction is in the best interests of the Company. Accordingly, the Board unanimously authorized the entry into the Purchase Agreement and unanimously recommended that Common Shareholders vote **FOR** the RGMP Transaction Resolution.

During the evening of August 12, 2020, representatives of the parties finalized the Purchase Agreement and related transaction documents and press release. The Purchase Agreement was executed the night of August 12, 2020 and on August 13, 2020, prior to the opening of trading on the TSX, the Company announced entry into the Purchase Agreement and RGMP Transaction.

Following the announcement, the representatives of the parties discussed entering into an amending agreement to the Purchase Agreement (the "**Amending Agreement**") such that in lieu of the RFGL Preferred Share Amendment (as defined in the Purchase Agreement), the parties will enter into an agreement at Closing pursuant to which (i) the Corporation will have the right to acquire from RFGL the RFGL Preferred Shares at any time following the Closing Date; and (ii) following the third anniversary of the Closing Date, RFGL will have the right to require that the Corporation purchase the RFGL Preferred Shares. The Board approved the Amending Agreement on September 7, 2020, and the parties entered into the Amending Agreement later on the same day. This modification will have no impact on the pro forma consolidated financial or debt position of the Company following completion of the RGMP Transaction.

RECOMMENDATION OF THE SPECIAL COMMITTEE

As described above under "*Background to the RGMP Transaction*", the Board established a Special Committee to, among other things, assess, consider and review a potential RGMP Transaction and related matters; direct and supervise, and if necessary or appropriate, conduct the negotiation of any RGMP Transaction; and advise and report to the Board with respect to the foregoing. The Special Committee is comprised entirely of independent directors and it met on numerous occasions both as a committee with solely its members and advisors present and with management and the full Board present, where appropriate. The Special Committee engaged RBC as a financial advisor and an independent valuator as required under MI 61-101 in connection with the RGMP Transaction and to provide the Updated Valuation and the Fairness Opinion.

The Special Committee, having taken into account such matters as it considered relevant and after receiving legal and financial advice, unanimously determined that the RGMP Transaction is in the best interests of the Company and unanimously recommended that the Board approve the RGMP Transaction and unanimously recommend that the Common Shareholders **vote <u>FOR</u> the RGMP Transaction Resolution**.

In forming its recommendation to the Board, the Special Committee considered a number of factors, including, without limitation, those listed below under "*Reasons for the RGMP Transaction*". The Special Committee based its recommendation upon the totality of the information presented to and considered by it in light of the members of the Special Committee's knowledge of the business, financial condition and prospects of the Company and Richardson GMP and after taking into account the advice of the Company's financial, legal and other advisors and the advice and input of management of the Company.

RECOMMENDATION OF THE BOARD

After careful consideration of, among other factors, the recommendation of the Special Committee, the Board (with the interested RFGL nominee directors having recused themselves from voting), after receiving legal and financial advice, has unanimously determined that the RGMP Transaction is in the best interests of the Company. **Accordingly, the Board (with the interested RFGL nominee directors having recused themselves from voting) unanimously recommends that the Common Shareholders vote <u>FOR</u> the RGMP Transaction Resolution.**

In forming its recommendation, the Board considered a number of factors, including, without limitation, the recommendation of the Special Committee and the factors listed below under "*Reasons for the RGMP Transaction*". The Board based its recommendation upon the totality of the information presented to and considered by it in light of the members of the Board's knowledge of the business, financial condition and prospects of the Company and Richardson GMP and after taking into account the advice of the Company's financial, legal and other advisors and the advice and input of management of the Company.

REASONS FOR THE RGMP TRANSACTION

As described above, in making its recommendation, each of the Special Committee and the Board carefully considered a number of factors, including those listed below.

The following summary of the information and factors considered by the Special Committee and the Board is not intended to be exhaustive but includes a summary of the material information and factors considered in the evaluation of the RGMP Transaction. In view of the variety of factors and the amount of information considered in connection with the evaluation of the RGMP Transaction, the Special Committee and the

Board did not find it practicable to, and did not, quantify or otherwise attempt to assign any relative weight to each of the specific factors considered in reaching its conclusions and recommendations.

- *Wealth Management Strategy* – The Board carefully mapped out a clear strategy of exiting capital markets and focusing on the opportunities in the wealth management industry, which it believes offers the greatest potential for long term value creation for shareholders. The Company intends to deploy the capital at both GMP and Richardson GMP to accelerate the growth of the wealth management business following the completion of the RGMP Transaction.
- *Association with the Richardson Brand* – By completing the RGMP Transaction, the Company is associating itself with and leveraging the Richardson brand and 90-year legacy in financial services. The RGMP Transaction will create the destination of choice for Canada's top advisors who share Richardson GMP's entrepreneurial spirit, independent culture and philosophy to deliver unparalleled face-to-face advice to Canadians seeking non-bank points of access for wealth management advice. RFGL will own approximately 40.1% of the Common Shares upon closing of the RGMP Transaction.
- *Growing Market Opportunity* – The market for retail financial wealth in Canada is expected to grow from $4.4 trillion to $7.7 trillion by 2028 (Source: Investor Economics), creating a considerable opportunity for an independent competitor or independent firm with national scale. The Company believes that demographic trends driving a generational shift have created a growing degree of complexity and sophistication of wealth solutions, supporting the long-term value proposition of face-to-face advice. Firms and advisors that have embraced the evolution of wealth advice and have enhanced professional accreditation will be able to capitalize on this significant opportunity.
- *Leading Wealth Management Advisors* – Richardson GMP is one of Canada's leading wealth management firms with 165 highly qualified professional advisory teams serving over 32,000 high net worth families and businesses across Canada. With approximately $28.3 billion of AUA as at June 30, 2020, Richardson GMP's advisors have among the best practices in Canada with one of the highest AUA per advisory team and is recognized as one of Canada's best workplaces. For the six-month period ended June 30, 2020 and the year ended December 31, 2019, Richardson GMP had revenues of $132 million and $272 million, respectively, and adjusted EBITDA of $20 million and $50 million, respectively.
- *Strong Management Team* – Led by Kishore Kapoor, current Interim President and Chief Executive Officer of GMP, who has decades of experience at prominent wealth management firms, along with Andrew Marsh, President and Chief Executive Officer of Richardson GMP, who has over 30 years of wealth management experience, including as a founding executive of Richardson GMP, and other seasoned executives, following completion of the RGMP Transaction, the Company will have in place a strong management team to execute on its growth strategy. The Board intends to appoint Mr. Kapoor as the permanent President and Chief Executive Office of the Company following the approval of the RGMP Transaction Resolution by Common Shareholders. With the completion of the RGMP Transaction, Mr. Kapoor and the management team has effected the transformation strategy set out by the Board and will be tasked with leading the combined entity as it continues to implement the Company's growth strategy.
- *Special Committee Process* – The RGMP Transaction is the result of an extensive process conducted by the Special Committee, consisting entirely of independent directors, to review and analyze the RGMP Transaction and available alternatives, and extensive negotiations with RFGL and representatives of the other shareholders of Richardson GMP on the pricing and other terms of the RGMP Transaction. In particular, the Purchase Price was a result of lengthy negotiations where the Special Committee was successful in significantly reducing the exchange ratio to 1.76 (on a pre-Special Dividend basis) from the 2.57 exchange ratio that was RFGL's first offer in January

2020, and the 1.94 exchange ratio RFGL proposed on June 3, 2020 to give effect to the impact of COVID-19 on what had been agreed in the Non-Binding Term Sheet.

- *Transaction Certainty* – The Board determined that the RGMP Transaction was the best path for GMP to take having regard to available alternatives. Compared to the status quo, the RGMP Transaction creates certainty and stability of Richardson GMP's ownership structure that will enhance the ability to retain and attract investment advisors and clients and grow the value of the business from a position of working capital strength. Other alternatives the Board considered would introduce transaction uncertainty and significant risk to Richardson GMP's business while potentially offering little comfort that any transaction would result or that a completed transaction would be on terms more favourable than negotiated process which resulted in the RGMP Transaction. See "*The RGMP Transaction – Background to the RGMP Transaction*".
- *Fairness Opinion* – The Special Committee and the Board received the Updated Valuation and Fairness Opinion from RBC stating that, as of August 12, 2020, and subject to the assumptions, limitations and qualifications contained therein, the Consideration to be paid by the Company pursuant to the RGMP Transaction is fair, from a financial point of view, to the Company.
- *Procedural Protections* – The RGMP Transaction is subject to a number of procedural protections under MI 61-101, including the requirement for approval by the holders of a majority of the Common Shares (excluding the Interested Shareholders required to be excluded under MI 61-101). In evaluating the RGMP Transaction, the Company's shareholders will have the benefit of enhanced disclosure requirements under MI 61-101 and the formal valuation conducted by RBC contained in the Updated Valuation and Fairness Opinion.
- *Acknowledgement and Support Letters* – Richardson GMP investment advisors, collectively, representing approximately 97% of Richardson GMP's AUA, have indicated their support for the RGMP Transaction by entering into non-binding acknowledgement and support letters. Of the Consideration Shares to be received by the Richardson GMP shareholders (including investment advisors), 10% will be freely tradeable as of the closing and 90% will be placed in escrow to be released, subject to the satisfaction of certain conditions, in equal amounts on the first, second and third anniversaries of the Closing.

In the course of its deliberations, the Special Committee and the Board also identified and considered a variety of risks (as described in greater detail under "*Risk Factors*") and potentially negative factors relating to the RGMP Transaction, including the following:

- The RGMP Transaction will result in significant dilution to the Common Shareholders. Common Shareholders (other than RFGL) will hold approximately 31.4% of the Common Shares following completion of the RGMP Transaction. See "*Risk Factors – Risks Relating to the RGMP Transaction – Dilution*".
- The fact that in negotiating the RGMP Transaction, the Special Committee and RFGL mutually agreed to use \$4.25 and \$2.27 (\$2.42 on a pre-Special Dividend basis) per share as reference values for the RGMP Common Shares and Common Shares.
- The Purchase Price will be subject to downward price adjustment if investment advisor departures meeting certain conditions over the first year following Closing exceed a threshold of 15%, measured on the AUA associated with those investment advisors as of June 30, 2020. However, such adjustment will be muted due to the threshold and the fact that a significant portion of the value of GMP is derived from its ownership interest in Richardson GMP. In addition, the Purchase Price will not be adjusted for changes to AUA or the performance of the business of Richardson GMP caused by market declines, and adjustments in the event of investment advisor departures

will not be material. See "*Risk Factors – Risks Relating to the RGMP Transaction – Risks Related to the Purchase Price Adjustment*".

- The fact that if the RGMP Transaction is completed, RFGL will have increased ability to exercise significant influence over all matters of the Company requiring shareholder approval going forward as the percentage of Common Shares held by RFGL is expected to increase from approximately 24.1% to approximately 40.1%. See "*Risk Factors – Risks Relating to the RGMP Transaction – RFGL Control Risk Due to Increased Common Share Ownership*". Further, pursuant to the RGMP Transaction, GMP and RFGL have agreed to terminate the existing RFGL Investor Agreement. See "*Other Information – Interests of Certain Persons or Companies in Matters to be Acted on at the Meeting – RGMP Transaction – Termination of the RFGL Investor Agreement*".
- Following the completion of the RGMP Transaction, GMP will hold a 100% interest in Richardson GMP. There are a number of risks associated with the ownership of Richardson GMP to which GMP will have increased exposure as a result of owning 100% of RGMP. See "*Risk Factors – Risks Relating to Richardson GMP*".
- The business of GMP and/or Richardson GMP may experience significant disruptions, including loss of clients due to transaction-related uncertainty, financing, economic or industry conditions, or other factors. In addition, Richardson GMP may experience loss of investment advisors and other employees for reasons related to the transaction and due to increased recruitment efforts by competitors or other factors, notwithstanding the signing of non-binding acknowledgement and support letters by investment advisors. See "*Risk Factors – Risks Relating to the RGMP Transaction – Uncertainty Surrounding the RGMP Transaction Could Adversely Affect GMP's or Richardson GMP's Retention of Clients and Key Personnel*".
- The Purchase Agreement may be terminated by GMP or the Vendors' Representative in certain circumstances, in which case the market price for the Common Shares may be adversely affected. See "*Risk Factors – Risks Relating to the RGMP Transaction – The Purchase Agreement and the RGMP Liquidity Mechanism Process may be Terminated in Certain Circumstances*".
- Certain non-recurring costs relating to the RGMP Transaction, such as legal, accounting and financial advisory fees as well as the cost of obtaining the Updated Valuation and Fairness Opinion, must be paid by GMP even if the RGMP Transaction is not completed. See "*Risk Factors – Risks Relating to the RGMP Transaction – Incurrence of Certain Costs and Expenses in Connection with the RGMP Transaction*".
- Completion of the RGMP Transaction is conditional on the receipt of the Regulatory Approvals which may not be obtained in a timely manner or at all. See "*Risk Factors – Risks Relating to the RGMP Transaction – No Certainty that All of the Conditions Precedent will be Satisfied or Waived*".

The Special Committee and the Board's reasons for recommending the RGMP Transaction also include certain assumptions relating to forward-looking information, and such information and assumptions are subject to various risks. See "*Forward-Looking Information*" and "*Risk Factors*".

UPDATED VALUATION AND FAIRNESS OPINION

Mandate and Engagement

Pursuant to an agreement dated June 5, 2020 (the "**RBC Engagement Agreement**"), the Special Committee retained RBC to, among other things: (i) prepare a formal valuation of the RGMP Common Shares and of the Common Shares in accordance with the requirements of MI 61-101; and (ii) to provide an opinion as to the fairness of the Consideration to be paid by the Company under the RGMP Transaction from a financial point of view to the Company.

The RBC Engagement Agreement provides for the payment by the Company of fixed aggregate fees of $650,000. In addition, the Company agreed to reimburse RBC for its reasonable out-of-pocket expenses and to indemnify RBC in certain circumstances.

The compensation of RBC under the RBC Engagement Agreement does not depend in whole or in part on the conclusions reached in the Updated Valuation and Fairness Opinion or the successful outcome of the RGMP Transaction.

Credentials and Independence of RBC

The Special Committee selected RBC based on RBC's qualifications, expertise and merits and its experience with MI 61-101 valuations. RBC is one of Canada's largest investment banking firms, with operations in all facets of corporate and government finance, corporate banking, mergers and acquisitions, equity and fixed income sales and trading and investment research. RBC also has significant operations in the United States and internationally.

Neither RBC, nor any of its affiliates is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario)) of the Company, RFGL, JRSL, Richardson GMP or any of their respective associates or affiliates. RBC has not been engaged to provide any financial advisory services nor has it participated in any financing involving the Company, RFGL, JRSL, Richardson GMP or any of their respective associates or affiliates, within the past two years, other than as provided under the RBC Engagement Agreement and described therein. There are no understandings, agreements or commitments between RBC and the Company, RFGL, JRSL, Richardson GMP or any of their respective associates or affiliates with respect to any future business dealings.

Having regard to the factors specified in *Companion Policy 61-101*, the Special Committee was satisfied that RBC is an independent valuator.

RBC may, in the future, in the ordinary course of its business, perform financial advisory or investment banking services for the Company, RFGL, JRSL, Richardson GMP or any of their respective associates or affiliates.

Summary of Updated Valuation and Fairness Opinion

The following summary is qualified in its entirety by the full text of the Updated Valuation and Fairness Opinion which set forth the assumptions made, the matters considered, and the limitations and qualifications on the review undertaken by RBC in connection with the Updated Valuation and Fairness Opinion. Shareholders are urged to review the Updated Valuation and Fairness Opinion carefully and in its entirety. See Schedule F.

As mentioned above, the Special Committee retained RBC to, among other things: (i) prepare a formal valuation of the RGMP Common Shares and of the Common Shares in accordance with the requirements of MI 61-101; and (ii) to provide an opinion as to the fairness of Consideration to be paid by the Company under the RGMP Transaction from a financial point of view to the Company. On August 12, 2020, RBC delivered its oral opinion to the Special Committee and the Board (subsequently confirmed in writing) that subject to the assumptions, limitations and qualifications set forth in the Updated Valuation and Fairness Opinion, it is of the opinion that, as of August 12, 2020, (i) the fair market value of RGMP Common Shares on an en bloc basis was in the range of $3.55 to $4.50 per RGMP Common Share; (ii) the fair market value of Common Shares on an en bloc basis was in the range of $2.00 to $2.55 per Common Share (on a post-

Special Dividend basis); and (iii) the Consideration to be paid by the Company under the RGMP Transaction is fair from a financial point of view to the Company.

The full text of the Updated Valuation and Fairness Opinion, setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the Updated Valuation and Fairness Opinion, as well as the findings of the February Valuation, is included in Schedule F hereto. The summary of the Updated Valuation and Fairness Opinion described in this Information Circular is qualified in its entirety by reference to the full text of the Updated Valuation and Fairness Opinion.

The Updated Valuation and Fairness Opinion were provided for the exclusive use of the Special Committee and the Board (other than the interested directors) in considering the RGMP Transaction and to comply with the formal valuation requirements of MI 61-101. The Updated Valuation and Fairness Opinion are not to be construed as a recommendation to any holder of the Common Shares as to whether to vote in favour of the issuance of the Consideration Shares pursuant to the RGMP Transaction.

THE PURCHASE AGREEMENT

The following is a summary of the material provisions of the Purchase Agreement and is not intended to be complete in terms of the information Common Shareholders should consider in advance of voting. This summary is qualified in its entirety by the full text of the Purchase Agreement, a copy of which is filed under the Company's profile on SEDAR at www.sedar.com. Common Shareholders should read the Purchase Agreement in its entirety.

Structure of the RGMP Transaction

Pursuant to the Purchase Agreement, the Purchaser has agreed to purchase from the Vendors all the outstanding common shares in the capital of Richardson GMP not currently owned by the Purchaser (the "**Purchased Shares**"), with the effect that GMP will hold a 100% interest in Richardson GMP upon the closing of the transactions contemplated under the Purchase Agreement.

Purchase Price

Pursuant to the Purchase Agreement, the Purchaser will acquire all of the Purchased Shares for a purchase price (the "**Purchase Price**") of 1.875 Common Shares (or 1.76 Common Shares on a pre-Special Dividend basis) for each Purchased Share. The Purchase Price will be subject to downward price adjustment if investment advisor departures meeting certain conditions over the first year following Closing exceed 15%, measured on the AUA associated with those investment advisors as of June 30, 2020. Please see Schedule 2.1(ii) to the Purchase Agreement, a copy of which is filed under the Company's profile on SEDAR at www.sedar.com.

Permitted Threshold Waiver

Each of the Purchaser and RFGL waived any right it had under Section 7.3(b)(ii) of the RGMP Shareholders Agreement to pay (in the case of the Purchaser) and receive (in the case of RFGL) a portion of the consideration for its Purchased Shares in cash such that RFGL and its affiliates' aggregate holdings of Purchaser Common Shares immediately after the Closing would not exceed the Permitted Threshold (as defined in the RGMP Shareholders Agreement).

Payment of the Purchase Price

At the Closing, the Purchaser shall (a) deliver or arrange for its transfer agent to deliver to the Vendors share certificates (or direct registration statements) representing an aggregate of 10% of the Consideration Shares (the "**Initial Consideration Shares**") to be issued to the Vendors; and (b) deliver to and deposit with the Escrow Agent the balance of the Consideration Shares, to be held and released in accordance with the escrow agreement (the "**Escrow Agreement**") dated the Closing Date among the Vendors, the Purchaser and the Escrow Agent substantially in the form attached as Schedule 2.3 of the Purchase Agreement.

RGMP Preferred Shares

RFGL waived any right it has under Section 7.3(a)(v) of the RGMP Shareholders Agreement to require the redemption in full or purchase of the RFGL Preferred Shares. Pursuant to the Put/Call Agreement to be entered into at Closing, RFGL will have the right to require GMP to purchase the RFGL Preferred Shares for cash at any time following the third anniversary of Closing. In addition, GMP will have the right to purchase the RFGL Preferred Shares from RFGL for cash at any time following the Closing.

RGMP Options and RGMP RSUs

The Parties shall cause the RGMP Board to exercise its discretion under the RGMP Option Plan to accelerate the vesting of all RGMP Options outstanding on the date of the Purchase Agreement conditional upon and only for the purpose of exercising such unvested RGMP Options to the extent unvested at the date of the Purchase Agreement and selling the underlying RGMP Common Shares to the Purchaser in accordance with the terms of the Purchase Agreement at Closing. Any RGMP Options remaining unexercised after Closing shall terminate and be of no further force and effect after Closing.

The Parties shall cause the RGMP Board to exercise its discretion under the RGMP RSU Plan to accelerate the vesting of all RGMP RSUs outstanding on the date of the Purchase Agreement conditional upon and only for the purpose of exercising such unvested RGMP RSUs and selling the underlying RGMP Common Shares to the Purchaser in accordance with the terms of the Purchase Agreement at Closing.

Vendor Restrictions

Any Vendor who before the third anniversary of the Closing Date, directly or indirectly (including, as applicable, by or through its Related Person or as a result of actions by its Related Person) undertakes any one or more of the following actions:

(a) employs or, engages or otherwise assists, encourages or participates in the solicitation for employment or engagement of, an employee of the Purchaser or its Subsidiaries, including Richardson GMP, or otherwise induces any such employee to leave his or her employment with the Purchaser or its Subsidiaries, including Richardson GMP;

(b) provides wealth management services that form part of the services offered by the Business (other than through the Purchaser and its Subsidiaries) to a Person that is known by such Vendor (or in the case of an Advisory Team, any members of the Advisory Team) to be a customer of the Business (or to a Person directly related to such a Person) during the 12-month period prior to the date of departure of the Vendor; and

(c) acquires or has a financial or other interest (including by way of royalty or other compensation arrangement or other consideration received in respect of any sale of the Vendor's or, as applicable, its Related Person's book of business) in a wealth management business other than the Business, or advises, lends money to, guarantees the debts or obligations of a wealth management business other than the Business, and/or permits the use of the Vendor or, as applicable, its Related Person's name in connection with a wealth management business other than the Business (provided that the foregoing restrictions shall not prevent any Vendor and/or Related Person from owning or purchasing as a passive investor up to 10% of the outstanding publicly traded shares or other securities of any class of any issuer listed on a recognized stock exchange that owns or has an investment in a wealth management business);

shall be required to forfeit to the Purchaser for no consideration: (i) any Consideration Shares (other than the Initial Consideration Shares) released to such Vendor in the 36 months prior to the date that such Vendor took any such action (or if all or any portion of such Consideration Shares have been sold by the Vendor, forfeit any remaining Consideration Shares held and make a cash payment to the Purchaser in an amount equal to the cash value of the sold, transferred or otherwise disposed-of Consideration Shares, other than the Initial Consideration Shares (calculated on the basis of the Purchaser Common Share Value)); and (ii) any Consideration Shares then remaining in escrow that would otherwise be payable and released to such Vendor under the Purchase Agreement and the Escrow Agreement from and after the date upon which such Vendor took any such action.

Nothing from the foregoing shall restrict any Vendor (or its Related Person) from providing services of any kind to itself or any of its affiliates, associates, or to any direct or indirect shareholder of a Vendor or any affiliate or associate or such shareholder or any one related, associated or affiliated to or with such a direct or indirect shareholder, affiliate or associate.

Representations and Warranties

The Purchase Agreement contains a number of customary representations and warranties made by each of the Vendors and the Purchaser. The assertions embodied in those representations and warranties are solely for the purposes of the Purchase Agreement. Certain representations and warranties may not be accurate or complete as of any specified date because they are subject to a standard of materiality or are qualified by a reference to Material Adverse Effect or Purchaser Material Adverse Effect, as applicable. Therefore, Common Shareholders should not rely on the representations and warranties as statements of factual information.

The Purchase Agreement contains customary representations and warranties of the Vendors relating to the following: incorporation and qualification; corporate authorization; no conflict; required authorizations; execution and binding obligation; no other agreements to purchase; title to Purchased Shares; litigation; and residence.

The Purchase Agreement contains customary representations and warranties of the Purchaser relating to the following: incorporation and corporate power; corporate authorization; no conflict; required authorizations; execution and binding obligation; Purchaser Common Shares; no material adverse effect; compliance with laws; disclosure record; *Investment Canada Act* matters; and taxes.

Pre-Closing Covenants

Conduct of Business Prior to Closing

Between signing and Closing, the Parties shall use commercially reasonable efforts to cause each Purchased Entity to conduct the Business in the Ordinary Course and to use their commercially reasonable efforts to preserve intact the current business organization of the Business. The Purchase Agreement contains other customary covenants with respect to the operation of each Purchased Entity between signing and Closing.

Between signing and Closing, the Purchaser shall conduct its business in the Ordinary Course and use its commercially reasonable efforts to preserve intact the current business organization of the Purchaser. The Purchase Agreement contains other customary covenants with respect to the operation of the Purchaser between signing and Closing.

Regulatory Approvals

Each of the Purchaser and the Vendors have agreed to, as promptly as practicable after the execution of the Purchase Agreement: (i) make, or cause to be made, all filings and submissions under all Laws applicable to it, that are required for it to consummate the purchase and sale of the Purchased Shares in accordance with the terms of the Purchase Agreement, (ii) use its commercially reasonable efforts to obtain, or cause to be obtained, all authorizations necessary or advisable to be obtained by it in order to consummate such transfer, including the Regulatory Approvals, and (iii) use its commercially reasonable efforts to take, or cause to be taken, all other actions necessary, proper or advisable in order for it to fulfil its obligations under the Purchase Agreement. The Purchaser has agreed to pay any filing fees payable to a Governmental Entity in connection with any Regulatory Approval. See "*The RGMP Transaction – Overview Of Regulatory Matters*".

TSX Conditional Approval

The Purchaser has agreed to diligently pursue and use all other reasonable best efforts to obtain the TSX Conditional Approval. All costs and expenses relating to obtaining the TSX Conditional Approval shall be borne by the Purchaser. See "*The RGMP Transaction – Overview Of Regulatory Matters – Toronto Stock Exchange Matters*".

Repurchase of Shares

In the event that, between signing and Closing, any Holder (as that term is defined in the RGMP Shareholders Agreement) is terminated for any reason, whether voluntary or involuntary, for cause or otherwise, or by way of resignation, the Purchaser and the Vendors shall cause the RGMP Board, as permitted by Section 3.3 of the RGMP Shareholders Agreement, to not deem such Holder to have given a Transfer Notice (as that term is defined in the RGMP Shareholders Agreement) to the Secretary of Richardson GMP with respect to all of the Purchased Shares then owned by such Holder.

Permitted Distribution

The Purchaser is entitled to declare, during the period between signing and Closing, a distribution of $0.15 per Common Share, whether by way of dividend, return of capital or otherwise, on the Common Shares payable in cash to the Common Shareholders at such time (such distribution, the "**Permitted Distribution**"). The Permitted Distribution shall be payable solely to Common Shareholders who held Common Shares as at the record date established by the Purchaser (which shall be prior to the Closing Date) in respect of the Permitted Distribution. The Purchaser may take all such steps and do all such things as are necessary to give effect to the Permitted Distribution, including submitting matters related to the Permitted Distribution for approval by the Purchaser Shareholders at the Meeting.

Certain Other Pre-Closing Covenants of the Parties

The Parties have agreed to use commercially reasonable efforts to cause Richardson GMP to use its commercially reasonable efforts to obtain, or cause to be obtained, prior to Closing, all consents required by contract or applicable law in order to consummate the transactions contemplated by the Purchase Agreement; provided, that no Party shall be under any obligation to pay or commit to pay any amount to (or incur any obligation in favour of) any person in connection with seeking or obtaining any such consent (other than nominal filing or application fees, including in the case of the Purchaser, fees in respect of the Competition Act Approval and the listing fees of the TSX).

Each of the Parties have agreed to use its commercially reasonable efforts to take or cause to be taken all such actions so as to ensure compliance with, and the satisfaction of, all the closing conditions set out in the Purchase Agreement.

The Purchaser and the Vendors' Representative will promptly notify each other upon becoming aware of any representation or warranty made by it under the Purchase Agreement becoming untrue or incorrect between signing and Closing.

Other Conditions of Closing

The completion of the RGMP Transaction is subject to the following conditions being satisfied on or prior to the Closing Date, which conditions are for the exclusive benefit of the Purchaser and may be waived, in whole or in part, by the Purchaser in its sole discretion:

- **Truth of Representations and Warranties.** (i) The representations and warranties of the Vendors (other than the Vendor Fundamental Reps) shall, without giving effect to any "Material Adverse Effect" qualifications or other materiality qualifications contained in such representations and warranties, be true and correct on the date of the Purchase Agreement and as of Closing Date as if made on and as of the Closing Date (other than representations and warranties which address matters only as of a certain date, which shall be true and correct only as of such date) except where the failure of such representations and warranties to be so true and correct is not materially adverse to the Vendors' ability to complete the transactions contemplated by the Purchase Agreement and (ii) the Vendor Fundamental Reps shall be true and correct in all material respects on the date of the Purchase Agreement and as of the Closing Date as if made on and as of the Closing Date (other than representations and warranties which address matters only as of a certain date, which shall be true and correct only as of such date), and the Vendors' Representative (on behalf of the Vendors) shall have executed and delivered to the Purchaser a certificate to the effect of the foregoing.
- **Performance of Covenants.** All of the covenants and agreements contained in the Purchase Agreement to be complied with by the Vendors on or before the Closing shall have been complied with in all material respects and the Vendors' Representative (on behalf of the Vendors) shall have executed and delivered to the Purchaser a certificate to that effect.
- **Regulatory Approvals and Required Consents.** Each of the Regulatory Approvals and Required Consents shall have been obtained.
- **Shareholders' Approval.** The approval of the Common Shareholders of the RGMP Transaction Resolution shall have been obtained.
- **No Illegality.** No order or law shall have been made, issued or enacted by any Governmental Entity enjoining or prohibiting any of the transactions contemplated by the Purchase Agreement.
- **Material Adverse Effect.** Since the date of the Purchase Agreement, there shall not have been or occurred a Material Adverse Effect.
- **Purchaser Material Adverse Effect.** Since the date of the Purchase Agreement, there shall not have been or occurred a Purchaser Material Adverse Effect.
- **Deliveries.** The Vendors shall deliver or cause to be delivered to the Purchaser certain customary deliveries listed in Section 6.1(h) of the Purchase Agreement.

The completion of the RGMP Transaction is subject to the following conditions being satisfied on or prior to the Closing Date, which conditions are for the exclusive benefit of the Vendors and may be waived, in whole or in part, by the Vendors' Representative in its sole discretion:

- **Truth of Representations and Warranties.** (i) The representations and warranties of the Purchaser (other than the Purchaser Fundamental Reps) shall, without giving effect to any "Material Adverse Effect" qualifications or other materiality qualifications contained in such representations and warranties, be true and correct on the date of the Purchase Agreement and as of the Closing Date as if made on and as of the Closing Date (other than representations and warranties which address matters only as of a certain date, which shall be true and correct only as of such date) except where the failure of such representations and warranties to be so true and correct would not have a Purchaser Material Adverse Effect and (ii) the Purchaser Fundamental Reps shall be true and correct in all material respects on the date of the Purchase Agreement and as of the Closing Date as if made on and as of the Closing Date (other than representations and warranties which address matters only as of a certain date, which shall be true and correct only as of such date), and the Purchaser shall have executed and delivered to the Vendors' Representative a certificate of a senior officer to the effect of the foregoing.
- **Performance of Covenants.** All of the covenants and agreements contained in the Purchase Agreement to be complied with by the Purchaser on or before Closing shall have been complied with in all material respects and the Purchaser shall have executed and delivered to the Vendors' Representative a certificate to that effect.
- **Regulatory Approvals and Required Consents.** Each of the Regulatory Approvals and Required Consents shall have been obtained.
- **Shareholders' Approval.** The approval of the Common Shareholders of the RGMP Transaction Resolution shall have been obtained.
- **No Illegality.** No order or law shall have been made, issued or enacted by any Governmental Entity enjoining or prohibiting any of the transactions contemplated by the Purchase Agreement.
- **Purchaser Material Adverse Effect.** Since the date of the Purchase Agreement, there shall not have been or occurred a Purchaser Material Adverse Effect.
- **Deliveries.** The Purchaser shall deliver or cause to be delivered to the Vendors' Representative certain customary deliveries listed in Section 6.2(g) of the Purchase Agreement, including the Investor Agreement Termination Agreement and the Put/Call Agreement.

Termination

The Purchase Agreement may, by notice in writing given on or prior to the Closing Date, be terminated:

- by mutual consent of the Vendors' Representative and the Purchaser;
- by the Purchaser, if:
    - any of the conditions of closing for the benefit of the Purchaser has become incapable of being satisfied on or before the Outside Date and the Purchaser has not waived such condition in writing; provided that the Purchaser may not terminate the Purchase Agreement under this paragraph if such conditions have not been satisfied as a result of the failure of the Purchaser to perform any one or more of its obligations or covenants under the Purchase Agreement to be performed at or prior to the Closing;

- the Closing has not occurred on or prior to the Outside Date, provided that the Purchaser is not in material breach of any of its obligations or covenants under the Purchase Agreement; or
- if the Meeting is held and the RGMP Transaction Resolution is not approved by the Common Shareholders in accordance with applicable Laws.

- by the Vendors' Representative, if:
  - any of the conditions of closing for the benefit of the Vendors has become incapable of being satisfied on or before the Outside Date and the Vendors' Representative has not waived such condition in writing at or prior to the Outside Date; provided that the Vendors' Representative may not terminate the Purchase Agreement under this paragraph if such conditions have not been satisfied as a result of the failure of the Vendors or the Vendors' Representative to perform any one or more of its obligations or covenants under the Purchase Agreement to be performed at or prior to the Closing;
  - the Closing has not occurred on or prior to the Outside Date, provided that no Vendor nor the Vendors' Representative is in material breach of any of the obligations or covenants under the Purchase Agreement; or
  - if the Meeting is held and the RGMP Transaction Resolution is not approved by the Common Shareholders in accordance with applicable Laws.

Indemnification

<u>Indemnification in Favour of the Purchaser</u>

Following the Closing, each Vendor shall severally (but not jointly or jointly and severally, with the exception of RFGL and each of its affiliates that is a Vendor who shall jointly and severally) indemnify and save each Purchaser Indemnitee harmless of and from, and shall pay for, any Damages suffered by, imposed upon or asserted against such Purchaser Indemnitee as a result of, arising out of or in respect of any breach by such Vendor of its Vendor Fundamental Reps or in any related certificate delivered by the Vendors' Representative hereunder.

<u>Indemnification in Favour of the Vendor.</u>

Following the Closing, the Purchaser shall indemnify and save each Vendor Indemnitee harmless of and from, and shall pay for, any Damages suffered by, imposed upon or asserted against such Vendor Indemnitee as a result of, arising out of or in respect of any breach of any Purchaser Fundamental Reps or in any related certificate delivered by the Purchaser hereunder.

Post-Closing Covenants

<u>Director and Officer Indemnification</u>

For a period of six years after the Closing Date, the Purchaser shall not and shall cause Richardson GMP to not, and shall not permit or acquiesce any Purchased Entity, or any successor or assign by amalgamation or otherwise, to amend, repeal or modify any provision in the constating documents or by-laws of any Purchased Entity in any manner that would adversely affect the rights thereunder relating to the exculpation or indemnification for any acts or omissions occurring prior to the Closing now existing in favour of any current or former officer or director of any Purchased Entity, it being the intent of the Parties that the officers and directors of the Purchased Entity continue to be entitled to such exculpation and indemnification to the full extent of the Law. The Purchaser shall honour, and shall cause each Purchased Entity to honour, all rights to indemnification or exculpation now existing in favour of any current or former officer or director of any Purchased Entity following the Closing. Prior to the Closing Date, Richardson GMP shall be entitled to purchase (and the Parties shall cause Richardson GMP to so purchase) customary "tail" policies of directors' and officers' liability insurance providing protection no less favourable in the aggregate than the protection provided by the policies maintained by the Purchased Entities which are in effect immediately prior to the Closing Date and providing protection in respect of claims arising from facts or events which occurred on or prior to the Closing Date and the Purchaser will, or will cause each of the Purchased Entities to maintain such tail policies in effect without any reduction in scope or coverage for six years from the Closing Date.

Tax Matters

If requested by a Vendor, the Purchaser and such Vendor shall execute a joint election under the provisions of section 85 of the Tax Act and the corresponding provisions of any other applicable provincial statute in respect of the sale, assignment, conveyance and transfer of the Purchased Shares by such Vendor to the Purchaser. Subject to applicable law, each Vendor shall be entitled to determine the elected amount at which such Vendor's Purchased Shares will be transferred for purposes of section 85 of the Tax Act (and any corresponding provincial laws). Each Vendor shall be responsible for preparing the appropriate tax election form and shall be required to provide any tax election form to the Purchaser within 90 days of the Closing Date. Provided that any such election form is provided to the Purchaser within the required time and is satisfactory to the Purchaser, acting reasonably, the Purchaser shall execute and return the form as promptly as practicable to the Vendor. The Purchaser may, at its discretion, execute an election form that is received after the 90-day deadline; however, the Purchaser is under no obligation whatsoever to do so.

OVERVIEW OF REGULATORY MATTERS

Toronto Stock Exchange Matters

As of the date hereof, there are approximately 75,434,492 Common Shares issued and outstanding, and approximately 53,556,578 RGMP Common Shares issued or committed to be issued prior to the Closing of the Proposed Transaction that are not owned by GMP. Pursuant to the RGMP Transaction, up to an additional 130,000,000 Common Shares will be issued and made issuable to the Vendors as consideration, representing approximately 172% of the issued and outstanding Common Shares (on a non-diluted basis) as of the date hereof (which figure includes (i) approximately 100,418,583 Common Shares to be issued as consideration for currently issued and outstanding Purchased Shares (without giving effect to (ii) and (iii)), (ii) approximately 6,448,613 Common Shares to be issued in respect of RGMP Common Shares underlying the outstanding RGMP Options and RGMP RSUs upon exercises thereof prior to Closing and (iii) approximately 15,882,353 Common Shares to be issued under the Recognition Plan, the aggregate of (i), (ii) and (iii) resulting in the potential issuance of approximately 122,749,549 Common Shares**)**. The number of Common Shares to be issued may change depending on the actual number of Common Shares that are issued pursuant to exercises of RGMP Options and RGMP RSUs, the Recognition Plan and certain other adjustments to be described in the Purchase Agreement.

RFGL is a holder of approximately 24.1% of the Common Shares. Immediately prior to the Closing, it will hold approximately 34.3% of the RGMP Common Shares (on a fully diluted basis after giving effect to the RGMP Common Shares committed to be issued to RFGL and GMP in connection with Richardson GMP's assumption of certain investment advisor loans from RFGL and GMP). Accordingly, the RGMP Transaction is expected to result in GMP issuing in payment of the purchase price in excess of 10% of the outstanding Common Shares (on a non-diluted basis) to RFGL, which is considered an "insider" of the Company under applicable securities laws and the TSX Company Manual.

The TSX Company Manual requires that the RGMP Transaction be approved by the Common Shareholders by operation of: (i) Section 611(b) of the TSX Company Manual, as the number of securities issuable to insiders in payment of the purchase price for an acquisition exceeds 10% of the number of securities of the listed issuer which are outstanding on a non-diluted basis, prior to the Closing Date; and (ii) Section 611(c) of the TSX Company Manual, as the number of securities issued or issuable in payment of the purchase price for an acquisition exceeds 25% of the number of securities of the listed issuer which are currently outstanding, on a non-diluted basis.

Accordingly, in order to become effective, the RGMP Transaction Resolution must be approved by at least a simple majority of the votes cast by Common Shareholders present at the Meeting or represented by proxy at the Meeting and voting thereon, excluding the votes attached to Common Shares held by RFGL and certain other "related parties", in accordance with MI 61-101 and the rules of the TSX. See "*The RGMP Transaction – Overview Of Regulatory Matters – Canadian Securities Law Matters*" for further details on matters relating to MI 61-101.

The Common Shares are currently listed and posted for trading on the TSX under the symbol "GMP". It is a condition of closing that the TSX has conditionally approved the listing of the Common Shares issuable to the Vendors under the RGMP Transaction as of the Closing Date.

The Company has applied for conditional approval from the TSX for the issuance, listing and posting for trading of up to 130,000,000 Common Shares (including the Common Shares to be issued in respect of RGMP Common Shares underlying the outstanding RGMP Options and RGMP RSUs upon exercises thereof prior to the time of Closing) to be issued pursuant to the RGMP Transaction in payment of the Purchase Price in accordance with the terms of the Purchase Agreement.

Canadian Securities Law Matters

GMP is a reporting issuer (or the equivalent) under the applicable securities laws in the provinces of Canada and as such the RGMP Transaction is subject to the requirements of MI 61-101.

MI 61-101 governs transactions that raise the potential for conflicts of interest. MI 61-101 is intended to regulate insider bids, issuer bids, business combinations and related party transactions to ensure equality of treatment among securityholders, generally by requiring enhanced disclosure, minority securityholder approval, and, in certain instances, independent valuations and approval and oversight of certain transactions by a special committee of independent directors. Under MI 61-101, a "related party" includes a control person of the entity, directors, executive officers and shareholders holding over 10% of the voting rights attached to the voting securities of the issuer. Since a shareholder holding over 10% of the Common Shares and a director of the Company each holds the Purchased Shares that will be acquired by the Company pursuant to the RGMP Transaction, the RGMP Transaction constitutes a "related party transaction" for the purposes of MI 61-101 and is subject to Part 5 of MI 61-101.

An issuance of securities to a related party constitutes a related party transaction under MI 61-101 that generally requires (absent an available exemption) that an issuer obtain a formal valuation and minority shareholder approval for the transaction and that the issuer provide enhanced disclosure with respect to the transaction. The Common Shareholder approval contemplated by this Information Circular in respect of the RGMP Transaction Resolution is intended to satisfy the shareholder approval requirements of MI 61-101. MI 61-101 provides that, in addition to any other required securityholder approval, a related party transaction is subject to "minority approval" (as defined in MI 61-101, being a simple majority of the votes cast by "minority" shareholders of each class of affected securities (as defined in MI 61-101)), unless an exemption is available or discretionary relief is granted by applicable securities regulatory authorities. In relation to approval of the RGMP Transaction, "minority approval" requires the approval of a simple majority of the holders of Common Shares, other than Common Shares beneficially owned, or over which control or direction is exercised, by: (a) the issuer; (b) an “interested party” (as defined in MI 61-101); (c) a “related party” to such interested party within the meaning of MI 61-101 (subject to certain exceptions); and (d) any person that is a joint actor with any party referred to in (b) or (c).

RFGL is a significant shareholder of Richardson GMP and holds 27,914,525 RGMP Common Shares, representing approximately 34.1% of the issued and outstanding RGMP Common Shares as of the date of this Information Circular (expected to represent approximately 34.3% immediately prior to the Closing, on a fully diluted basis and after giving effect to the RGMP Common Shares to be issued in connection with Richardson GMP’s assumption of certain investment advisor loans from RFGL and GMP). RFGL is also a significant shareholder of the Company, holding 18,170,575 Common Shares, representing approximately 24.1% of the issued and outstanding Common Shares. David G. Brown, a Director of GMP and a senior officer of RFGL, has ownership or control over an aggregate of 23,500 Common Shares and holds RGMP Common Shares. Accordingly, RFGL and David G. Brown are “related parties” of the Company and each is an “interested party” in the Transaction. The Common Shares held by RFGL and David G. Brown must be excluded from the calculation of minority approval. In addition, the following persons are “related parties” of RFGL within the meaning of MI 61-101 who hold Common Shares: H. Sanford Riley, Chairman of RGMP and a senior officer of RFGL, David Finnbogason, a senior officer of RFGL, Hartley T. Richardson, a director of RFGL, and Gregg Hanson, a director of James Richardson & Sons, Limited (the controlling shareholder of RFGL). As related parties of RFGL, an interested party, the 229,000 Common Shares held by these additional persons must also be excluded from the calculation of minority approval.

Accordingly, to the knowledge of the Company, an aggregate of 18,423,075 Common Shares held by the above parties (the “**Interested Shareholders**”) will be excluded from the calculation of the requisite approval of the RGMP Transaction Resolution in accordance with the minority approval requirements under MI 61-101. The votes attached to such Common Shares will be excluded for the purposes of determining if minority approval of the RGMP Transaction Resolution is obtained. For certainty, the Common Shares held by Interested Shareholders may be voted and counted for purposes of determining whether there is a quorum at the Meeting.

To the knowledge of the Company, only the Common Shares held by Interested Shareholders and their affiliates will be excluded from the “majority of the minority” vote mandated by MI 61-101.

Pursuant to the RGMP Transaction, Interested Shareholders will receive 52,620,062 Common Shares for their RGMP Common Shares, representing approximately 69.8% of the Company’s current issued and outstanding Common Shares and approximately 28.9% of the issued and outstanding Common Shares following completion of the RGMP Transaction (on a non-diluted basis).

MI 61-101 also provides that, unless exempted, an issuer proposing to carry out a related party transaction is required to obtain a formal valuation in respect of the transaction. See “*The RGMP Transaction – Updated Valuation And Fairness Opinion*” for further details. Other than the February Valuation, there are no prior valuations required to be disclosed pursuant to MI 61-101 in respect of the Company that relate to the subject matter of, or are otherwise relevant to, the RGMP Transaction that have been made in the twenty-four months before the date hereof, and the existence of which is known, after reasonable inquiry, to the Company or to any director or senior officer of the Company.

Competition Act Approval

Part IX of the Competition Act requires that each of the parties to a transaction that exceeds the thresholds set out in sections 109 and 110 of the Competition Act (a “**Notifiable Transaction**”) provide the Commissioner of Competition with pre-closing notification filings (“**Notifications**”) in respect of their Notifiable Transaction. The parties to a Notifiable Transaction cannot complete the transaction until the applicable statutory waiting period under section 123 of the Competition Act has expired or been terminated, an advance ruling certificate ("**ARC**") has been issued by the Commissioner of Competition pursuant to section 102 of the Competition Act, or an appropriate waiver of the requirement to submit Notifications has been provided by the Commissioner of Competition via the issuance of a No Action Letter. In lieu of filing Notifications, the parties to a Notifiable Transaction may submit a request for an ARC or, in the alternative, a No Action Letter (an "**ARC Request**") and, if an ARC or a No Action Letter together with an appropriate waiver of the requirement to submit Notifications is issued, there is no requirement to submit Notifications.

The RGMP Transaction constitutes a Notifiable Transaction under the Competition Act. The Parties filed an ARC Request with the Commissioner of Competition on March 9, 2020 and received a No Action Letter on March 23, 2020.

IIROC Approval

Each of RF Securities Clearing LP and Richardson GMP are Dealer Members of IIROC. IIROC Dealer Member Rule 5.3 requires a Dealer Member to provide prior written notice of the issuance or transfer of any securities (other than securities of a class in respect of which there is public ownership). Under IIROC Dealer Member Rule 17.12, a Dealer Member must provide prior written notice to IIROC of any change in name. Accordingly, Richardson GMP is required to provide notice to IIROC of the RGMP Transaction and its proposed name change (and, if required, seek the approval of IIROC's District Council therefor).

Exchange Approvals

As a Member, Participating Organization or Approved Participant of the TSX, the TSX Venture Exchange and the Montréal Exchange, RF Securities Clearing LP shall provide notice to (and, if required, seek the approval of) each such exchange for the changes in ownership, names and executives of GMP (its ultimate parent) and of Richardson GMP (its "Related Company" or "Related Firm" within the meaning of the rules of each Exchange) as a consequence of the RGMP Transaction.

SELECTED GMP UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

Certain selected pro forma condensed combined financial information is set forth in the following table. Such information should be read in conjunction with the unaudited pro forma condensed combined financial statements of GMP after giving effect to the RGMP Transaction for the six-month period ended June 30, 2020 and for the year ended December 31, 2019, included in Schedule G to this Information Circular. Adjustments have been made to prepare the unaudited pro forma condensed combined financial statements of GMP, which adjustments are based on certain assumptions. The selected pro forma financial information below and the unaudited pro forma condensed combined financial statements included in Schedule G do not include the effect of the Common Shares that may be issued under the Recognition Plan. Both the adjustments and the assumptions made in respect thereof are described in the notes to the unaudited pro forma condensed combined financial statements set forth in Schedule G to this Information Circular.

The unaudited pro forma condensed combined financial statements is presented for illustrative purposes only and is not necessarily indicative of the operating or financial results that would have occurred had the RGMP Transaction actually occurred at the times contemplated by the notes to the unaudited pro forma condensed combined financial statements set forth in Schedule G to this Information Circular, or of the results expected in future periods.

The following table highlights selected pro forma condensed combined financial information for the periods presented.

($000s) (unaudited)	Pro Forma for Six Months Ended June 30, 2020	Pro Forma for Year Ended December 31, 2019
Investment banking	-	1,919
Principal transactions	-	2,066
Investment management and fee income	101,919	201,575
Commissions	15,771	30,402
Interest	14,399	44,154
Other Income	10,314	17,709
Revenue	**142,403**	**297,825**
Employee compensation and benefits	106,495	208,037
Selling, general and administrative	27,410	57,485
Interest	8,712	24,209
Depreciation and amortization	6,496	14,677
Expenses	**149,113**	**304,408**
Loss before income taxes from continuing operations	(6,710)	(6,583)
Income tax expense	627	8,443
Net (loss) income from continuing operations	**(7,337)**	**(15,026)**
Net loss from discontinued operations	**(444)**	**(39,448)**
NET (LOSS) INCOME	**(7,781)**	**(54,921)**
Other comprehensive (loss) income, net of income taxes	340	(447)
TOTAL COMPREHENSIVE (LOSS) INCOME	**(7,441)**	**(54,474)**

($000s) (unaudited)	Pro Forma as at June 30, 2020
Total assets	2,073,563
Total liabilities	1,715,674
Shareholders' equity	357,889

See the unaudited pro forma consolidated financial statements of GMP following completion of the RGMP Transaction set forth in Schedule G of this Information Circular.

GMP PRO-FORMA CAPITALIZATION

Following the completion of the RGMP Transaction, GMP's authorized share capital will continue to consist of an unlimited number of Common Shares and an unlimited number of preferred shares, issuable in series: (i) the first series of which consists of up to 6,923,050 Series A Preferred Shares; (ii) the second series of which consists of up to 4,600,000 Series B Preferred Shares; and (iii) the third series of which consists of up to 4,600,000 Series C Preferred Shares.

The following table shows the pro-forma outstanding equity and long-term debt as at June 30, 2020, before and after giving effect to the RGMP Transaction.

($000s)	***Pro Forma* as at June 30, 2020 before giving effect to the RGMP Transaction**	***Pro Forma* as at June 30, 2020 after giving effect to the RGMP Transaction**
Debt	15,603	113,025
Shareholder's equity		
Common shares	325,810	479,699
Preferred shares	112,263	112,263
Deferred share-based awards	(5,525)	(5,525)
Contributed surplus	45,273	45,273
Accumulated other comprehensive income	8,627	8,627
Accumulated deficit	(292,586)	(282,448)
Total shareholder's equity	193,862	357,889
Total capitalization	**209,465**	**470,914**

The pro forma capitalization information provided above does not include the effect of the Common Shares that may be issued under the Recognition Plan.

POST-TRANSACTION LEADERSHIP TEAM

Management

The Board intends to appoint Mr. Kapoor as the permanent President and Chief Executive Office of the Company following the approval of the RGMP Transaction Resolution by Common Shareholders. There are not currently contemplated to be any other changes to the GMP or Richardson GMP management teams as a result of the RGMP Transaction.

Board of Directors

If elected by Common Shareholders at the Meeting, Marc Dalpé, current investment advisor representative on the board of directors of RGMP, will be appointed as an additional member of the Board. Mr. Dalpé has agreed to resign if the RGMP Transaction does not close. See "*Annual General Meeting Items – Election of Directors*".

In addition, following Closing, the Company intends to elect a new RGMP Board composed of Kishore Kapoor, Andrew Marsh and Elliot Muchnik.

RGMP TRANSACTION RECOGNITION PLAN AWARDS

Concurrent with Closing, Richardson GMP will implement a $36 million recognition program (the "**Recognition Plan")** for all advisors. Under the terms of the Recognition Plan, existing Richardson GMP investment advisors and employees will be entitled to elect to receive all of their recognition awards either in cash or in RGMP Common Shares or a combination thereof. The RGMP Common Shares issued under the Recognition Plan will participate in the RGMP Transaction in the same manner as other Richardson GMP shareholders. Assuming that all of the eligible Richardson GMP investment advisors and employees elect to receive their recognition awards in RGMP Common Shares, approximately 15,882,353 Common Shares will need to be issued in connection with the Recognition Plan, representing approximately 8.7% of the Common Shares issued and outstanding Common Shares following completion of the RGMP Transaction.

Richardson GMP investment advisors and employees who elect to receive their Recognition Plan payment in cash will be granted a three-year loan awarded on performance-based criteria. Upon satisfaction of certain conditions, including continued employment, the loan will be repaid over a prescribed term of three years from cash bonus amounts awarded on each applicable anniversary date from the initial advance of the loan as they satisfy the performance-based criteria. Under the terms of the loan, an investment advisor will be required to repay any outstanding loan balance if they leave Richardson GMP at any time prior to the end of the loan period.

INFORMATION CONCERNING RICHARDSON GMP

CORPORATE STRUCTURE

Richardson GMP was incorporated on June 22, 2009 under the *Canada Business Corporations Act* as 7195028 Canada Inc. It changed its name to Richardson GMP Limited following the merger of RPFL and GMP Private Client L.P. in November 2009. In November 2013, Richardson GMP acquired and amalgamated with Macquarie Private Wealth Inc. Richardson GMP's headquarters and registered office is located at 145 King Street West, Suite 500, Toronto, Ontario, M5H 1J8.

Richardson GMP is not a "reporting issuer" (or the equivalent thereof) under the securities laws of any jurisdiction in Canada or the United States and none of Richardson GMP's securities are listed for trading on any stock exchange. Richardson GMP has no material subsidiaries.

Current Ownership

The following table provides a breakdown of Richardson GMP's common and preferred shareholders as at September 4, 2020, on a fully diluted basis assuming the exercise of outstanding RGMP Options and RGMP RSUs, adjusted to take into account approximately 1.6 million Class E Common Shares committed to be issued to RFGL and GMP in connection with Richardson GMP's assumption of certain investment advisor loans from RFGL and GMP.

	Common Shares[1]		Class B Preference Shares[2]		Special Preference Shares[3]	
	Number of Shares Held (000s)	% of Total	Number of Shares Held (000s)	% of Total	Number of Shares Held (000s)	% of Total
GMP	28,373	33.2	30.4	50.0	673	100.0
RFGL	29,270	34.3	30.4	50.0	–	–
Richardson GMP's investment advisors and employees	27,725	32.5	–	–	–	–
Total	**85,368**	**100.0**	**60.8**	**100.0**	**673**	**100.0**

1. Includes Class A, B, C, D, E and F common shares.
2. The Class B preference shares are non-voting, entitled to receive preferential, cumulative cash dividends at an annual rate of prime plus 4%, when declared, and are redeemable at the option of Richardson GMP at par, plus any accrued but unpaid dividends.
3. The special preference shares are non-voting, are not entitled to receive dividends and are mandatorily redeemable by Richardson GMP from time to time. Partial redemption will result from the proceeds received from the exercise of Class D options of Richardson GMP.

DESCRIPTION OF THE BUSINESS

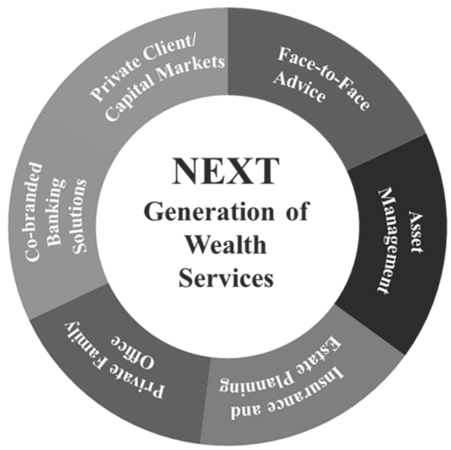
Richardson GMP is recognized as one of Canada's leading independent wealth management firms providing exclusive and innovative investment solutions, including investment advisory, tax and estate planning, charitable giving, risk management, and the intergenerational transfer of wealth for high net worth businesses and families.

Richardson GMP's Mission

Richardson GMP is focused on building a firm of leading investment advisors who provide unparalleled face-to-face advice to affluent clients. Wealth planning now involves greater complexity and sophistication. As affluent clients increasingly require customized, holistic wealth management solutions that speak to the needs of multi-generational families, Richardson GMP is positioned as a leading independent steward of wealth in Canada.

Client-Focused Strategy

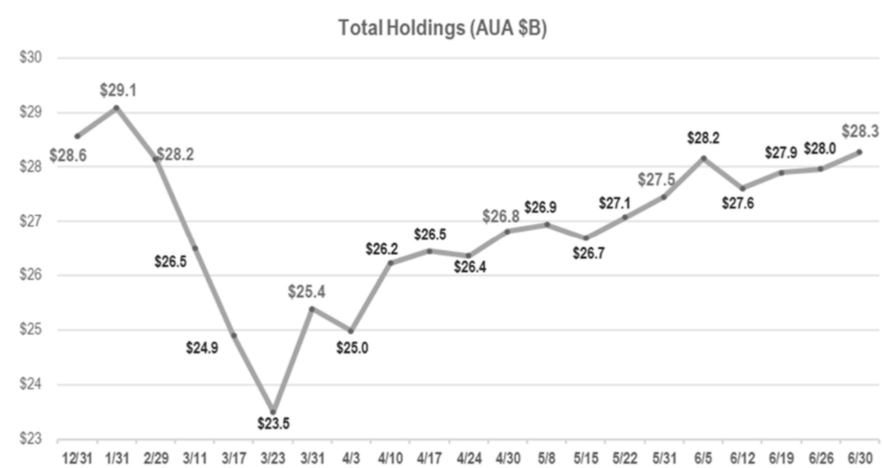
Richardson GMP champions a client-focused strategy, partnering with a diverse team of wealth management professionals dedicated to the long-term financial well-being of high net worth and ultra-high net worth clients and their families. Richardson GMP's advisors have access to a comprehensive range of resources to create effective wealth-management solutions customized to each client's unique needs. These solutions include access to alternative investment strategies like private equity as well as in-house tax & estate planning professionals. Services provided by Richardson GMP include, but are not limited to, the categories included in the figure to the right.



Advisors – Exemplary Teams Focused on Customized Service

Richardson GMP has a network of 165 highly qualified professional advisory teams (comprised of 206 licensed individual advisors), serving over 32,000 high net worth families and businesses across Canada with approximately $28.3 billion of assets under administration as at June 30, 2020.

Assets Under Administration
as at June 30, 2020



Richardson GMP's investment advisory teams gained their experience and built their practices largely at bank-owned firms prior to joining Richardson GMP, with approximately 10% coming from other IIROC dealers. The advisor teams value partnering with an independent wealth management firm with a platform that affords them an open architecture to select products and services that they consider are in the best interest of the client.

Richardson GMP continues to focus on growing its business, expanding its products and services, enhancing operating margins and becoming the best non-bank alternative in the industry in Canada. Over the last three years, Richardson GMP has also focused on the intentional deleveraging and de-risking of its advisory teams to focus the firm on higher fee-based revenue generation and focus recruitment on highly experienced advisors. The result has been an increase in the average AUA per advisory team to approximately $176 million, among the highest in the industry in Canada. Richardson GMP's management measures success in the franchise, not by the number of advisory teams, but rather by the quality and scale of practice.

Richardson GMP operates in 19 core markets in Canada and has significant capacity to add additional advisors to its existing offices across the country, with minimal incremental fixed costs.

The following figure illustrates Richardson GMP's office locations across Canada.

Since 2010, Richardson GMP has been awarded top ranking in the Investment Executive Brokerage Report Card for products and services dedicated to high net worth investors. Richardson GMP is also proud to be the first Canadian investment advisory firm to be certified by the Centre for Fiduciary Excellence for their Separately Managed and Portfolio Management Account platforms. This independent recognition attests to Richardson GMP's commitment to being held accountable to the highest standard of fiduciary care, and its focus on integrity, transparency and best practices in managing client wealth.

Employees

Central to Richardson GMP's client-focused strategy is an employee-first culture. The firm prioritizes the development of a workplace culture that promotes engagement and allows individuals to thrive professionally. To that end, the firm has participated in the "Great Place to Work®" survey for the past two years. Richardson GMP met the stringent certification benchmarks and qualified as a Great Place to Work® in both years.

Advisor teams are supported by experienced and dedicated professionals who work across the country in various roles including, but not limited to the following: branch management; operations; human resources; tax & estate planning; IT support services; marketing and communications; risk, legal and compliance; and finance. In total, Richardson GMP currently has 600 employees supporting 165 advisor teams working in 19 offices across Canada.

Response to COVID-19

Since the outset of the COVID-19 pandemic and guided by the recommendations of public health authorities, Richardson GMP has enacted measures to protect the health and safety of its staff and the well-being of its businesses by enabling everyone, except a handful of essential personnel, to work seamlessly from home. For essential personnel, a number of protective measures have been enacted including enhanced cleaning, physical distancing, hand sanitizers, and mandatory face coverings. Powered by digital technology, and with minimal disruption, Richardson GMP's professionals continue to support fully and offer personal advice to clients during this particularly trying period. Work from home arrangements are expected to remain in place until at least the end of calendar 2020. Management of Richardson GMP believe this will help minimizing the strain on health, transit, and other local infrastructure in the communities in which we operate. As the country begins to re-open cautiously, Richardson GMP will continue along a thoughtfully planned process of helping employees return to the workplace, all while protecting their health and safety and that of others.

Products and Services

Richardson GMP provides a comprehensive range of resources to help advisors develop effective wealth-management solutions customized to each client's unique needs. These solutions include access to highly experienced portfolio managers, best-in-class technology platform, specialized tax, alternative investment strategies and in-house tax & estate planning professionals. Advisors also benefit from extensive marketing support.

The tax & estate planning team in particular is a multi-disciplinary team of professionals who have the technical expertise and experience to help protect and enhance clients' wealth. Working together with investment advisors, the team provides support in the development and implementation of customized solutions for clients encompassing financial, tax, estate, risk management, philanthropic and succession planning strategies. Richardson GMP also partners with a variety of insurance companies to enrich its product offerings.

Products and services offered by Richardson GMP include, but are not limited to:

Strategic planning for high net worth families	• Preparation of a wealth balance sheet • Tax and estate planning • Retirement planning • Risk management and wealth preservation • Cross-border taxation (Canada/U.S.)
Planning for entrepreneurs	• Business succession strategies • Multiplication of the capital gains exemption • Use of family trusts • Financial, tax and estate planning for shareholders • Group Benefits and Pension Plan expertise

Charitable giving strategies	• Establishing private foundations and donor advised funds • Donations of publicly listed securities and stock options • Creating a legacy on death • Gifts of life insurance
Risk management – Insurance solutions	• Estate preservation and optimization strategies • Strategies to protect your financial situation in case of illness or disability • Key person insurance • Customized protection to ensure the continuity of your business

Key Revenue Streams

Richardson GMP earns its revenue primarily from fee-based products and services, traditional commission-based brokerage services, client-related interest, and insurance-related products. The table below highlights Richardson GMP's key revenue streams.

Revenue Streams	Description
Investment Management and Fees	Fees earned from the provision of investment management services
Commissions	Commissions earned on trading volume and by the retail distribution network from capital markets issuances
Interest	Spread earned on client loans and client cash balances
Other	Provision of insurance products, foreign exchange services and other miscellaneous

Investment management and fees is the largest and most consistent and predictable revenue stream, representing approximately 74% of Richardson GMP's 2019 revenue. Portfolio Management Accounts and Separately Managed Accounts represent a combined majority of investment management and fees revenue and are driven by the value of AUA balances.

The following table provides a brief description of the three main types of accounts and the activities involved in serving each.

Type of Account	Description
Portfolio Management Accounts	Provides the advisor with the discretionary authority to make investment decisions on behalf of the clients
Separately Managed Accounts	Investment professional for third-party managers to separately manage client accounts
Investment Advice Accounts	Provides the client with flexibility on number of transactions for a fixed fee

Commission revenue is largely driven by client trading volumes and the level of capital markets issuances. Gross commissions on new issuances are typically split between the underwriter and the retail distribution network.

Strong Brand – Leveraging a Unique Canadian Legacy

Richardson GMP is unique within Canada's wealth management space as it draws from the enduring legacy and brand recognition of one of its founding partners, RFGL. The Richardson brand is one of the most trusted names in Canadian financial services with a legacy spanning 90 years. Following the Closing of the RGMP Transaction, the firm intends to continue to leverage the Richardson name, changing its name for the Anglophone and Francophone markets, respectively, to:

RICHARDSON Wealth

Patrimoine RICHARDSON

Growth Strategy

Richardson GMP intends to grow prudently yet aggressively through the selective recruitment of investment advisors whose practices are predominantly fee-based, and who share Richardson GMP's philosophy to deliver holistic wealth management solutions across the entire household balance sheet, fit in its culture and want to partner with the Richardson brand.

Recruitment will be primarily focused on cities where Richardson GMP has excess capacity in its real estate footprint. This and the existing back office support services infrastructure and scale allows the company to absorb considerable asset growth with minimal incremental fixed costs. As a result, a greater percentage of the revenue increase generated from those assets will flow directly to EBITDA, adding considerable enterprise value.

Key elements of Richardson GMP's strategy going forward also includes investing in our very talented investment advisors, acquisition of like-minded IIROC-member wealth management businesses, acquisition of complementary asset management and insurance capabilities, enhancing operating margins, and offering greater choice of third-party product and services.

Richardson GMP will pursue all of these opportunities by:

- Building product and service capabilities organically;
- Pursuing strategic acquisitions prudently; and/or
- Partnering with proven third-party operators to explore providing co-branded Richardson GMP financial products and services, including banking solutions.

Going forward, potential acquisitions will be completed predominantly on a share exchange basis to ensure that target firms share Richardson GMP's long-term goals.

Assuming Common Shareholder approval of the RGMP Transaction Resolution and completion of the RGMP Transaction, the Company hopes to use the resources and strengths of the combined firms to:

- Investing in Richardson GMP's highly talented investment advisors and platform to better serve advisors and their clients;

- Proactively recruiting top advisors, offering cash incentive payments in exchange for long term commitments to be employed at Richardson GMP;
- Exploring potential acquisition of like-minded high-quality wealth management businesses;
- Adding complementary asset management and insurance capabilities through acquisitions or alliances;
- Enhancing operating margins;
- Realizing operating synergies with our carrying broker platform including through addition of new clients to our platform; and
- Expanding, originating and offering greater choice of third-party products and services, including branded and co-branded solutions with industry leading providers of funds, ETFs, alternatives, structured products, deposits, insurance, banking solutions and more.

Regulatory and Risk Management

Richardson GMP has an evolving enterprise wide risk management process designed around Risk Principles, Risk Governance and Enterprise Risk Management to address eight core risks identified by the company.

Risk Principles

Richardson GMP has an effective and robust governance framework, which ensures that risks impacting its business are identified, classified, assessed and managed in the best interest our stakeholders and are communicated to the RGMP Board in a timely manner.

Risk Governance

The RGMP Board sets risk management direction including overall risk appetite and tolerance. Richardson GMP's executive management is accountable to effectively manage areas of significant risk. Risk Oversight ensures governance and risk management effectiveness. Independent Assurance oversees the design and effectiveness of the risk management program.

Enterprise Risk Management

Richardson GMP views its approach to risk management as a key differentiator as it views effective risk management as an essential asset that creates opportunities to recapture and increase stakeholder value, when managed proactively using qualitative and quantitative measures of evaluation.

INDUSTRY OVERVIEW

Canada's financial wealth management services are largely concentrated in the hands of the five major Canadian banks; however, the Company believes that strong independents with scale play a pivotal role in the wealth management ecosystem, providing Canadians with choice and a non-bank point of access to the best holistic wealth management service provider to help them achieve their long-term financial goals.

Competition in the wealth management industry is based on a wide range of factors, including brand recognition, investment performance, the types of products offered, business reputation, financial strength, continuity of institutional, management and sales relationships, quality of service and face-to-face advice. Richardson GMP's competitors include mutual fund companies, private client investment managers, financial advisors, investment dealers, and the wealth management divisions of banks and insurance companies. The performance of the wealth management industry is highly correlated to equity market valuations, global economic conditions and investor demand for wealth management services and solutions.

Wealth Management Opportunity

With approximately $4.4 trillion in retail financial wealth in Canada in 2018, and expected to grow to $7.7 trillion by 2028 (Source: Investor Economics), the opportunity in the market for an independent wealth management firm with national reach is significant. Firms and advisors who have embraced the evolution of wealth advice and have enhanced professional accreditation possess the expertise required to provide face-to-face advice across the entire household balance sheet.

In Canada, there are currently approximately 1.6 million households with financial wealth in excess of $500,000/household (excluding real estate). These households accounted for $3.8 trillion, or approximately 86%, of total financial wealth in 2018. High net worth clients, Richardson GMP's core market and traditional area of strength, account for $3.3 trillion of total financial wealth. (Source: Investor Economics, Advocis, Strategic Insight.)

Technological Advancement

Advancements in technology have had a profound impact on wealth managers, and the Company believes that technology will likely continue to streamline and automate the conventional investment-selection process and transaction processing in the years to come. Firms that are able to leverage technological tools to engage more in the enhancement of client relationships than in the construction of portfolios are optimally positioned to succeed and grow. The Company believes that smaller boutique wealth managers with lesser capital resources will be less able to invest in emerging technology, and that as a result, fully integrated firms at scale such as Richardson GMP will be better able to leverage emerging technologies for competitive advantage.

DEVELOPMENT OF THE BUSINESS

Below are the key corporate developments during the last three most recently completed financial years:

- In November 2017, Richardson GMP entered into a four-year $80 million credit facility agreement with a syndicate of chartered banks. Richardson GMP used the initial proceeds from this facility to refinance its then existing long-term indebtedness.
- In November 2017, Richardson GMP redeemed all of its Class A Preference Shares and a substantial portion of its Class B Preference Shares, at par.
- In November 2018, Richardson GMP launched a refreshed, revitalized brand: The Next Generation of Wealth, reframing the conversation about wealth by focusing on simplifying the growing complexity for Canadian families and business owners.
- During 2018, GMP and RFGL each made an additional equity investment in Richardson GMP of $2.9 million pursuant to a Richardson GMP internal liquidity process.

- During 2019, GMP and RFGL each made an additional equity investment in Richardson GMP of $4.4 million pursuant to a Richardson GMP internal liquidity process.
- In June 2020, Richardson GMP entered into a strategic alliance with Cormark Securities Inc. that will result in Richardson GMP's advisors and their extensive high net worth clientele having preferred access to Cormark Securities Inc.'s industry-leading research and new investment issues and ideas.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Richardson GMP's Management Discussion and Analysis for the six-month periods ended 2019 and 2018, and for the years ended 2019 and 2018 are attached under Schedule I of this Information Circular.

INDEBTEDNESS OF RICHARDSON GMP

Credit Agreement

Richardson GMP entered into a credit agreement dated November 7, 2017 (as amended) with CIBC, Bank of China and Canadian Western Bank to refinance its then existing long-term indebtedness. As at June 30, 2020, the outstanding amount under the credit agreement was $67.0 million.

Amounts owed under the credit agreement bear interest at the prime rate plus 2.50%. The credit facility is unsecured and repayable on demand subject to the prior approval of IIROC. The credit facility set outs financial tests and other covenants with which Richardson GMP must comply. As at September 4, 2020, Richardson GMP is in compliance with all financial covenants associated with the credit facility.

DIRECTORS AND OFFICERS

Currently, the number of directors of Richardson GMP and the election of directors are governed by the RGMP Shareholders Agreement. The RGMP Shareholders Agreement provides that the RGMP Board shall consist of seven directors, and that each shareholder will vote for election of: (i) two individuals designated by RFGL (each, a "**Richardson Designee**"); (ii) two individuals designed by an affiliate of GMP (each, a "**GMP Designee**"); (iii) two individuals who are investment advisors employed by Richardson GMP (each, an "**IA Designee**"); and (iv) the CEO of Richardson GMP. The Richardson Designees are H. Sanford Riley and Kishore Kapoor, the GMP Designees are David C. Ferguson and Donald A. Wright, the IA Designees are Neil Bosch and Marc Dalpé, and Andrew Marsh is CEO. Mr. Riley has served on the RGMP Board since November 12, 2009. Mr. Marsh has been a director of Richardson GMP since May 3, 2011. Messrs. Kapoor, Bosch and Dalpé, have been directors of Richardson GMP since May 11, 2017. Mr. Ferguson has served on the RGMP Board since December 19, 2019. Mr. Wright joined the RGMP Board in February 2020**,** following the resignation of Kevin Sullivan.

The following table states: (i) the name and jurisdiction of residence of each director or officer of Richardson GMP; (ii) the principal occupation of each director or officer; and (iii) the number of RGMP Common Shares, RGMP Options and RGMP RSUs beneficially owned, or over which control or direction was exercised, directly or indirectly, by each director or officer as of the date of this Information Circular. A brief biography, including principal occupation and employment, for each director is provided below.

Name, Title and Jurisdiction of Residence	Principal Occupations	Number of RGMP Common Shares Held (1)	Number of RGMP Options	Number of RGMP RSUs(2)
NEIL BOSCH(5) *Director,* *Director Wealth Management,* *Portfolio Manager,* *Branch Manager* Calgary, Alberta, Canada	Director, Wealth Management, Portfolio Manager, and Branch Manager Richardson GMP Limited	295,095	–	32,603
MARC DALPÉ(4) *Director,* *Portfolio Manager* Montreal, Quebec, Canada	Portfolio Manager, Richardson GMP Limited	261,800	–	56,403
KISHORE KAPOOR(4) *Director* Toronto, Ontario, Canada	Interim President and Chief Executive Officer, GMP Capital Inc.	–	–	–
H. SANFORD RILEY, C.M. (5) *Director* Winnipeg, Manitoba, Canada	President and Chief Executive Officer, Richardson Financial Group Limited	–	–	–
DAVID C. FERGUSON(4) *Director* Brookline, Massachusetts, United States	Corporate Director	–	–	–
DONALD A. WRIGHT(6) *Director* Toronto, Ontario, Canada	Corporate Director	–	–	–
ANDREW MARSH *Director,* *President and Chief Executive Officer* Toronto, Ontario, Canada	President and Chief Executive Officer, Richardson GMP Limited	1,416,769(3)	–	152,770
ELLIOT MUCHNIK *Chief Financial Officer and Corporate Secretary* Toronto, Ontario, Canada	Chief Financial Officer and Corporate Secretary, Richardson GMP Limited	120,840	–	41,171
MICHAEL WILLIAMS *Chief Risk and Compliance Officer* Toronto, Ontario, Canada	Chief Risk and Compliance Officer, General Counsel, Richardson GMP Limited	50,000	–	15,991
SCOTT STENNETT *Chief Operating Officer* Toronto, Ontario, Canada	Chief Operating Officer, Richardson GMP Limited	182,181	–	42,650

1. The information as to the number of voting securities of Richardson GMP beneficially owned, or over which control or direction is exercised, directly or indirectly, by each proposed director, but which are not registered in the name of such director and not being within the knowledge of Richardson GMP, has been furnished by the respective proposed director.
2. Pursuant to the RGMP RSU Plan.
3. Includes shares held by a family trust or personal holding company.
4. Is a member of Richardson GMP's Audit and Risk Management Committee. Mr. Kapoor is the Chair of the Audit Committee.
5. Is a member of Richardson GMP's Management Resources and Compensation Committee. Mr. Riley is Chair of the Committee.

Director Biographies

Neil Bosch. Mr. Bosch has been in the investment industry for 27 years. Mr. Bosch is a Fellow of the Canadian Securities Institute (FCSI®) and a Chartered Investment Manager (CIM®). He obtained his Bachelor of Commerce (Finance) degree from the University of Alberta and his Masters in Arts (Economics) from the University of Dundee in Scotland.

Mr. Bosch is an Investment Advisor with Bosch Wealth having moved from CIBC Wood Gundy to join Richardson GMP's predecessor firm, Richardson Partners Financial Limited, in 2005. He is currently Director, Wealth Management, Portfolio Manager and a Branch Manager of the Calgary Office of Richardson GMP.

Mr. Bosch is a recipient of the Lois Hole Memorial Literacy Award for his work in raising funds for the Centre for Family Literacy. Mr. Bosch is also an avid mountaineer and is currently the President of the Alpine Club of Canada and a member of the College of Fellows of the Royal Canadian Geographic Society.

Marc Dalpé. Mr. Dalpé's career in the investment industry started in 1981 as an investment banker, after graduating from Montreal's École des hautes études commerciales (HEC) with a major in finance. Mr. Dalpé's career as an investment advisor began in the fall of 1990 at Lévesque Beaubien Geoffrion Inc. Since 1998, he has co-led the Dalpé-Milette group. Mr. Dalpé has been a part of Richardson GMP since he joined in November of 2011 and is currently a Portfolio Manager.

During his academic years, Mr. Dalpé was awarded many prizes, one of which was a medal of excellence for academic achievement bestowed by the Financial Executive Institute. He has received awards by the Montreal Chamber of Commerce and the École des HEC for his leadership, innovation and decision-making qualities. In 1999, he was selected as the National Winner of the Investment Dealers Association (IDA)'s prestigious Award of Distinction. This is a "national award program that recognizes outstanding investment advisors who exemplify the highest standards of dedication and professionalism in the securities industry." In 2002, Mr. Dalpé obtained the title of Canadian Investment Manager and, in 2003, became a Fellow of the Canadian Securities Institute (FCSI®).

Mr. Dalpé has sat on the board of directors of several publicly traded companies. He was a member of the retirement and investment committees of the École des HEC. He has also been a member of the IIROC national advisory committee and of the Quebec chapter of the IIROC board of directors.

Andrew Marsh. Mr. Marsh has been in wealth management for over thirty years and, in addition to being a founding executive of Richardson GMP, has worked in roles such as Equity Research Analyst, Investment Advisor and Branch Manager. Appointed Chief Executive Officer of Richardson GMP in 2010, Andrew was previously Managing Director, National Sales of Richardson GMP and its predecessor firm, GMP Private Client L.P., for six years.

Mr. Marsh is a former member of the Board of Governors of his alma mater, University of Guelph, and continues as an active mentor and contributor to the University of Guelph's School of Business. Mr. Marsh is active in the advocacy efforts as a board member of the Investment Industry Association of Canada and is a member of the Centre for Fiduciary Excellence. Mr. Marsh is a graduate of the University of Guelph and holds a B.A. (Management Economics). He is a Fellow of the 2018 class of the Finance Leaders Fellowship and a member of the Aspen Global Leadership Network.

H. Sanford Riley. Mr. Riley is President and Chief Executive Officer of RFGL, the financial services affiliate of James Richardson & Sons, Limited. He has held that position since 2003. Prior to joining RFGL, Mr. Riley was, for nearly 10 years, President and Chief Executive Officer of Investors Group Inc. and was appointed its chairman in May 2001. Mr. Riley is Chairman of the board of directors of the University of

Winnipeg Foundation. Mr. Riley is also a member of several board of directors including Molson Coors Brewing Company, The Northwest Company Inc. and Canadian Western Bank. Previously, he served as a director of GMP Capital Inc. and MTS Allstream and as Chairman of the board of directors of Manitoba Hydro-Electric.

Mr. Riley has also been involved in a number of charitable endeavours including serving as Chancellor of the University of Winnipeg, chairing the Business Council of Manitoba and chairing the 1999 Pan American Games.

Mr. Riley obtained a B.A. from Queen's University and a J.D. from Osgoode Hall Law School. He was appointed as a Member of the Order of Canada in 2002.

Kishore Kapoor. Effective August 9, 2019, GMP's Board appointed Mr. Kapoor as the Company's Interim President and Chief Executive. Prior to that and until 2011, he was President of Wellington West Holdings Inc., the parent company of a number of subsidiaries that provided wealth management and corporate finance services to retail and institutional clientele in Canada. Previously, he was Executive Vice-President Corporate Development of Loring Ward International Ltd. He co-founded Assante Corporation, previously one of the largest wealth management firms in Canada, and served as its Executive Vice President Corporate Development from 1994 to 2003. Mr. Kapoor is currently a director of GMP, RFGL (and a member of its Audit Committee), Richardson GMP (and chair of its audit committee), Equitable Bank (and chair of its audit committee), and Morneau Shepell Inc. He also served as a director of Manitoba Telecom Services Inc. and chair of its audit committee from 2006 to 2017. Mr. Kapoor has a Bachelor of Science from the University of Manitoba and is a Chartered Professional Accountant and former tax partner with KPMG LLP.

David C. Ferguson. Mr. Ferguson retired in 2012 from his position as Executive Managing Director and Chief Financial Officer of BMO Capital Markets, the wholesale banking and institutional brokerage pillar of BMO Financial Group. He had held that position since 1999. He also served as Chief Financial Officer and a member of the board of directors of BMO Nesbitt Burns Inc. during this period. Mr. Ferguson's previous experience includes practicing public accounting for 25 years, including 16 years as an audit partner and a period as National Director of KPMG's investment dealer practice. In addition to GMP Capital, Mr. Ferguson is currently a member of the board of directors of Antares Holdings GP and Highland Therapeutics Inc. and chairs the audit committees of each of these boards. He is also the lead director of Highland Therapeutics. Until its sale in September 2019, Mr. Ferguson was a member of the board of directors of Hydrogenics Corporation and chaired its audit committee. Mr. Ferguson holds Bachelor of Commerce and MBA degrees from the University of Toronto and is a Fellow of the Institute of Chartered Professional Accountants of Ontario.

Donald A. Wright. Mr. Wright is currently President and Chief Executive Officer of The Winnington Capital Group Inc. He is an active investor in both the private and public equity markets. Mr. Wright's career has spanned over 40 years in the investment industry. He has held a number of leadership positions, including President of Merrill Lynch Canada, Executive Vice-President, director and member of the executive committee of Burns Fry Ltd., Chairman and Chief Executive Officer of TD Securities Inc., and Deputy Chairman of TD Bank Financial Group. Mr. Wright currently is the non-executive Chair of the Boards of GMP Capital Inc., Wildbrain Ltd., Richards Packaging Income Fund, Metrolinx, and Cinaport Capital Inc. He is the lead director of Fire & Flower Holdings Corp. and a member of the board of Bank of China (Canada). As well, he was the past chairman of the board of directors of VIA Rail Canada, and was a past member of the Board of Trustees of the Hospital for Sick Children. He also actively supports numerous charitable organizations.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders

To Richardson GMP's knowledge no director or executive officer of Richardson GMP is, as at the date hereof, or was within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any issuer (including Richardson GMP) that: (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. For the purposes of the above, "**order**" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

Bankruptcies

Other than as set out below, to Richardson GMP's knowledge no director or executive officer of Richardson GMP, or a shareholder holding a sufficient number of securities of Richardson GMP to affect materially the control of Richardson GMP (a) is, as at the date hereof, or has been, within the 10 years before the date hereof, a director or executive officer of any issuer (including Richardson GMP) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets or (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Mr. Wright is a former director of Tuscany International Drilling Inc. (from 2008 – 2014), which had its plan of reorganization under Chapter 11 of the United States Bankruptcy Code approved on May 19, 2014. Mr. Wright is also a current director of Jaguar Resources Inc. ("**Jaguar**") which was subject to a cease trade order ("**CTO**") issued by the Alberta Securities Commission on May 6, 2015 and the British Columbia Securities Commission on May 8, 2015, for failure to file its annual audited financial statements, annual management's discuss and analysis and certification of the annual filings for the year ended December 31, 2014, pursuant to which trading in and purchasing Jaguar's securities was prohibited. During the term of the CTO Jaguar issued securities in contravention of the CTO, namely promissory notes were issued by Jaguar to four sophisticated individuals familiar with Jaguar's business in exchange for loans made by such individuals for the purposes of providing Jaguar with working capital to complete the prescribed regulatory filings and seek revocation of the CTO.

Penalties or Sanctions

Other than as set out below, to Richardson GMP's knowledge no director or executive officer of Richardson GMP, or a shareholder holding a sufficient number of securities of Richardson GMP to affect materially the control of Richardson GMP, has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Marc Dalpé entered into a settlement agreement between the IIROC Staff, Marc Dalpé and Mr. Dalpé's team member, which was accepted on March 14, 2013 by a hearing panel of IIROC and which included disciplinary sanctions. Mr. Dalpé and his team member admitted that they engaged in securities-related activities without recording them in their employer's books (which was a previous employer of Mr. Dalpé and not Richardson GMP). Pursuant to the settlement agreement, Mr. Dalpé and his team member agreed to the following penalties: (a) a fine of $15,000 each; (b) for Mr. Dalpé, disgorgement of $75,000 representing the profits realized by reason of the violations; and (c) for Mr. Dalpé's team member, disgorgement of $52,468 representing the profits realized by reason of the violations. Mr. Dalpé and his team member agreed to pay costs in the amount of $10,000.

Conflicts of Interest

To the best of Richardson GMP's knowledge, there are no known existing or potential material conflicts of interest between Richardson GMP or a subsidiary of Richardson GMP and a director or officer of Richardson GMP or of a subsidiary of Richardson GMP.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Richardson GMP is a party to employment contracts with certain of its executive officers which may give rise to severance obligations under applicable law in connection with the RGMP Transaction.

Certain officers of Richardson GMP currently hold restricted shares units of Richardson GMP, which shall be vested prior to the closing of the RGMP Transaction. See "*The RGMP Transaction – The Purchase Agreement – Structure of the RGMP Transaction*".

Andrew Marsh (President and CEO) has termination provisions in his employment agreement with Richardson GMP. In the event Mr. Marsh is terminated without cause by Richardson GMP or resigns his employment for "good reason" (as defined below) within twelve months following a "change of control", Mr. Marsh will be entitled to two times his annual salary plus two times his average annual bonus in the last three fiscal years prior to the year in which Mr. Marsh is terminated. In the event the termination payment is triggered, Mr. Marsh would be entitled to receive aggregate compensation of approximately $3.3 million. "Good reason" means, unless Mr. Marsh provides his express written consent to the change, a material adverse change in his status as an officer or employee, resulting from a reduction in the scope, responsibility or authority.

Michael Williams (Chief Risk and Compliance Officer, General Counsel) has termination provisions in his employment agreement with Richardson GMP. In the event Mr. Williams is terminated without cause by Richardson GMP, Mr. Williams will be entitled to twelve months plus one additional months' notice or pay in lieu of notice for each additional completed year of service as of hire date up to a maximum aggregate notice period of twenty-four months. Pay in lieu of notice will be calculated based on average earnings over the previous twelve months. In the event the termination payment is triggered, Mr. Williams would be entitled to receive aggregate compensation of approximately $0.6 million. Mr. Williams is required to take immediate steps to mitigate the loss of employment, and all amounts of pay in lieu of notice are subject to mitigation.

Scott Stennett (Chief Operating Officer) has termination provisions in his employment agreement with Richardson GMP. In the event Mr. Stennett is terminated without cause by Richardson GMP, Mr. Stennett will be entitled to four weeks of earnings per year, or part year, of services, to a maximum of fifty-two weeks. Pay in lieu of notice will be calculated based on average earnings over previous twelve months. In the event the termination payment is triggered, Mr. Stennett would be entitled to receive aggregate compensation of approximately $0.5 million.

INDEBTEDNESS OF RICHARDSON GMP DIRECTORS AND OFFICERS

Aggregate Indebtedness

Purpose	To Richardson RGMP or its Subsidiaries as at September 4, 2020	To Another Entity as at September 4, 2020
Share Purchases	$0.2 million	$1.2 million
Other	$26.1 million	–

Indebtedness of Directors and Executive Officers Under Securities Purchase Programs

Name and Principal Position	Largest Amount Outstanding During 2019	Amount Outstanding as at September 4, 2020	Financially Assisted Securities Purchased During 2019	Security for Indebtedness	Amount Forgiven During 2019
Andrew Marsh[(1)] Director, President and Chief Executive Officer, Richardson GMP Limited	$89,700	$89,700	–	–	–

1. This indebtedness is in respect of an unsecured personal loan guaranteed by Richardson GMP and provided to Mr. Marsh by CIBC in connection with Richardson GMP's liquidity pool plan. The loan carries a variable interest rate, has a 10-year term to maturity (maturing in May 2028) and is subject to repayment on demand.

On January 15, 2016, Mr. Riley, Mr. Bosch and Mr. Stennett were granted loans from 1409480, a wholly owned subsidiary of RFGL, for the purpose of purchasing securities of Richardson GMP. The amounts outstanding on such loans are $609,634, $257,863 and $224,620, respectively.

On November 11, 2009, Mr. Muchnik was granted a loan from GMCC, a wholly owned subsidiary of GMP, for the purpose of purchasing securities of Richardson GMP. The amount outstanding on the loan is $32,722.

RICHARDSON GMP RISK FACTORS

Please see "*Risk Factors – Risks Relating To Richardson GMP*" in this Information Circular for a discussion of risk factors with respect to investing in Richardson GMP.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

Other than as set out below, there are no legal proceedings outstanding, threatened or pending as of the date of this Information Circular by or against Richardson GMP or to which it is a party or its business or any of its assets is the subject of, nor to the knowledge of Richardson GMP are any such legal proceedings contemplated, which involve a claim for damages exclusive of interest and costs that may exceed 10% of the current assets of Richardson GMP, or which are otherwise material to Richardson GMP.

Claims in Relation to Woodward

On May 20, 2016, a proposed class action was issued against Richardson GMP, Adam Woodward operating as Woodward Asset Management, and Blair Pytak in the Court of Queen's Bench of Alberta. The putative class, as amended, includes all of Richardson GMP's clients whose investment accounts were managed or were under the direction of the Woodward Asset Management group, during some or all of the period from July 30, 2012 up to and including May 20, 2016. The plaintiffs sought $51,000,000 in damages arising from, among other things, allegedly unsuitable investment advice. The certification application was dismissed on June 19, 2019, and plaintiffs filed a notice of appeal on July 10, 2019.

On June 14, 2016, Dan Anderson, Tammie Anderson and Kelly Down Ltd., clients of Adam Woodward, brought a claim against Richardson GMP and Adam Woodward in the Court of Queen's Bench of Alberta seeking $10,000,000 in damages arising from, among other things, allegedly unsuitable investment advice. The matter is ongoing.

On December 1, 2017, Norma Nixon and MJV Holdings Limited, clients of Adam Woodward, brought a claim against Richardson GMP, Adam Woodward and Blair Pytak, in the Court of Queen's Bench of Alberta seeking $5,000,000 in damages arising from, among other things, allegedly unsuitable investment advice. The matter is ongoing.

Hirsch Crossclaim in Debt Enforcement Action

On December 12, 2015, two crossclaims were filed by the defendants in two related debt enforcement actions commenced by Richardson GMP in the Superior Court of Quebec (Civil Division), by (i) KPH II L.P, 9158-8742 Quebec Inc., Andrew Hirsch, Derek Hirsch, Robert Hirsch and Kenneth Hirsch in the first case; and (ii) by Robert Hirsch in the second case. In each crossclaim, the defendants (plaintiffs by crossclaim) sought alleged losses sustained following market action that was taken by Richardson GMP in connection with a margin call. Judgment in favour of Richardson GMP was rendered by the Court on January 20, 2020 in both debt enforcement actions, and the crossclaims were dismissed. The defendants (plaintiffs by crossclaim) filed notices of appeal with respect to both actions on February 26, 2020, seeking $12,470,348.67 and $963,242 in damages respectively.

Regulatory Actions

Other than as set out below, there were no: (i) penalties or sanctions imposed against Richardson GMP by a court relating to securities legislation or by a securities regulatory authority within the three years immediately preceding the date of this Information Circular; (ii) penalties or sanctions imposed by a court or regulatory body against Richardson GMP that would likely be considered important to a reasonable investor in making an investment decision; or (iii) settlement agreements Richardson GMP entered into before a court relating to securities legislation or with a securities regulatory authority within the three years immediately preceding the date of this Information Circular.

Settlement Agreement in Relation to Woodward

On June 30, 2020, a Hearing Panel of IIROC accepted a Settlement Agreement, with sanctions, between IIROC staff and Richardson GMP Limited. Richardson GMP admitted to failing to supervise the activities of two Registered Representatives and failing to establish and maintain adequate internal controls relating to certain options trading. RGMP agreed to pay a global penalty in the amount of $500,000, plus $50,000 in costs pursuant to the Settlement Agreement.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, Richardson GMP has not entered into any material contracts in the most recently completed financial year, or before the most recently completed financial year but that are still in effect, other than a Credit Agreement dated November 7, 2017 between

Richardson GMP Limited as borrower, and Bank of China, Toronto Branch, CCIBC, and Canadian Western Bank as lenders, a copy of which is available under GMP's SEDAR profile at www.sedar.com.

INFORMATION CONCERNING GMP

OVERVIEW

GMP was founded in 1995 and operated as an entrepreneurial independent investment dealer for 25 years prior to the Board undertaking a comprehensive strategic process in 2018 that resulted in the Board's decisions to exit capital markets and focus on the opportunities in wealth management by making Richardson GMP the centrepiece of the Company's growth strategy going forward. Following the sale of the Company's capital markets business in the fourth quarter of 2019, GMP currently operates through two business segments (Operations Clearing and Wealth Management) and a corporate segment. Operations Clearing provides carrying broker services to Richardson GMP and other third parties, including trade execution, clearing, settlement, custody, and certain other middle- and back-office services, and other expenses associated with providing such services. Wealth Management consists of GMP's non-controlling ownership interest in Richardson GMP. Richardson GMP, one of Canada's largest independent wealth management firms, is focused on providing exclusive and comprehensive wealth management and investment services delivered by an experienced team of investment professionals.

The Company's mission is to be the destination of choice for Canada's top investment advisors, who share our entrepreneurial spirit, independent culture and philosophy to deliver unparalleled face-to-face advice to Canadians opting for non-bank points of access for holistic wealth management solutions across the entire household balance sheet.

The Company is the successor to GMP Capital Trust (the "**Fund**"), following the completion of the conversion of GMP Capital Trust from an income trust to a corporation by way of a court-approved plan of arrangement under the OBCA on May 15, 2009 (the "**Conversion**"). The Fund had been created on December 1, 2005, when GMP Capital Corp., the predecessor to the Fund, converted into an income trust. The Conversion effectively reversed this income trust conversion. The Company was incorporated under the OBCA on March 16, 2009.

The Company's head office is located at 145 King Street West, Suite 200, Toronto, Ontario, M5J 1J8.

<u>Operations Clearing</u>

This segment of the business provides trade execution, clearing and settlement of securities transactions, custody and other administrative services to Richardson GMP and other third parties. Effective December 6, 2019, GMP's carrying broker business was re-named RF Securities Clearing LP.

<u>Wealth Management</u>

Wealth Management consists of GMP's non-controlling ownership interest in Richardson GMP, one of Canada's largest independent wealth management firms serving high net worth families and businesses.

On November 12, 2009, GMP and JRSL combined their respective wealth management businesses, consisting of GMP Private Client L.P. and RPFL to form Richardson GMP.

<u>Corporate</u>

The Corporate segment primarily comprises expenses incurred in connection with providing carrying broker and other administrative support services to Richardson GMP and Stifel's Canadian capital markets business, enterprise-wide items, corporate functions and public company costs. This segment also included the results of the Company's former Emerging Markets business, which is being wound down.

DESCRIPTION OF CAPITAL STRUCTURE

A description of the capital structure of the Company is provided under "*Description of Capital Structure*" in the AIF.

PRIOR SALES

During the 12-month period before the date of this Information Circular, there have been no issuances of Common Shares or securities convertible into Common Shares.

PRICE RANGE AND TRADING VOLUME OF COMMON SHARES

The Common Shares were listed and posted for trading on the TSX on May 20, 2009, under the trading symbol "GMP". The Series B Preferred Shares were listed and posted for trading on the TSX on February 22, 2011, under the trading symbol "GMP.PR.B". The Series C Preferred Shares were listed and posted for trading on the TSX on April 1, 2016, under the trading symbol "GMP.PR.C". The following tables set forth the price ranges and volume traded on the TSX of the Common Shares and Preferred Shares for the periods indicated:

Common Shares

Period	**High**	**Low**	**Monthly Volume (#)**
August 2019	$2.84	$2.39	922,614
September 2019	$2.70	$2.45	1,195,679
October 2019	$2.51	$2.13	631,308
November 2019	$2.30	$1.95	940,171
December 2019	$2.39	$1.73	2.366,440
January 2020	$2.13	$1.89	1,340,116
February 2020	$2.02	$1.50	1,219,464
March 2020	$1.81	$1.07	2,678,834
April 2020	$1.35	$1.18	763,429
May 2020	$1.38	$1.22	1,051,351
June 2020	$1.50	$1.25	594,784
July 2020	$1.37	$1.21	1,684,102
August 2020	$1.65	$1.21	796,976
September 1-4, 2020	$1.76	$1.56	$334,436

Series B Preferred Shares

Period	High	Low	Monthly Volume (#)
August 2019	$13.30	$12.45	119,405
September 2019	$13.45	$12.90	70,500
October 2019	$13.36	$12.65	87,835
November 2019	$12.86	$12.10	62,015
December 2019	$12.80	$12.25	62,750
January 2020	$12.91	$12.50	72,100
February 2020	$12.75	$12.50	38,400
March 2020	$12.66	$6.25	168.030
April 2020	$9.01	$7.75	112,030
May 2020	$9.25	$8.15	77,743
June 2020	$9.97	$9.05	31,475
July 2020	$9.75	$9.02	54,951
August 2020	$11.00	$9.10	115,015
September 1-4, 2020	$11.00	$10.75	$6,900

Series C Preferred Shares

Period	High	Low	Monthly Volume (#)
August 2019	$13.45	$12.90	40,500
September 2019	$13.45	$13.15	21,637
October 2019	$13.40	$12.86	17,867
November 2019	$13.03	$12.06	24,875
December 2019	$13.23	$12.30	16,050
January 2020	$13.10	$12.52	8,585
February 2020	$13.00	$12.70	11,582
March 2020	$12.75	$6.25	25,255
April 2020	$9.00	$7.50	12,025
May 2020	$9.49	$8.00	9,279
June 2020	$10.00	$9.10	24,600
July 2020	$10.50	$8.97	22,445
August 2020	$11.25	$9.15	12,400
September 1-4, 2020	$11.15	$10.75	$5,700

RISK FACTORS

Common Shareholders should review and carefully consider all of the information disclosed in this Information Circular prior to voting their Common Shares at the Meeting.

RISKS RELATING TO THE RGMP TRANSACTION

No Certainty that All of the Conditions Precedent will be Satisfied or Waived

The completion of the RGMP Transaction is subject to a number of conditions precedent, certain of which are outside the control of the Parties, including receipt of any required regulatory approval, receipt of shareholder approval and other customary closing conditions. Although the Parties are obligated to use their commercially reasonable efforts to satisfy the closing conditions, there can be no certainty, nor can GMP provide any assurance, that all conditions precedent to the RGMP Transaction will be satisfied or waived, nor can there be any certainty as to the timing of their satisfaction or waiver. Moreover, a substantial delay in obtaining satisfactory approvals and consents could result in the RGMP Transaction not being completed, being completed on different terms, or not being completed on time. If, for any reason, the RGMP Transaction is not completed or its completion is substantially delayed, the market price of GMP's shares may be materially adversely affected and consequently, its business, financial condition or results of operations could also be subject to material adverse consequences.

The Purchase Agreement and the RGMP Liquidity Mechanism Process may be Terminated in Certain Circumstances

GMP and the Vendors' Representative have the right to terminate the Purchase Agreement in certain circumstances. Accordingly, there is no certainty, nor can GMP provide any assurance, that the Purchase Agreement will not be terminated before completion of the RGMP Transaction. If the RGMP Transaction Resolution is not approved by Common Shareholders, the Purchase Agreement is terminated, or the RGMP Transaction is not completed for any other reason, in accordance with the terms of the RGMP Shareholders Agreement, none of GMP, RFGL or the IA Designees will be able to rely on the RGMP Liquidity Mechanism set out under the RGMP Shareholders Agreement to conclude a revised transaction until one year after the date of the termination of the RGMP Transaction. If the Purchase Agreement is terminated, there is no assurance that GMP will be able to find an alternative transaction, or that the terms of any alternative transaction would be more or less favourable than the terms set forth in the Purchase Agreement. In addition, if the RGMP Transaction is not completed, the market price of GMP's shares may be negatively impacted to the extent that the market price reflects a market assumption that the RGMP Transaction will be completed.

Dilution

As a result of the issuance of Common Shares in connection with the RGMP Transaction, the ownership and voting interests of existing Common Shareholders in GMP will be diluted, relative to current proportional ownership and voting interests.

The RGMP Transaction May Divert the Attention of GMP Management

The pendency of the RGMP Transaction could cause the attention of GMP management to be diverted from the day-to-day operations and clients may seek to modify or terminate their business relationships with GMP. These disruptions could be exacerbated by a delay in the consummation of the RGMP Transaction and could have a material adverse effect on GMP regardless of whether the RGMP Transaction is ultimately completed.

Uncertainty Surrounding the RGMP Transaction Could Adversely Affect GMP's or Richardson GMP's Retention of Clients and Key Personnel

The RGMP Transaction is dependent upon the satisfaction of various conditions, and as a result its completion is subject to uncertainty. Current and prospective employees and investment advisors of GMP and Richardson GMP may be dissatisfied with the terms of the RGMP Transaction and may experience uncertainty about their future roles until such time as GMP's plans with respect to such employees and investment advisors are determined and announced. Competitors may also increase recruitment efforts targeted at existing employees and investment advisors in response to the RGMP Transaction. This may adversely affect GMP's and Richardson GMP's ability to attract or retain key employees and investment advisors in the period until the RGMP Transaction is completed or thereafter. Similarly, in response to this uncertainty, third parties and clients with whom GMP and Richardson GMP currently do business or may do business with in the future may delay or defer certain decisions regarding their ongoing business with GMP and Richardson GMP, respectively. Any change, delay or deferral of those decisions by such third parties and clients could negatively impact the business, operations and prospects of GMP and Richardson GMP, regardless of whether the RGMP Transaction is ultimately completed.

Parties May Be the Targets of Legal Claims and Such Claims May Delay or Prevent the RGMP Transaction from Being Completed

GMP, RFGL and Richardson GMP may be the target of securities class actions and derivative lawsuits which could result in substantial costs and may delay or prevent the RGMP Transaction from being completed. Securities class action lawsuits and derivative lawsuits are often brought against public companies that have entered into an agreement to acquire a company or to be acquired. Third parties may also attempt to bring claims against GMP and RFGL seeking to restrain the RGMP Transaction or seeking monetary compensation or other remedies. Even if the lawsuits are without merit, defending against these claims can result in substantial costs and divert management time and resources. Additionally, if a plaintiff is successful in obtaining an injunction prohibiting the consummation of the RGMP Transaction, then that injunction may delay or prevent the RGMP Transaction from being completed.

RFGL Control Risk Due to Increased Common Share Ownership

If the RGMP Transaction is completed, the percentage of Common Shares held by RFGL is expected to increase from approximately 24.1% to 40.1%. As such, RFGL will have the power to exercise significant influence over all matters of the Company requiring shareholder approval going forward. Third parties could also be discouraged from making an offer to acquire any or all of the outstanding Common Shares.

In addition, pursuant to the RGMP Transaction, GMP and RFGL have agreed to terminate the existing RFGL Investor Agreement pursuant to the Investor Agreement Termination Agreement concurrently with the closing of the RGMP Transaction. The RFGL Investor Agreement includes provisions granting RFGL the right to nominate individuals to the Board, certain “standstill” provisions, including a covenant by RFGL not to vote against any change of control transaction that is supported by the Board and a majority of GMP’s Shareholders (other than JRSL and its affiliates), as well as provisions restricting RFGL from selling certain of the Common Shares it holds until the earlier of a change of control transaction involving GMP and the closing of the sale of Richardson GMP pursuant to the Liquidity Event Mechanism.

The Market Price and Trading Volume of the Common Shares and Preferred Shares May Materially Decrease or Experience Increased Fluctuation

The market price and trading volume of the Common Shares and/or the Preferred Shares may materially decrease or experience increased fluctuation due to a variety of factors relating to the RGMP Transaction, whether or not it is completed, and GMP’s business and assets, including announcements of new developments pertaining to the RGMP Transaction or GMP’s ongoing business and operations, the valuation of the Common Shares, changes in credit ratings, fluctuations in GMP’s operating results, performance of Richardson GMP, public announcements made with respect to the RGMP Transaction, GMP’s ability to pay dividends and general market conditions of the worldwide economy. The effects of these and other factors on the market prices of the Common Shares and/or the Preferred Shares may result in volatility in the trading prices of the Common Shares and/or the Preferred Shares. There can be no assurance that the market price of the Common Shares and/or the Preferred Shares will not materially decrease or experience significant fluctuations in the future, whether or not the RGMP Transaction is completed, including fluctuations that are unrelated to the RGMP Transaction and GMP’s performance.

Risks Related to Use of Pro Forma Financial Information

The unaudited *pro forma* consolidated financial information included in this Information Circular is presented for illustrative purposes only to show the effect of the RGMP Transaction, and should not be considered to be an indication of the financial condition or results of operations of GMP following completion of the RGMP Transaction. For example, the *pro forma* consolidated financial information has been prepared using the consolidated historical financial statements of GMP and of Richardson GMP and do not represent a financial forecast or projection. In addition, the *pro forma* consolidated financial information included in this Information Circular is based in part on certain assumptions regarding the RGMP Transaction. These assumptions may not prove to be accurate, and other factors may affect GMP's results of operations or financial condition following completion the RGMP Transaction. Accordingly, the historical and *pro forma* consolidated financial information included in this Information Circular does not necessarily represent GMP's results of operations and financial condition had GMP and Richardson GMP operated as a combined entity during the periods presented, or of GMP's results of operations and financial condition following the RGMP Transaction.

In preparing the *pro forma* consolidated financial information contained in this Information Circular, GMP has given effect to, among other items, the completion of the RGMP Transaction and the issuance of the Consideration Shares. The unaudited *pro forma* consolidated financial information may not reflect all of the costs that are expected to be incurred by GMP in connection with the RGMP Transaction. See also the notes to the unaudited *pro forma* consolidated financial information of GMP and Richardson GMP included in Schedule G, "*GMP Pro Forma Financial Statements*", appended to this Information Circular.

Risks Related to Use of Updated Valuation and Fairness Opinion

Caution should be exercised in the evaluation and use of the Updated Valuation and Fairness Opinion.

A valuation is an estimate of market value. It is not a precise measure of value but is based on a subjective comparison of related activity taking place in the market. The valuations contained in the Updated Valuation and Fairness Opinion are based on various assumptions of future expectations and management forecasts, and while management's internal forecasts for the business, as may be adjusted by a valuator, are considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future. There is no guarantee that the trading price of the Common Shares will match the valuations provided in the Updated Valuation and Fairness Opinion.

The fairness opinion contained in the Updated Valuation and Fairness Opinion is directed only to the fairness to GMP, from a financial point of view, of the consideration payable to the Vendors in connection with the RGMP Transaction. The Updated Valuation and Fairness Opinion does not address the relative merits of the RGMP Transaction as compared to other business strategies or transactions that might be available to Company or the underlying business decision of GMP to effect the RGMP Transaction. The Updated Valuation and Fairness Opinion does not constitute a recommendation by RBC to any Common Shareholder of the Company as to how such Common Shareholder should vote or act with respect to any matters relating to the RGMP Transaction.

Failure to Achieve the Anticipated Benefits of the RGMP Transaction Could Have a Material Adverse Effect on the Market Price of the Common Shares Following Completion of the RGMP Transaction

The RGMP Transaction has been agreed to with the expectation that its completion will result in an increase in sustained profitability and enhanced growth opportunities in the wealth management business for GMP following completion of the RGMP Transaction. These anticipated benefits will depend in part on whether GMP's and Richardson GMP's operations can be integrated in an efficient and effective manner. The extent to which anticipated benefits are realized and the timing of such cannot be assured. Failure to achieve the anticipated benefits of the RGMP Transaction could have a material adverse effect on GMP's share price and consequently, its business, financial condition or results of operations could also be subject to material adverse consequences.

Risks Related to the Purchase Price Adjustment

The Purchase Price will be subject to downward price adjustment if investment advisor departures meeting certain conditions over the first year following Closing exceed a threshold of 15%, measured on the AUA associated with those investment advisors as of June 30, 2020. The impact of any Purchase Price adjustment will be muted as a result of the 15% threshold and by the fact that a significant portion of the value of GMP is derived from its ownership interest in Richardson GMP. In addition, the Purchase Price will not be adjusted for changes to AUA or the performance of the business of Richardson GMP caused by market declines. For details of the Purchase Price adjustment, please see Schedule 2.1(ii) to the Purchase Agreement, a copy of which is filed under the Company's profile on SEDAR at www.sedar.com.

Incurrence of Certain Costs and Expenses in Connection with the RGMP Transaction

Certain non-recurring costs relating to the RGMP Transaction, such as legal and accounting fees as well as the cost of obtaining the February Valuation and the Updated Valuation and Fairness Opinion, must be paid by GMP even if the RGMP Transaction is not completed. If the RGMP Transaction is not consummated, GMP will bear some or all of these costs without recognizing any of the anticipated benefits of the RGMP Transaction.

Risks Related to Use of Information Provided with Respect to Richardson GMP

This Information Circular includes financial statements of Richardson GMP that have been audited by Ernst & Young LLP. This Information Circular also contains other disclosure regarding Richardson GMP that is based on information provided to the Company by Richardson GMP. Although the Company is a long-time shareholder of Richardson GMP, an unavoidable level of risk remains regarding the accuracy and completeness of the information provided by Richardson GMP. While the Company has no reason to believe the information provided by Richardson GMP is misleading, untrue or incomplete, there may be events which may have occurred with respect to Richardson GMP or which may affect the completeness or accuracy of the information provided by Richardson GMP which are unknown to the Company.

RISKS RELATING TO RICHARDSON GMP

Reliance Upon Development and Retention of AUA and Investment Advisors

Revenue from Richardson GMP's activity is largely dependent on the level of AUA balances in client accounts, which is influenced by multiple factors, including investment performance, mix of assets being managed, market appreciation, sales practices, general investor confidence, and by Richardson GMP's ability to recruit and retain investment advisors. Commission revenue is largely driven by client trading volumes and the level of capital markets issuances. The market for investment advisors is extremely competitive and is increasingly characterized by frequent movement by investment advisors among different firms. Richardson GMP devotes considerable resources to recruiting and retaining new investment advisors, which may involve a lengthy recruitment process. However, there can be no assurance that the steps Richardson GMP has taken or will take to recruit and retain new investment advisors will be sufficient in light of, among other things, the intense and increasing competition for experienced professionals in the wealth management industry or that Richardson GMP will be able to recruit new investment advisors with the desired qualifications on terms that are consistent with Richardson GMP's hiring strategy and company philosophy to provide products and services across the entire balance sheet.

Individual independent investment advisors of Richardson GMP have regular direct contact with clients, which can lead to a strong and personal client relationship based on the client's trust in the individual investment advisor. The loss of investment advisors could also lead to the loss of client accounts, which may reduce AUA. Although Richardson GMP uses a combination of competitive compensation structures as a means of seeking to retain investment advisors, and notwithstanding the acknowledgement and support letters entered into by Richardson GMP investment advisors referred to under "*Reasons for the RGMP Transaction*", there can be no assurance that investment advisors will remain with or decide to join Richardson GMP. Significant declines in AUA may have a material adverse effect on Richardson GMP's financial results.

Richardson GMP May Not be Able to Achieve Performance Targets or Negotiate Target Acquisitions on Favourable Economic Terms

As part of its business strategy, Richardson GMP may diversify its revenues by expanding its product and service offerings or acquiring business operations related or complementary to Richardson GMP's operations. Any such initiatives are accompanied by various risks, including failure to retain or acquire key employees, failure to identify growth opportunities, failure to anticipate and respond to, changes in the business environment, failure to maintain or develop key client relationships, the impact of economic growth or contraction and its potential negative effects on the initiative, exposure to unknown liabilities of the acquired business, increased regulatory scrutiny and related compliance efforts, higher than anticipated acquisition/expansion costs, 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, disruption of ongoing business, and diversion of management's time and attention. There is also the potential that any goodwill recorded in connection with acquisitions may be impaired if the economics of the transaction differ from expectations. Richardson GMP may not be able to successfully address all or some of these risks and other issues associated with acquisitions, divestitures, growth strategies, and competition, which could materially adversely affect Richardson GMP's business, financial condition or financial results.

Significant Industry Competition May Adversely Affect Results

The wealth management industry is highly competitive and the firm's ability to compete effectively directly impacts revenues and profitability. Richardson GMP competes with the wealth management divisions of major chartered banks in Canada, national independent wealth managers, insurance companies, mutual fund companies, private equity, investment management firms and boutique wealth managers. Some of these competitors have, and potential future competitors may have, greater technical, financial, marketing, distribution or other resources than Richardson GMP. Many of these competing entities have a greater number of personnel and easier access to capital than Richardson GMP does. Larger competitors may have a greater number and variety of distribution outlets for their products and services. Considerable consolidation in the wealth management industry has resulted in fewer but stronger competitors. Competition could have a material adverse effect on Richardson GMP's profitability, and there can be no assurance that Richardson GMP will maintain its competitive standing or market share, which may adversely affect its business, financial condition or operating results.

In addition, there are uncertainties involved in the introduction of new products and services, including technical requirements, operational controls and procedures, compliance with regulatory requirements and shifting market preferences. The development and introduction of new products and services may require ongoing support and investment. A failure to manage the risks involved in the implementation of new products and services may lead to operational lapses, increased capital requirements, and competitive alternatives, which could adversely affect Richardson GMP's business, financial condition or operating results.

Risk of Erosion of Reputation in Case of Employee Misconduct or Error

Richardson GMP views its reputation as one of its most important assets. Reputational risk is the potential that adverse publicity, whether accurate or inaccurate, may deteriorate Richardson GMP's image, may cause a decline in profitability, liquidity, investment advisory teams or client base due to its impact on corporate image. Reputational risk is inherent in virtually all of Richardson GMP's business dealings and cannot be managed in isolation, as it often arises as a result of operational, regulatory and other risks inherent in the businesses of Richardson GMP. Real or perceived failures of governance or regulatory compliance could harm Richardson GMP's reputation. In particular, the emergence of new communication vehicles, such as mobile and social networks, has given rise to concerns that new forms of communication may impact corporate reputation in different and faster ways than ever before. There is an increased need to monitor these vehicles and the content they carry to accurately anticipate and proactively control any emerging risk.

Notwithstanding the measures taken by Richardson GMP to detect, deter and prevent misconduct or fraud, there can be no assurance that regulatory sanctions or reputation harm will not arise as a result of employee misconduct or errors. Misconduct by employees may include committing the firm to transactions that present unacceptable risk, concealing unauthorized activities or improper use of confidential information. It is not always possible to detect employee misconduct or prevent employee error, and the precautions taken to prevent and detect this activity may not be effective in all cases. While all employees, directors and officers are expected to protect the reputation of Richardson GMP, unauthorized activities or unsuccessful initiatives may result in damage to Richardson GMP's reputation, which could materially adversely affect Richardson GMP's financial results.

Failure to Implement Effective and Efficient Cyber Security Policies and Training May Lead to Losses

Secure processing, storage and transmission of confidential and other information in Richardson GMP's internal and third-party computer systems and networks is critically important to its business. Due to Richardson GMP's reliance on information technology systems for storing, processing and maintaining client and company data, the firm is highly alert to cyber security risks, including the risk of loss or exposure of client information, fraudulent transactions, hacking or phishing attempts, or attacks that would reduce Richardson GMP's ability to manage client assets. There have been several recent highly publicized cases involving financial services and consumer-based companies reporting the unauthorized disclosure of client or customer information, as well as cyber-attacks involving the dissemination, theft and destruction of corporate information or other assets, as a result of failure to follow procedures by employees or contractors or as a result of actions by third parties.

Cyber data breaches and cyber-attacks that result in the loss of personal information could result in considerable reputational harm, trading losses, lost revenues or losses due to unauthorized transactions. Although Richardson GMP takes protective measures and updates procedures and policies as circumstances necessitate (including general liability and fraud insurance, policies and training for all staff and an incident response plan with respect to cybersecurity potential breaches), the firm's computer systems, software and networks may be vulnerable to unauthorized access, misuse, computer viruses or other malicious code and other events that could have a security impact. The occurrence of such an event could jeopardize confidential and other information processed and stored in, and transmitted through, Richardson GMP's computer systems and networks, or otherwise cause interruptions to the operations of Richardson GMP, as well as its clients, counterparties and other third parties. The increased use of smartphones and other mobile devices may also heighten these risks.

Operations are Dependent on Systems Which May Fail

Richardson GMP is highly dependent on communications and information systems. Any failure or interruption of such systems could cause delays or other problems particularly for sales and trading activities and could have a material adverse effect on financial results and financial condition. There can be no assurance that such systems failure or interruptions will not occur, including those caused by an earthquake, fire, other natural disaster, power or telecommunications failure, act of God, act of war or terror or otherwise, or that back-up procedures and capabilities in the event of any such failure or interruption will be adequate.

Credit Risk and Exposure to Financial Losses

Richardson GMP is exposed to credit risk that third parties owing money, securities or other assets will not fulfill their obligations. Such third parties include trading counterparties, customers, clearing agents, exchanges, clearing houses and other financial intermediaries. These counterparties may default on their obligations due to bankruptcy, lack of liquidity, operational failure or other reasons.

A primary source of credit risk arises from the extension of credit to clients to purchase securities by way of margin lending. Margin loans are due on demand and are collateralized by the financial instruments in the client's account. There is risk of financial loss in the event a client fails to meet a margin call if market prices for collateral declines and it becomes impossible to recover sufficient value from the collateral held to cover the loan. Although Richardson GMP continually reviews its exposure to credit risk, default risk may arise from events or circumstances that are difficult to detect, such as fraud. Assessment of credit risk can also be compromised by the failure to receive complete and accurate information with respect to the trading risks of counterparties.

Risks Related to the Impact of COVID-19 on Financial Performance and Recruitment

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, may continue to cause material disruption to businesses globally resulting in further economic slowdown and heightened global equity market volatility. Governments and central banks have responded with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and full impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of Richardson GMP and its operating subsidiaries or business affiliates in future periods.

The resumption of a rapid increase of COVID-19 infections could prompt a re-imposition of nationwide economic restrictions similar to those that occurred in the spring months creating a wide range of undesirable potential economic and market environment outcomes. Heightened equity market volatility and a further contraction in economic activity may result in lower equity market valuations, which could have a materially adverse effect on fee-based revenues. Furthermore, a sharp 150 basis point drop in the Canadian prime rate from 3.95% to 2.45% has exerted downward margin pressure. A further reduction in the Canadian prime may result in a further decrease in interest revenue on client margin accounts and cash balances.

This could have a materially adverse effect on Richardson GMP's financial performance, the level of its assets under management, and its ability to recruit and retain investment advisors.

Risk to Staffing Disruption in Connection with a Prolonged COVID-19 Outbreak

Certain services and work duties required employees to be physically present at certain office locations. Richardson GMP's top priority is the health and safety of these employees. To mitigate the risk of infection or spreading COVID-19, Richardson GMP has implemented strict social distancing protocols, provision of masks, hand sanitizers, mandatory face coverings and enhanced cleaning measures. Nevertheless, despite such protective measures, Richardson GMP may find it difficult to ensure that its operations remain sufficiently staffed due to employees falling ill with COVID-19, becoming subject to mandatory quarantine, or making the personal decision not to come to come to work out of fear of contracting COVID-19. If COVID-19 cases rise, it may lead to elevated levels of absenteeism, Richardson GMP may not be able, through replacement and temporary staff, to continue maintain appropriate service levels, which may have a material impact on Richardson GMP's ability to generate revenue.

Risk Management Policies and Procedures May Not Be Fully Effective

The risk management policies and procedures put in place by Richardson GMP may not be fully effective in identifying, monitoring and managing risks. For instance, risk management methods based on the use of observed historical market behaviour may fail to predict future risk exposures, which may be significantly greater than historical measures indicate. Other risk management methods depend on evaluation of information regarding markets, clients or other matters that are publicly available or otherwise accessible by Richardson GMP. This information may not in all cases be accurate, complete, up-to-date or properly evaluated. Policies and procedures implemented to record and verify a large number of transactions and events in order to manage operational, legal, regulatory, credit, market, interest rate and liquidity risk requires, among other things may not be consistently effective.

Insurance Coverage May Not Be Available on Favourable Economic Terms

Richardson GMP maintain various types of insurance, which include directors and officers' liability, errors and omission insurance, securities dealer blanket bonds, financial institution bonds, surety bonds and general commercial liability insurance. The adequacy of insurance coverage is evaluated on an ongoing basis, including the cost relative to the benefits. There can be no assurance that claims will not exceed the limits of available insurance coverage or that any claim or claims will ultimately be satisfied by an insurer. A judgment in excess of available insurance or in respect of which insurance is not available could have a material adverse effect on the business, financial condition or profitability of Richardson GMP. The cost of obtaining insurance is market-driven and as such there can be no assurance that insurance coverage will continue to be available on favourable economic terms in the future.

Regulatory Risk

The Canadian wealth management industry is subject to extensive regulation. Compliance with many of the regulations applicable to Richardson GMP 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 and IIROC and other authorities may institute administrative or judicial proceedings that may result in the revocation or imposition of conditions on licenses to operate certain businesses, censure, fines, civil penalties, issuance of cease-and-desist orders, deregistration or suspension, suspension or disqualification of investment advisors or employees, or other adverse consequences. The imposition of any such penalties or orders on Richardson GMP could have a material adverse effect on its operating results, financial condition or profitability.

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 wealth management firms, as new regulation may require additional investment in personnel and/or systems. Richardson GMP cannot predict the effect any such changes might have. Furthermore, Richardson GMP's business may be materially affected not only by regulations applicable to Richardson GMP, but also by regulations of general application. For example, Richardson GMP'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. Operations may be materially adversely affected by changes in the securities regulatory framework and/or the interpretation or enforcement of existing laws and rules by securities regulatory authorities in Canada. Additionally, increased regulation in Canada may lead to even higher compliance costs, which may disproportionately impact smaller firms and which favour entry by large wealth management or asset management firms headquartered outside Canada.

Legal Risk

Richardson GMP is a party to a number of claims, proceedings and investigations, including legal and regulatory matters, in the ordinary course of its business. See "*Information Concerning Richardson GMP – Legal Proceedings and Regulatory Actions*" for details of certain ongoing legal proceedings. While there is inherent difficulty in predicting the outcome of such matters, based on its current knowledge, Richardson GMP does not expect that the outcome of any of these matters, individually or in aggregate, would have a material adverse effect on its consolidated financial position or results of operations.

The legal risks facing Richardson GMP also include potential liability under securities laws or through civil litigation in the event that Richardson GMP's investment advisors and investment professionals 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, fail to implement an effective investment strategy, commit fraud, misuse client funds, or breach any other statute, regulatory rule or requirement. This could have a material adverse effect on Richardson GMP's operating results or financial condition. Any litigation arising from such circumstances is likely to be protracted, expensive and surrounded by circumstances that are materially damaging to Richardson GMP's reputation and its business. Richardson GMP may also be subject to litigation arising from claims by former employees resulting from termination or other matters. In such actions, Richardson GMP may be obligated to bear legal, settlement and other costs.

Additionally, recruitment of investment advisors may involve non-competition or non-solicitation agreements and other contractual or common law obligations. The former employer may claim damages or injunctive relief against an investment advisor or Richardson GMP, and Richardson GMP may incur expenses in awards, settlements and legal expenses as a result.

Demographic Trends and Changes in Consumer Preferences May Be Difficult to Predict

Changing demographic trends affect the financial services needs of the clients and potential clients of the wealth management industry. Richardson GMP may not be able to successfully anticipate changing needs, or be able to design, implement and achieve expected performance for new products and services as consumer preferences shift. The failure to respond to changing needs and preferences could materially adversely affect Richardson GMP's business, financial condition or financial results.

Emergence of Non-Traditional Competitors in the Wealth Management Industry

Competition from non-traditional channels has gained momentum in other jurisdictions and will likely become increasingly prevalent in the Canadian market. In particular, the emergence and rapid development of the fee-based registered investment advisor channel poses a significant risk. The wealth management industry may also attract a number of technology-based competitors, including emerging next generation financial technology companies, given the industry's relatively low capital requirements and considerable growth outlook. The emergence of non-traditional competitors offering wealth management solutions could result in a reduction in product and service offerings from more traditional financial planning and advice provision streams.

Demand for the Provision of Face-to-Face Advice May Decline

A decline in growth of the wealth management industry or other changes to the industry that result in decreased demand for face-to-face wealth management advice could affect the ability of Richardson GMP to attract clients and result in a decline in revenues. This could have a materially adverse effect on cash flow, financial conditions, and profitability.

NAME CHANGE

At the Meeting, Common Shareholders will be asked to consider, and if deemed advisable, to approve the Name Change Resolution. The full text of the Name Change Resolution is set out in Schedule C to this Information Circular.

In order to become effective, the Name Change Resolution must be approved by at least two-thirds (66⅔%) of the votes cast by Common Shareholders present at the Meeting or represented by proxy at the Meeting and voting thereon.

As part of the Sale Transaction, GMP agreed to change its name (including its corporate name, business name, trading name and all other names or references to its business) to one which does not include certain licensed trademarks which have been transferred to Stifel in the Sale Transaction.

"RF Capital Group Inc." has been proposed as the new name of the Company and TSX:RCG has been proposed as the new ticker symbol for the Company.

If shareholder approval of the Name Change Resolution is obtained, subject to the approval of the TSX, the Company intends to file articles of amendment, in the prescribed form pursuant to the OBCA to effect the name change following the closing of the RGMP Transaction.

THE BOARD HAS APPROVED AND UNANIMOUSLY RECOMMENDS THAT COMMON SHAREHOLDERS VOTE FOR THE NAME CHANGE RESOLUTION.

Unless specified in a BLUE form of proxy that the Common Shares represented by the proxy shall be voted otherwise, the named proxyholders designated in the enclosed BLUE form of proxy intend to vote FOR the Name Change Resolution.

ADVANCE NOTICE BY-LAW

At the Meeting, Common Shareholders will also be asked to consider, and if deemed advisable, to approve the Advance Notice By-Law Resolution, the full text of which is included as Schedule D to this Information Circular.

On July 30, 2020, the Board adopted the Advance Notice By-Law, which requires advance notice to the Company in circumstances where nominations of persons for election as a director of the Company are made by Common Shareholders other than pursuant to: (i) a requisition of a meeting made pursuant to the provisions of the OBCA; or (ii) a shareholder proposal made pursuant to the provisions of the OBCA. The full text of the Advance Notice By-law is reproduced in Schedule J.

The purpose of the Advance Notice By-Law is to treat all Common Shareholders fairly by ensuring that all Common Shareholders, including those participating in a meeting by proxy rather than in person, receive adequate notice of the nominations to be considered at a meeting and sufficient information to evaluate the proposed nominees' qualifications and suitability as directors, which allows shareholders to exercise their voting rights in an informed manner.

Among other things, the Advance Notice By-Law fixes a deadline by which Common Shareholders must submit a notice of director nominations to the Company prior to any annual or special meeting of Common Shareholders where directors are to be elected and sets forth the information that a Common Shareholder must include in the notice for it to be valid. In the case of an annual meeting of Common Shareholders (which includes an annual and special meeting of Common Shareholders), notice to the Company must be given not less than 30 days prior to the date of the annual meeting of Common Shareholders; provided, however, that if (i) an annual meeting of Common Shareholders is called for a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice must be received not later than the close of business on the 10th day following the date on which the public announcement of the date of the annual meeting is first made by the Company, and (ii) the Company uses "notice-and-access" (as defined in National Instrument 54-101 – Communications with Beneficial Owners of Securities of a Reporting Issuer) to send proxy-related materials to shareholders in connection with an annual meeting, notice must be received not less than 40 days prior to the date of the annual meeting.

In the case of a special meeting of Common Shareholders (which is not also an annual meeting), notice to the Company must be given no later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made.

The Advance Notice By-Law is effective since its adoption by the Board on July 30, 2020. Pursuant to the provisions of the OBCA, the Advance Notice By-Law will cease to be effective unless the Advance Notice By-Law Resolution is approved by a majority of the votes cast by Common Shareholders present at the Meeting or represented by proxy at the Meeting and voting thereon. The full text of the Advance Notice By-Law is set forth in Schedule J to this Information Circular.

THE BOARD HAS APPROVED AND UNANIMOUSLY RECOMMENDS THAT COMMON SHAREHOLDERS VOTE FOR THE ADVANCE NOTICE BY-LAW RESOLUTION.

Unless specified in a BLUE form of proxy that the Common Shares represented by the proxy shall be voted otherwise, the named proxyholders designated in the enclosed BLUE form of proxy intend to vote FOR the Advance Notice By-Law Resolution.

REDUCTION OF STATED CAPITAL

GENERAL

At the Meeting, Common Shareholders will also be asked to consider, and if deemed advisable, to approve the Stated Capital Reduction Resolution in order to effect a reduction of the stated capital of the Common Shares by an aggregate amount of up to $53 million, such amount to be determined by the board of directors in its sole discretion. The full text of the Stated Capital Reduction Resolution is included as Schedule E to this Information Circular.

In order to become effective, the Stated Capital Reduction Resolution must be passed by an affirmative vote of not less than two-thirds (66⅔%) of the votes cast by Common Shareholders present at the Meeting or represented by proxy at the Meeting and voting thereon.

The RGMP Transaction Resolution and the Stated Capital Reduction Resolution are distinct resolutions and approval of the RGMP Transaction Resolution is not conditional upon approval of the Stated Capital Reduction Resolution, nor is the approval of the Stated Capital Reduction Resolution conditional upon approval of the RGMP Transaction Resolution.

THE BOARD UNANIMOUSLY RECOMMENDS THAT COMMON SHAREHOLDERS VOTE FOR THE STATED CAPITAL REDUCTION RESOLUTION.

Unless specified in a <u>BLUE</u> form of proxy that the Common Shares represented by the proxy shall be voted otherwise, the named proxyholders designated in the enclosed <u>BLUE</u> form of proxy intend to vote <u>FOR</u> the Stated Capital Reduction Resolution.

CORPORATE LAW FRAMEWORK

Under the OBCA, a corporation must maintain a separate capital account for each class of shares it issues. Subject to certain exceptions, the OBCA requires that a corporation add to each stated capital account the full amount of all consideration it receives for the shares it issues. Under the OBCA, a corporation is prohibited from taking certain actions, including declaring or paying dividends on its shares or purchasing its own shares, if, among other things, there are reasonable grounds for believing that the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities and the stated capital of all classes of its shares.

Subsection 34(1) of the OBCA permits a corporation, by way of special resolution, to reduce its stated capital for any purpose. Section 34(4) of the OBCA provides that a corporation shall not reduce its stated capital in this manner if there are reasonable grounds for believing that (a) the corporation is or, after the taking of such action, would be unable to pay its liabilities as they become due; or (b) after the taking of such action, the realizable value of the corporation's assets would be less than the aggregate of its liabilities.

BACKGROUND

On July 31, 2020, GMP announced that, notwithstanding its sufficient level of working capital, the Board determined, in accordance with Section 38(3) of the OBCA, that the Company could not pay a dividend on its outstanding shares as there were reasonable grounds for believing that the net realizable value of the Company's assets would be less than the aggregate of its liabilities and its stated capital of all classes of shares (common and preferred) on that date. The factors which the Board considered in making this determination included the decline in the realizable value of the Company's interest in Richardson GMP as a result of the ongoing COVID-19 pandemic and related capital markets volatility. Dividends on the Preferred Shares are cumulative and will continue to accrue in accordance with the rights, privileges, restrictions and conditions attaching to each series of such Preferred Shares.

PROPOSED REDUCTION OF STATED CAPITAL OF THE COMMON SHARES

The Board monitors the realizable value of GMP's assets, its liabilities and the existing level of the stated capital account for all classes of its shares.

The Board believes that the existing level of stated capital for the Common Shares is unnecessarily high as a result of past share and unit issuances at significantly higher prices than recent market prices of the Common Shares. Because of the high value of stated capital for the Common Shares, the Board may be restricted from declaring or paying a dividend on or repurchasing shares. The Board has decided to submit the Stated Capital Reduction Resolution to Common Shareholders in order to give the Board greater flexibility in managing GMP's capital structure going forward and to provide the Board with the ability to declare and pay dividends on the Preferred Shares. The reduction of the stated capital of the Common Shares will not, on its own, result in a reduction in the number of Common Shares, impact the day-to-day operations of GMP or alter the financial condition of GMP. The Stated Capital Reduction Resolution, if approved, will result in a decrease in the stated capital of the Common Shares, with a corresponding increase in contributed surplus recorded in the Company's financial statements.

If the Stated Capital Reduction Resolution is approved, a dividend will be paid prior to the Closing of the RGMP Transaction to holders of both series of Preferred Shares of record immediately prior to the closing of the RGMP Transaction in an amount equal to the accrued but undeclared and unpaid dividends on the

Preferred Shares for the quarter ended June 30, 2020 and thereafter payment of the dividends on all series of Preferred Shares will resume.

For the reasons set forth above, the Company believes that the Stated Capital Reduction Resolution is in the best interests of the Company. In accordance with Section 34(4) of the OBCA, the Board has determined that there are not reasonable grounds to believe that (i) the Company is, or would after the stated capital reduction be, unable to pay its liabilities as they become due, or (ii) the realizable value of the Company's assets would, after the stated capital reduction, be less than the aggregate of its liabilities.

CANADIAN FEDERAL INCOME TAX CONSEQUENCES

The following summary of certain Canadian federal income tax consequences of the reduction of the stated capital of the Common Shares is of a general nature only and is not exhaustive of all Canadian federal income tax consequences that may be applicable to Common Shareholders. This summary is not intended to constitute, nor should it be construed to constitute, legal or tax advice to any particular Common Shareholder. Common Shareholders are advised to consult their own advisors regarding the consequences of acquiring, holding or otherwise disposing of their Common Shares, considering their particular circumstances and any foreign, provincial or territorial legislation applicable to them.

This summary is based upon the current provisions of the Tax Act, the regulations to the Tax Act and the current published administrative practices and assessing policies of the CRA. This summary also takes into account all Tax Proposals and assumes that all Tax Proposals will be enacted in the form proposed. However, there can be no assurance that the Tax Proposals will be enacted in their current form or at all. Except for the Tax Proposals, this summary does not take into account or anticipate any changes in law or administrative practice, whether by legislative, regulatory, administrative or judicial decision or action, nor does it take into account or consider any provincial, territorial or foreign tax considerations, which may differ significantly from the Canadian federal income tax considerations described herein.

The proposed reduction of the stated capital of the Common Shares will not result in any immediate Canadian income tax consequences to the Common Shareholders. Since no amount will be paid by GMP on the reduction, none of the Common Shareholders will be deemed to have received a dividend and there will not be any reduction in the adjusted cost base ("**ACB**") of the Common Shares to Common Shareholders as a result of the reduction of the stated capital of the Common Shares.

The reduction of the stated capital of the Common Shares will reduce the paid-up capital (as defined in the Tax Act) of the Common Shares ("**PUC**") for purposes of the Tax Act by an amount equal to the reduction of stated capital. PUC is generally the aggregate of all of the amounts received by the Company upon issuance of its shares (by class) adjusted in certain circumstances in accordance with the Tax Act over the total outstanding number of shares of that class. PUC differs from the ACB of shares to any particular Common Shareholder as ACB is calculated based on the amount paid by a Common Shareholder to acquire shares of the Company, whether on issuance by the Company or through the marketplace. The reduction in PUC of the Common Shares may have future Canadian federal income tax consequences to a Common Shareholder, including, but not limited to, if GMP repurchases any Common Shares, on a distribution of assets by GMP or if GMP is wound-up.

ANNUAL GENERAL MEETING ITEMS

PRESENTATION OF FINANCIAL STATEMENTS

The audited consolidated financial statements of GMP for the year ended December 31, 2019, are contained in GMP's 2019 annual report and are available under GMP's profile on SEDAR at www.sedar.com.

ELECTION OF DIRECTORS

At the Meeting, the six persons listed below will be nominated for election as directors. Five of the six nominees currently serve as directors. The term of office of each current director will expire at the Meeting or when their successor is elected or appointed. If elected, each director will hold office until the next annual meeting of Common Shareholders or until their successor is elected or appointed.

The Board, on the recommendation of its Governance Committee, approved each of the directors to be nominated for election. The Board has adopted a policy regarding majority voting in the election of directors. For details regarding the policy, see "*Majority Voting Policy in Director Elections*" in the governance disclosure provided in Schedule K hereto.

Management does not contemplate that any of the nominees named below will be unable to serve as a director. If any nominee becomes unable to serve as a director for any reason prior to the Meeting, and if you authorize the Chair (or his alternate) to act as your proxyholder at the Meeting, the Chair (or his alternate) reserves the discretionary right to vote for other nominees, unless directed to withhold your Common Shares from voting.

THE BOARD UNANIMOUSLY RECOMMNDS THAT COMMON SHAREHOLDERS VOTE <u>FOR</u> THE ELECTION OF MANAGEMENT'S NOMINEES TO THE BOARD

Unless specified in a <u>BLUE</u> form of proxy that the Common Shares represented by the proxy shall be voted otherwise, the named proxyholders designated in the enclosed <u>BLUE</u> form of proxy intend to vote <u>FOR</u> the election of the six nominees to the Board whose names are set forth below.

Director Nominees

The six nominated directors are profiled below, including their background and experience, meeting attendance, share ownership and other public company boards positions held during the past five years.

The total value of Common Shares and DSUs (where applicable) held by each nominee is based on the closing price of GMP's Common Shares on September 4, 2020, which was $1.76.

Mr. Dalpé has agreed to resign if the RGMP Transaction does not close.

Advance Notice By-Law

The Board adopted the Advance Notice By-Law on July 30, 2020 for the purpose of treating all Common Shareholders fairly by ensuring that all Common Shareholders, including those participating in a meeting by proxy rather than in person, receive adequate notice of the nominations to be considered at a meeting and sufficient information to evaluate the proposed nominees' qualifications and suitability as directors, which allows shareholders to exercise their voting rights in an informed manner. See "*Advance Notice By-Law*".

On September 4, 2020, the Company received a notice from a nominating shareholder (as defined in the Advance Notice By-Law) pursuant to Part One of the Advance Notice By-Law relating to the nomination of an alternative slate of directors. The notice indicated that the nominating shareholder intends to furnish Common Shareholders with an information circular containing further information and form of proxy in connection with the solicitation of proxies. Common Shareholders are encouraged to carefully review the contents of such information circular to be filed with the Canadian securities regulators in due course, and other such information circulars which any other nominating shareholder may file.

Director Nominees at a Glance

	D. Brown	D. Ferguson	M. Dalpé	K. Kapoor	J. Lassonde	D. Wright
Years on Board	5	5	-	2	2	15
Citizenship	Canada	Canada	Canada	Canada	Canada	Canada
Public Board interlocks	None	None	None	None	None	None
Independent director	✓	✓	x	x	✓	✓ (chair)
Age, as of September 4, 2020	60	69	61	63	48	72
Gender	male	male	male	male	female	male
Audit Committee	✓	✓ (chair)			✓	
Management Resources & Compensation Committee	✓				✓	✓
Governance Committee	✓	✓			✓ (chair)	

DAVID G. BROWN, CPA, CA, LL.B(1) (2)

Age: 60	Winnipeg, Manitoba, Canada	Director since May 2014	Independent
Public Board Interlocks:		None	
Voting Results of the 2019 Annual Meeting:		For: 96.84%	Withheld: 3.16%
Areas of Expertise:		Audit/Accounting/Taxation Capital Markets Corporate Finance Governance Human Resources	Legal/Regulatory Mergers & Acquisition Risk Management Strategic Leadership Wealth Management

Biography

Mr. Brown is Managing Director, President and Chief Executive Officer of Richardson Capital Limited, the private equity division of RFGL and a managing director of RBM Capital Limited. Mr. Brown is the former Corporate Secretary of JRSL and a former partner in the independent law and accounting firm, Gray & Brown. Mr. Brown has over 30 years of experience in advising family businesses and investment companies in the areas of taxation, mergers, acquisitions, divestitures, corporate reorganizations, financings and estate planning, and has been involved in the vast majority of investments made by the Richardson Family. Mr. Brown is a member of the board of directors of Boyd Group Services Inc and Pollard Banknote Limited and chairs the audit committee of both of these boards. Mr. Brown is a graduate of the University of Manitoba where he obtained his LL.B degree, is a Chartered Professional Accountant and no longer practices law.

Key Qualifications

The Board has determined that Mr. Brown's leadership and management abilities, significant experience with mergers and acquisitions, as well as his professional designation and experience as both a lawyer and Chartered Professional Accountant, qualify him to serve as a director and member of both the Management Resources & Compensation Committee and Governance Committee.

GMP Board & Committees	Position Held	Meeting Attendance	
Board	Member	7/9	78%(3)
Audit(4)	Member	0/1	0%(3)
Management Resources & Compensation	Member	3/5	60%(3)
Public Board Memberships in the Past Five Years	**Timeframe**		
Boyd Group Services Inc	2012 – present		
Pollard Bank Note Limited	2017 – present		

Equity Ownership(5)

Common Shares & DSUs					*Options*		
Year	Common Shares	DSUs	Total Value of Common Shares & DSUs	Percentage of Ownership Requirement	Common Share Options	Expiry Date	Exercise Price
2019	23,500	247,487	$476,937	198.72%	55,000	Nov. 11, 2021	$6.00
2018	23,500	125,563	$338,373	140.99%			

Compensation Summary

Annual Fee	Option-based Awards	Committee Retainer	Meeting Fees	All Other Compensation	Total Compensation
$80,000	-	$6,986	$7,000	-	$93,986

1. JRSL, indirectly, and through its subsidiary RFGL, owns 18,170,575 Common Shares, representing 24.1% (on a non-diluted basis) of the outstanding Common Shares, based on available public records. Mr. Brown is being nominated to the Board by JRSL pursuant to the Investor Agreement, which, among other things, entitles JRSL to nominate a certain number of individuals to the Board depending on the number of Common Shares held by the Investor Group. See "*Voting Information – Principal Holders of Voting Securities – Investor Agreement*" in this Information Circular for further information.
2. Mr. Brown resigned as a director of each of 2154331 Canada Inc. (formerly Mechtronix Systems Inc.) and 6941249 Canada Inc. (formerly Mechtronix World Corporation) on March 26, 2012. Those companies were each a petitioner/debtor in a proposal made under the Bankruptcy and Insolvency Act (Canada) on or about May 16, 2012.
3. Mr. Brown's Board and Committee meeting participation was impacted by an absence due to injuries incurred in an accident and resulting hospital time. Dave Brown has fully recovered from the accident.
4. Mr. Brown was appointed as a member of the Audit Committee on August 8, 2019.
5. Mr. Brown is an officer of Richardson Capital Limited (a division of RFGL), which owns 18,170,575 Common Shares.

MARC DALPÉ [1]			
Age: 61	**Montreal, Quebec, Canada**	**Director since** Not applicable	**Not Independent**
Public Board Interlocks:		None	
Voting Results of the 2019 Annual Meeting:		Not applicable	
Areas of Expertise:		Capital Markets Corporate Finance Investment Portfolio Management	Mergers & Acquisitions Strategic Leadership Wealth Management

Biography

Mr. Dalpé's career in the investment industry started in 1981 as an investment banker, after graduating from Montreal's École des hautes études commerciales (HEC) with a major in finance. Mr. Dalpé's career as an investment advisor began in the fall of 1990 at Lévesque Beaubien Geoffrion Inc. Since 1998, he has co-led the Dalpé-Milette group. Mr. Dalpé has been a part of Richardson GMP since he joined in November of 2011 and is currently a Portfolio Manager at the Company. During his academic years, Mr. Dalpé was awarded many prizes, one of which was a medal of excellence for academic achievement bestowed by the Financial Executive Institute. He has received awards by the Montreal Chamber of Commerce and the École des HEC for his leadership, innovation and decision-making qualities. In 1999, he was selected as the National Winner of the Investment Dealers Association (IDA)'s prestigious Award of Distinction. This is a "national award program that recognizes outstanding investment advisors who exemplify the highest standards of dedication and professionalism in the securities industry." In 2002, Mr. Dalpé obtained the title of Canadian Investment Manager and, in 2003, became a Fellow of the Canadian Securities Institute (FCSI®). Mr. Dalpé has sat on the board of directors of several publicly traded companies. He was a member of the retirement and investment committees of the École des HEC. He has also been a member of the Investment Industry Regulatory Organization of Canada (IIROC) national advisory committee and of the Quebec chapter of the IIROC board of directors.

Key Qualifications

The Board has determined that Mr. Dalpé's extensive wealth management and financial services industry experience, together with his public, private and not-for profit board experience qualify to serve his as a director of GMP.

GMP Board & Committees	Position Held	Meeting Attendance	
-	-	-	-

Public Board Memberships in the Past Five Years	Timeframe
-	-

Equity Ownership[2]							
Common Shares & DSUs					***Options***		
Year	Common Shares	DSUs	Total Value of Common Shares & DSUs	Percentage of Ownership Requirement	Common Share Options	Expiry Date	Exercise Price
2019	-	-	-	-	-	-	-

Compensation Summary					
Annual Fee	Option-based Awards	Committee Retainer	Meeting Fees	All Other Compensation	Total Compensation
-	-	-	-	-	-

1. Mr. Dalpé is also a member of the RGMP Board.
2. Mr. Dalpé currently owns 261,800 RGMP Common Shares and 56,403 RGMP RSU's. Following the Closing of the RGMP Transaction, Mr. Dalpé will own 596,630 Common Shares.

DAVID C. FERGUSON, BComm, MBA, FCPA, FCA			
Age: 69	**Brookline, Massachusetts, United States**	**Director since August 2014**	**Independent**
Public Board Interlocks:		None	
Voting Results of the 2019 Annual Meeting:		For: 99.63%	Withheld: 0.37%
Areas of Expertise:		Audit/Accounting/Taxation Capital Markets Corporate Finance Governance Human Resources	Legal/Regulatory Mergers & Acquisition Risk Management Strategic Leadership Wealth Management

Biography

Mr. Ferguson retired in 2012 from his position as Executive Managing Director and Chief Financial Officer of BMO Capital Markets, the wholesale banking and institutional brokerage pillar of BMO Financial Group. He had held that position since 1999. He also served as Chief Financial Officer and a member of the board of directors of BMO Nesbitt Burns Inc. during this period. Mr. Ferguson's previous experience includes practicing public accounting for 25 years, including 16 years as an audit partner and a period as National Director of KPMG's investment dealer practice. In addition to GMP Capital, Mr. Ferguson is currently a member of the board of directors of Antares Holdings GP and Highland Therapeutics Inc. and chairs the audit committees of each of these boards. He is also the lead director of Highland Therapeutics. Until its sale in September 2019, Mr. Ferguson was a member of the board of directors of Hydrogenics Corporation and chaired its audit committee. Mr. Ferguson holds Bachelor of Commerce and MBA degrees from the University of Toronto and is a Fellow of the Institute of Chartered Professional Accountants of Ontario.

Key Qualifications

The Board has determined that Mr. Ferguson's management experience and in-depth knowledge of the financial services industry, as well as his professional designation and experience as a Chartered Professional Accountant, qualify him to serve as a director, Chair of the Audit Committee and member of the Governance Committee.

GMP Board & Committees	Position Held	Meeting Attendance	
Board	Member	9/9	100%
Audit	Chair	4/4	100%
Governance	Member	3/3	100%
Management Resources & Compensation(1)	Member	3/3	100%
Public Board Memberships in the Past Five Years	**Timeframe**		
Hydrogenics Corporation	2014 – 2019		

Equity Ownership

Common Shares & DSUs					*Options*		
Year	Common Shares	DSUs	Total Value of Common Shares & DSUs	Percentage of Ownership Requirement	Common Share Options	Expiry Date	Exercise Price
2019	52,000	131,754	$323,407	134.75%	55,000	Nov. 11, 2021	$6.00
2018	52,000	68,048	$272,509	113.55%			

Compensation Summary

Annual Fee	Option-based Awards	Committee Retainer	Meeting Fees	All Other Compensation	Total Compensation
$80,000	-	$38,014	$21,500	$40,000(2)	$179,514

1. Resigned from the Management Resources & Compensation Committee on August 8, 2019.
2. Includes fees paid in connection with service on the Special Committee.

KISHORE KAPOOR, CPA, CA, Corporate Director[1]			
Age: 63	Winnipeg, Manitoba, Canada	Director Since June 2018	Not Independent
Public Board Interlocks:		None	
Voting Results of the 2019 Annual Meeting:		For: 96.77%	Withheld: 3.23%
Areas of Expertise:		Audit/Accounting/Taxation Capital Markets Corporate Finance Governance Human Resources	Investment Portfolio Management Legal/Regulatory Mergers & Acquisition Risk Management Strategic Leadership Wealth Management

Biography

Mr. Kapoor is Interim President and Chief Executive Officer (CEO) of GMP Capital Inc. Mr. Kapoor joined GMP's Board in June 2018 and was appointed Interim President and CEO in August 2019. Until 2011 he was President of Wellington West Holdings Inc., the parent company of a number of subsidiaries that provided wealth management and corporate finance services to retail and institutional clientele in Canada. Previously he was Executive Vice-President of Corporate Development at Loring Ward International Inc. He co-founded Assante Corporation, previously one of the largest wealth management firms in Canada, and served as its Executive Vice-President, Corporate Development from 1994 until 2003. Mr. Kapoor is currently a director of Equitable Group Inc. (chair of its audit committee and a member of the risk and capital committee), Richardson Financial Group Limited (a member of its audit committee), Richardson GMP (and chair of its audit committee) and Morneau Shepell Inc. He also served as a director of Manitoba Telecom Services and Chair of its audit committee from 2006 to 2017. Mr. Kapoor has a Bachelor of Science degree from the University of Manitoba and is a Chartered Accountant and former tax partner with KPMG LLP.

Key Qualifications

The Board has determined that Mr. Kapoor's professional designation as a Chartered Accountant, demonstrated leadership and management abilities and significant experience with mergers and acquisitions qualify him to serve as a director.

GMP Board & Committees	Position Held	Meeting Attendance	
Board	Member	9/9	100%
Audit Committee[2]	Member	2/2	100%[3]
Public Board Memberships in the Past Five Years	**Timeframe**		
Morneau Shepell Inc.	2018 – present		
Equitable Group Inc.	2017 – present		
Manitoba Telecom Services Inc.	2006 – 2017		

Equity Ownership

Common Shares & DSUs[4]					*Options*		
Year	Common Shares	DSUs	Total Value of Common Shares & DSUs	Percentage of Ownership Requirement	Common Share Options	Expiry Date	Exercise Price
2019	-	-	-	-[5]	-	-	-
2018	-	-	-	-[5]	-	-	-

Compensation Summary

Annual Fee	Option-based Awards	Committee Retainer	Meeting Fees	All Other Compensation	Total Compensation
$43,219	-	$3,014	$10,000	-	$61,233

1. JRSL indirectly through its subsidiary, RFGL, owns 18,170,575 Common Shares, representing 24.1% (on a non-diluted basis) of the outstanding Common Shares, based on available public records. Mr. Kapoor is being nominated to the Board by JRSL pursuant to the Investor Agreement, which, among other things, entitles JRSL to nominate a certain number of individuals to the Board depending on the number of Common Shares held by the Investor Group. See "*Voting Information – Principal Holders of Voting Securities – Investor Agreement*" in this Information Circular for further information.
2. Mr. Kapoor resigned from the Audit Committee on August 8, 2019.
3. Mr. Kapoor was unable to attend the Audit Committee meeting held on August 7, 2019 due to a scheduled medical procedure.
4. Mr. Kapoor is a director of RFGL, which owns or has direct or control over 18,170,575 Common Shares.
5. Mr. Kapoor has until June 18, 2021 to meet the applicable minimum ownership requirement. See "*Director Compensation – Minimum Director Ownership Requirements*".

JULIE A. LASSONDE, MBA			
Age: 48	**Toronto, Ontario, Canada**	**Director since September 2018**	**Independent**
Public Board Interlocks:		None	
Voting Results of the 2019 Annual Meeting:		For: 99.64%	Withheld: 0.36%
Areas of Expertise:		Capital Markets Corporate Finance	Governance Strategic Leadership

Biography

Ms. Lassonde joined the Board of GMP in 2018. She has over 20 years of experience in the banking and mining sectors in senior executive and board roles specializing in diamonds, gold and base metals. Ms. Lassonde presently serves on the board of FireFox Gold Corp. Her philanthropic endeavours include York University, where she serves on the executive committee of the York University Board of Governors, and as chair of the external relations committee; President of the Canadian Engineering Memorial Foundation; and as a Director of the Lassonde Family Foundation. Ms. Lassonde holds a degree in Civil Engineering from Queen's University in Kingston, Ontario, and an Executive MBA from Brown University and IE University.

Key Qualifications

The Board has determined that Ms. Lassonde's in-depth experience in the capital markets as well as her executive leadership experience qualify her to serve as a director; chair of the Governance Committee and member of the Audit Committee and Management Resources & Compensation Committee.

GMP Board & Committees	**Position Held**	**Meeting Attendance**	
Board	Member	9/9	100%
Governance	Chair	3/3	100%
Management Resources and Compensation Committee	Member	2/2	100%
Public Board Memberships in the Past Five Years	**Timeframe**		
FireFox Gold Corp.	2018 – present		

Equity Ownership							
Common Shares & DSUs					***Options***		
Year	Common Shares	DSUs	Total Value of Common Shares & DSUs	Percentage of Ownership Requirement	Common Share Options	Expiry Date	Exercise Price
2019	-	-	-	-[(1)]	-	-	-
2018	-	-	-	-[(1)]	-	-	-

Compensation Summary					
Annual Fee	Option-based Awards	Committee Retainer	Meeting Fees	All Other Compensation	Total Compensation
$80,000	-	$8,972	$11,500	$40,000[(2)]	$140,472

1. Ms. Lassonde has until September 10, 2021 to meet the applicable minimum ownership requirement. See "*Director Compensation – Minimum Director Ownership Requirements*".
2. Includes fees paid in connection with service on the Special Committee.

DONALD A. WRIGHT[1]

Age:72	Toronto, Ontario, Canada	Director Since January 2004	Independent
Public Board Interlocks:		None	
Voting Results of the 2019 Annual Meeting:		For: 99.68%	Withheld: 0.32%
Areas of Expertise:		Audit/Accounting/Taxation Capital Markets Corporate Finance Governance Human Resources	Legal/Regulatory Mergers & Acquisition Risk Management Strategic Leadership Wealth Management

Biography

Mr. Wright is currently President and Chief Executive Officer of The Winnington Capital Group Inc. He is an active investor in both the private and public equity markets. Mr. Wright's career has spanned over 40 years in the investment industry. He has held a number of leadership positions, including President of Merrill Lynch Canada, Executive Vice-President, director and member of the executive committee of Burns Fry Ltd., Chairman and Chief Executive Officer of TD Securities Inc., and Deputy Chairman of TD Bank Financial Group. Mr. Wright currently is the non-executive Chair of the Boards of GMP Capital Inc., Wildbrain Ltd., Richards Packaging Income Fund, Metrolinx, and Cinaport Capital Inc. He is the lead director of Fire & Flower Holdings Corp. and a member of the board of Bank of China (Canada). As well, he was the past Chairman of the board of directors of VIA Rail Canada, and was a past member of the Board of Trustees of the Hospital for Sick Children. He also actively supports numerous charitable organizations.

Key Qualifications

The Board has determined that Mr. Wright's leadership and management abilities, in-depth knowledge of the financial services industry, extensive public company board experience and his significant experience with mergers and acquisitions are key qualifications in respect of his role as Director, Chair of the Board and *ex officio* member of each of the Board's standing committees.

GMP Board & Committees	Position Held	Meeting Attendance	
Board	Chair	9/9	100%
Governance Committee	Interim Chair[2]	3/3	100%

Public Board Memberships in the Past Five Years and Timeframe	
Fire & Flower Holdings Corp. (2019 – present)	Cinaport Acquisitions Corp. II (2018 – 2019)
Cinaport Acquisitions Corp. III (2018 – present)	Jaguar Resources Inc.[1] (2013 – 2016)
Richards Packaging Income Fund (2004 – present)	New Era Minerals Inc. (2014 – 2015)
WildBrain Ltd. (2006 – present)	Mettrum Health Corp. (2014 – 2017)
	Condor Petroleum Inc. (2011 – 2015)

Equity Ownership

Common Shares & DSUs					*Options*		
Year	Common Shares	DSUs	Total Value of Common Shares & DSUs	Percentage of Ownership Requirement	Common Share Options	Expiry Date	Exercise Price
2019	91,000	266,896	$629,897	131.23%	-	-	-
2018	91,000	114,569	$466,642	97.22%			

Compensation Summary

Annual Fee	Option-based Awards	Committee Retainer	Meeting Fees	All Other Compensation	Total Compensation
$160,000	-	-	$17,500	$60,000[3]	$237,500

1. Mr. Wright is a former director of Tuscany International Drilling Inc. (from 2008 – 2014), which had its plan of reorganization under Chapter 11 of the United States Bankruptcy Code approved on May 19, 2014. Mr. Wright is also a current director of Jaguar Resources Inc. ("**Jaguar**") which was subject to a cease trade order ("**CTO**") issued by the Alberta Securities Commission on May 6, 2015 and the British Columbia Securities Commission on May 8, 2015, for failure to file its annual audited financial statements, annual management's discuss and analysis and certification of the annual filings for the year ended December 31, 2014, pursuant to which trading in and purchasing Jaguar's securities was prohibited. During the term of the CTO Jaguar issued securities in contravention of the CTO, namely promissory notes were issued by Jaguar to four sophisticated individuals familiar with Jaguar's business in exchange for loans made by such individuals for the purposes of providing Jaguar with working capital to complete the prescribed regulatory filings and seek revocation of the CTO.
2. Mr. Wright served as the Interim Chair of the Governance Committee until August 8, 2019, after which he continued to serve as an *ex officio* member.
3. Includes fees paid in connection with service on the Special Committee.

Director Nominee Skills and Expertise

The following table consolidates the areas of expertise set out above in the individual director nominee biographies.

Skills/Expertise Director Nominee	Audit / Accounting / Taxation	Capital Markets	Corporate Finance	Governance	Human Resources	Information Technology / Cyber Security	Investment Portfolio Management	Legal/Regulatory	Mergers & Acquisitions	Risk Management	Strategic Leadership	Wealth Management
David G. Brown	✓	✓	✓	✓	✓			✓	✓	✓	✓	✓
Marc Dalpé		✓	✓				✓		✓		✓	✓
David C. Ferguson	✓	✓	✓	✓	✓			✓	✓	✓	✓	
Kishore Kapoor	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
Julie A. Lassonde		✓	✓	✓							✓	
Donald A. Wright	✓	✓	✓	✓	✓			✓	✓	✓	✓	✓

APPOINTMENT OF AUDITORS

THE BOARD UNANIMOUSLY RECOMMENDS THAT COMMON SHAREHOLDERS VOTE <u>FOR</u> ERNST & YOUNG LLP TO BE APPOINTED AS THE INDEPENDENT AUDITOR OF GMP UNTIL THE NEXT ANNUAL MEETING OF SHAREHOLDERS AND TO AUTHORIZE THE AUDIT COMMITTEE OF THE BOARD TO FIX THE AUDITORS' REMUNERATION.

Unless specified in a <u>BLUE</u> form of proxy that the Common Shares represented by the proxy shall be voted otherwise, the named proxyholders designated in the enclosed <u>BLUE</u> form of proxy intend to vote <u>FOR</u> the appointment of Ernst & Young LLP as auditors of GMP to hold office until the next annual meeting of Common Shareholders and to authorize the Audit Committee of the Board to fix the auditors' remuneration.

DIRECTOR COMPENSATION

COMPENSATION PRINCIPLES

The compensation structure for non-management directors is designed to attract and retain qualified directors with a desired range of skills, expertise and experience. It is also designed to compensate for serving on the Board and its committees, for the time commitment and responsibility assumed by them and to align directors' interests with those of shareholders. The Board's Governance Committee is responsible for and reviews annually all aspects of the compensation for directors, including compensation for Board service and committee membership. In determining the appropriate level and mix of directors' compensation, the Governance Committee is guided by the following principles:

- The level of compensation must be sufficient to attract and retain highly qualified directors with a sufficient range of skills, expertise and experience.
- Equity is an important element of compensation that emphasizes alignment with the interests of Shareholders.
- Compensation should be reviewed annually to ensure that it remains appropriate and aligned with compensation principles.

In making its recommendations to the Board regarding director compensation, the Governance Committee annually reviews publicly available director compensation information and compares GMP's director compensation program to those of a peer group comprised of those Canadian peer companies used for executive compensation purposes and other Canadian financial services companies. Details regarding GMP's peer group are set out under the subheading "*Executive Compensation – Compensation Discussion and Analysis – Competitive Market for Executive Talent*" in this Information Circular.

COMPONENTS OF COMPENSATION

Annual and Meeting Fees

The following table sets forth elements of compensation for non-management directors.

	Annual fees ($)	
Service	**2019**	**2018**
Chair of the Board	160,000[(1)]	160,000[(1)]
Director retainer	80,000	80,000
Committee member retainer	5,000	5,000
Chair of the Audit Committee	30,000	30,000
Chairs of the Governance and Management Resources & Compensation Committees	10,000	10,000

1. Representing an amount equal to two times the annual retainer fee paid to non-management directors in a given year.

Non-management directors also receive per meeting fees of $1,500 for attendance in person or $1,000 for attendance by telephone.

For information on fees paid to members of the Special Committee in 2019, see "*Director Compensation – Director Total Compensation*" below.

Common Share Options

The Board has a practice of providing a one-time only grant of Options to new non-management directors upon joining the Board as a means to immediately align their financial interest with those of Shareholders and to incentivize and foster an ownership culture. Further, the Board is of the view that this modest one-time award of Options award does not compromise director independence as they are not tied to any performance conditions. While GMP had two new directors join the Board in 2018, the Board has not yet provided any such initial Option grant due to ongoing transactional-related trading blackouts imposed for members of the Board.

The following table provides a summary of all outstanding Options that have been granted to non-management directors as at December 31, 2019.

	Option-based Awards			
Name	**Number of Securities Underlying Unexercised Options (#)**	**Option Exercise Price ($)**	**Option Expiry Date**	**Value of Unexercised in-the-money Options(1) ($)**
David G. Brown	55,000	6.00	November 11, 2021	—
David C. Ferguson	55,000	6.00	November 11, 2021	—
Julie A. Lassonde	—	—	—	—
Fiona L. Macdonald	55,000	6.00	November 11, 2021	—
Donald A. Wright	—	—	—	—

1. Value is calculated based on the difference between the market value of the securities underlying the instruments at the end of the year, which was $1.93, and the exercise price of the option.

Deferred Share Units

In order to increase the alignment of directors' interests with those of shareholders, GMP's Deferred Share Unit Plan ("**DSU Plan**") provides for the issuance DSUs to participants that include non-management directors.

Key features of the DSU Plan are as follows:

- The DSU Plan allows directors to take all or a portion of their annual fees in the form of notional units that have the same value as Common Shares, and therefore have the same upside and downside risks.
- Directors have the opportunity to elect on an annual basis their participation percentage.
- To the extent a non-management director fails to meet the prescribed minimum share ownership requirement, participation is mandatory at the rate of 100% of annual and meeting fees until such requirement is met.
- Directors can only redeem their DSUs for cash after they leave the Board.

MINIMUM DIRECTOR OWNERSHIP REQUIREMENTS

GMP's minimum director ownership policy requires each non-management director to own that number of Common Shares or DSUs the dollar value of which is at least three times their current annual fee at any given time and management directors are required to own that number of Common Shares the dollar value of which is at least three times their base salary at any given time. Any management director that is not otherwise entitled to receive a base salary is required to own that number of Common Shares the dollar value of which is at least $1.5 million. New directors will be given a period of 36 months to comply with the minimum ownership requirements. If a non-management director who previously met the guideline no longer meets it as a result of fluctuations in the Common Share market price or changes in GMP's director compensation fees in accordance with the policy; such director will receive 100% of the annual and meeting fees payable to him or her in the form of DSUs under GMP's DSU Plan until such time as the applicable minimum ownership requirement is met. As outlined in the chart below, all non-management directors are in compliance with the requirements of GMP's minimum ownership policy.

The total value of Common Shares and DSUs (where applicable) held by each nominee is based on the closing price of GMP's Common Shares on September 4, 2020, which was $1.76.

Name	Common Shares (#)	DSUs (#)	Total Common Shares and DSUs (#)	Total Market Value of Common Shares and DSUs Held ($)	Minimum Share Ownership Requirement ($)	Percentage of Requirement Met
David G. Brown	23,500	247,487	270,987	476,937	240,000	198.72
Marc Dalpé	—	—	—	—	—	—
David C. Ferguson	52,000	131,754	183,754	323,407	240,000	134.75
Kishore Kapoor	—	—	—	—	240,000	—
Julie A. Lassonde	—	—	—	—	240,000	—
Donald A. Wright	91,000	266,896	357,896	629,897	480,000	131.23

DIRECTOR TOTAL COMPENSATION

The following table shows the fee amounts, before withholdings, earned by non-management directors during the year ended December 31, 2019 in respect of membership and attendance on the Board of GMP and its committees.

Name	Annual fee ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)	Committee member retainer ($)	Per meeting fees ($)	Special Committee fees[(1)] ($)	Total fees earned ($)
David G. Brown	80,000	—	—	6,986	7,000	—	93,986
David C. Ferguson	80,000	—	—	38,014	21,500	40,000	179,514
Kishore Kapoor[(2)]	48,219	—	—	3,014	10,000	—	61,233
Julie A. Lassonde	80,000	—	—	8,972	11,500	40,000	140,472
Fiona L. Macdonald	80,000	—	—	20,000	21,500	40,000	161,500
Donald A. Wright	160,000	—	—	—	17,500	60,000	237,500
TOTAL	**528,219**	**—**	**—**	**76,986**	**89,000**	**180,000**	**874,205**

1. Includes fees paid in connection with service on the Special Committee.
2. Mr. Kapoor was appointed as the Interim President and Chief Executive Officer of GMP effective August 9, 2019; accordingly, the annual and committee retainer fees paid to Mr. Kapoor in 2019 were prorated and reflect amounts relating to the period prior to his management appointment.

OUR BOARD COMMITTEES

The Board has three standing committees: Governance, Audit and Management Resources & Compensation. Each of our committees:

- Operates pursuant to a written charter, which is (available on our website at www.gmpcapital.com/about-us/corporate-governance).
- Evaluates its performance annually.
- Reviews its charter annually.

The following section contains reports of GMP's Governance, Audit and Management Resources & Compensation committees outlining their primary charter responsibilities.

Report of the Governance Committee

The Governance Committee is responsible for establishing GMP's governance principles and recommending appropriate governance guidelines and policies for GMP. The Governance Committee's primary charter responsibilities include:

- Confirming, following a review of the direct and indirect material relationships between each director and GMP, that a majority of the Board named in this Information Circular and each of the members of the Governance Committee, are independent.
- Reviewing the competencies and skills of the Board, the policies of the Board with respect to tenure, retirement and succession; its committees and individuals to become members of the Board; the compensation of its members, its committees and various chair members; GMP's codes and policies relating to ethical business and personal conduct; employee complaints or published regulatory oversight reports.
- Monitoring GMP's categorical standards for director independence; and compliance with applicable laws and regulations and GMP's codes and policies relating to ethical business and personal conduct.
- Auditing the practices of the Board to ensure compliance with GMP's governance guidelines.
- Developing criteria for selecting and identifying individuals qualified to become members of the Board and recommending director nominees for the next annual meeting of shareholders.
- Recommending the membership and allocation of directors to the various committees of the Board.
- Implementing orientation and ongoing education programs for new directors and procedures for the receipt, retention and treatment of shareholder complaints.
- Conducting an annual review and evaluation of the performance of the Board, its various committees and members, including the receipt of comments from all directors.

For more detailed information regarding the Governance Committee, its mandate and responsibilities, please see the "Corporate Governance" section of GMP's website at www.gmpcapital.com/about-us/corporate-governance.

The Governance Committee is satisfied that it has fulfilled its mandate for the year ended December 31, 2019.

As at December 31, 2019, the following directors served as members of the Governance Committee:

Julie A. Lassonde (Chair) Committee member since 2018	*David C. Ferguson* Committee member since 2014	*Fiona L. Macdonald* Committee member from 2014 to 2020

Report of the Audit Committee

The Audit Committee is responsible for the oversight and evaluation of the quality and integrity of GMP's financial reporting. The Audit Committee's primary charter responsibilities include:

- Reviewing with management and the independent auditor, and recommending for approval by the Board, GMP's annual audited financial statements, quarterly unaudited financial statements, GMP's accompanying disclosure of management's discussion and analysis and earnings press releases.
- Monitoring the effectiveness of disclosure controls and procedures and internal controls over financial reporting.
- Evaluating reports and presentations from management on GMP's compliance with applicable legal and regulatory requirements.
- Recommending to the Board, the appointment of the independent auditor and establishing the independent auditor's compensation.
- Examining the qualifications, performance and independence of the independent auditor.
- Reviewing with management the GMP Group's guidelines and policies with respect to risk assessment and the GMP Group's major financial risk exposures and the steps management has taken to monitor and control such exposures.

For more detailed information regarding the Audit Committee, its mandate and responsibilities, please see the "Corporate Governance" section of GMP's website at www.gmpcapital.com/about-us/corporate-governance or Appendix A to the AIF.

The Audit Committee is satisfied that it has fulfilled its mandate for the year ended December 31, 2019.

As at December 31, 2019, the following directors served as members of the Audit Committee:

David C. Ferguson (Chair) Committee member since 2014	*David G. Brown* Committee member since 2017	*Fiona L. Macdonald* Committee member from 2018 to 2020

Report of the Management Resources & Compensation Committee

The MRCC is responsible for overseeing the compensation programs, plans and policies of senior executives of, or those who are otherwise of significance to, the GMP Group. The MRCC's primary charter responsibilities include:

- Having the sole authority to recommend to the independent directors the compensation of the CEO and, in doing so:
  - Establishing principles of remuneration and a performance framework (including goals and objectives) relevant to the compensation of the CEO;
  - Evaluating the CEO's performance in light of the identified principles and framework; and
  - Recommending to the independent directors the compensation of the CEO based on such evaluation.
- Reviewing for appropriateness and fairness any special or supplemental compensation to be paid to any employee or partner of the GMP Group.
- Conducting a review of, and making recommendations to the Board regarding, the role and design of the GMP Group incentive compensation programs and share-based compensation programs, including an annual review of employee awards under any equity-related plans.
- Assisting management in developing and monitoring human resources policies that align with industry best practice, regulatory requirements and GMP's business objectives.
- Overseeing and monitoring talent development, retention strategy and succession planning for executive officers.

For more detailed information regarding the MRCC, its mandate and responsibilities, please see the "Corporate Governance" section of GMP's website at www.gmpcapital.com.

The MRCC is satisfied that it has fulfilled its mandate for the year ended December 31, 2019.

As at December 31, 2019, the following directors served as members of the MRCC:

Fiona L. Macdonald (Chair) Committee member from 2013 to 2020	*David G. Brown* Committee member since 2017	*Julie A. Lassonde* Committee member since 2019

GOVERNANCE DISCLOSURE

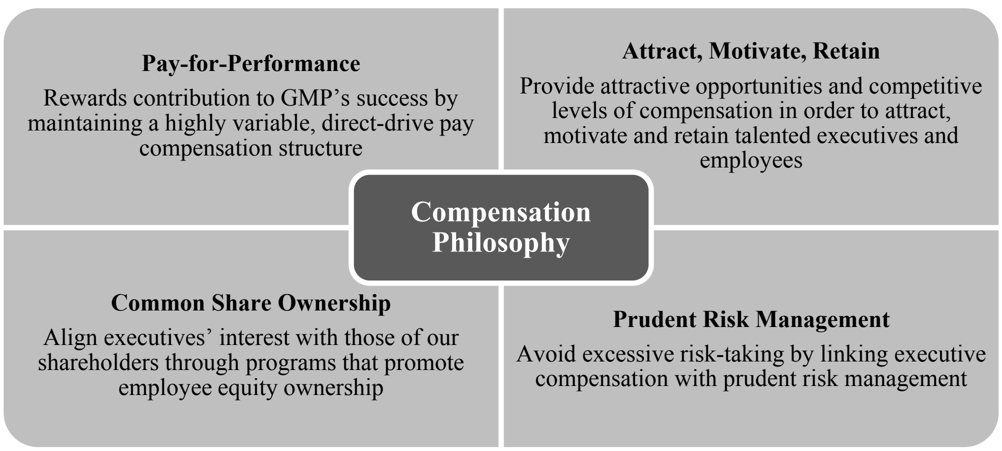
In addition to the governance practices set out in National Policy 58-201 – *Corporate Governance* Guidelines and National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, GMP is subject to rules of the Canadian Securities Administrators regarding both audit committees and the certification of certain annual and interim filings. In this regard, the Board has prepared and approved the disclosure of GMP's governance practices set forth in Schedule K to this Information Circular.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Philosophy

We believe that an effective compensation philosophy establishes a clear relationship between a company's long-term objectives, the interests of its shareholders and an appropriate incentive compensation structure. GMP's long-term objective is to sustainably increase its share price by maximizing profit while maintaining adequate capital levels and safeguarding liquidity.



This compensation discussion & analysis ("**CD&A**") provides descriptions and objectives of the key elements of the (i) executive compensation program for our current Interim President and CEO, Kishore Kapoor, and (ii) the 2019 executive compensation program for the following former named executive officers ("**NEOs**").

- Harris A. Fricker, *Former President and CEO, GMP*
- Deborah J. Starkman, *CFO and Corporate Secretary, GMP*
- Eugene C. McBurney, *Chairman and Chief Executive Officer, GMP Securities Emerging Markets Corp.*

Throughout the CD&A we will be referring to elements of the compensation program as it applied to NEOs associated with the Company's business both prior to and after the December 2019 completion of the capital markets Sale Transaction. Specifically references to "**Producer NEOs**" relate primarily to the business as it was conducted prior to completion of the Sale Transaction. These are NEOs that, in addition to executive duties, were also responsible for contribution to GMP's revenues and thereby qualified for at-risk compensation programs tied directly to GMP's revenues. For 2019 the Producer NEOs were Harris Fricker and Eugene McBurney.

Pay-for-Performance

GMP believes its success depends, to a large degree, on its focus of rewarding individual productivity and fostering a results-oriented team environment. GMP's unique entrepreneurial culture emphasizes variable compensation as the core of its compensation strategy to provide a powerful incentive for its NEOs to focus on financial performance. Prior to the Sale Transaction, the aggregate amount of variable compensation paid to Producer NEOs was primarily based on a fixed percentage of certain revenue generated by the business. A consequence of GMP's variable compensation policy was that individual compensation for many executives was highly variable. This dynamic has led to frequent rotations through who has been reported as a NEO from year to year and has caused higher reported NEO pay than if we had captured the same individuals in each year. We believe this was both reasonable and desirable as it motivated our Producer NEOs to contribute to GMP's success even in difficult market conditions, and so acted as a talent retention tool. While the fixed percentage of certain revenue ceased upon the closing of the Sale Transaction, the Pay-for-Performance approach to compensation endures for all remaining NEOs.

Attract, Motivate and Retain Talented Executives and Key Employees

GMP's success depends on the leadership of senior executives and the talent of our key employees. GMP recognizes that its people are its most valuable asset and seeks to recruit and retain the very best and provide them a work environment in which the sole determinant of their advancement is excellence. One of GMP's key competitive advantages in attracting top talent is its entrepreneurial culture that emphasizes and rewards contribution to its financial results. The MRCC reviews and considers the competitive market for talent with a primary goal of appointing its most senior executives from within the firm where possible.

Common Share Ownership

GMP encourages long-term service and loyalty by fostering a culture where employees have a vested interest in the long-term success of GMP. GMP has established share-based programs that enable meaningful ownership in the Company. These programs provide financial rewards to executives the value of which depends upon achievement of specific performance targets and the Common Share price at the end of the performance periods, thus encouraging a long-term focus and aligning the interests of GMP's executive officers with the interests of Shareholders.

Prudent Risk Management

We believe that a compensation philosophy should not increase a firm's risk profile. With that view, the MRCC and the Board have considered the implications of the risks associated with GMP's compensation policies and practices and believe that they are unlikely to expose GMP to inappropriate or excessive risk taking. Our risk management policies as they relate to compensation include:

- Prior to the Sale Transaction – The pool of funds available for allocation as variable compensation in the Capital Markets segment up to the time of the closing of the Sale Transaction was primarily based on a fixed percentage of certain revenues generated by the business (the Compensation Pool). This element of compensation is truly variable and could be reduced to zero based on individual performance. The payment of the Compensation Pool awards occurred only once certain net revenues had been received in cash, ensuring variable compensation payments were appropriately linked to GMP's revenues.
- Post the Sale Transaction – While the Compensation Pool is no longer based on a fixed percentage of certain revenues, variable compensation continues to be primarily based on an assessment of firm performance and individual contribution.

- Our directors and employees, including NEOs, are prohibited from entering into a short sale or any interest or position in a derivative instrument similarly relating to the future price of GMP's securities.

Competitive Market for Executive Talent

GMP is engaged in a highly competitive business, and its success depends on the leadership of our senior executives and the talent of our key employees. In order to attract and retain highly capable individuals, GMP strives to provide competitive levels of compensation. Therefore, GMP reviews information concerning compensation paid to executive officers of businesses that provide similar products and services to their clients (the "**Peer Group**"). In respect of 2019, our Peer Group contains publicly listed companies of a similar nature in North America. Other than Canaccord Genuity, there are no publicly listed Canadian peers of a similar nature and scope relative to GMP; however, we do look to larger industry peers, including the Canadian chartered banks, for insights into best practices and governance trends. Our review of the Peer Group is of particular importance in evaluating the compensation of GMP's CEO as it provides insights into how executive compensation correlates to financial performance and how GMP's financial performance compares to that of the Peer Group. Further, we evaluate our relative performance versus the Peer Group for certain of the vesting conditions associated with PSUs that may be awarded under the SIP, which we discuss further in this CD&A. Following the Sale Transaction and in light of the RGMP Transaction, , the MRCC is considering the Peer Group and adjusting as necessary to ensure the Peer Group continues to align with GMP's change in business mix of its core operating segments.

The following table shows the valuation in terms of market capitalization of the 2019 Peer Group as well as GMP as at December 31, 2019.

Company	Market Capitalization ($ millions) (1)
GMP	145
Canaccord Genuity	519
Cowen Group	461
Greenhill & Co.	314
JMP Group	66
Piper Jaffray	1,097
B. Riley Financial	679
Houlihan Lokey	3,204
Moelis & Company	1,928
Oppenheimer Holdings	352

Source: Bloomberg L.P.

1. Reflected in United States Dollars except for GMP and Canaccord Genuity.

Elements of NEO Compensation

We employ a mix of pay-for-performance rewards tied directly to individual and firm performance and encourage Common Share ownership through share-based award programs that include the SIP, the Option Plan and, historically, executive Common Share loan plans. For additional information, see "*Incentive Plan Awards – Equity Compensation Plans*". We believe this mix motivates NEOs to contribute to GMP's short and long-term success, enhances talent retention and aligns executive behaviour with shareholder interests.

The 2019 compensation of GMP's NEOs included the primary elements set out in the following table:

	Description	Objective	Pay-Out Risk
Base Salary	Paid 100% in cash.	To attract, motivate and retain.	None.
Annual Bonus	Performance-based incentive can vary significantly from year to year depending on achievement of key corporate and operational metrics, total shareholder return and strategic accomplishments.	To attract, motivate and retain. Designed to reward exceptional performance.	Moderate: Driven by pre-determined weighted performance metrics as further described under "*2019 CEO Compensation Framework*".
Monthly or Quarterly Bonus Paid from the Compensation Pool	Formulaic pool that can vary significantly depending on revenue generation. Allocation of monthly or quarterly bonus amounts to NEOs is discretionary and based on individual performance. Payment can include a Common Share component at certain levels of compensation.	To attract, motivate and retain. Designed to reward individual merit and contribution. Foster partnership, teamwork and fairness.	High: Pay-out is fully at-risk based on certain of GMP's operating entities aggregate revenue generation and individual performance.
Share-based Awards	Share-based program awards based on individual and firm performance.	Align interests of executives with long-term interests of Shareholders. Encourage long-term service and supports retention. Designed to reward exceptional performance.	Moderate to High: Participation is limited and, in the case of (i) PSUs, vesting is based on performance against pre-determined metrics; and (ii) RSUs, vesting is based on continued employment over a specified period.

Base Salary

Base salaries are a means to provide compensation that is certain and predictable and is generally competitive with market levels when considered within the context of total compensation. Base salaries are generally reviewed annually based on a review of role and responsibilities and external market data for similar positions in the industry in which GMP competes for executive talent. GMP believes that providing a predictable base salary that is part of a predominantly variable compensation structure helps to attract and retain talented executives. The determination of the base salaries is subjective and not formulaic. The MRCC recommends CEO salary levels to the Board for approval while the CEO recommends the salary level for the CFO, with input from the Chair of the Audit Committee.

Annual Bonus

The annual bonus represents the primary tool used by the MRCC to encourage the CEO to create sustainable shareholder value. The MRCC's determination of the appropriate level of annual bonus is guided by the CEO Compensation Framework. The framework measures the CEO's performance against performance metrics designed to incentivize the CEO to achieve superior financial, operational and strategic results.

Compensation Pool Awards

Prior to the Sale Transaction, GMP had an incentive-based compensation policy whereby approximately 40% of the investment banking and sales and trading revenue generated by GMP's Capital Markets segment was allocated to a Compensation Pool. Allocation of awards from the Compensation Pools was discretionary and based on individual performance and contribution to the Compensation Pool.

Post the Sale Transaction, the fixed percentage of certain Capital Markets revenues ceased and replaced with a Compensation Pool determined based on firm performance and individual contribution taking into consideration, among other factors, revenue and profitability measures.

Share-Based Awards

GMP believes that significant Common Share ownership by NEOs provides a strong inducement to long-term service and fosters a long-term view by aligning executive behaviour with Shareholder interests. GMP's NEOs are eligible to participate in our SIP and the Option Plan. Previously, NEOs were eligible to participate in the executive Common Share loan plans; however, these plans were terminated by the Board in 2014 and no new loans have been or will be provided under these plans.

The MRCC recommends to the Board for its approval share-based award grants each year. In forming its recommendation, the MRCC considers market conditions, existing and previous participation levels in share-based awards, existing Common Share ownership by executives as well as an assessment of the key individuals the MRCC considers to be critical to the future success of GMP.

Share Incentive Plan

In 2014, GMP introduced the SIP, which is available to senior-level employees. Under this plan, GMP may award equity settled PSUs, designed to reward individuals for sustained significant performance, and/or RSUs, which are used as a key retention tool for the firm's talent. As the SIP awards are settled by way of Common Shares purchased on the TSX (and not issuances from treasury), Shareholder approval of this plan was not required under TSX rules. The PSUs are subject to market and non-market performance vesting conditions with participation restricted to executive officers. The SIP rewards individual contribution to executive team decisions that advance GMP's long-term success and continues GMP's tradition of rewarding our top talent with Common Shares. Participants in the SIP are required to hold 50% of the after-tax settled shares for the duration of their employment with GMP. We believe the SIP serves to further enfranchise, incentivize and retain leaders by enabling meaningful ownership in GMP. For additional information see "*Incentive Plan Awards – Equity Compensation Plans – Share Incentive Plan*".

The PSUs are designed to focus executive officers on key measures of success: total shareholder return (TSR) on both an absolute and relative basis; return on common equity (ROE); and adjusted net income per diluted Common Share. The PSUs vest within three years and pay out at the end of the three-year award term. The minimum performance factor is zero and the maximum performance factor is 150%, with payouts being interpolated between targets. The awards are fully at-risk and subject to adjustment at vesting and with payout based on the ultimate outcomes of the specified metrics.

The following table shows the weight of each of these metrics and impact on award targets:

Metrics and Weighting	TSR (Absolute) 25%		TSR (Relative) 25%	ROE 25%	Adjusted Net Income per Diluted Common Share 25%
	Annual 50%	**3-Year Cumulative 50%**	**GMP Percentile Against Peer Group**	**3-Year Average**	**3-Year Cumulative**
150% of target	15%	48%	75th & above	18%	$2.25
Target	10%	32%	50th	12%	$1.50
50% of target	5%	16%	25th	6%	$0.75
0% of target	< 5%	< 16%	below 25th	< 6%	< $0.75

Options

Under the Option Plan, eligible employees may be allocated options at the discretion of the Board. The option exercise price must be not less than the closing price of the Common Shares on the last trading day prior to the day on which the Common Shares are traded prior to the date on which an option is granted. Options are subject to a four-year vesting period. In its discretion, the Board may prescribe performance conditions for the vesting of Options. While the Option Plan has not been utilized as the primary equity compensation plan by the Board in recent years, in fact, no option awards have been granted to executive officers or employees of the GMP Group in the last four calendar years, the Board continues to believe that the Option Plan is beneficial as a means to provide an alternative equity compensation plan that promotes both alignment with shareholders and a performance incentive encouraging share ownership.

For additional information see "*Incentive Plan Awards – Equity Compensation Plans – Option Plan*".

NEO Compensation Mix

As would be expected given our pay-for-performance compensation framework, at-risk compensation represented the vast majority of 2019 NEO compensation. The following table breaks down the percentage of aggregate compensation paid to our CEO and other NEOs split between fixed compensation (base salary) and at-risk compensation.

	Breakdown as a percentage of total 2019 compensation			
	Fixed	**At-Risk**		
		Bonus	**Compensation Pool Payments**	**Share-based Awards**
CEO	46%	46%	8%	0%
All Other NEOs	13%	22%	65%	0%

2019 CEO Compensation Framework

Mr. Kapoor, Current Interim President & CEO

In 2019, the Board approved a CEO compensation framework upon the appointment of our Interim President and CEO, Kishore Kapoor. The CEO compensation framework outlined below applies to Mr. Kapoor during the period that he holds his position as our Interim President and CEO:

Guiding Principles
Mix and Range of Compensation
• *Base Salary* – $750,000. • *Annual CEO Bonus* – Targeted at $1.5 million in cash with a range of 0% to 150% of target based on an assessment of corporate and personal performance.

The following sets forth the performance metrics in determining the Interim President and CEO compensation:

Metrics
• the achievement of and the contribution to a successful completion of the sale of GMP's capital markets business; • increasing GMP's market capitalization since August 8, 2019; • further establishing GMP's carrying broker services; and • contribution to GMP's leadership, culture and strategy.

Mr. Fricker – Former President & CEO

In 2015, the Board approved a CEO compensation framework. This was further refined in mid-2016 to permit the CEO to participate in the Compensation Pool and in 2017 to slightly modify the weightings of key corporate, operational and strategic metrics. The CEO compensation framework outlined below applied to the Former President and CEO, Mr. Fricker, during 2019 up to and including Mr. Fricker's departure from GMP on December 6, 2019:

Guiding Principles
Range of Compensation
• The range of total CEO compensation continued to be targeted between $3 million and $7 million; however, total compensation outside of this target range may have been awarded in extraordinary circumstances. This range was intended to take into consideration compensation that would reasonably have been expected to recruit an individual with Mr. Fricker's expertise and talents.
Mix of Compensation

• *Base Salary* – $750,000.
• *Compensation Pool Payments* – Allocation based on investment banking deal revenue contribution.
• *Annual CEO Bonus* – First $3 million in cash.
• *Share-Based* – Any amount of annual CEO bonus in excess of $3 million was to be allocated as follows:
   ▪ first $100,000 to be provided in the form of PSUs under the SIP; and
   ▪ excess (i.e. above $3,100,000) to be paid in the form of restricted share units (85%) and PSUs (15%) under the SIP.

Clawback Provision
• Clawback provision will apply to any non-vested equity and the after tax-amount of incentive compensation paid with a three-year look-back period. • The Board, in its sole discretion, may exercise the clawback provision in the event of misconduct that is detrimental and results in legal or reputational harm or financial loss to GMP or upon material misstatement of GMP's financial statements.

The following shows the performance metrics and their relative weighting in determining Mr. Fricker's 2019 CEO compensation, which metrics are designed to reward achievement of superior financial, operational and strategic results:

Weighting	Metrics
50%	**Key Corporate and Operational Metrics** • Incorporates targets for net income attributable to holders of Common Shares, ROE, as well as productivity goals. • Serves as objective measures of performance and maintains a clear alignment with Shareholder interests.
20%	**Relative One-Year Total Shareholder Return** • Measures relative performance against GMP's Peer Group, providing for a close alignment with Shareholder experience and the market's view of GMP's achievements.
30%	**Strategic** • Includes strategic management and stewardship of the business as well as talent recruitment and retention, prudent expense management and market share assessment.

Independent Review

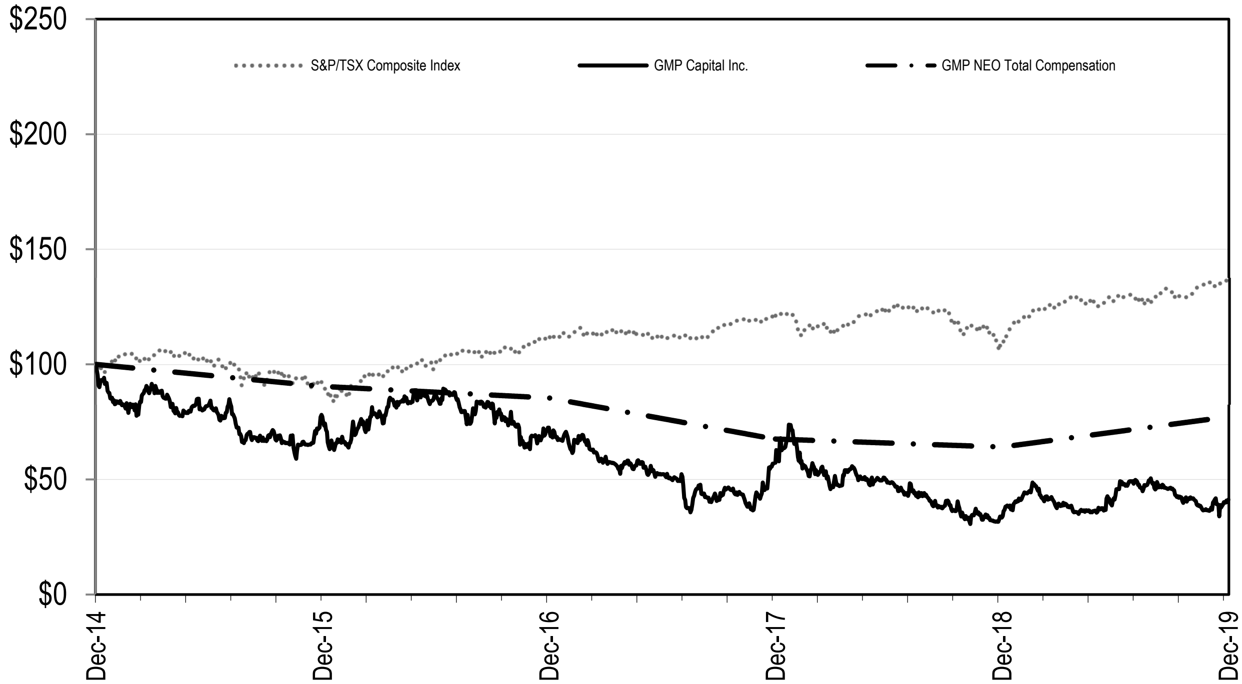
The MRCC retained Hugessen, a leading executive compensation consulting firm, in 2010 to conduct an independent review of the competitiveness and effectiveness of GMP's share-based compensation programs and to assist with the development of a compensation and performance framework for measuring and evaluating the performance of its CEO, and determining compensation, including incentive awards. Since then, Hugessen has continued to provide consulting services to the MRCC. Hugessen's fees for 2019 and 2018 are set forth in the following table.

	2019		**2018**	
	Executive Compensation-Related Fees	**All Other Fees**	**Executive Compensation-Related Fees**	**All Other Fees**
Hugessen	$1,299	—	$2,266	—

Performance Graph

The following graph shows a comparison of the cumulative total return on $100 invested in GMP to the cumulative total return of the S&P/TSX Composite Index for the five most recently completed fiscal years of GMP, beginning on December 31, 2014 (at the price of $6.35) to December 31, 2019. Also shown, for comparative purposes, is the change in aggregate annual NEO total compensation for the same period, which has been expressed as $100 in the base year.

Total Return of $100 Investment[1]



1. Assumes dividends paid on the Common Shares are reinvested. The S&P/TSX Composite Index is a total return index, the calculation of which includes dividends reinvested.

GMP encourages and rewards individual contribution to its success and as such, there will be periods when changes in NEO compensation are not directly correlated with changes in GMP's total return on investment and the total return on the S&P/TSX Composite Index. NEO compensation increased 20.6% in 2019 compared with 2018 while GMP's Common Share total return increased 23.5% (inclusive of its return of capital distribution) and the S&P/TSX Composite index increased 20.9% during this period. The highly variable nature of our compensation costs moderates the full impact of difficult markets on GMP's financial results while continuing to motivate our top producers. This is directly correlated to our pay-for-performance philosophy that permeates our organization's culture.

SUMMARY COMPENSATION TABLE

The following table provides a summary of compensation earned during 2019, 2018 and 2017 by GMP's NEOs.

Name and Principal Position	Fiscal Year	Salary ($)	Share-based Awards[1] ($)	Option-based Awards ($)	Non-Equity Incentive Plan Compensation			All Other Compensation ($)	Total Compensation ($)
					Annual Bonus ($)	Compensation Pool Payments ($)	Long-term Incentive Plans ($)[2]		
Kishore Kapoor, Interim President and Chief Executive Officer[3]	2019	298,296	—	—	—	—	—	—	298,296
	2018	—	—	—	—	—	—	—	—
	2017	—	—	—	—	—	—	—	—
Harris A. Fricker Former President and Chief Executive Officer[4]	2019	703,123	—	—	—	1,177,328	—	7,711,278 [5]	9,591,729
	2018	750,000	—	—	1,000,000	2,545,426	—	—	4,295,426
	2017	750,000	—	—	1,500,000	1,050,796	—	—	3,300,796
Deborah J. Starkman, Chief Financial Officer and Corporate Secretary[6]	2019	275,000	—	—	475,000	650,000	—	2,000	1,402,000
	2018	275,000	—	—	—	623,000	—	2,000	900,000
	2017	268,125	—	—	—	525,000	543,027	2,000	1,338,152
Eugene C. McBurney, Chairman and Chief Executive Officer, GMP Securities Emerging Markets Corp.	2019	—	—	—	—	721,136[7]	—	—	721,136
	2018	—	—	—	—	1,731,703 [7]	—	—	1,731,703
	2017	—	—	—	—	2,251,495 [7]	—	—	2,251,495

1. Represents PSUs or RSUs awarded with a fair value determined on grant date. Represents PSUs awarded during 2015 with a grant date fair value determined in accordance with International Financial Reporting Standard 2, Share-Based Payments for market and non-market-based performance conditions. For more information, please see "*Incentive Plan Awards – Equity Compensation Plans – Share Incentive Plan*".
2. Represents cash bonuses paid under the Executive Loan Plan covering service in prior periods, the after-tax proceeds of which were used by the recipients to fully repay outstanding share purchase loans advanced to Ms. Starkman in 2013.
3. Mr. Kapoor was appointed Interim President and Chief Executive Officer effective August 9, 2019. Following his appointment as Interim President and Chief Executive Officer, none of the compensation that Mr. Kapoor received from the Company was attributable to his role as director.
4. Mr. Fricker stepped down as President and Chief Executive Officer on August 8, 2019.
5. Represents a termination payment paid to Mr. Fricker in August 2019.
6. Ms. Starkman departed from the Company effective as of March 31, 2020.
7. Mr. McBurney's compensation is denominated in U.S. dollars. Such amounts were converted to Canadian dollars in this table at the exchange rate of $1 U.S. dollar to $1.3269 Canadian dollars for 2019, $1 U.S. dollar to $1.2957 Canadian dollars for 2018 and $1 U.S. dollar to $1.2986 Canadian dollars for 2017.

2019 NEO PERFORMANCE AND COMPENSATION

Kishore Kapoor

Mr. Kapoor was elected as Interim President and CEO of GMP effective August 9, 2019. Mr. Kapoor joined the Board in 2018.

The following table highlights the total 2019 and 2018 compensation awarded to Mr. Kapoor.

	2019 ($)	Mix (%)	2018 ($)	Mix (%)
Base Salary	298,296	100	—	—
Total Compensation	**298,296**	**100**	**—**	**—**

Harris A. Fricker

Mr. Fricker was the President and Chief Executive Officer of GMP from January 1, 2019 to August 8, 2019 and continued as President and Chief Executive Officer of GMP Securities L.P. up to and including the close of the Sale Transaction on December 6, 2019.

The following table highlights the total 2019 and 2018 compensation awarded to Mr. Fricker.

	2019 ($)	Mix (%)	2018 ($)	Mix (%)
Base Salary	703,123	7	750,000	18
Annual Bonus	—	—	1,000,000	23
Payments from Compensation Pool	1,177,328	12	2,545,426	59
Share-based Awards and Other Compensation	7,711,278	81	—	—
Total Compensation	**9,591,729**	**100**	**4,295,426**	**100**

Deborah J. Starkman

Ms. Starkman was CFO and Corporate Secretary of GMP from September 2012 to March 31, 2020. The scope of Ms. Starkman's role extended beyond that of the CFO, as in addition to finance and credit, she also had responsibility for legal, human resources, investor relations, operations, information technology and office services. Ms. Starkman joined GMP Securities in 2006 as Director, Finance and Head of Regulatory Reporting and Risk Management and was promoted to Managing Director in 2008. Ms. Starkman is a Chartered Professional Accountant, Chartered Accountant and also holds a Chartered Financial Analyst designation.

Ms. Starkman's discretionary cash bonus was determined by the CEO, with input from the Chair of the Audit Committee, based on GMP's performance and individual achievements.

The following table highlights the total 2019 and 2018 compensation awarded to Ms. Starkman.

	2019 ($)	Mix (%)	2018 ($)	Mix (%)
Base Salary	275,000	20	275,000	31
Annual Bonus	475,000	34	—	—
Payments from Compensation Pool	650,000	46	623,000	69
Share-based Awards and Other Compensation	2,000	—	2,000	—
Total Compensation	**1,402,000**	**100**	**900,000**	**100**

Eugene C. McBurney

During fiscal 2019, Mr. McBurney served as Chairman and Chief Executive Officer, GMP Securities Emerging Markets Corp. Mr. McBurney is co-founder of GMP's predecessor, Griffiths McBurney & Partners.

The following table highlights the total 2019 and 2018 compensation awarded to Mr. McBurney.

	2019 ($)	**Mix (%)**	**2018 ($)**	**Mix (%)**
Payments from Compensation Pool	721,136	100	1,731,703	100
Total Compensation	**721,136**	**100**	**1,731,703**	**100**

TERMINATION AND CHANGE OF CONTROL BENEFITS

<u>Kishore Kapoor</u>

Upon termination of Mr. Kapoor's employment by GMP without cause during the period Mr. Kapoor is the Interim President and CEO, Mr. Kapoor is entitled to only the minimum notice of termination, termination pay and severance pay as required by the Employment Standards Act.

Following his employment with GMP, Mr. Kapoor has agreed to hold in confidence and not directly or indirectly disclose any of the proprietary information to any person, or use any of the proprietary information for any purpose, return to GMP upon request all proprietary information in his possession or control, and not knowingly use or disclose any information that he has received subject to confidentiality obligations, except in compliance with those obligations. Further, Mr. Kapoor's employment agreement imposes non-solicitation provisions.

Upon termination of Mr. Kapoor's employment by GMP with cause, Mr. Kapoor is not entitled to receive any further payments other than any accrued obligations to Mr. Kapoor from GMP.

<u>Deborah J. Starkman</u>

Upon termination of Ms. Starkman's employment by GMP without cause, Ms. Starkman was entitled to 12 months of earnings, plus one month per full year of service from the date appointed to the CFO & Corporate Secretary role, to a maximum of 18 months of earnings. Earnings were defined as her annual salary and annual bonus from the Compensation Pool (calculated as an average of such amounts paid, if any, to Ms. Starkman in the trailing 36 months).

Following her employment with GMP, Ms. Starkman has agreed to hold in confidence and not directly or indirectly disclose any of the proprietary information to any person, or use any of the proprietary information for any purpose, return to GMP upon request all proprietary information in her possession or control, and not knowingly use or disclose any information that she has received subject to confidentiality obligations, except in compliance with those obligations. Further, Ms. Starkman's employment agreement imposes non-solicitation provisions.

Upon termination of Ms. Starkman's employment by GMP with cause, Ms. Starkman was not entitled to receive any further payments other than any accrued obligations to Ms. Starkman from GMP.

Pursuant to the Share Incentive Plan and Option Plan (as defined and discussed under "*Incentive Plan Awards – Equity Compensation Plans*" in this Information Circular), in the event that a change of control (as defined in the Share Incentive Plan and Option Plan), the RSUs, PSUs and Options, as applicable, held by Ms. Starkman did not automatically vest but could have been accelerated at the discretion of the Board.

Potential Payments upon Termination or Change in Control

The following table provides information with respect to potential payments to be made assuming termination or a change in control occurred on December 31, 2019.

	Type of Event			
Name	**Change in Control** ***Not Followed by Termination***	**Involuntary Termination Without Cause**	**Involuntary Termination With Cause**	**Voluntary Termination**
Kishore Kapoor				
Severance	—	—	—	—
Cash Awards	—	—	—	—
Deborah J. Starkman				
Severance	—	$1,311,500	—	—
Cash Awards	—	—	—	—
Eugene C. McBurney				
Severance	—	—	—	—
Cash Awards	—	—	—	—

INCENTIVE PLAN AWARDS

The following table provides a summary of all outstanding option-based and share-based awards as at December 31, 2019, granted to each NEO.

Name and Principal Position	Option-based Awards				Share-based Awards		
	Securities Underlying Unexercised Options (#)	Option Exercise Price ($)	Option Expiry Date	Value of Unexercised in-the-money Options(1) ($)	Shares or Units of Shares that have not vested (#)	Market or payout value of share-based awards that have not vested(2) ($)	Market or payout value of vested share-based awards not paid out or distributed ($)
Kishore Kapoor Interim President and Chief Executive Officer	—	—	—	—	—	—	—
Harris A. Fricker Former President and Chief Executive Officer	—	—	—	—	—	—	—
Deborah J. Starkman Chief Financial Officer and Corporate Secretary	50,000	6.35	Mar. 24, 2020	—	—	—	—
Eugene C. McBurney Chairman and Chief Executive Officer, GMP Securities Emerging Markets Corp.	—	—	—	—	—	—	—

1. Amount is calculated based on the difference between the market value of the securities underlying the instruments at the end of the year which was $1.93 and the exercise price of the option.
2. Represents unvested RSUs calculated at the market value of the securities underlying the instruments at the end of the year which was $1.93.

INCENTIVE PLAN AWARDS – VALUES VESTED OR EARNED

The following table provides a summary of the value vested or earned for incentive plan awards for each NEO during fiscal 2019.

Name	Non-equity Incentive Plan Compensation – Value Earned during the Year ($)
Kishore Kapoor	—
Harris A. Fricker	1,177,328
Deborah J. Starkman	1,125,000
Eugene C. McBurney	721,136

PENSION PLAN BENEFITS

GMP does not offer its NEOs pension plans, including defined benefit plans, defined contribution plans or deferred compensation plans, nor are such plans contemplated.

EQUITY COMPENSATION PLANS

OPTION PLAN

The following table sets forth the material features of the Option Plan:

Plan Feature	Option Plan – Description
Eligibility	(i) Any trustee, director, officer or employee of GMP or its subsidiaries; (ii) a corporation controlled by an individual identified in (i) and/or their spouse; (iii) a family trust of an individual identified in (i); or (iv) a service provider to GMP or any of its subsidiaries (collectively, referred to as GMP Participants), provided that the total number of Common Shares reserved for issuance to GMP Participants under the Option Plan, together with any other compensation or incentive arrangement involving the issuance or potential issuance of Common Shares to the GMP Participants will not exceed 10% of the number of Common Shares then outstanding.
Description	An Option is the right to purchase a Common Share in the future. Options may be granted at a price that is not less than the closing market price of the Common Shares on the TSX on the last trading day on which Common Shares traded prior to the grant date.
Term	Subject to earlier termination upon certain events, each option granted will expire on the date determined by the Board, the MRCC or any other persons so designated by the Board (Plan Administrators), provided that in no circumstances will any options be exercisable after 10 years from the grant date.
Vesting	Options will vest over a four-year period (with the first vesting to occur on the first anniversary of the grant date) subject to the discretion of the Board. The Board has discretionary authority to supplement the vesting period requirement with performance conditions.
Assignability	Subject to certain exceptions relating to the death of a member of the Option Plan, Options may not be assigned.
Cessation	If an "Event of Termination" (defined in the Option Plan as an individual ceasing to be a GMP Participant, including the giving of any notice of termination of employment or service (whether voluntary or involuntary and whether with or without just cause), retirement, or any cessation of employment or service for any reason whatsoever, including disability or death) has occurred, the Options, to the extent not available for exercise as of the date of the Event of Termination, shall

Plan Feature	Option Plan – Description
	automatically be cancelled, terminated and not available for exercise without further consideration or payment to such GMP Participant.
Insider Participants	The total number of Common Shares issuable to Insider Participants (as defined in the Option Plan), at any time under the Option Plan and any other Common Share Compensation Arrangements (as defined in the Option Plan), will not exceed 10% of the issued and outstanding Common Shares. The total number of Common Shares issued to Insider Participants, within any one-year period, under the Option Plan and any other Common Share Compensation Arrangements, will not exceed 10% of issued and outstanding Common Shares.
Maximum Issuances to Individuals	The total number of Common Shares issuable to any one GMP Participant under the Option Plan will not exceed 5% of the issued and outstanding Common Shares at the grant date. The number of Common Shares issuable to any one GMP Participant and such GMP Participant's associates (as that term is defined in the *Securities Act* (Ontario)), within a one-year period will not exceed 5% of the total number of Common Shares then outstanding.
Limit on Independent Director Participation	The total number of Common Shares issuable pursuant to Options to independent members of the Board (as defined in National Instrument 58-101 Disclosure of Corporate Governance Practices) at any point in time shall not exceed 0.75% of the total number of Common Shares outstanding from time to time, provided that the foregoing limit shall not apply to or include any one-time grant of Options to a director in connection with their election or appointment to the Board.
Incentive Options	From December 2005 through until May 2009, during the period that GMP operated as the Fund, Unit incentive options (Fund Incentive Options) were granted in connection with the grant of options to purchase Units of the Fund (Fund Options) under the Fund's Amended and Restated Trust Unit and Incentive Unit Option Plan. Each Fund Incentive Option entitled the holder to acquire that number of Units equal to: (A) the aggregate distributions paid on the Units of the Fund since the date of grant of the Fund Incentive Options less \$0.025 multiplied by the number of month ends since the date of grant of the Fund Incentive Options; divided by (B) the fair market value of the Units of the Fund. These Fund Incentive Options, which were issued with an exercise price of \$0.01, were intended to reflect the particular nature of the income fund structure and is not a typical feature of corporate option plans. In connection with the completion of the 2009 Conversion, each outstanding Fund Incentive Option was exchanged for a Common Share incentive option under the Option Plan (Common Share Incentive Option). The number of Common Shares issuable upon the exercise of an outstanding Common Share Incentive Option was fixed and would have been equal to the number of Units that would have been issuable immediately prior to the effective time of the Conversion upon the exercise of the Fund Incentive Option for which such Common Share Incentive Option was exchanged. Each of the Common Share Incentive Options issued in connection with the Conversion have now expired and no additional Common Shares Incentive Options have been or will be issued by GMP.
Plan Amendments	Subject to regulatory requirements, the Plan Administrators have the discretion to make certain amendments which they deem necessary, without having to obtain Shareholder approval. Such amendments include, without limitation, amendments of a "housekeeping" nature; amendments to termination provisions (that do not entail an extension beyond ten years from the date an Option is granted); amendments to the vesting provisions; and adding a cashless exercise feature payable in cash or securities, that provides for a full deduction of the number of underlying Common Shares from the Option Plan reserve, provided that, Shareholder approval will be required for any amendments that: (i) increase the percentage of the issued and outstanding Common Shares issuable under the Option Plan; (ii) amend the amendment provisions of the Option Plan; (iii) reduce the exercise price or extend the expiry date of Options held by Participants; (iv) amend the Option transferability provision of the Option Plan; or (v) change the limits on the participation of Insider Participants and independent members of the Board under the Option Plan.

320,000 Options have been granted and remain outstanding under the Option Plan, representing approximately 0.42% of the Common Shares currently issued and outstanding.

Equity Compensation Plan Information
(As at December 31, 2019)

Plan Category	Number of Common Shares to be issued upon exercise of outstanding Options	Weighted-average exercise price of outstanding Options	Number of Common Shares remaining available for future issuance, excluding the number of Common Shares to be issued upon exercise of outstanding Options
Equity compensation plans approved by shareholders	753,125	$6.67	6,790,324[(1)]
Equity compensation plans not approved by shareholders	—	—	—
Total	753,125	$6.67	6,790,324

1. Based on the 75,434,492 issued and outstanding Common Shares as at December 31, 2019.

Share Incentive Plan

In 2014, GMP introduced a SIP available to certain employees. Under this plan, GMP may award equity-settled RSUs and PSUs designed to reward individuals for sustained significant performance. As the awards under the SIP are settled by way of purchases of Common Shares on the TSX (rather than share issuances from treasury) shareholder approval of this new plan was not required under TSX rules. The PSUs are subject to market and non-market performance vesting conditions with participation restricted to executive officers. The RSUs are subject to service vesting conditions.

	PSUs	RSUs
Description	Rewards eligible employees for creating sustained shareholder value over a three-year period.	Rewards eligible employees for individual performance.
Eligibility	Determined by the MRCC, restricted to executive officers.	Determined by the MRCC.
Vesting	Upon meeting or surpassing specified performance goals, shares vest on December 1st of the second year after the grant year or such other vesting term as determined by the administrator.	Shares vest on December 1st of the second year after the grant year or such other vesting term as determined by the administrator.
Performance Metrics	Performance vesting based upon: • 25% relative TSR • 25% absolute TSR • 25% ROE • 25% adjusted net income per diluted Common Share Based on performance, vesting can range between 0 - 150% of target.	Not applicable.
Restrictions on Transfer	While a participant is an employee, such participant may not, directly or indirectly, transfer, assign, charge, pledge or hypothecate, or otherwise alienate, whether by operation of law or otherwise, more than 50% of his or her vested Common Shares.	
Clawback	To help ensure that participants act in the best interests of GMP, at the sole discretion of the Board, participants will be required to repay or return all or some of the Common Shares received	

<table>
<tr><th></th><th>PSUs</th><th>RSUs</th></tr>
<tr><td></td><td colspan="2">under certain specified circumstances including in the event GMP issues a material misstatement of its financial statements where the restatement was caused by a participant’s misconduct. Misconduct means the willful commission of an act of fraud or dishonesty or recklessness in the performance of a person’s duties as an employee of the GMP Group.</td></tr>
<tr><td>Termination of Employment</td><td colspan="2">Retirement – If a participant retires, his or her unvested Common Shares will continue to vest under the SIP provided that the participant has delivered a non-competition agreement that is in effect for a period not less than (i) the remaining term of the respective RSU or PSU award, and (ii) 12 months from the date of the participant’s retirement.

Death or Disability – In the event of a participant’s death or disability, his or her unvested Common Shares will immediately vest based on the prescribed target performance level specified.

Any Other Reason – If a participant’s employment is terminated for any reason other than as a result of their retirement or death or disability, unless otherwise determined by the Board, his or her unvested Common Shares will be forfeited.</td></tr>
<tr><td>Change of Control</td><td colspan="2">In the event of a change of control (as defined in the SIP), vesting of any unvested Common Shares held by a participant will only be accelerated if his or her employment with GMP (or the resulting entity) is terminated (other than a termination for cause or resignation) within the 12-month period following a date of the change of control.</td></tr>
</table>

INDEBTEDNESS OF GMP DIRECTORS AND OTHERS

Aggregate Indebtedness

The following table sets out the aggregate indebtedness to the GMP Group of all current and former executive officers, directors and employees of the GMP Group outstanding as at September 4, 2020.

Purpose	To GMP or its Subsidiaries	To Another Entity
Other[1]	$1,824,331	—

1. Represents loans advanced to investment advisors and certain other employees of GMP Private Client L.P. to finance their subscription for shares of Richardson GMP in accordance with the RGMP Transaction, which loans bear interest at a variable rate (currently set at prime plus 2.5%), and are repayable in full to GMP on the earlier of the date the borrowers cease to be employees of Richardson GMP or when the borrowers cease to hold all of their shares in Richardson GMP and are secured by the shares acquired with the loan proceeds.

Indebtedness of Directors and Executive Officers Under Securities Purchase and Other Programs

No individual who is, or at any time during the most recently completed financial year of the Company was, a director or executive officer of the Company, no proposed nominee for election as a director of the Company and no associate of any such person:

- is or at any time since the beginning of the most recently completed financial year of the Company has been, indebted to the Company or any of its subsidiaries; or
- whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year of the Company has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries,

whether in relation to a securities purchase program or other program.

INSURANCE AND INDEMNIFICATION

GMP has purchased, at its expense, directors' and officers' liability insurance policies that provide protection for individual directors and officers of GMP and its controlled subsidiaries solely while acting in their capacity as such. The insurance policies provide for a limit of $40 million per claim and in the aggregate as well as excess difference-in-conditions coverage of $20 million. The policies are in effect until December 1, 2020. Included in the $40 million aggregate program, GMP has an integrated directors and officers indemnification reimbursement clause, which provides for payments on behalf of GMP when the law permits or requires GMP to provide an indemnity to a director or an officer. This coverage is subject to a $1 million deductible applicable to GMP. This policy also applies in circumstances in which GMP may not be permitted, required or financially able to indemnify its directors and officers for their actual or alleged wrongful acts while acting in that capacity. The deductible does not apply for non-indemnifiable claims against directors and officers.

The premiums paid by GMP relating to directors' and officers' liability insurance are approximately $341,930 per annum.

Pursuant to its by-laws, GMP provides for the indemnification of the directors and executive officers of GMP, or of any individual who has acted in a similar capacity for another entity at GMP's request, from and against liability and costs in respect of any action or suit against them in connection with the execution of their duties or office, either for GMP or any such other entity, subject to certain customary limits.

OTHER INFORMATION

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of GMP, after due inquiry, except as may be described elsewhere in this Information Circular, no informed person (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) of GMP, no proposed director of GMP, and no known associate or affiliate of any such informed person or proposed director, has or has had any material interest, direct or indirect, in any transaction since the commencement of GMP's most recently completed financial year or in any proposed transaction that has materially affected or would materially affect GMP or any of its subsidiaries.

INTERESTS OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED ON AT THE MEETING

To the knowledge of the directors and executive officers of GMP, except as described below and as may be described elsewhere in this Information Circular, no director, officer or insider of the GMP Group, or any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

RGMP Transaction

Interested Shareholders

Mr. Brown, a current director of GMP, is also a current director of RFGL, and serves as President and Chief Executive Officer of Richardson Capital Limited, the private equity division of RFGL. Mr. Kapoor, a current director and Interim President and Chief Executive Officer of GMP, is also a current director of RFGL. Mr. Brown and Mr. Kapoor hold certain shares of RFGL and have been granted certain options by RFGL to acquire common shares of RFGL. RFGL and its parent entity, JRSL, have an interest in the outcome of the RGMP Transaction that differs from GMP's interest. As discussed in this Information

Circular, the Board formed the Special Committee, which excludes any directors affiliated with JRSL and RFGL, to evaluate the RGMP Transaction and all reasonably available alternatives thereto. Mr. Brown and Mr. Kapoor did not serve on the Special Committee, were not involved in the Special Committee's deliberations, and have recused themselves from voting on the RGMP Transaction at the Board.

In addition, the following persons are "related parties" of RFGL within the meaning of MI 61-101 who hold Common Shares: H. Sanford Riley, Chairman of RGMP and a senior officer of RFGL, David Finnbogason, a senior officer of RFGL, Hartley T. Richardson, a director of RFGL, and Gregg Hanson, a director of James Richardson & Sons, Limited (the controlling shareholder of RFGL). As related parties of RFGL, an interested party, the 229,000 Common Shares held by these additional persons must also be excluded from the calculation of minority approval.

As of the date hereof, the Interested Shareholders exercise control and direction over an aggregate of 28,604,033 RGMP Common Shares. Pursuant to the RGMP Transaction, Interested Shareholders will receive an aggregate of 52,620,620 Common Shares for their RGMP Common Shares, representing approximately 69.8% of the Company's current issued and outstanding Common Shares and approximately 28.9% of the issued and outstanding Common Shares following completion of the RGMP Transaction (on a non-diluted basis).

Permitted Threshold Waiver

Pursuant to the RGMP Transaction, each of GMP and RFGL have waived any right it had under Section 7.3(b)(ii) of the RGMP Shareholders Agreement to pay (in the case of GMP) and receive (in the case of RFGL) a portion of the consideration for its Purchased Shares in cash such that RFGL and its affiliates' aggregate holdings of Common Shares immediately after the Closing would not exceed the Permitted Threshold (as defined in the RGMP Shareholders Agreement). See "*The RGMP Transaction – The Purchase Agreement – Permitted Threshold Waiver*".

Termination of the RFGL Investor Agreement

Pursuant to the RGMP Transaction, GMP and RFGL have agreed to terminate the existing RFGL Investor Agreement pursuant to the Investor Agreement Termination Agreement concurrently with the closing of the RGMP Transaction. The RFGL Investor Agreement includes provisions granting RFGL the right to nominate individuals to the Board, certain "standstill" provisions, including a covenant by RFGL not to vote against any change of control transaction that is supported by the Board and a majority of GMP's Shareholders (other than JRSL and its affiliates), as well as provisions restricting RFGL from selling certain of the Common Shares it holds until the earlier of a change of control transaction involving GMP and the closing of the sale of Richardson GMP pursuant to the Liquidity Event Mechanism (as set out in the RGMP Shareholders Agreement).

Certain Payments to Executive Officers

See "*Information Concerning Richardson GMP – Termination and Change of Control Benefits*".

AUDITORS

Ernst & Young LLP, Chartered Professional Accountants, located in Toronto, Ontario, are the auditors of the of both Richardson GMP and the Company.

INTERESTS OF EXPERTS

The audited annual financial statements of GMP for the financial years ended December 31, 2019 and 2018, together with the notes thereto and the independent auditor's report thereon, which are incorporated by reference herein and which were filed with securities regulators pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations*, have been audited by Ernst & Young LLP. Ernst & Young LLP is independent with respect to GMP in accordance with CPA Code – Rule 204.

The audited annual financial statements of Richardson GMP for the financial years ended December 31, 2017, 2018 and 2019, together with the notes thereto and the independent auditor's report thereon, which are appended to this Information Circular as Schedule H, have been audited by Ernst & Young LLP. Ernst & Young LLP is independent with respect to Richardson GMP in accordance with CPA Code – Rule 204.

RBC is named as having prepared or certified a report, statement or opinion in this Information Circular, specifically the Updated Valuation and Fairness Opinion. See "*The RGMP Transaction – Updated Valuation and Fairness Opinion*". Except for the fees to be paid to RBC for the Updated Valuation and Fairness Opinion (no portion of which is contingent on the conclusion reached in the Updated Valuation and Fairness Opinion or upon completion of the RGMP Transaction), to the knowledge of GMP, as of the date hereof, the designated professionals of RBC, as a group, beneficially own, directly and indirectly, less than 1% of the outstanding securities of GMP or any of its affiliates or associates, has not received or will not receive any direct or indirect interests in the property of GMP or any of its affiliates or associates, and is not expected to be elected, appointed or employed as a director, officer or employee of GMP or any of its affiliates or associates.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents of GMP are specifically incorporated by reference into and form an integral part of this Information Circular:

(a) the AIF;

(b) the unaudited interim condensed consolidated financial statements of GMP as at and for the three and six months ended June 30, 2020;

(c) the management's discussion and analysis of the financial condition and results of operations of GMP as at and for the three and six months ended June 30, 2020;

(d) the audited consolidated financial statements of GMP as at December 31, 2019 and 2018 and for the years ended December 31, 2019 and 2018, together with the notes thereto and the independent auditor's report thereon;

(e) the management's discussion and analysis of the financial condition and results of operations of GMP for the year ended December 31, 2019; and

(f) the material change reports of GMP dated March 3, August 7 and August 21, 2020.

ADDITIONAL INFORMATION

Current financial information for GMP is provided in GMP's consolidated comparative financial statements and management's discussion and analysis for the most recently completed financial year. This information and additional information relating to GMP can be found at www.sedar.com and www.gmpcapital.com.

Copies of GMP's annual information form, annual report (including management's discussion and analysis and financial statements), and this Information Circular may be obtained upon request to GMP's Investor Relations group by email at investorrelations@gmpcapital.com or by telephone at 416-941-0894.

DIRECTORS' APPROVAL

The contents and the sending of this Information Circular have been approved by the Board.

DATED at Toronto, Ontario, on September 8, 2020.

"*Ben Scholten*"

Ben Scholten
Interim Chief Financial Officer

CONSENT OF RBC DOMINION SECURITIES INC.

September 8, 2020

To: The Special Committee and Board of Directors of GMP Capital Inc. (the "**Company**")

We refer to the Information Circular of the Company dated September 8, 2020 relating to the annual and special meeting of common shareholders of the Company to approve the acquisition by the Company of all of the common shares in the capital of Richardson GMP Limited that are not owned by the Company. We consent to the inclusion in the Information Circular of our formal valuation and fairness opinion dated August 12, 2020 (the "**Updated Valuation and Fairness Opinion**"), our valuation dated February 25, 2020 (the "**February Valuation**") and references to our firm name, the February Valuation and the Updated Valuation and the Fairness Opinion in the Information Circular. The Updated Valuation and Fairness Opinion was given as of August 12, 2020**,** and remains subject to the assumptions, qualifications and limitations contained therein. In providing our consent, we do not intend that any person other than the Special Committee and Board of Directors of the Company shall be entitled to rely upon the Updated Valuation and Fairness Opinion.

(Signed) "*RBC Dominion Securities Inc.*"

SCHEDULE A
GLOSSARY OF TERMS

"**1409480**" means 1409480 Alberta Ltd.

"**2018 Special Committee**" has the meaning given to it under the subheading "*The RGMP Transaction – Background to the RGMP Transaction*".

"**ACB**" has the meaning given to it under the subheading "*Reduction of Stated Capital – Canadian Federal Income Tax Consequences*".

"**adjusted EBITDA**" has the meaning given to it under the subheading "*Non-GAAP Financial Measures– Adjusted Measures*".

"**Advance Notice By-Law**" means By-Law No. 3 of the Company relating to advance notice requirements for director elections.

"**Advance Notice By-Law Resolution**" means the resolution approving, ratifying and confirming the Company's adoption of By-Law No. 3 of the Company in the form appended as Schedule D to this Information Circular to be considered at the Meeting by the Common Shareholders.

"**Advisory Team**" means a team of two or more Advisors working together and recognized by Richardson GMP as members of a particular advisory team.

"**AIF**" means the annual information form of GMP dated February 28, 2020 for the financial year ended December 31, 2019.

"**AMA**" means Asset Management Accounts.

"**Amending Agreement**" has the meaning given to it under the subheading "*The RGMP Transaction – Background to the RGMP Transaction*".

"**ARC**" has the meaning given to it under the subheading "*The RGMP Transaction – Overview of Regulatory Matters – Competition Act Approval*".

"**ARC Request**" has the meaning given to it under the subheading "*The RGMP Transaction – Overview of Regulatory Matters – Competition Act Approval*".

"**AST**" means AST Trust Company (Canada).

"**AUA**" means assets under administration.

"**Beneficial Common Shareholder**" has the meaning given to it under the subheading "*Voting Information – Non-Registered Common Shareholders*".

"**Board of Directors**" or "**Board**" means the board of directors of the Company as constituted from time to time.

"**Business**" means the activities and business currently carried on by Richardson GMP and its Subsidiaries including the wealth management business carried on by Richardson GMP and certain of its Subsidiaries.

"**CD&A**" means Compensation Discussion and Analysis.

"**Chair**" means Chairman of the Board.

"**CIBC**" means the Canadian Imperial Bank of Commerce.

"**Class A Common Shares**" means the Class A common shares in the capital of Richardson GMP.

"**Class A Preference Shares**" means the Class A preference shares in the capital of Richardson GMP.

"**Class B Common Shares**" means the Class B common shares in the capital of Richardson GMP.

"**Class B Preference Shares**" means the Class B preference shares in the capital of Richardson GMP.

"**Class C Common Shares**" means the Class C common shares in the capital of Richardson GMP.

"**Class D Common Shares**" means the Class D common shares in the capital of Richardson GMP.

"**Class E Common Shares**" means the Class E common shares in the capital of Richardson GMP.

"**Class F Common Shares**" means the Class F common shares in the capital of Richardson GMP.

"**Closing**" means the completion of the transactions of purchase and sale contemplated in the Purchase Agreement.

"**Closing Date**" means (a) the date that is three business days after the satisfaction or waiver of the conditions set forth in Article 6 of the Purchase Agreement (other than those conditions that by their terms cannot be satisfied until the Closing, but subject to the satisfaction or waiver by the applicable party or parties in whose favour the condition is, of those conditions as of the Closing), provided that such date may not be later than the Outside Date or (b) such earlier or later date as the Purchaser and the Vendors' Representative may agree in writing.

"**Commissioner of Competition**" means the Commissioner of Competition appointed under subsection 7(1) of the Competition Act or his/her designee.

"**Common Shareholders**" means the holders of Common Shares of GMP.

"**Common Shares**" means the common shares in the capital of GMP.

"**Competition Act**" means the *Competition Act* (Canada).

"**Competition Act Approval**" means:

(a) the issuance to the Purchaser of an advance ruling certificate by the Commissioner of Competition under Subsection 102(1) of the Competition Act; or

(b) both of (A) the waiting period, including any extension thereof, under Section 123 of the Competition Act shall have expired or been terminated or waived pursuant to section 113(c) of the Competition Act, and (B) the issuance to the Purchaser of a No Action Letter.

"**Consideration**" means the consideration to be paid by GMP in connection with the RGMP Transaction, consisting of 1.76 Purchaser Common Shares per RGMP Common Share purchased on a pre-Special

Dividend basis, or 1.875 Purchaser Common Shares per RGMP Common Share purchased on a post-Special Dividend basis.

"**Consideration Shares**" means the Purchaser Common Shares issuable in satisfaction for the Purchased Shares.

"**Conversion**" has the meaning given to it under the subheading "*Information Concerning GMP – Overview*".

"**Cormark**" means Cormark Securities Inc.

"**Damages**" means any losses, liabilities, Taxes, fines, penalties, damages or out-of-pocket expenses whether resulting from an action, suit, proceeding, arbitration, claim or demand that is instituted or asserted by a third party, including a Governmental Entity, or a cause, matter, thing, act, omission or state of facts not involving a third party.

"**DSU Plan**" has the meaning given to it under the subheading "*Director Compensation – Components of Compensation*".

"**DSUs**" means the deferred share units of the Company.

"**EBITDA**" has the meaning given to it under the subheading "*Non-GAAP Financial Measures– Adjusted Measures*".

"**Escrow Agreement**" has the meaning given to it under the subheading "*The RGMP Transaction – The Purchase Agreement – Payment of the Purchase Price*".

"**Exchange Approval**" means, collectively, notice to, and only if and to the extent required, the approval and consent of, the TSX, the TSX Venture Exchange and the Montreal Exchange for the RGMP Transaction.

"**February Valuation**" means the formal valuation dated as of February 25, 2020, provided by RBC as further described under the subheading "*The RGMP Transaction – Background to the RGMP Transaction*", which is included in Schedule F to this Information Circular.

"**Fund**" means GMP Capital Trust.

"**GAAP**" means generally accepted accounting principles under IFRS.

"**GMCC**" means Griffiths McBurney Canada Corp.

"**GMP**" or "**Company"** means GMP Capital Inc.

"**GMP Designee**" has the meaning given to that term under the subheading "*Information Concerning Richardson GMP – Directors and Officers*".

"**GMP Group**" means GMP, together with the operations controlled and consolidated by it, unless otherwise indicated.

"**Governmental Entity**" means: (i) any governmental or public department, central bank, court, minister, governor-in-council, cabinet, commission, tribunal, board, bureau, agency, commissioner or instrumentality, whether international, multinational, national, federal, provincial, state, county, municipal, local, or other; (ii) any subdivision or authority of any of the above; (iii) any stock exchange; and (iv) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above (including, without limitation, IIROC and each Securities Authority).

"**Hugessen**" means Hugessen Consulting Inc.

"**IA Designee**" has the meaning given to that term under the subheading "*Information Concerning Richardson GMP – Directors and Officers*".

"**IFRS**" means the International Financial Reporting Standards as adopted by the International Accounting Standards Board, at the relevant time, applied on a consistent basis.

"**IIROC**" means the Investment Industry Regulatory Organization of Canada.

"**IIROC Approval**" means the approval and consent of IIROC for the RGMP Transaction.

"**Information Circular**" means this management information circular dated September 8, 2020 together with all schedules and appendices hereto, distributed by the Company in connection with the Meeting.

"**Initial Consideration Shares**" has the meaning given to it under the heading "*The RGMP Transaction – The Purchase Agreement – Structure of the RGMP Transaction*".

"**Interested Shareholders**" means, collectively, RFGL and its affiliates, David G. Brown, H. Sanford Riley, David Finnbogason, Hartley T. Richardson, and Gregg Hanson.

"**Investor Agreement Termination Agreement**" means an agreement between the relevant parties confirming the termination of the RFGL Investor Agreement.

"**JRSL**" means James Richardson & Sons, Limited.

"**Laws**" means any applicable principle of common law and all applicable (i) laws, constitutions, treaties, statutes, codes, ordinances, orders, decrees, rules, regulations and by-laws, (ii) judgments, orders, writs, injunctions, decisions, awards and directives of any Governmental Entity and (iii) to the extent that they have the force of law, standards, policies, guidelines, notices and protocols of any Governmental Entity.

"**Material Adverse Effect**" means any materially adverse change in or effect on the business, assets, liabilities, results of operation or condition (financial or otherwise) of the Purchased Entities taken as a whole, excluding, in each case, any change or effect that results directly from or relates directly to changes in (i) Canadian or global economic conditions, or (ii) the industry in which the Purchased Entities operate, which, in the case of each such exclusion, does not disproportionately impact the Purchased Entities, taken as a whole, as compared to other entities or businesses operating in the same industry as the Purchased Entities.

"**Meeting**" means the annual general and special meeting of Common Shareholders, including any adjournment or postponement thereof, that is to be convened for the purposes of the Common Shareholders to consider and if deemed advisable approve the RGMP Transaction Resolution, the Name Change Resolution, and the Stated Capital Reduction Resolution.

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

"**MRCC**" means the Management Resources & Compensation Committee of the Board.

"**Name Change Resolution**" means the resolution approving the change in name of the Company in the form appended as Schedule C to this Information Circular to be considered at the Meeting by the Common Shareholders.

"**NEOs**" has the meaning given to it under the subheading "*Executive Compensation – Compensation Discussion and Analysis*".

"**No Action Letter**" means written confirmation from the Commissioner of Competition or a person authorized by the Commissioner that he or she does not, at that time, intend to make an application under Section 92 of the Competition Act in respect of the RGMP Transaction;

"**Non-Binding Term Sheet**" has the meaning given to it under the subheading "*The RGMP Transaction – Background to the RGMP Transaction*".

"**Notifiable Transaction**" has the meaning given to it under the subheading "*The RGMP Transaction – Overview Of Regulatory Matters – Competition Act Approval*".

"**Notifications**" has the meaning given to it under the subheading "*The RGMP Transaction –Overview of Regulatory Matters – Competition Act Approval*".

"**OBCA**" means the *Business Corporations Act* (Ontario).

"**Option Plan**" means the Company's Amended and Restated Common Share Option Plan dated as of April 30, 2015, as amended from time to time.

"**Options**" means stock options to purchase Common Shares.

"**Ordinary Course**" means, with respect to an action taken by a Person, that such action is consistent with the past practices of the Person and is taken in the ordinary course of the normal day-to-day operations of the Person, and includes any actions taken in compliance with the Purchase Agreement.

"**Outside Date**" means (a) December 10, 2020 or (b) such earlier or later date as the Vendors' Representative and the Purchaser may agree in writing.

"**Parties**" means, collectively, the Purchaser, the Vendors, the Vendors' Representative, and any other Person who may become a party to the Purchase Agreement in accordance with the terms hereof, and "**Party**" means any one of them.

"**Peer Group**" has the meaning given to it under the subheading "*Executive Compensation – Compensation Discussion and Analysis*".

"**Person**" means an individual, partnership, limited partnership, limited liability partnership, corporation, limited liability company, unlimited liability company, joint stock company, trust, unincorporated association, joint venture or other entity or Governmental Entity, and pronouns have a similarly extended meaning.

"**Permitted Distribution**" has the meaning given to it under the subheading "*The RGMP Transaction – The Purchase Agreement*".

"**PMA**" means Portfolio Management Accounts.

"**Preferred Shares**" means, collectively, Cumulative Five-Year Rate Reset Preferred Shares, Series B in the capital of GMP and Cumulative Floating Rate Preferred Shares, Series C in the capital of GMP.

"**Producer NEOs**" has the meaning given to it under the subheading "*Executive Compensation – Compensation Discussion and Analysis*".

"**PSUs**" means the performance share units of the Company.

"**PUC**" has the meaning given to it under the subheading "*Reduction of Stated Capital – Canadian Federal Income Tax Consequences*".

"**Purchase Agreement**" means the share purchase agreement dated August 12, 2020 and amended on September 7, 2020 among, *inter alia*, the Company, RFGL, and certain Vendors listed in Schedule 2.1(i) therein (as may be subsequently amended, supplemented or otherwise modified) pursuant to which the Purchaser has agreed, subject to the terms and conditions of the Purchase Agreement, to acquire substantially all the shares in the capital of Richardson GMP.

"**Purchased Entities**" means, collectively, Richardson GMP and its subsidiaries; and a "**Purchased Entity**" shall mean any one of Richardson GMP and its subsidiaries, as applicable.

"**Purchase Price**" has the meaning given to it under the subheading "*The RGMP Transaction – The Purchase Agreement – Structure of the RGMP Transaction*".

"**Purchased Shares**" means all (but not less than all) of the issued and outstanding RGMP Common Shares held by each Vendor as set out in Schedule 2.1(i) to the Purchase Agreement.

"**Purchaser**" means GMP Capital Inc.

"**Purchaser Common Shares**" means common shares in the share capital of the Purchaser.

"**Purchaser Common Share Value**" means $2.57, being the deemed issue price of a Consideration Share, being within the range set out in the Updated Valuation and Fairness Opinion.

"**Purchaser Fundamental Reps**" means the representations and warranties contained in Section 4.1 (a), (b), (c), (e) and (f) of the Purchase Agreement.

"**Purchaser Indemnitee**" means the Purchaser and each of its affiliates (excluding, for certainty, from and after Closing, the Purchased Entities) and each of their respective directors, officers, partners, shareholders and employees.

"**Purchaser Material Adverse Effect**" means any materially adverse change in or effect on the business, assets, liabilities, results of operation or condition (financial or otherwise) of the Purchaser and its Subsidiaries, taken as a whole, excluding, in each case, any change or effect that results directly from or relates directly to (i) Richardson GMP or any of its subsidiaries, (ii) any change in IFRS, (iii) any adoption, proposal, implementation or change in applicable Law or any interpretation thereof by any Governmental Entity, (iv) any change in global, national or regional political conditions (including the outbreak of war or acts of terrorism) or in general economic, business, regulatory, political or market conditions or in national or global financial or capital markets, (v) any natural disaster, (vi) any change in the market price or trading volume of any securities of the Purchaser (it being understood that the causes underlying such change in market price or trading volume may be taken into account in determining whether a Purchaser Material Adverse Effect has occurred), (vii) the failure, in and of itself, of the Purchaser and its subsidiaries to meet any projections, forecasts or estimates of revenues or earnings (it being understood that the causes underlying such failure may be taken into account in determining whether a Purchaser Material Adverse Effect has occurred), (viii) the industry in which the Purchaser and its subsidiaries or their businesses operate, which, in the case of (iii), (iv), (v) and (viii), do not disproportionately impact the Purchaser and its subsidiaries, taken as a whole, as compared to other entities or businesses operating in the same industry as the Purchaser.

"**Put/Call Agreement**" means the agreement to be entered into among the parties to the Purchase Agreement at Closing, pursuant to which (i) the Purchaser will have the right to acquire from RFGL the RFGL Preferred Shares at any time following the Closing Date (as defined in the Purchase Agreement); and (ii) following the third anniversary of the Closing Date (as defined in the Purchase Agreement), RFGL will have the right to require that the Purchaser purchase the RFGL Preferred Shares

"**RBC**" means RBC Dominion Securities Inc.

"**RBC Engagement Agreement**" has the meaning given to that term under the subheading "*The RGMP Transaction – Updated Valuation and Fairness Opinion*".

"**Recognition Plan**" has the meaning given to that term under the subheading "*The RGMP Transaction – RGMP Transaction Recognition Plan Awards*".

"**Record Date**" means August 25, 2020.

"**Registered Common Shareholder**" has the meaning given to it under the heading "*Voting Information – Registered Common Shareholders*".

"**Regulatory Approvals**" means the approvals and authorizations set forth on Schedule 1.1(iv) of the Purchase Agreement, and "**Regulatory Approval**" means any one of them.

"**Related Person**" means, (a) in respect of a Vendor other than RFGL that is not an individual, any employees of the Vendor and the direct and indirect shareholder(s) of the Vendor (including in the case of a trust, the trustee(s) and beneficiary or beneficiaries of such trust); and (b) in respect of RFGL, JRSL, RFGL and their respective subsidiaries and each of their employees.

"**Required Consents**" means the consents set forth in Schedule 1.1(iii) of the Purchase Agreement, and "**Required Consent**" means any one of them.

"**Richardson Designee**" has the meaning given to that term under the subheading "*Information Concerning Richardson GMP – Directors and Officers*".

"**RFGL**" means Richardson Financial Group Limited.

"**RFGL Investor Agreement**" means the Investor Agreement between JRSL, RFGL and the Purchaser dated November 12, 2009, as amended.

"**RFGL Preferred Shares**" means all of the RGMP Preferred Shares held by RFGL immediately prior to the Closing.

"**RGMP Board**" means the board of directors of Richardson GMP as constituted from time to time.

"**RGMP Common Shares**" means common shares in the capital of Richardson GMP.

"**RGMP Liquidity Mechanism**" means the shareholder liquidity mechanism set out under the RGMP Shareholders Agreement, pursuant to which GMP and RFGL have agreed to negotiate, in good faith, for the acquisition by GMP of all of the issued and outstanding common shares of Richardson GMP that are not then owned by GMP.

"**RGMP Option Plan**" means Richardson GMP's Class D Stock Option Plan dated as of November 11, 2009, as amended from time to time.

"**RGMP Options**" means stock options to purchase RGMP Common Shares.

"**RGMP Preferred Shares**" means the preferred shares in the capital of RGMP.

"**RGMP RSU Plan**" means Richardson GMP's Restricted Share Unit Plan effective as of February 12, 2016, as amended from time to time.

"**RGMP RSUs**" means the restricted share units of Richardson GMP.

"**RGMP Shareholders Agreement**" means the shareholders' agreement dated November 12, 2009 in respect of Richardson GMP, among JRSL, RFGL, RGMP Holdings Corp. and GMP (as amended).

"**RGMP Transaction**" means the purchase of the Purchased Shares by the Purchaser from the Vendors pursuant to the Purchase Agreement.

"**RGMP Transaction Resolution**" means the resolution approving the RGMP Transaction in the form appended as Schedule B to this Information Circular to be considered at the Meeting by the Common Shareholders.

"**Richardson GMP**" means Richardson GMP Limited.

"**RPFL**" means Richardson Partners Financial Ltd.

"**Sale Transaction**" means the sale of substantially all of GMP's capital markets business to Stifel, which closed on December 6, 2019.

"**Series A Preferred Shares**" means the cumulative floating rate preferred shares, Series A in the capital of GMP.

"**Series B Preferred Shares**" means the cumulative 5-year rate reset preferred shares, Series B in the capital of GMP.

"**Series C Preferred Shares**" means the cumulative floating rate preferred shares, Series C in the capital of GMP.

"**SIP**" means the share incentive plan of the Company.

"**SMA**" means Separately Managed Accounts.

"**Special Committee**" means the special committee of independent directors of the Board.

"**Special Dividend**" means the special dividend of $0.15 per Common Share to be paid to Common Shareholders of record *prior to* the closing of the RGMP Transaction.

"**Special Preference Shares**" means the special preference shares in the capital of Richardson GMP.

"**Stated Capital Reduction Resolution**" means the resolution approving the reduction to the state capital of the Company in the form appended as Schedule E to this Information Circular to be considered at the Meeting by the Common Shareholders.

"**Stifel**" means Stifel Financial Corp. and/or any of its Subsidiaries.

"**Stikeman Elliott**" means Stikeman Elliott LLP.

"**Subsidiary**" has the meaning ascribed thereto in the *Securities Act* (Ontario).

"**Tax Act**" means the *Income Tax Act* (Canada).

"**Taxes**" means (i) any and all taxes, sales taxes (including GST/HST and QST), duties, fees, excises, premiums, assessments, imposts, levies, rates, withholdings, dues, contributions and other charges, collections or assessments of any kind whatsoever, imposed by any Governmental Entity; (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity on or in respect of amounts of the type described in clause (i) above or this clause (ii); (iii) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of being a member of an affiliated, consolidated, combined or unitary group for any period; and (iv) any liability for the payment of any amounts of the type described in clauses (i) or (ii) or (iii) as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any party.

"**TSX**" means the Toronto Stock Exchange.

"**TSX Conditional Approval**" means the conditional approval of the TSX for the listing of the Consideration Shares on the TSX, subject only to the filing by the Purchaser of customary documents with the TSX.

"**Updated Valuation and Fairness Opinion**" means the formal valuation and fairness opinion, each dated as of August 12, 2020, provided by RBC as further described under the heading "*The RGMP Transaction – Updated Valuation and Fairness Opinion*", which is included in Schedule F to this Information Circular.

"**Vendor Fundamental Reps**" means the representations and warranties contained in Section 3.1(a), (b), (c), (e) and (g) of the Purchase Agreement.

"**Vendor Indemnitee**" means each of the Vendors and their respective affiliates and each of their respective directors, officers, partners, shareholders and employees.

"**Vendors**" means, collectively, RFGL, 1409480 Alberta Ltd., and the vendors listed on Schedule 2.1(i) of the Purchase Agreement, and "**Vendor**" means any one of them.

"**Vendors' Representative**" means David Finnbogason, in his capacity as the Vendors' Representative in connection with the Purchase Agreement.

SCHEDULE B
RGMP TRANSACTION RESOLUTION

BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. GMP Capital Inc. (the "**Company**") is hereby authorized to issue such number of common shares in the capital of the Company as is in connection with the acquisition of all of the issued and outstanding common shares of Richardson GMP Limited (the "**RGMP Transaction**") held by the Vendors (as defined below) pursuant to the share purchase agreement (as amended and as may be further amended, modified or supplemented from time to time, the "**Purchase Agreement**") dated August 12, 2020, as amended on September 7, 2020, among, *inter alia*, the Company, Richardson Financial Group Limited, 1409480 Alberta Ltd., certain other shareholders of Richardson GMP Limited listed in Schedule 2.1(i) therein (collectively, the "**Vendors**"), as more particularly described and set forth in the management information circular of the Company dated September 8, 2020.

2. Notwithstanding that this resolution has been passed by the holders of common shares of the Company (collectively, the "**Shareholders**"), the directors of the Company are hereby authorized and empowered to, at their sole discretion, without notice to or approval of the Shareholders revoke this resolution at any time prior to the completion of the RGMP Transaction.

3. Any officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such person determines may be necessary or desirable to give full effect to the foregoing resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing.

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SCHEDULE C
NAME CHANGE RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The articles of incorporation of GMP Capital Inc. (the "**Company**") be amended pursuant to Section 168(1)(a) of the *Business Corporations Act* (Ontario) (the "**Act**") to change the name of the Company from "GMP Capital Inc." to "RF Capital Group Inc.", or such other name as the Company's board of directors determines to be appropriate and which the Toronto Stock Exchange and the Director under the *Business Corporations Act* (Ontario) may accept (the "**Name Change**").

2. Any officer or director of the Company be and hereby is authorized and directed on behalf of the Company to execute or cause to be executed, and to deliver or cause to be delivered, all certificates, notices and other documents, including filing articles of amendment pursuant to the Act, and to do or cause to be done all such acts and things, as such officer or director may determine to be necessary, desirable, or useful for the purpose of giving effect to the foregoing resolutions, such determination to be conclusively evidenced by the execution and delivery of such documents, or the doing of any such act or thing.

3. Notwithstanding that this special resolution has been passed by the holders of common shares of the Company (collectively, the "**Shareholders**"), the directors of the Company are hereby authorized and empowered to, at their sole discretion, without notice to or approval of the Shareholders, revoke this resolution prior to giving effect to the Name Change.

* * * * *

SCHEDULE D
ADVANCE NOTICE BY-LAW RESOLUTION

BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. By-Law No. 3 relating to advance notice requirements for director elections adopted by the board of directors of GMP Capital Inc. (the "**Company**"), the full text of which is reproduced in Schedule J to the management information circular of the Company dated September 8, 2020, be, and it is hereby, approved, ratified and confirmed.

2. Any director or officer of the Company be and each is hereby, authorized and directed, for and on behalf of the Company, to do and perform all acts and things deemed necessary or advisable in order to give effect to this resolution.

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SCHEDULE E
STATED CAPITAL REDUCTION RESOLUTION

RECITALS:

A. GMP Capital Inc. (the "**Company**") is a party to a purchase agreement dated August 12, 2020 (as amended and as may be further amended, modified or supplemented from time to time), between, among others, the Company and Richardson Financial Group Limited to consolidate 100% ownership of Richardson GMP Limited under the Company (the "**RGMP Transaction**").

B. Pursuant to subsection 34(1) of the *Business Corporations Act* (Ontario) (the "**OBCA**"), the Company wishes to reduce the stated capital account maintained in respect of the common shares of the Company (the "**Common Shares**") by an aggregate amount of up to $53 million, such amount to be determined by the Board in its sole discretion.

NOW THEREFORE BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. Pursuant to section 34(1) of the OBCA, the board of directors (the "**Board**") is hereby authorized to reduce the stated capital account maintained in respect of the Common Shares without any payment or distribution to the holders of Common Shares (the "**Common Shareholders**") by an aggregate amount of up to $53 million, such amount to be determined by the Board in its sole discretion.

2. Notwithstanding the approval by the Common Shareholders of this resolution, the Board is hereby authorized and empowered, in its discretion, without any further notice to or approval by the Common Shareholders, to determine whether or not to implement this special resolution, in whole or in part, or to revoke this special resolution before it is acted upon, and to determine not to proceed with the reduction of the stated capital of the Common Shares, in whole or in part.

3. Any one director or officer of the Company, acting alone, is hereby authorized and directed, for and on behalf of the Company, to execute and deliver (or cause to be executed and delivered) all such documents and to do all such other acts or things as such director or officer may determine to be necessary or advisable to give effect to the foregoing resolutions, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.

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SCHEDULE F
UPDATED VALUATION AND FAIRNESS OPINION AND FEBRUARY VALUATION

See attached.

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RBC Capital Markets®

RBC Dominion Securities Inc.
200 Bay Street, Royal Bank Plaza
South Tower, 4th Floor
Toronto, Ontario, M5J 2W7
Telephone: 416-842-2000

August 12, 2020

The Special Committee of the Board of Directors and the Board of Directors
GMP Capital Inc.
145 King Street West Suite 300
Toronto, Ontario M5H 1J8

To the Special Committee and the Board of Directors:

RBC Dominion Securities Inc. ("RBC"), a member company of RBC Capital Markets, understands that GMP Capital Inc. ("GMP" or the "Company") intends to enter into an agreement with Richardson Financial Group Limited ("RFGL"), pursuant to which GMP will acquire all of the common shares (the "RGMP Common Shares") of Richardson GMP Limited ("Richardson GMP") that are not owned, directly or indirectly, by the Company (the "RGMP Transaction") for consideration of 1.875 common shares (the "Exchange Ratio") of GMP (the "Common Shares") per RGMP Common Share (the "GMP Consideration"). Pursuant to the RGMP Transaction, GMP will pay a special dividend of $0.15 per Common Share to the pre-closing holders of the Common Shares (the "Special Dividend"). RBC understands that each of the Company, RFGL and Richardson GMP's management and investment advisors currently own approximately one third of the RGMP Common Shares, respectively, on a fully diluted basis. RBC also understands that RFGL currently owns approximately 24% of the Common Shares. The RGMP Transaction is the culmination of the negotiation period undertaken pursuant to the terms of the shareholders' agreement governing Richardson GMP (the "RGMP Shareholders' Agreement") that commenced with the February 26, 2020 announcement of the signing of a non-binding term sheet by the Company and RFGL, pursuant to which GMP would acquire all of the RGMP Common Shares that were not owned, directly or indirectly, by the Company for consideration of 2.0 Common Shares (the "February Transaction"). Contemporaneous with the execution of the non-binding term sheet, all three of Richardson GMP's shareholder groups jointly provided written notice to commence the liquidity mechanism process (the "RGMP Liquidity Mechanism") under the RGMP Shareholders' Agreement, which was later extended on April 14, 2020 due to the global health crisis. The terms of the RGMP Transaction will be more fully described in a management information circular (the "Circular"), which will be mailed to holders of Common Shares in connection with the RGMP Transaction.

RBC also understands that a committee (the "Special Committee") of the board of directors (the "Board") of the Company who are independent of RFGL and its affiliates has been constituted to consider the RGMP Transaction and make recommendations thereon to the Board. RBC was instructed by the Special Committee that the RGMP Transaction constitutes a related party transaction within the meaning of Multilateral Instrument 61-101 ("MI 61-101"). The Special Committee has retained RBC to provide advice and assistance to the Special Committee in evaluating the RGMP Transaction, including the preparation and delivery to the Special Committee of a formal valuation of the RGMP Common Shares (the "RGMP Valuation"), and of the Common Shares (the "Common Share Valuation") in accordance with the requirements of MI 61-101 (the RGMP Valuation and the Common Share Valuation are collectively referred to herein as the "Valuations") and RBC's opinion (the "Fairness Opinion") as to the fairness of the GMP Consideration to be paid by the Company under the RGMP Transaction from a financial point of view to the Company (the Valuations and Fairness Opinion are collectively referred to herein as the "Opinions"). The Opinions have been prepared in accordance with the guidelines of the Investment Industry Regulatory Organization of Canada.

Engagement

The Special Committee initially contacted RBC regarding a potential advisory assignment in late June 2019, and RBC was formally engaged by the Special Committee through an agreement between the Company and RBC (the "July 2019 Engagement Agreement") dated July 8, 2019. Pursuant to the July 2019 Engagement Agreement, RBC provided the Special Committee and the Board with a verbal formal valuation of the RGMP Common Shares and the Common Shares and a fairness opinion, on February 25, 2020, in respect of the February Transaction. RBC was formally re-engaged by the Special Committee through an agreement between the Company and RBC (the "June 2020 Engagement Agreement"), dated June 5, 2020. The terms of the June 2020 Engagement Agreement provide that RBC is to be paid $650,000 for the Opinions. In addition, RBC is to be reimbursed for its reasonable out-of-pocket expenses and to be indemnified by the Company in certain circumstances. RBC consents to the inclusion of the Opinions in their entirety and a summary thereof in the Circular and to the filing thereof, as necessary, by the Company with the securities commissions or similar regulatory authorities in each province of Canada.

Relationship with Interested Parties

Neither RBC, nor any of its affiliates is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario)) of the Company, RFGL, its parent company, James Richardson & Sons, Limited ("JRSL"), Richardson GMP or any of their respective associates or affiliates. RBC has not been engaged to provide any financial advisory services nor has it participated in any financing involving the Company, RFGL, JRSL, Richardson GMP or any of their respective associates or affiliates, within the past two years, other than as provided under the Engagement Agreement and described herein. RBC acted as financial advisor to and was retained as independent valuator by the Special Committee in connection with the February Transaction. There are no understandings, agreements or commitments between RBC and the Company, RFGL, JRSL, Richardson GMP or any of their respective associates or affiliates with respect to any future business dealings. RBC may, in the future, in the ordinary course of its business, perform financial advisory or investment banking services for the Company, RFGL, JRSL, Richardson GMP or any of their respective associates or affiliates. The compensation of RBC under the Engagement Agreement does not depend in whole or in part on the conclusions reached in the Opinions or the successful outcome of the RGMP Transaction. Royal Bank of Canada, of which RBC is a wholly-owned subsidiary, provides banking services to the Company, Richardson GMP and JRSL in the normal course of business.

RBC acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of the Company, RFGL, JRSL, Richardson GMP or any of their respective associates or affiliates and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which it received or may receive compensation. As an investment dealer, RBC conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including with respect to the Company, RFGL, JRSL, Richardson GMP, any of their respective associates and affiliates or the RGMP Transaction.

Credentials of RBC Capital Markets

RBC is one of Canada's largest investment banking firms, with operations in all facets of corporate and government finance, corporate banking, mergers and acquisitions, equity and fixed income sales and trading and investment research. RBC Capital Markets also has significant operations in the United States and internationally. The Opinions expressed herein represent the opinions of RBC and the form and content herein have been approved for release by a committee of its managing directors, each of whom is experienced in merger, acquisition, divestiture, valuation and fairness opinion matters.

Scope of Review

In connection with our Opinions, we have reviewed and relied upon or carried out, among other things, the following:

1. the most recent draft, dated August 12, 2020, of the Share Purchase Agreement;
2. the RGMP Shareholders' Agreement;
3. audited financial statements of the Company and Richardson GMP for each of the five years ended December 31, 2015 to December 31, 2019;
4. the unaudited interim reports of the Company for the quarters ended March 31, 2020 and June 30, 2020;
5. interim financial results of Richardson GMP for the six months ended June 30, 2020
6. annual reports of the Company for each of the two years ended December 31, 2018 and December 31, 2019;
7. the Notice of Annual and Special Meeting and Management Information Circular of the Company for the year ended December 31, 2017, the Notice of Annual Meeting and Management Information Circular of the Company for the year ended December 31, 2018 and the Notice of Special Meeting and Management Information Circular of the Company for the special meeting of holders of Common Shares held on Aug 6, 2019;
8. annual information forms of the Company for each of the two years ended December 31, 2018 and December 31, 2019;
9. historical segmented financial statements of Richardson GMP for each of the five years ended December 31, 2015 to December 31, 2019;
10. the unaudited projected financial forecast excluding corporate initiatives for Richardson GMP (the "Base Management Projections") and the unaudited projected financial forecast including corporate initiatives for Richardson GMP (the "Upside Management Projections"), prepared by management of Richardson GMP, for the years ending December 31, 2020 through December 31, 2024 (collectively the "Management Projections");
11. information and analysis relating to the Company's estimated working capital, corporate overhead and securities lending and carrying broker businesses prepared by management of the Company;
12. information and analysis relating to the assets under administration ("AUA") and investment advisor teams of Richardson GMP prepared by management of Richardson GMP for each of the five years ended December 31, 2015 to December 31, 2019 and for the quarters ended March 31, 2020 and June 30, 2020;
13. discussions with senior management of the Company and Richardson GMP;
14. discussions with the Special Committee's legal counsel;
15. public information relating to the business, operations, financial performance and stock trading history of the Company and other selected public companies considered by us to be relevant;
16. public information with respect to other transactions of a comparable nature considered by us to be relevant;
17. public information regarding the wealth management industry;

18. representations contained in certificates addressed to us, dated as of the date hereof, from senior officers of the Company and Richardson GMP, respectively, as to the completeness and accuracy of the information upon which the Opinions are based; and
19. such other corporate, industry and financial market information, investigations and analyses as RBC considered necessary or appropriate in the circumstances.

RBC has not, to the best of its knowledge, been denied access by the Company or Richardson GMP to any information requested by RBC.

Prior Valuations

Each of the Company and Richardson GMP has represented to RBC that there have not been any prior valuations (as defined in MI 61-101) of the Company, Richardson GMP or their material assets or securities, respectively, in the past twenty-four month period, other than the valuations completed by RBC in connection with the February Transaction.

Assumptions and Limitations

With the Special Committee's approval and as provided for in the Engagement Agreement, RBC has relied upon the completeness, accuracy and fair presentation of all of the financial (including, without limitation, the financial statements of the Company and Richardson GMP) and other information, data, advice, opinions or representations obtained by it from public sources, senior management of the Company and Richardson GMP, and their consultants and advisors (for the Company, the "Information" and for Richardson GMP, the "RGMP Information"). The Opinions are conditional upon such completeness, accuracy and fair presentation of such Information and RGMP Information. Subject to the exercise of professional judgment and except as expressly described herein, we have not attempted to verify independently the completeness, accuracy or fair presentation of any of the Information and the RGMP Information.

Senior officers of the Company have represented to RBC in a certificate delivered as of the date hereof, among other things, that (i) the Information provided to RBC orally by, or in the presence of, an officer or employee of the Company, or in writing by the Company, any of its affiliates (as such term is defined in National Instrument 62-104 Take-Over Bids and Issuer Bids of the Canadian Securities Administrators) or any of their respective agents or advisors, for the purpose of preparing the Opinions was, at the date provided to RBC, and is at the date hereof complete, true and correct in all material respects, and did not and does not contain any untrue statement of a material fact and did not and does not omit to state any material fact necessary to make such Information, or any statement contained therein, not misleading in light of the circumstances in which it was provided to RBC; and that (ii) since the dates on which the Information was provided to RBC, except as disclosed in writing to RBC, there has been no material change or change in material facts, financial or otherwise, in or relating to the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Company or any if its subsidiaries, material change in the Information, or other material change or change in material facts, in each case, that might reasonably be considered material to the Opinions.

Senior officers of Richardson GMP have represented to RBC in a certificate delivered as of the date hereof, among other things, that (i) the RGMP Information provided to RBC orally by, or in the presence of, an officer or employee of Richardson GMP or in writing by Richardson GMP, any of its affiliates (as such term is defined in National Instrument 62-104 Take-Over Bids and Issuer Bids of the Canadian Securities Administrators) or any of their respective agents or advisors, for the purpose of preparing the Opinions was, at the date was provided to RBC, and is at the date hereof complete, true and correct in all material respects, and did not and does not contain any untrue statement of a material fact and did not and does not omit to state a material fact necessary to make such RGMP Information, or any statement contained therein, not misleading in light of the circumstances in which it was provided to RBC; and that (ii) since the dates on which the RGMP Information was provided to RBC, except as disclosed in writing to RBC, there has been no material change or change in material facts, financial or otherwise, in or relating to the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of Richardson GMP or any if its subsidiaries and no material change in the RGMP Information or other material change or change in material facts, in each case, that might reasonably be considered material to the Opinions.

In preparing the Opinions, RBC has made several assumptions, including that all of the conditions required to implement the RGMP Transaction will be met.

The Opinions are rendered on the basis of securities markets, economic, financial and general business conditions prevailing as at the date hereof and the condition and prospects, financial and otherwise, of the Company, Richardson GMP and their respective subsidiaries and affiliates, as they were reflected in the Information and the RGMP Information and as they have been represented to RBC in discussions with management of the Company and Richardson GMP. In its analyses and in preparing the Opinions, RBC made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of RBC or any party involved in the RGMP Transaction.

The Opinions have been provided for the use of the Special Committee and the Board and may not be used by any other person or relied upon by any other person other than the Special Committee and the Board without the express prior written consent of RBC. The Opinions are given as of the date hereof and RBC disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Opinions which may come or be brought to RBC's attention after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Opinions after the date hereof, RBC reserves the right to change, modify or withdraw the Opinions.

RBC believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the Opinions. The preparation of a valuation or fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. Neither the Valuations nor the Fairness Opinion are to be construed as a recommendation to any holder of the Common Shares as to whether to vote in favour of the issuance of the GMP Consideration pursuant to the RGMP Transaction.

Overview of the Company

GMP currently operates through two business segments: Wealth Management and Operations Clearing. Wealth Management consists of GMP's 33.2% ownership interest in Richardson GMP. Operations Clearing provides carrying broker services to Richardson GMP and Stifel Financial Corp.'s ("Stifel") Canadian capital markets business. GMP is listed on the Toronto Stock Exchange under the symbol "GMP".

Overview of Richardson GMP

Richardson GMP is one of Canada's largest independent wealth management firms focused on providing exclusive and comprehensive wealth management and investment services delivered by an experienced team of investment professionals.

Definition of Fair Market Value

For purposes of the Valuations, fair market value means the monetary consideration that, in an open and unrestricted market, a prudent and informed buyer would pay to a prudent and informed seller, each acting at arm's length with the other and under no compulsion to act. In accordance with MI 61-101, RBC has not made any downward adjustment to the value of the RGMP Common Shares or the Common Shares to reflect the liquidity of the RGMP Common Shares or Common Shares, the effect of the RGMP Transaction, or the fact that the RGMP Common Shares held by the Company do not form a part of a controlling interest. The context in which the Valuations are used in preparing the Fairness Opinion is described more fully under "Fairness Opinion – Factors Considered".

RGMP Valuation

Valuation Approach

RBC valued the RGMP Common Shares on a going concern basis using a Discounted Cash Flow ("DCF") analysis and precedent transaction analysis. RBC also reviewed trading multiples of comparable public companies from the perspective of whether a public market analysis might exceed DCF or precedent transaction values for the RGMP Common Shares. However, RBC concluded that public company multiples implied values that were below the DCF and precedent transaction values. Given the foregoing, and that public company values generally reflect minority discount values rather than "en bloc" values, RBC did not rely on this approach in determining the value of the RGMP Common Shares.

Discounted Cash Flow Analysis

The DCF approach takes into account the amount, timing and relative certainty of projected unlevered free cash flows expected to be generated by Richardson GMP. The DCF approach requires that certain assumptions be made regarding, among other things, future cash flows, discount rates and terminal values. The possibility that some of the assumptions will prove to be inaccurate is one factor involved in the determination of the discount rates to be used in establishing a range of values.

Assumptions

As a basis for the development of projected future unlevered cash flows for Richardson GMP, RBC reviewed the Management Projections and other information provided by and discussions with management of Richardson GMP. RBC developed its own 4.5-year base case scenario covering the period from July 1, 2020 to December 31, 2024 (the "RBC Base Case") for the purpose of the DCF analysis, formed independently with the benefit of understanding the assumptions behind the Management Projections, as well as other information provided by and discussions with management. The major assumptions for the RBC Base Case are outlined below.

AUA: Due to market volatility , Richardson GMP's AUA declined from $28.6 billion at year-end 2019 to a low of $23.5 billion in March 2020 before recovering to $28.9 billion by August 11, 2020, after adjusting for investment advisor departures. In developing the RBC Base Case, RBC accepted the Base Management Projections for both 2020 AUA and 2021 AUA. RBC modified the annual AUA growth rate following year-end 2021 in the Base Management Projections to an average of 3.0% per annum, which more closely reflects the historical AUA growth of Richardson GMP, the historical growth rates of the Canadian wealth management industry and the expected growth rate outlook of comparable wealth management and asset management companies, compared to annual AUA growth rates of 5.3% in the Base Management Projections and 10.4% in the Upside Management Projections for the year-end 2021 to 2024 period.

<u>Asset Yield:</u> In developing the RBC Base Case, RBC reviewed the implied asset yield in the Management Projections and determined it was reasonable based our analysis of comparable wealth management companies.

<u>Interest Income:</u> As a result of the significant drop in interest rates in March and April 2020, RGMP's interest income has declined materially by approximately $11.5 million on an annualized basis. Management expects interest income to recover over time as the prime rate in Canada increases. The Canadian prime rate has been assumed to gradually increase from 2.45% in 2020 to 3.00% in 2024 based on street consensus estimates. In developing the RBC Base Case, RBC accepted forecast interest income in the Base Management Projections.

<u>Operating Expenses:</u> In response to the market volatility experienced in the first half of 2020 and the lower interest income as described above, RGMP implemented various cost reduction initiatives totaling approximately $4.0 million per year. In developing the RBC Base Case, RBC reviewed these cost reduction initiatives along with historical costs as a percentage of revenue of Richardson GMP and considered the impact of operating leverage as revenue growth outpaces fixed cost growth through the forecast period. RBC accepted the estimates used to calculate expenses including selling, general and administrative expenses (SG&A) and variable compensation and benefits in the Base Management Projections, adjusting variable costs to reflect the lower revenue resulting from the lower AUA growth in the RBC Base Case. RBC modified the Base Management Projections from 2022 onwards to assume 2% salary escalation rather than assuming no salary growth throughout the forecast.

<u>Adjusted EBITDA:</u> In developing the RBC Base Case, RBC adjusted 2020 earnings before interest, taxes, depreciation and amortization ("EBITDA") of $39.2 million from the Base Management Projections (post inclusion of May and June actual results) by adding $1.5 million for one-time severance, deducting $4.5 million for share-based compensation expenses and deducting $8.6 million for cash lease-related expenses. RBC also made the above adjustments as appropriate to EBITDA estimates from 2021 to 2024 and the terminal year in the RBC Base Case.

<u>Cash Taxes:</u> The RBC Base Case utilized a tax rate of 26.3% through the forecast period and a 2019 year-end tax loss carryforward balance of $108.0 million, consistent with the Base Management Projections. As a result, no cash taxes are paid until 2024 in the RBC Base Case.

<u>Capital Expenditure:</u> RBC used the capital expenditure assumptions included in the Base Management Projections in the RBC Base Case.

<u>Non-Cash Working Capital:</u> RBC calculated the average change in non-cash working capital as a percentage of revenue for 2016 to 2019 and applied it to the projected revenue to estimate annual non-cash working capital through the forecast period. Average change in non-cash working capital in the RBC Base Case is different from the Base Management Projections due primarily to the different AUA growth which impacts working capital.

<u>Retention Bonuses:</u> RBC deducted $36.0 million in one-time retention bonuses to be paid by Richardson GMP to investment advisors in 2020, which was not part of the Management Projections.

<u>Balance Sheet Adjustments:</u> RBC adjusted actual June 30, 2020 net debt by adding $7.1 million for certain litigation reserves, provisions, share repurchases and additional advisor loan assets to be acquired from RFGL and GMP.

Shares Outstanding: RBC adjusted shares outstanding by adding 1.6 million shares for additional shares to be issued to RFGL and GMP in connection with Richardson GMP's acquisition of certain advisor loan assets from RFGL and GMP.

The following table summarizes the RBC Base Case:

Richardson GMP **RBC Base Case Free Cash Flows**	**2019A**	**2020E**	**2021E**	**2022E**	**2023E**	**2024E**	**Term.**	**'19-'24 CAGR**
($ millions unless otherwise noted)								
AUA ($ billions)	$28.6	$28.5	$30.1	$31.0	$31.9	$32.9		2.9%
Revenue	$272	$259	$269	$289	$305	$318	$333	3.2%
Less: Operating Expenses	($234)	($233)	($239)	($250)	($258)	($267)	($279)	2.7%
Plus: Adjustments	$3	$2						
Adjusted EBITDA	$41	$28	$30	$39	$46	$51	$53	4.4%
Less: Cash Taxes	-	-	-	-	-	($10)		
Less: Capital Expenditures	($7)	($2)	($8)	($23)	($3)	($1)		
Less: Changes in Non-Cash Working Capital	($4)	$6	($1)	($2)	($1)	($1)		
Less: Retention Bonuses	-	($36)	-	-	-	-		
Free Cash Flow	$30	($5)	$21	$15	$42	$38		5.1%

Sensitivity Analysis

In completing our DCF analysis, RBC did not rely on any single series of projected cash flows but performed a variety of sensitivity analyses using the aforementioned RBC Base Case free cash flows. Variables sensitized included AUA growth, interest rates, selling, general, and administrative expenses (SG&A), asset yield, discount rates and terminal value assumptions. The results of these sensitivity analyses are reflected in our judgment as to the appropriate values resulting from the DCF approach.

Discount Rates

RBC selected a range of discount rates from 9.0% to 10.0% to apply to the projected unlevered free cash flows in the RBC Base Case. RBC believes that this range of discount rates reflects (i) the risk inherent in Richardson GMP based on current market conditions and the competitive environment and (ii) ranges used by financial and industry participants in evaluating assets of this nature.

Terminal Value

The terminal year EBITDA was derived by growing the final year AUA of the RBC Base Case by 3.0%, which results in a terminal year EBITDA of $53.1 million. The EBITDA multiple range used to calculate the terminal value was 9.0x to 11.0x. These multiples were selected based on (i) RBC's analysis of precedent company transaction multiples, as disclosed below; (ii) an assessment of the risk and growth prospects for Richardson GMP beyond the terminal year and (iii) the long-term outlook for the Canadian wealth management industry beyond the terminal year.

Summary of Discounted Cash Flow Analysis

The following table summarizes the results of the DCF analysis, assuming a discount rate of 9.0% to 10.0% and a terminal EBITDA multiple of 9.0x to 11.0x under the RBC Base Case.

	Low	High
($ millions other than per share figures)		
Enterprise Value[1]	**$380**	**$465**
Add: Cash and Cash Equivalents	$79	$79
Less: Subordinated Debt	($67)	($67)
Less: Balance Sheet Adjustments	($7)	($7)
Adjusted Net Debt	$5	$5
Less: RGMP Preferred Shares	($62)	($62)
Equity Value	**$323**	**$408**
Fully Diluted RGMP Common Shares (in millions)	85.4	85.4
Equity Value per Share[2]	**$3.80**	**$4.80**

Precedent Transaction Analysis

RBC reviewed the available public information for Canadian and major international asset and wealth management precedent transactions. For the purposes of its analysis, RBC determined that the transactions set forth below were the most comparable to Richardson GMP, but noted that each transaction was: (i) unique in terms of size, geography, timing, market position, business risks and opportunities for growth, profitability and transaction structure and (ii) reflective of the strategic rationale of both the respective acquirer and target. The primary criterion used in analyzing these transactions was a multiple of EBITDA, where a limited set of transactions were available where EBITDA multiples were disclosed. RBC also reviewed AUA multiples, however AUA multiples were not used as a primary criterion in analyzing these transactions.

Announce Date	Acquiror	Target	AUA ($ millions)	Enterprise Value ($ millions)	Enterprise Value / EBITDA
23-Dec-19	The Carlyle Group	Harwood Wealth Management	$9,020	$130	11.2x
19-Sep-19	Tilney	Smith & Williamson	$22,935	$1,031	12.0x
03-Apr-19	Quilter	Lighthouse Group	$8,761	$74	12.3x
22-Mar-19	Onex Corporation	Gluskin Sheff + Associates Inc.	$8,191	$445	9.1x
31-May-18	Scotiabank	MD Financial	$10,000	$2,585	22.3x
Mean					**13.4x**
Median					**12.0x**

Following such review, RBC selected a multiple of EBITDA range of 9.0x to 12.5x for a number of reasons including (i) the likely potential acquirors of Richardson GMP and the level of synergies available to such buyers (ii) the potential burden of investment advisor retention payments to potential acquirors; and (iii) the market position, geographic profile, business risks and opportunities for growth of Richardson GMP.

Summary of Precedent Transaction Analysis

The following table summarizes the results of the precedent transactions analysis using multiples of 9.0x to 12.5x. RBC applied the multiple range to 2021E Adjusted EBITDA to reflect a more normalized year given the market volatility experienced in 2020:

[1] Enterprise values rounded to the nearest $5 million
[2] All share prices rounded to the nearest $0.05

	Low	High
($ millions other than per share figures)		
2021 Adjusted EBITDA	$29.6	$29.6
Selected Multiple Range	9.0x	12.5x
Enterprise Value[3]	**$265**	**$370**
Less: Adjusted Net Debt	$5	$5
Less: RGMP Preferred Shares	($62)	($62)
RGMP Equity Value	**$208**	**$313**
Fully Diluted RGMP Common Shares (in millions)	85.4	85.4
Equity Value per RGMP Common Share[4]	**$2.45**	**$3.65**

Benefits to Company of Acquiring the RGMP Common Shares Held by RFGL and Richardson GMP Management and Investment Advisors

In arriving at our opinion of the value of the RGMP Common Shares, we reviewed and considered whether any distinctive material value will accrue to the Company through the acquisition of the RGMP Common Shares as contemplated in the RGMP Transaction. We concluded that there were no material specific operational or financial benefits that would accrue to the Company such as the earlier use of available tax losses, lower income tax rates, reduced operating costs, increased revenues, higher asset utilization or any other operational or financial benefits, other than the potential for elimination of certain duplicative corporate overhead costs.

RGMP Valuation Conclusion

Based upon and subject to the foregoing, RBC is of the opinion that, as of the date hereof, the fair market value of the RGMP Common Shares is in the range of $3.55 to $4.50 per RGMP Common Share.

Common Share Valuation

Valuation Approach

RBC valued the Common Shares using a sum-of-the-parts (“SOTP”) approach. A significant portion of the value of the Common Shares was directly derived from the RGMP Valuation given the Company’s 33.2% equity ownership in Richardson GMP.

Sum-of-the-Parts Analysis

The SOTP approach takes into account the aggregate value of the Company’s net assets, including the following:

Equity Ownership in Richardson GMP

In determining the fair market value of GMP’s equity ownership in Richardson GMP, RBC relied upon the results of the range of fair market values of the RGMP Common Shares under the RGMP Valuation. RBC has not made any downward adjustment to the value of the Company’s equity ownership in Richardson GMP to reflect the fact that the RGMP Common Shares held by GMP do not form part of a controlling interest.

[3] Enterprise values rounded to the nearest $5 million
[4] All share prices rounded to the nearest $0.05

GMP Working Capital

RBC has made the following adjustments to GMP management's estimated working capital of $122.8 million as of June 30, 2020: $5.0 million for the value of the Company's tax assets; $1.6 million for litigation reserves; $1.1 million for after-tax transaction costs; $1.9 million for advisor loan assets to be sold to RGMP; and $11.3 million for the Special Dividend to be paid to the pre-closing holders of the Common Shares.

RGMP Preferred Shares

As of June 30, 2020, Richardson GMP had $60.8 million face value of Class B Preference Shares outstanding, of which GMP and RFGL owned 50% each, and $673,000 face value of special preferred shares outstanding, which were owned by GMP. RBC reviewed comparable preferred shares of Canadian financial institutions and valued the RGMP preferred shares at their face value, resulting in a value of $31.0 million for the RGMP Preferred Shares held by owned by GMP.

Securities Lending and Carrying Broker Businesses

GMP's Operations Clearing provides securities lending and carrying broker services to Richardson GMP and Stifel's Canadian capital markets business. Management estimates that, on an aggregate basis, this business effectively runs on a net cost recovery basis, resulting in a value of nil for the Securities Lending and Carrying Broker Businesses.

Corporate Overhead

As a standalone public holding company, GMP management believes $2.0 million per annum is an appropriate estimate for ongoing public company costs and corporate overhead. To achieve this cost structure, GMP management believes they would incur one-time transition and severance costs of $2.5 million in 2021 and a transition period with higher corporate costs in the second half of 2020 and 2021. RBC discounted the after-tax cash flows from July 1, 2020 to December 31, 2024 based on a 9.5% discount rate and assumed a terminal value based on an 8.0x multiple of ($2.0) million EBITDA. This resulted in a value of $21.1 million for the Corporate Overhead.

FirstEnergy Vendor Notes

GMP has vendor notes (the "FirstEnergy Vendor Notes") issued by FirstEnergy Capital Corp. ("FirstEnergy") outstanding as a result of the Company's acquisition of FirstEnergy in 2016. RBC valued the FirstEnergy Vendor Notes at their carrying value of $12.8 million as of June 30, 2020.

Preferred Shares

GMP had 3,565,253 million fixed rate preferred shares (Series B) and 1,034,747 million floating preferred shares (Series C) (collectively, the "Preferred Shares") outstanding as of June 30, 2020 with an aggregate face value of $115.0 million. Based on the closing price of $9.50 per Series B preferred share and $9.55 per Series C preferred share as of market close on August 11, 2020, the aggregate market trading value of the Preferred Shares is $43.8 million. In determining the fair market value of the Preferred Shares, RBC also considered the potential price that would be expected to be required to repurchase 100% of the Preferred Shares, taking into account a comparison of the implied current yields and potential reset yields of the Preferred Shares to current yields of the publicly traded preferred shares and the premiums paid in precedent preferred share repurchase transactions. Upon such review, RBC estimated a potential repurchase price of $13.00 per Preferred Share, resulting in an illustrative en bloc value of $59.8 million for the Preferred Shares.

The following table summarizes the results of the SOTP analysis:

	GMP Pref. Shares at Market Value		GMP Pref. Shares at $13 Buyback Value	
	Low	**High**	**Low**	**High**
($ millions other than per share figures)				
Richardson GMP Equity Value	$303	$383	$303	$383
Equity Ownership in Richardson GMP	33.2%	33.2%	33.2%	33.2%
Value of Equity Ownership in Richardson GMP	$101	$127	$101	$127
Add: GMP Working Capital	$112	$112	$112	$112
Add: RGMP Preferred Shares Held by GMP	$31	$31	$31	$31
Add: Sec. Lending and Carrying Broker Business	$-	$-	$-	$-
Less: Corporate Overhead	($21)	($21)	($21)	($21)
Less: FirstEnergy Vendor Notes	($13)	($13)	($13)	($13)
Less: Preferred Shares	($44)	($44)	($60)	($60)
Equity Value	**$166**	**$192**	**$150**	**$176**
Fully Diluted Common Shares (in millions)	75.4	75.4	75.4	75.4
Equity Value per Common Share[5]	**$2.20**	**$2.55**	**$2.00**	**$2.35**

Common Share Valuation Conclusion

Based upon and subject to the foregoing, RBC is of the opinion that, as of the date hereof, the fair market value of the Common Shares is in the range of $2.00 to $2.55 per Common Share.

Comparison to the Prior Valuation

On February 25, 2020, RBC provided the Special Committee its verbal formal valuation and fairness opinion (the "February Opinions") in connection with the February Transaction. Below is a summary of key differences between the Opinions and the February Opinions.

RGMP Valuation

Discounted Cash Flow Analysis

In approaching the February Opinions, RBC reviewed the projections prepared by management in 2019 (the "February Management Projections"). RBC developed its own 4-year base case scenario covering the years ended December 31, 2020 to 2023 (the "February RBC Base Case") for the purpose of the DCF analysis. The major differences between the RBC Base Case and the February RBC Base Case are outlined below.

AUA: RBC applied an annual AUA growth rate of 3.0% per annum to the adjusted 2019 year-end AUA resulting in $30.1 billion 2020 year-end AUA and $32.9 billion 2023 year-end AUA in the February RBC Base Case compared to $28.5 billion 2020 year-end AUA and $31.9 billion 2023 year-end AUA in the RBC Base Case.

Interest Income: As a result of the significant decline in interest rates, Richardson GMP's forecast interest income in the Management Projections declined materially compared to the February Management Projections. As a result, 2020 forecast interest income is $11.5 million lower in the RBC Base Case than the February RBC Base Case.

[5] All share prices rounded to the nearest $0.05.

<u>*Operating Expenses:*</u> In addition to lower variable operating expenses as a result of lower forecast AUA, operating expenses were also projected to be lower by approximately $4.0 million as a result of various cost reduction initiatives implemented by management in the RBC Base Case as compared to the February RBC Base Case.

The following table summarizes the February RBC Base Case used in the February Opinions:

Richardson GMP **RBC Base Case Free Cash Flows**	**2019A**	**2020E**	**2021E**	**2022E**	**2023E**	**Term.**	**'19-'23** **CAGR**
($ millions unless otherwise noted)							
AUA ($ billions)	$29.2	$30.1	$31.0	$31.9	$32.9	$33.9	3.0%
Revenue	$272	$288	$297	$307	$318	$329	4.0%
Less: Operating Expenses	($234)	($244)	($251)	($258)	($267)	($273)	3.3%
Adjusted EBITDA	$41	$45	$48	$51	$53	$55	6.6%
Less: Cash Taxes	-	-	-	-	-		
Less: Capital Expenditures	($7)	($1)	($5)	($10)	($3)		
Less: Changes in Non-Cash Working Capital	($4)	($1)	($1)	($1)	($1)		
Less: Other One-Time Items	-	($42)	($2)	-	-		
Free Cash Flow	$30	$1	$41	$40	$49		13.0%

Precedent Transaction Analysis

Due to the lower forecast interest income, Richardson GMP's forecast EBITDA includes a higher relative proportion of management fee income in the Management Projections than the February Management Projections. Compared to interest income, management fee income is more predictable and recurring in nature. As a result, RBC has expanded its precedent transaction EBITDA multiple range from 9.0x to 12.0x in the February Opinions to 9.0x to 12.5x in the Opinions. In addition, after discussions with management, in the Opinions RBC has applied the precedent transaction EBITDA multiple range to 2021E EBITDA, which management considered to be more reflective of Richardson GMP's business in a more normalized environment, compared to 2019 EBITDA that the precedent transaction EBITDA multiple range was applied to in the February Opinions.

RGMP Valuation Conclusion

The fair market value of the RGMP Common Shares was a range of $4.25 to $5.15 per RGMP Common Share in the February Opinions, compared to a range of $3.55 to $4.50 per RGMP Common Share in the Opinions.

Common Share Valuation

GMP Working Capital

Compared to the February Opinions, incremental adjustments made to working capital in the Opinions are $1.9 million of advisor loan assets to be sold to Richardson GMP prior to the Transaction and the $11.3 million special dividend to be paid to the pre-closing holders of the Common Shares.

Corporate Overhead

In the February Opinions, RBC capitalized the $2.0 million per annum public company costs and corporate overhead without including a transition period to achieve this cost structure. After further discussions with management, RBC included a transition period in the Opinions as described under *"Common Share Valuation – Corporate Overhead"* above, and as a result the deduction for the

Corporate Overhead has increased from $18.0 million in February Opinions to $21.1 million in the Opinions.

Preferred Shares

Market prices of GMP's preferred shares have declined since February. Closing prices were $9.50 per Series B preferred share and $9.55 per Series C preferred share as of market close on August 11, 2020, compared to $12.60 per Series B preferred share and $12.70 per Series C preferred share as of market close on February 25, 2020. As a result of declining market prices, RBC has revised its estimated potential repurchase price from $18.00 per Preferred Share in the February Opinions to $13.00 per Preferred Share in the Opinions.

Common Share Valuation Conclusion

The fair market value of the Common Shares was a range of $2.20 to $2.90 per Common Share in the February Opinions, compared to a range of $2.00 to $2.55 per Common Share in the Opinions.

Fairness Opinion

Factors Considered

In considering the fairness of the GMP Consideration to be paid by the Company under the RGMP Transaction from a financial point of view to the Company, we principally considered and relied upon the following:

i) a comparison of the Exchange Ratio to the implied exchange ratios using the fair market value ranges of the RGMP Common Shares and Common Shares under the Valuations; and
ii) the pro forma impact of the RGMP Transaction on the Common Shares

Comparison of the GMP Consideration paid to the Valuations

RBC compared the Exchange Ratio of 1.875 Common Shares per RGMP Common Share to the implied exchange ratios of the range of fair market values of the RGMP Common Shares and Common Shares under the Valuations. The GMP Consideration is within the exchange ratios implied by the by the range of fair market values of the RGMP Common Shares and Common Shares under the Valuations.

	GMP Pref. Shares at Market Value		GMP Pref. Shares at $13 Buyback Value	
	Low	High	Low	High
RGMP Valuation	$3.55	$4.50	$3.55	$4.50
Common Share Valuation	$2.20	$2.55	$2.00	$2.35
Implied Exchange Ratio[6]	1.61x	1.76x	1.78x	1.91x

Pro Forma Impact on the Common Shares

RBC considered the potential impact on the trading price of the Common Shares as a result of the RGMP Transaction. RBC believes that the Common Shares should benefit from consolidation of the RGMP Common Share ownership by the Company through: (i) ownership of Common Shares in an

[6] All exchange ratios rounded to two decimal point.

operating company that will own 100% of Richardson GMP as opposed to ownership of Common Shares in a holding company that owns 33.2% of Richardson GMP; and (ii) increased capital markets exposure through enhanced scale and expected trading liquidity. Based on the multiples of comparable public companies involved in the asset and wealth management industry, and the pro forma financial metrics of the Company assuming completion of the RGMP Transaction, we believe the trading value of the Common Shares will be positivity impacted by the RGMP Transaction.

Fairness Conclusion

Based upon and subject to the foregoing, RBC is of the opinion that, as of the date hereof, the GMP Consideration to be paid by the Company under the RGMP Transaction is fair from a financial point of view to the Company.

Yours very truly,

RBC Dominion Securities Inc.

RBC DOMINION SECURITIES INC.

SCHEDULE G
GMP PRO FORMA FINANCIAL STATEMENTS

See attached.

* * * * *

GMP Capital Inc.

Pro Forma Condensed Consolidated Financial Statements

As at and for the six months ended June 30, 2020 and for the year ended December 31, 2019

[Unaudited]

GMP Capital Inc.

PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

As at June 30, 2020

[thousands of Canadian dollars] [unaudited]	GMP Capital Inc.	Richardson GMP Limited	Pro forma adjustments	Notes	Pro forma consolidated
ASSETS					
Cash and cash equivalents	656,909	71,998	(48,320)	3(a), 3(b), 3(j)	**680,587**
Securities owned	57,352	765	—		**58,117**
Receivable from					
Clients	277,612	—	—		**277,612**
Brokers	192,656	6,078	(5,991)	3(c), 3(i)	**192,743**
Deposits with carrying broker	—	499	(499)	3(i)	**—**
Employee and other loans receivable	1,824	—	68,513	3(a), 3(b), 3(i)	**70,337**
Advisor loans receivable	—	27,751	(27,751)	3(i)	**—**
Other assets	471,837	9,174	(610)	3(c)	**480,401**
Promissory note receivable	2,754	—	—		**2,754**
Investment in associate	81,796	—	(81,796)	3(c), 3(d)	**—**
Equipment and leasehold improvements	241	12,672	—		**12,913**
Right-of-use assets	1,345	22,172	—		**23,517**
Goodwill and intangible assets	—	145,187	102,315	3(a)	**247,502**
Deferred income tax assets	—	27,080	—		**27,080**
Total assets	**1,744,326**	**323,376**	**5,861**		**2,073,563**
LIABILITIES					
Obligations related to securities sold short	15,991	4	—		**15,995**
Lease liabilities	3,019	24,754	—		**27,773**
Payable to					
Clients	1,305,567	—	—		**1,305,567**
Brokers	182,557	236	(6,490)	3(c)	**176,303**
Accounts payable and accrued liabilities	16,132	30,279	890	3(c), 3(e)	**47,301**
Provisions and other liabilities	11,595	18,115	—		**29,710**
Preferred shares liability	—	—	30,422	3(a)	**30,422**
Loans and promissory note	15,603	67,000	—		**82,603**
Total liabilities	**1,550,464**	**140,388**	**24,822**		**1,715,674**
EQUITY					
Common shares	325,810	137,207	16,682	3(a)	**479,699**
Preferred shares	112,263	61,517	(61,517)	3(a)	**112,263**
Deferred share-based awards	(5,525)	—	—		**(5,525)**
Contributed surplus	45,273	2,688	(2,688)	3(a)	**45,273**
Accumulated other comprehensive income	8,627	—	—		**8,627**
Accumulated deficit	(292,586)	(18,424)	28,562	3(a) 3(d), 3(e), 3(j)	**(282,448)**
Shareholders' equity	**193,862**	**182,988**	**(18,961)**		**357,889**
Total liabilities and equity	**1,744,326**	**323,376**	**5,861**		**2,073,563**

See accompanying notes, which are an integral part of these unaudited pro forma condensed consolidated financial statements.

GMP Capital Inc.

PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS

Six months ended June 30, 2020

[thousands of Canadian dollars, except as noted] [unaudited]	GMP Capital Inc.	Richardson GMP Limited	Pro forma adjustments	Notes	Pro forma consolidated
CONTINUING OPERATIONS					
REVENUE					
Investment banking and principal transactions	—	—	—		**—**
Investment management and fee income	—	101,919	—		**101,919**
Commissions	—	15,771	—		**15,771**
Interest	5,816	8,583	—		**14,399**
Other income	10,082	5,348	(5,116)	3(c), 3(i)	**10,314**
Unrealized gain on trading securities	—	211	(211)	3(i)	**—**
	15,898	**131,832**	**(5,327)**		**142,403**
EXPENSES					
Employee compensation and benefits	5,531	94,964	6,000	3(b)	**106,495**
Selling, general and administrative	9,307	24,803	(6,700)	3(c), 3(f)	**27,410**
Interest	4,846	3,257	609	3(g)	**8,712**
Depreciation and amortization	258	6,238	—		**6,496**
	19,942	129,262	(91)		**149,113**
Share of net loss of associate	(359)	—	359	3(c)	**—**
Loss before income taxes from continuing operations	(4,403)	2,570	(4,877)		**(6,710)**
Income tax expense (recovery)					
Current	422	83	(1,292)	3(h)	**(787)**
Deferred	—	1,414	—		**1,414**
	422	1,497	(1,292)		**627**
Net (loss) income from continuing operations	**(4,825)**	**1,073**	**(3,585)**		**(7,337)**
Net loss from discontinued operations	**(444)**	**—**	**—**		**(444)**
NET (LOSS) INCOME	**(5,269)**	**1,073**	**(3,585)**		**(7,781)**
Other comprehensive loss, net of income taxes:					
Foreign currency translation losses from continuing operations	340	—	—		**340**
Total other comprehensive loss	**340**	**—**	**—**		**340**
TOTAL COMPREHENSIVE (LOSS) INCOME	**(4,929)**	**1,073**	**(3,585)**		**(7,441)**
Total comprehensive (loss) income attributable to:					
Shareholders	(4,929)	1,073	(3,585)		**(7,441)**
Total comprehensive (loss) income attributable to shareholders					
Continuing operations	(4,485)	1,073	(3,585)		**(6,997)**
Discontinued operations	(444)	—	—		**(444)**
Net loss per common share (dollars) from continuing operations:					
Basic	(0.10)				**(0.05)**
Diluted	(0.10)				**(0.05)**
Net loss per common share (dollars):					
Basic	(0.11)				**(0.06)**
Diluted	(0.11)				**(0.06)**
Weighted-average number of common shares outstanding (in thousands):					
Basic	73,064		106,867	3(a)	**179,931**
Diluted	75,434		106,867	3(a)	**182,301**

See accompanying notes, which are an integral part of these unaudited pro forma condensed consolidated financial statements.

GMP Capital Inc.

PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS

Year ended December 31, 2019

[thousands of Canadian dollars, except as noted] [unaudited]	GMP Capital Inc.	Richardson GMP Limited	Pro forma adjustments	Notes	Pro forma consolidated
CONTINUING OPERATIONS					
REVENUE					
Investment banking	1,919	—	—		**1,919**
Principal transactions	2,066	—	—		**2,066**
Investment management and fee income	—	201,575	—		**201,575**
Commissions	—	30,402	—		**30,402**
Interest	18,683	25,471	—		**44,154**
Other income	14,172	14,486	(10,949)	3(c), 3(i)	**17,709**
Unrealized gain on trading securities	—	348	(348)	3(i)	**—**
	36,840	**272,282**	**(11,297)**		**297,825**
EXPENSES					
Employee compensation and benefits	14,241	181,796	12,000	3(b)	**208,037**
Selling, general and administrative	16,516	51,791	(10,822)	3(c), 3(f)	**57,485**
Interest	13,705	8,095	2,409	3(g)	**24,209**
Depreciation and amortization	1,550	13,127	—		**14,677**
	46,012	254,809	3,587		**304,408**
Share of net income of associate	2,272	—	(2,272)	3(c)	**—**
Loss before income taxes from continuing operations	(6,900)	17,473	(17,156)		**(6,583)**
Income tax expense (recovery)					
Current	1,993	198	(4,546)	3(h)	**(2,355)**
Deferred	4,817	5,981	—		**10,798**
	6,810	6,179	(4,546)		**8,443**
Net (loss) income from continuing operations	**(13,710)**	**11,294**	**(12,610)**		**(15,026)**
Net loss from discontinued operations	**(39,448)**	**—**	**—**		**(39,448)**
NET (LOSS) INCOME	**(53,158)**	**11,294**	**(12,610)**		**(54,474)**
Other comprehensive loss, net of income taxes:					
Foreign currency translation losses from continuing operations	(447)	**—**	—		**(447)**
Total other comprehensive loss	**(447)**	**—**	**—**		**(447)**
TOTAL COMPREHENSIVE (LOSS) INCOME	**(53,605)**	**11,294**	**(12,610)**		**(54,921)**
Total comprehensive (loss) income attributable to:					
Shareholders	(53,605)	11,294	(12,610)		**(54,921)**
Total comprehensive (loss) income attributable to shareholders					
Continuing operations	(14,157)	11,294	(12,610)		**(15,473)**
Discontinued operations	(39,448)	—	—		**(39,448)**
Net loss per common share (dollars) from continuing operations:					
Basic	(0.26)				**(0.11)**
Diluted	(0.26)				**(0.11)**
Net loss per common share (dollars):					
Basic	(0.82)				**(0.33)**
Diluted	(0.82)				**(0.33)**
Weighted-average number of common shares outstanding (in thousands):					
Basic	70,286		106,867	3(a)	**177,153**
Diluted	75,446		106,867	3(a)	**182,313**

See accompanying notes, which are an integral part of these unaudited pro forma condensed consolidated financial statements.

Notes to the Pro Forma Condensed Consolidated Financial Statements

[expressed in thousands of Canadian dollars, except per share amounts]
[unaudited]

1. Description of Proposed Transaction

On August 13, 2020, GMP Capital Inc. ("GMP") announced that it entered into a definitive share purchase agreement (the "Purchase Agreement") with, *inter alia*, Richardson Financial Group Limited ("RFGL") and certain other vendors listed in the Purchase Agreement, pursuant to which GMP has agreed, subject to the terms and conditions of the Purchase Agreement, to acquire all common shares in the capital of Richardson GMP Limited ("RGMP") that are not owned by GMP for a purchase price of 1.875 GMP common shares per RGMP common share (the "Transaction").

It is expected that GMP will issue to RGMP's shareholders an aggregate of approximately 106,867 thousand GMP common shares (the "Consideration Shares"). Upon closing of the Transaction, 10% of the Consideration Shares will be paid to RGMP's shareholders and the remaining 90% will be placed in escrow to be released in equal amounts on the first, second and third anniversaries of the closing subject to the satisfaction of certain conditions. The Consideration Shares will be subject to downward adjustment if investment advisor departures which meet certain conditions over the first year following closing exceed a certain threshold, measured on the AUA associated with those investment advisors as at June 30, 2020.

Pursuant to the Transaction, RFGL has agreed to waive its right to require the purchase of the preferred shares in capital of RGMP that it holds, as would otherwise be required under the shareholders' agreement governing RGMP. RFGL will have the right to require GMP to purchase these preferred shares for cash at any time following the third anniversary of closing. In addition, GMP will have the right to purchase these preferred shares from RFGL for cash at any time following the closing of the Transaction.

Upon successful completion of the Transaction, $36 million is intended to be allocated toward a retention plan award program for existing investment advisors.

2. Basis of Presentation

The unaudited pro forma condensed consolidated balance sheet as at June 30, 2020, the unaudited pro forma condensed consolidated statement of loss and comprehensive loss for the six months ended June 30, 2020 and for the year ended December 31, 2019 and the notes thereto (collectively, the "Pro Forma Financial Information") of GMP were prepared in connection with the proposed Transaction as discussed above.

The Transaction was accounted for in accordance with *IFRS 3 – Business Combinations ("IFRS 3")* in the Pro Forma Financial Information with GMP as the acquirer and reflecting the identifiable assets acquired and the liabilities assumed of RGMP at fair value.

The Pro Forma Financial Information was prepared for illustrative purposes only, in compliance with NI 41-101F1 / Form 41-101F1.

The Pro Forma Financial Information is derived from and should be read in conjunction with the following:

- The unaudited condensed consolidated financial statements of GMP as at and for the six months ended June 30, 2020;
- The unaudited condensed consolidated financial statements of RGMP as at and for the six months ended June 30, 2020;
- the audited consolidated financial statements of GMP as at and for the year ended December 31, 2019; and
- the audited consolidated financial statements of RGMP as at and for the year ended December 31, 2019.

The unaudited pro forma condensed consolidated statement of loss and comprehensive loss for the six months ended June 30, 2020 and for the year ended December 31, 2019 give pro forma effect to the Transaction as if it had occurred on January 1, 2019. The unaudited pro forma condensed consolidated balance sheet as at June 30, 2020 assumes that the Transaction was completed on June 30, 2020.

The Pro Forma Financial Information is for illustrative and information purposes only and may not be indicative of the operating results or financial condition that actually would have been achieved if the Transaction had occurred on the dates indicated or of the results that may be obtained in the future. The historical consolidated financial statements have been adjusted in the Pro Forma Financial Information to give effect to pro forma events that are (1) directly attributable to the Transaction, (2) factually supportable and (3) with respect to the statements of loss and comprehensive loss, expected to have a material continuing impact on the results of GMP.

Notes to the Pro Forma Condensed Consolidated Financial Statements

[expressed in thousands of Canadian dollars, except per share amounts]
[unaudited]

The accounting policies used in the preparation of the Pro Forma Financial Information are consistent with those described in the audited consolidated financial statements of GMP as at and for the year ended December 31, 2019.

The pro forma adjustments contained in these unaudited pro forma condensed consolidated financial statements reflect estimates and assumptions by the management of GMP based on currently available information. GMP's management believes that such assumptions provide a reasonable basis for presenting all of the significant effects of the proposed Transaction contemplated and that the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the Pro Forma Financial Information.

Actual amounts recorded upon consummation of the proposed Transaction will differ from such Pro Forma Financial Information. Since the Pro Forma Financial Information was developed retroactively to show the effect of the proposed Transaction that is expected to occur at a later date (even though this was accomplished by following generally accepted practice and using reasonable assumptions), there are limitations inherent in the very nature of such Pro Forma Financial Information.

Unless otherwise indicated, all amounts are expressed in thousands of Canadian dollars and rounded to the nearest thousand.

3. Pro Forma Adjustments

The pro forma adjustments contained in these unaudited pro forma condensed consolidated financial statements reflect estimates and assumptions by management of GMP based on currently available information.

[a] For accounting purposes in accordance with IFRS 3, the fair value of the purchase consideration for the Transaction is assumed to be $255,710 based on closing price of GMP common shares of $1.44 per common share on August 14, 2020, the day after the announcement of the Transaction (the "Closing Price") and is calculated as follows:

	$
Common shares	153,889
Fair value of pre-existing interest - common shares	76,606
Fair value of pre-existing interest - preferred shares	31,095
Settlement of pre-existing trade amounts	(5,880)
Purchase consideration	**255,710**

It is expected that GMP will issue to RGMP's shareholders an aggregate of approximately 106,867,196 GMP common shares. Upon closing of the Transaction, 10% of the Consideration Shares will be paid to RGMP's shareholders and the remaining 90% will be placed in escrow to be released in equal amounts on the first, second and third anniversaries of the closing subject to the satisfaction of certain conditions. The Consideration Shares will be subject to downward adjustment if investment advisor departures which meet certain conditions over the first year following closing exceed a certain threshold, measured on the AUA associated with those investment advisors as at June 30, 2020. The fair value of GMP common shares issued for the Transaction is assumed to be $153,889 calculated as 106,867,196 common shares at the Closing Price.

The fair value of GMP's existing ownership interest in RGMP common shares is assumed to be $76,606 determined using 28,372,616 common shares (inclusive of 458,091 common shares received in exchange for sale of loans receivable to RGMP subsequent to June 30, 2020) at $2.70 per common share (which is the Closing Price multiplied by the 1.875 exchange ratio between RGMP and GMP common shares in the Transaction).

The fair value of GMP's existing ownership interest in RGMP Class A preferred shares and Special Preference shares is the redemption price of $31,095.

Settlement of pre-existing trade amounts of $5,880 payable from GMP to RGMP as at June 30, 2020 relates to the carrying broker agreement net of dividend receivable from RGMP. As at June 30, 2020, GMP had payable to brokers of $6,490 and preferred shares dividend receivable of $610.

Notes to the Pro Forma Condensed Consolidated Financial Statements

[expressed in thousands of Canadian dollars, except per share amounts]
[unaudited]

Assuming an acquisition date of June 30, 2020, the following is a preliminary estimate of the values of the assets to be acquired and the liabilities to be assumed by GMP in connection with the Transaction:

	$
Cash and cash equivalents	35,998
Securities owned	765
Receivable from brokers	87
Employee and other loans receivable	70,460
Other assets	9,174
Equipment and leasehold improvements	12,672
Right-of-use assets	22,172
Deferred income tax assets	27,080
Goodwill and intangibles	247,502
Obligations related to securities sold short	(4)
Payable to brokers	(236)
Lease liabilities	(24,754)
Accounts payable and accrued liabilities	(29,669)
Other liabilities	(18,115)
Preferred shares liability	(30,422)
Loans and promissory notes	(67,000)
Purchase consideration	**255,710**

The above values are based on the carrying value of the assets and liabilities of RGMP as at June 30, 2020 which management has determined to be a reasonable estimate of their fair value plus the purchase of $4,762 and $1,947 employee loan receivable purchased subsequent to June 30, 2020 by RGMP from RFGL and GMP, respectively, in exchange for 1,120,456 and 458,091 RGMP common shares issued to RFGL and GMP at $4.25 per share, respectively.

Cash and cash equivalents acquired has been reduced and employee and other loans receivable has been increased by $36 million expected to be paid by RGMP to existing RGMP investment advisors as part of the Transaction retention plan (see note [b] below).

GMP's management believes the fair values recognized above are based on reasonable estimates derived from currently available information. A final determination of the fair value of assets acquired and liabilities assumed will be based on the actual assets and liabilities of RGMP that exist as at the closing date of the Transaction. Any differences between the carrying value and the fair value of assets acquired and liabilities assumed would result in a respective change in goodwill and other potential intangibles.

Goodwill and other potential intangible assets arising on the Transaction are estimated to be $247,502. Finite-lived intangible assets expected to be separately recognized include customer contracts, non-compete agreements and technology related including software. Any such intangible assets and related deferred taxes, which could be material in amount, can only be determined upon completion of detailed valuation work on closing of the Transaction.

Preferred shares of RGMP retained by RFGL have been classified as a liability instrument as RFGL will have the right to require GMP to purchase these preferred shares for cash at any time following the third anniversary of closing.

Equity of RGMP is eliminated on consolidation.

[b] The pro forma condensed consolidated balance sheet reflects an increase in employee and other loans receivable and decrease in cash in the amount of $36 million expected to be paid to existing RGMP investment advisors as part of the Transaction retention plan. At the option of each investment advisor, this retention payment can be made in common shares of RGMP at $4.25 per share immediately prior to close of the Transaction. The pro forma adjustment has been presented assuming all retention plan payments will be

made in cash. If any advisors elect to receive RGMP common shares, such RGMP common shares will then be purchased by GMP on closing of the Transaction and the corresponding cash payment reduced accordingly. The loan is expected to be in the form of an interest-free forgivable loan vesting annually over three years on each applicable anniversary date from the initial advance of the loan upon the satisfaction of certain conditions. Amortization of $6 million and $12 million is recorded in "employee compensation and benefits" in the pro forma condensed consolidated statement of loss and comprehensive loss to reflect amortization for the six months ended June 30, 2020 and for the year ended December 31, 2019, respectively.

[c] These adjustments represent consolidation of RGMP as a wholly owned subsidiary of GMP resulting in elimination of current investment in associate of $81,796 as at June 30, 2020 and the related share of net (loss) / income of associate of ($359) and $2,272 for the six months ended June 30, 2020 and for the year ended December 31, 2019, respectively. All carrying broker related and other intercompany transactions and balances are also eliminated on consolidation. Receivable from and payable to brokers of $6,490 and other assets and accounts payable and accrued liabilities of $610 was eliminated from pro forma condensed consolidated balance sheet. Other income of GMP comprised of carrying broker related income of $4,717 and $8,879 for six months ended June 30, 2020 and the year ended December 31, 2019, respectively, and the related selling, general and administrative expenses of RGMP of $5,309 and $9,722 for the six months ended June 30, 2020 and the year ended December 31, 2019, respectively. Preferred share dividends received in respect of the RGMP preferred shares held by GMP of $610 were also eliminated from other income.

[d] This adjustment reflects a $23,958 gain on GMP's existing ownership interest in RGMP on close of the Transaction. IFRS 3 requires all pre-existing ownership interests to be measured at fair value on acquisition of control with recognition of gain through profit or loss. The fair value of the pre-existing ownership interest in RGMP common shares and preference shares was determined to be $107,701 and the carrying value was $83,743 (inclusive of common shares received in the amount of $1,947 in exchange for sale of loans receivable to RGMP subsequent to June 30, 2020) resulting in recognition of gain of $23,958.

[e] The adjustment to increase accounts payable and accrued liabilities is to accrue for GMP's estimated additional transaction costs of $1,500 expected to be incurred to complete the Transaction.

[f] This adjustment removes $1,391 and $1,100 of transaction costs relating to the Transaction that have been incurred and expensed during the six months ended June 30, 2020 and during the year ended December 31, 2019, respectively, if the Transaction had occurred on January 1, 2019.

[g] This adjustment represents the recognition of interest expense on RGMP preferred shares liability owned by RFGL. RGMP preferred shares were classified and accounted for as equity instruments and immediately prior to the close of the Transaction, these preferred shares owned by RFGL will be reclassified as a liability instrument as the preferred share terms will be amended to add a right of RFGL to require the redemption of such preferred shares for cash at any time following the third anniversary of closing.

[h] The adjustment represents the tax impact of the adjustments related to the Transaction above. The tax rate applied to the adjustments was 26.5%.

[i] Certain of RGMP's line items are reclassified to conform to GMP's financial statement presentation. Specifically, "deposits with carrying broker" are reclassified to "receivables from brokers", "advisor loans receivable" are reclassified to "employee and other loans receivable" and "unrealized gain on trading securities" are reclassified to "other income".

[j] The adjustment reflects payment of a special dividend of $11,315 or 15 cents per common share and a preferred shares dividend of $1,005 by GMP prior to the close of the Transaction.

SCHEDULE H
RGMP FINANCIAL STATEMENTS

See attached.

* * * * *

Richardson GMP Limited

Unaudited interim condensed consolidated financial statements
June 30, 2020

Interim review report

To the Audit Committee of **Richardson GMP Limited**

Dear Sirs / Mesdames:

In accordance with our engagement letter dated September 2, 2020, we have performed an interim review of the unaudited interim condensed consolidated statement of financial position of Richardson GMP Limited and its subsidiaries [the "Company"] as at June 30, 2020, the unaudited interim condensed consolidated statements of changes in shareholders' equity for the six-month period then ended, the unaudited interim condensed consolidated statements of comprehensive income for the three-month and six-month periods ended June 30, 2020 and 2019 and the unaudited interim condensed consolidated statements of cash flows for the six-month period then ended June 30, 2020 and 2019. These unaudited interim condensed consolidated financial statements are the responsibility of the Company's management.

We performed our interim review in accordance with Canadian generally accepted standards for a review of interim financial statements by an entity's auditor [an "interim review"].

An interim review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements. Accordingly, we do not express such an opinion. An interim review does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit.

Based on our interim review, we are not aware of any material modification that needs to be made for these unaudited interim condensed consolidated financial statements to be in accordance with IAS 34 *Interim Financial Reporting.*

We have previously audited, in accordance with Canadian generally accepted auditing standards, the consolidated statement of financial position of the Company as at December 31, 2019, and the related consolidated statements of changes in shareholders' equity, consolidated statement of comprehensive income and consolidated statement of cash flows for the year then ended [not presented herein]. In our report dated March 6, 2020, we expressed an unmodified audit opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated financial position as at December 31, 2019, is fairly stated, in all material respects, in relation to the consolidated financial statements from which it has been derived.

This report is solely for the use of the Audit Committee of the Company to review these unaudited interim condensed consolidated financial statements and should not be used for any other purpose.

Ernst & Young LLP

Toronto, Canada
September 2, 2020

Chartered Professional Accountants
Licensed Public Accountants

Richardson GMP Limited

Interim condensed consolidated statements of financial position

[Expressed in thousands of Canadian dollars]

As at

	June 30, 2020	December 31, 2019
	$	$
	(Unaudited)	(Audited)
Assets		
Current		
Cash	**71,998**	67,901
Securities owned	**765**	997
Due from carrying broker *[note 9]*	**5,991**	10,328
Other assets *[note 4]*	**9,261**	7,310
Deposit with carrying broker *[note 9]*	**499**	496
Current portion of advisor loans receivable *[notes 6 and 9]*	**8,639**	10,083
Total current assets	**97,153**	97,115
Equipment and leasehold improvements, net *[note 5]*	**12,672**	14,418
Right-of-use assets, net	**22,172**	24,949
Advisor loans receivable *[notes 6 and 9]*	**19,112**	20,775
Deferred tax asset	**27,080**	28,494
Goodwill and intangible assets, net *[note 7]*	**145,187**	145,267
Total non-current assets	**226,223**	233,903
Total assets	**323,376**	331,018
Liabilities and shareholders' equity		
Current		
Accounts payable and accrued liabilities	**30,519**	32,039
Other liabilities	**79**	79
Current portion of lease liability	**7,383**	7,556
Current portion of subordinated loans *[note 10]*	**1,000**	3,000
Total current liabilities	**38,981**	42,674
Advisors payable and other liabilities	**8,603**	7,242
Provisions *[note 8]*	**9,433**	10,382
Lease liability	**17,371**	19,848
Subordinated loans *[note 10]*	**66,000**	68,000
Total non-current liabilities	**101,407**	105,472
Total liabilities	**140,388**	148,146
Shareholders' equity		
Share capital	**198,724**	196,408
Contributed surplus	**2,688**	2,793
Accumulated deficit	**(18,424)**	(16,329)
Total shareholders' equity	**182,988**	182,872
Total liabilities and shareholders' equity	**323,376**	331,018

On behalf of the Board:

Director

Chief Financial Officer

Interim condensed consolidated statements of changes in shareholders' equity

[Expressed in thousands of Canadian dollars]

	Preference shares	Common shares	Contributed surplus	Accumulated deficit	Total
	$	$	$	$	$
Balance, December 31, 2018 (audited)	61,527	132,152	2,958	(15,015)	181,622
Issuance of common shares	—	901	—	—	901
Deferred share-based compensation	—	641	—	—	641
Redemption of common shares	—	(294)	—	—	(294)
Share-based compensation expense	—	—	(69)	—	(69)
Common share dividends	—	—	—	(2,204)	(2,204)
Common share return of capital	—	—	—	(1,669)	(1,669)
Preference share dividends	—	—	—	(2,402)	(2,402)
Comprehensive income for the year	—	—	—	5,650	5,650
Balance, June 30, 2019 (unaudited)	61,527	133,400	2,889	(15,640)	182,176
Issuance of common shares	—	585	—	—	585
Deferred share-based compensation	—	1,314	—	—	1,314
Redemption of common shares	—	(408)	—	—	(408)
Redemption of preference shares	(10)	—	—	—	(10)
Share-based compensation expense	—	—	(96)	—	(96)
Common share dividends	—	—	—	(2,206)	(2,206)
Common share return of capital	—	—	—	(1,702)	(1,702)
Preference share dividends	—	—	—	(2,425)	(2,425)
Comprehensive income for the year	—	—	—	5,644	5,644
Balance, December 31, 2019 (audited)	61,517	134,891	2,793	(16,329)	182,872
Issuance of common shares	**—**	**2,891**	**—**	**—**	**2,891**
Deferred share-based compensation	**—**	**(327)**	**—**	**—**	**(327)**
Redemption of common shares	**—**	**(248)**	**—**	**—**	**(248)**
Share-based compensation expense	**—**	**—**	**(105)**	**—**	**(105)**
Common share dividends *[note 11]*	**—**	**—**	**—**	**(1,102)**	**(1,102)**
Common share return of capital *[note 11]*	**—**	**—**	**—**	**(847)**	**(847)**
Preference share dividends *[note 11]*	**—**	**—**	**—**	**(1,219)**	**(1,219)**
Comprehensive income for the period	**—**	**—**	**—**	**1,073**	**1,073**
Balance, June 30, 2020 (unaudited)	**61,517**	**137,207**	**2,688**	**(18,424)**	**182,988**

Richardson GMP Limited

Interim condensed consolidated statements of comprehensive income

[Expressed in thousands of Canadian dollars]

	Three months ended		Six months ended	
	June 30, 2020	June 30, 2019	**June 30, 2020**	June 30, 2019
	$	$	$	$
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue				
Commissions	**6,558**	8,123	**15,771**	16,019
Investment management and fee income	**48,618**	51,244	**101,919**	99,381
Interest	**2,741**	6,377	**8,583**	13,594
Unrealized gain on trading securities	**517**	33	**211**	1
Other	**3,246**	3,021	**5,348**	7,788
	61,680	68,798	**131,832**	136,783
Expenses				
Employee compensation and benefits	**45,323**	46,568	**94,964**	90,575
Selling, general and administrative	**12,138**	14,215	**24,803**	27,085
Depreciation and amortization *[notes 5 and 7]*	**1,192**	1,326	**2,634**	2,591
Depreciation of right-of-use assets	**1,730**	1,956	**3,604**	3,912
Interest	**1,278**	2,004	**3,257**	4,038
	61,661	66,069	**129,262**	128,201
Income before income taxes	**19**	2,729	**2,570**	8,582
Current tax expense	**26**	58	**83**	110
Deferred tax expense	**380**	1,051	**1,414**	2,822
Comprehensive income (loss) for the period	**(387)**	1,620	**1,073**	5,650

Richardson GMP Limited

Interim condensed consolidated statements of cash flows

[Expressed in thousands of Canadian dollars]

	Six months ended June 30, 2020	Six months ended June 30, 2019
	$	$
	(unaudited)	(unaudited)
Operating activities		
Comprehensive income for the period	**1,073**	5,650
Add (deduct) items not involving cash		
Deferred income taxes	**1,414**	2,822
Depreciation and amortization *[notes 5 and 7]*	**2,634**	2,591
Advisor loan amortization *[note 6]*	**4,984**	3,984
Depreciation of right-of-use assets	**3,604**	3,912
Interest expense in connection with lease liabilities	**740**	781
	14,449	19,740
Net change in non-cash operating items *[note 13]*	**(1,665)**	10,285
Cash provided by operating activities	**12,784**	30,025
Investing activities		
Purchase of equipment and leasehold improvements *[note 5]*	**(784)**	(4,019)
Purchase of application software *[note 7]*	**(24)**	(34)
Cash used in investing activities	**(808)**	(4,053)
Financing activities		
Lease payment	**(4,141)**	(4,330)
Repayment of subordinated loans *[note 10]*	**(4,000)**	—
Issuance of common shares, net	**2,459**	1,473
Redemption of common shares	**(248)**	(294)
Cash dividends paid on common shares	**(1,102)**	(2,204)
Distribution of capital	**(847)**	(1,670)
Cash dividends paid on preference shares	**—**	(2,402)
Cash used in financing activities	**(7,879)**	(9,427)
Net increase in cash during the period	**4,097**	16,545
Cash, beginning of period	**67,901**	61,694
Cash, end of period	**71,998**	78,239
Supplemental cash flow information		
Interest paid	**3,257**	4,038

Notes to unaudited interim condensed consolidated financial statements

[In thousands of Canadian dollars, unless otherwise noted]

1. Organization structure

Richardson GMP Limited ["RGMP" or the "Company"] is a Canadian-controlled private company incorporated on November 12, 2009 pursuant to the laws of Canada. The Company is a member of the Investment Industry Regulatory Organization of Canada ["IIROC"] and as such is subject to regulation by the IIROC. The Company's registered office is located at Suite 500, 145 King Street West, Toronto, Ontario, M5H 1J8.

On November 12, 2009, GMP Capital Inc. ["GMP"] and James Richardson and Sons, Limited ["JRSL"] completed the combination of their respective wealth management businesses consisting of GMP Private Client L.P. ["GMP PC"] and Richardson Partners Financial Limited ["RPFL"] to form the Company. The Company carries on the wealth management business previously carried on by GMP PC and RPFL.

On June 8, 2010, GMP Insurance Inc., Richardson Partners Insurance Services Inc., and Richardson Partners Insurance Services (Quebec) Inc. were amalgamated to form Richardson GMP Insurance Limited. Richardson GMP Insurance Limited is a wholly owned subsidiary of the Company.

On November 1, 2013, RGMP completed the acquisition of all of the outstanding shares of Macquarie Private Wealth Inc. ["MPW"], a wholly-owned subsidiary of Macquarie BFS Holdings Inc.

On May 9, 2016, Richardson GMP Private Family Office Limited ["RGMP PFO"] was incorporated. RGMP PFO is a wholly owned subsidiary of the Company.

On November 10, 2016, Richardson GMP USA Corp. was dissolved.

2. Summary of significant accounting policies

Basis of presentation

These unaudited interim condensed consolidated financial statements of RGMP have been prepared by management in accordance with International Financial Reporting Standards ["IFRS"] as issued by the International Accounting Standards Board ["IASB"] and are presented in compliance with International Accounting Standard ["IAS"] 34, *Interim Financial Reporting*. Certain information and disclosures normally included in annual consolidated financial statements prepared in accordance with IFRS have been omitted or condensed. These unaudited interim condensed consolidated financial statements should be read in conjunction with RGMP's audited annual consolidated financial statements as at and for the year ended December 31, 2019 (2019 Annual Consolidated Financial Statements). All defined terms used herein are consistent with those terms as defined in the 2019 Annual Consolidated Financial Statements. Certain comparative amounts have been reclassified to conform to the current period's presentation. Unless otherwise indicated, all amounts are expressed in thousands of Canadian dollars and rounded to the nearest thousand.

The unaudited interim condensed consolidated financial statements were authorized for issuance by the Company's Board of Directors on September 2, 2020.

3. Changes in accounting policies

New standards adopted by the Company

The accounting policies applied in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's 2019 Annual Consolidated Financial Statements, except for the adoption of the following new standards effective as at January 1, 2020.

AMENDMENTS TO IFRS 3: DEFINITION OF A BUSINESS

The amendment to IFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarified that a business can exist without including all the inputs and processes needed to create outputs. These amendments had no impact on the unaudited interim condensed consolidated financial statements of RGMP but may impact future periods should the Company enter into any business combinations.

AMENDMENTS TO IAS 1 AND IAS 8: DEFINITION OF MATERIAL

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the unaudited interim condensed consolidated financial statements of, nor is there expected to be any future impact to RGMP.

CONCEPTUAL FRAMEWORK FOR FINANCIAL REPORTING ISSUED ON MARCH 29, 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. The revised Conceptual Framework contains new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the unaudited interim condensed consolidated financial statements of RGMP.

Notes to unaudited interim condensed consolidated financial statements

[In thousands of Canadian dollars, unless otherwise noted]

4. Other assets

Other assets consist of the following as at:

	June 30, 2020 $	December 31, 2019 $
Accounts receivable and other	**4,918**	4,313
Prepaid expenses	**4,343**	2,997
	9,261	7,310

5. Equipment and leasehold improvements

Equipment and leasehold improvements consist of the following:

	Leasehold improvements $	Furniture and equipment $	Computer equipment $	Total $
Cost				
As at December 31, 2018	27,862	4,936	3,363	36,161
Additions	5,555	279	957	6,791
Disposals	(1,477)	(142)	(748)	(2,367)
As at December 31, 2019	31,940	5,073	3,572	40,585
Additions	**523**	**51**	**210**	**784**
Disposals	**(153)**	—	—	**(153)**
As at June 30, 2020	**32,310**	**5,124**	**3,782**	**41,216**
Depreciation and impairment				
As at December 31, 2018	19,099	3,007	1,397	23,503
Depreciation charge for the year	3,678	623	730	5,031
Disposals	(1,477)	(142)	(748)	(2,367)
As at December 31, 2019	21,300	3,488	1,379	26,167
Depreciation charge for the period	**1,946**	**225**	**359**	**2,530**
Disposals	**(153)**	—	—	**(153)**
As at June 30, 2020	**23,093**	**3,713**	**1,738**	**28,544**
Net book value				
As at December 31, 2019	10,640	1,585	2,193	14,418
As at June 30, 2020	**9,217**	**1,411**	**2,044**	**12,672**

6. Advisor loans receivable

For the period ended June 30, 2020, the Company recorded compensation expense of $4,984 [June 30, 2019 – $3,984] and a corresponding reduction to loans outstanding pursuant to these programs.

All outstanding investment advisor loans are repayable immediately should an investment advisor leave the Company prior to the scheduled loan repayment date.

Investment advisor loans

RGMP adopted an investment advisor loan program effective November 12, 2009. Under the RGMP investment advisor loan plan, RGMP will advance funds to new investment advisors upon commencement of their employment. All common shares held by the investment advisor while the loan is outstanding are pledged to the Company as collateral against the loan. Upon the satisfaction of certain conditions over a pre-specified term of five to seven years, RGMP is obligated to pay cash bonuses to the investment advisors of an advance sufficient to repay 100% of the total loans. RGMP also adopted an investment advisor loan program effective November 1, 2013. Upon the satisfaction of certain conditions, the loan is forgiven over a pre-specified term of seven to ten years on each applicable anniversary date. The Company records a reduction in the loan as compensation expense over the term of such loan. As at June 30, 2020, the loans outstanding under these adopted programs were $24,870 [December 31, 2019 – $27,035] and are included in advisor loans receivable. Investment advisor loans that are subject to offsetting cash bonuses or forgiveness as a form of compensation are not considered a financial asset for the purposes of IFRS 9 classification, measurement and disclosure purposes.

Transition agreement for retirees

RGMP has a program for interested advisors to help facilitate the transition of the clients' assets under administration ["AUA"] upon retirement. RGMP has agreed to provide a loan to the successor investment advisors to assist in acquiring the book of business. The interest rates and terms vary with the individual circumstances. As at June 30, 2020, the loans outstanding under this program were $2,397 [December 31, 2019 – $3,317] and are included in advisor loans receivable.

Other investment advisor loans

Other investment advisor loans represent loans advanced to investment advisors by RPFL that are collateralized by the personal accounts of the investment advisors maintained at GMP Securities. The loans bear an interest rate of 3% and are repayable over the next four to seven years. As at June 30, 2020, the loans outstanding under this program were $484 [2019 – $512] and are included in advisor loans receivable. The loans are settled via deduction to payroll on each payroll run.

For the period ended June 30, 2020, the Company recorded a reserve of nil [2019 – $6] against advisor loans receivable for investment advisors who ceased to be employees and collectability was not probable. During the period, the Company recovered $85 [2019 – $255].

[In thousands of Canadian dollars, unless otherwise noted]

7. Goodwill and other intangible assets

	Goodwill	Application software	Total
	$	$	$
Cost			
As at December 31, 2018	145,019	1,046	146,065
Additions	—	108	108
Disposals	—	(438)	(438)
As at December 31, 2019	145,019	716	145,735
Additions	**—**	**24**	**24**
As at June 30, 2020	**145,019**	**740**	**145,759**
Amortization and impairment			
As at December 31, 2018	—	583	583
Amortization charge	—	323	323
Disposals	—	(438)	(438)
As at December 31, 2019	—	468	468
Amortization charge	**—**	**104**	**104**
As at June 30, 2020	**—**	**572**	**572**
Net book value			
As at December 31, 2019	145,019	248	145,267
As at June 30, 2020	**145,019**	**168**	**145,187**

The Company, on a consolidated basis, represents a single cash-generating unit. Goodwill, which stems from both the 2009 acquisition of RPFL and the 2013 acquisition of MPW, has been allocated to the assets and liabilities of the Company for impairment testing purposes.

The Company performed its annual impairment test in December, and for the interim period, the Company assesses whether there are indicators of impairment. The Company's impairment test for goodwill is based on value-in-use calculations. The key assumptions used to determine the recoverable amount for the different cash-generating units were disclosed in the 2019 Annual Consolidated Financial Statements.

The Company considers the various factors when reviewing for indicators of impairment. As at June 30, 2020, there were no factors that would indicate impairment of goodwill; therefore, no impairment test was performed as at June 30, 2020.

Application software is being amortized on a straight-line basis.

[In thousands of Canadian dollars, unless otherwise noted]

8. Provisions

	June 30, 2020	December 31, 2019
	$	$
Balance, beginning of period	**10,382**	10,982
Additions	**27**	1,519
Unused amounts reversed	**(778)**	(919)
Amounts used	**(198)**	(1,200)
Balance, end of period	**9,433**	10,382

Legal provisions

The Company is a party to a number of claims, proceedings and investigations, including legal and regulatory matters, in the ordinary course of its business. Legal provisions that are not assumed as part of the business acquisition are recorded by the Company when it is probable that the Company will incur a loss and the amount of the loss can be reasonably estimated. Legal provisions that are assumed as part of a business acquisition are recorded by the Company at fair value if there is a present obligation for a past event that can be reliably measured even if it is not probable that the Company will incur a loss. While there is inherent difficulty in predicting the outcome of such matters, based on its current knowledge, the Company does not expect that the outcome of any of these matters, individually or in aggregate, would have a material adverse effect on its consolidated financial position or results of operations. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognized as a finance cost.

9. Related party balances and transactions

Consolidated subsidiaries

These unaudited interim condensed consolidated financial statements include the following subsidiaries, all of which are 100% owned and were incorporated in Canada:

- Richardson GMP Insurance Limited
- RPFHL G.P. No. 2 Limited
- RPFHL G.P. No. 3 Limited
- RPFHL Real Estate Holding G.P. Limited
- Richardson GMP (USA) Limited
- Richardson GMP Private Family Office

RPFHL G.P. No. 1 Limited was dissolved during the period.

Key management personnel

Key management personnel comprise the Board of Directors and officers on the executive committee of RGMP who have authority and responsibility for planning, directing and controlling the activities of RGMP.

Notes to unaudited interim condensed consolidated financial statements

[In thousands of Canadian dollars, unless otherwise noted]

Key management personnel compensation for services rendered for the period ended June 30 is as follows:

	June 30, 2020 $	June 30, 2019 $
Fixed and variable salaries, share-based compensation plus director fees	**3,098**	3,005

Related party balances

The following balances reflect outstanding transactions with related parties:

	June 30, 2020 $	December 31, 2019 $
Advisor loans receivable	**27,751**	30,858
Due from carrying broker	**5,991**	10,328
Deposit with carrying broker	**499**	496

Advisor loans receivable are loans advanced to the Company's investment advisors. Terms of these loans are discussed in note 6.

Due from carrying broker represents a receivable from GMP Securities, the Company's carrying broker, which relates to the Company's revenue earned from its client accounts, net of expenses in accordance with a general services agreement. This balance is due on demand and is non-interest bearing. Expenses incurred under the general services agreement that relate to trade execution, technology and administrative services were $5,309 during the six months period ended June 30, 2020 and $2,936 during the three months ended June 30, 2020 [six months ended June 30, 2019 – $5,163; three months ended June 30, 2019 – $2,613] and are included in selling, general and administrative expenses on the consolidated statements of income and comprehensive income.

As required under the terms of the introducing/carrying broker arrangement, the Company maintains a deposit with GMP Securities of $530 as at June 30, 2020 [December 31, 2019 – $526].

The Company also has sub-lease arrangements with GMP Securities, which the Company has arranged to pay directly at rental rates and terms consistent with the head lease.

Private funds

The Company is the manager of certain limited partnerships that offer retail clients access to alternative investment strategies such as private equity or real estate [the "Richardson Funds"]. The Company, through its ownership of the private equity subsidiaries, is the general partner of the Richardson Funds. The Richardson Funds have an aggregate total asset value of $25,032 as at June 30, 2020 [December 31, 2019 – $25,620].

The Company signed an administrative service agreement with each of the Richardson Funds. For the period ended June 30, 2020, the Company recognized $61 [June 30, 2019 – $67] in revenue.

[In thousands of Canadian dollars, unless otherwise noted]

10. Subordinated loans

	June 30, 2020	December 31, 2019
	$	$
Bank of China	**25,125**	26,625
Canadian Imperial Bank of Commerce	**25,125**	26,625
Canadian Western Bank	**16,750**	17,750
	67,000	71,000

On November 7, 2017, the Company entered into an agreement with Canadian Imperial Bank of Commerce ["CIBC"], Bank of China and Canadian Western Bank to refinance the existing subordinated loans with National Bank of Canada and CIBC in the amount of $80,000. During the period, the Company repaid $4,000 [2019 – nil] of the refinanced amount.

The subordinated loans each bear interest at the prime rate plus 2.5%. The subordinated loans are repayable by the Company, in quarterly instalments of $1,000 due until August 1, 2021, and the remaining balance is due on November 8, 2021. All three loans are unsecured and repayments are subject to prior approval of the IIROC.

The subordinated loans have financial tests and other covenants with which the Company must comply. As at June 30, 2020, the Company was in compliance with all financial covenants associated with all three subordinated loans.

11. Dividends and distribution of capital

Common share dividend

The Company declared the following common share dividends for the period ended June 30, 2020:

Record date	Payment date	Cash dividend per common share	Total dividend amount
March 27, 2020	March 31, 2020	$0.025	$1,102

Common share distributions of capital

Record date	Payment date	Cash dividend per common share	Total dividend amount
March 27, 2020	March 31, 2020	$0.025	$847

Preferred share dividends

The Company declared the following preferred share dividends for the period ended June 30, 2020:

Record date	Payment date	Cash dividends per preferred share	Total dividend amount
May 8, 2020	-	$20.038	$1,219

Notes to unaudited interim condensed consolidated financial statements

[In thousands of Canadian dollars, unless otherwise noted]

12. Financial instruments and risk management

Fair value estimation

IFRS require disclosure of a three-level hierarchy for fair value measurement based upon transparency of inputs to the valuation of an asset or liability as of the measurement date.

Level 1 includes financial instruments that have quoted prices [unadjusted] in active markets for identical assets or liabilities and generally includes debt and equity securities that are traded in an active exchange.

Level 2 includes financial instruments where fair value is based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 includes financial instruments where fair value is not based on observable market data.

The following tables present the level within the fair value hierarchy for each of the financial assets measured at fair value:

	June 30, 2020			
	Level 1 $	Level 2 $	Level 3 $	Total fair value $
Deposit with carrying broker	**499**	**—**	**—**	**499**
Securities owned	**—**	**765**	**—**	**765**

	December 31, 2019			
	Level 1 $	Level 2 $	Level 3 $	Total fair value $
Deposit with carrying broker	496	—	—	496
Securities owned	—	997	—	997

Notes to unaudited interim condensed consolidated financial statements

[In thousands of Canadian dollars, unless otherwise noted]

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company segregates market risk into two categories: fair value risk, and interest rate risk.

Fair value risk

Fair value risk is the potential for loss from an adverse movement in the value of a financial instrument. The Company incurs fair value risk through its trading position.

Fair value sensitivity analysis

A 10% increase or decrease in the underlying market price of the Company's securities owned, as at June 30, 2020, would have increased or decreased net income by $127 [December 31, 2019 – $150].

Interest rate risk

Interest rate risk relates to the risk that the fair value or future cash flows associated with a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk on cash, client cash balances, Government of Canada treasury bill deposits with the carrying broker, certain advisor loans and subordinated loans.

Interest rate sensitivity analysis

The table below provides the potential impact of an immediate and sustained 100 basis point ["bp"] increase or 25 bp decrease in interest rates on net income for an annualized period applied to the balances outstanding. This analysis assumes that all other variables remain constant.

	June 30, 2020			December 31, 2019		
	Carrying value $	Effect of a 100 bp increase in market interest rates on net income $	Effect of a 25 bp decrease in market interest rates on net income $	Carrying value $	Effect of a 100 bp increase in market interest rates on net income $	Effect of a 25 bp decrease in market interest rates on net income $
Cash	**71,998**	**720**	**(180)**	67,901	679	(170)
Deposits with carrying brokers	**499**	**5**	**(1)**	496	5	(1)
Certain loans receivable	**592**	**6**	**(1)**	738	7	(2)
Subordinated loans	**67,000**	**(670)**	**168**	71,000	(710)	178

Credit risk

Credit risk is the risk of loss associated with the inability of a third party to fulfil its payment obligations. The Company is exposed to the risk that third parties that owe it money or other assets will not perform their obligations. The Company's maximum exposure to credit risk as at June 30, 2020 is represented by the carrying value of the financial assets on the Company's consolidated statements of financial position and the value of its client receivables recorded on its carrying brokers' balance sheets. The Company did not have any significant amount of financial assets being overdue.

[In thousands of Canadian dollars, unless otherwise noted]

As at June 30, 2020, the Company's total provision for doubtful accounts relating to advisor loans receivable was nil [2019 – $6].

During the period, the Company recorded a bad debt recovery in the amount of $6 [2019 – $280].

Liquidity risk

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they become due. Management oversees the Company's liquidity risk management to ensure the Company has access to sufficient funds to cover its financial obligations as they come due and the ability to sustain and grow its assets and operations both under normal and stressed conditions.

	June 30, 2020 $	December 31, 2019 $	
Financial liability			
Accounts payable and accrued liabilities	**30,519**	32,039	Due within one year
Other current liabilities	**79**	79	Due within one year
Lease liability current	**7,383**	7,556	Due within one year
Subordinated loans current	**1,000**	3,000	Due within one year
Lease liability non-current	**17,371**	19,848	Due after one year
Subordinated loans non-current	**66,000**	68,000	Due after one year

Capital management

The Company requires capital to fund existing and future operations, future dividends and regulatory capital requirements. Liquidity of the Company is continually evaluated, factoring in business requirements, market conditions and regulatory capital requirements. The Company's policy is to maintain sufficient and appropriate levels of capital through a variety of sources.

The Company's capital structure consists of common shares, preference shares, subordinated loans, contributed surplus, reserves and net of accumulated deficit. The following table summarizes the Company's capital:

	June 30, 2020 $	December 31, 2019 $
Type of capital		
Common shares	**137,207**	134,891
Preference shares	**61,517**	61,517
Subordinated loans	**67,000**	71,000
Contributed surplus	**2,688**	2,793
Accumulated deficit	**(18,424)**	(16,329)
	249,988	253,872

[In thousands of Canadian dollars, unless otherwise noted]

The Company is subject to regulatory capital requirements designed to provide notice to the regulatory authorities of possible liquidity concerns. The Company is required to maintain a minimum amount of risk-adjusted capital calculated in accordance with the rules of the IIROC at all times. Regulatory capital requirements fluctuate daily. Compliance with these requirements may require the Company to keep sufficient cash and other liquid assets on hand to maintain regulatory capital requirements rather than using these liquid assets in connection with its business or paying them out in the form of a cash dividend. Throughout the period ended June 30, 2020 and in the year ended December 31, 2019, the Company was in compliance with its regulatory capital requirements.

13. Non-cash operating items

The net change in non-cash working capital balances related to operations comprises the following:

	June 30, 2020 $	**June 30, 2019** $
Securities owned	**232**	(132)
Due from carrying broker	**4,337**	3,550
Other assets	**(1,951)**	(2,174)
Deposits with carrying brokers	**(3)**	—
Advisor loans receivable	**(1,877)**	(359)
Accounts payable and accrued liabilities	**(1,378)**	8,801
Provisions	**(949)**	600
Other	**(76)**	(1)
	(1,665)	10,285

14. Subsequent event

On August 3, 2020, GMP announced it has entered into a definite purchase agreement with Richardson Financial Group Limited [“RFGL”] to consolidate 100% ownership of RGMP under GMP.

- GMP will acquire all of the common shares of RGMP that are not owned by the Company based on an enterprise value for RGMP of $420 million.
- GMP will pay a special dividend of $11.3 million or 15 cents per common share to the pre-closing GMP shareholders, which together with the $20.7 million returned to shareholders in December 2019, represents approximately 76% of the $42.2 million proceeds received from the sale of the capital markets business.
- GMP intends to resume paying quarterly dividends on its outstanding Series B and Series C preferred shares following annual and special meeting.
- RFGL agrees not to have its $32 million preferred share ownership in RGMP redeemed for cash on closing.

Notes to unaudited interim condensed consolidated financial statements

[In thousands of Canadian dollars, unless otherwise noted]

15. Reclassification

Following amounts have been reclassified the interim condensed consolidated statement of financial position to confirm with current period classification and for better presentation of the interim condensed consolidated financial statement of the Company.

Balance	Before re-class	Balance	After re-class
$496	Non-current deposit with carrying broker	$496	Current deposit carrying broker
$30,858	Non-current advisor loans receivable	$10,083	Current advisor loans receivable
		$20,775	Non-current advisor loans receivable
$39,281	Current accounts payable and accrued liabilities	$32,039	Current accounts payable and accrued liabilities
		$7,242	Non-current advisors payable and other liabilities

Richardson GMP Limited

Consolidated financial statements
December 31, 2019 and 2018

Building a better working world

Independent auditor's report

Opinion

We have audited the consolidated financial statements of **Richardson GMP Limited** and its subsidiaries [the "Company"], which comprise the consolidated statement of financial position as at December 31, 2019 and 2018, and the consolidated statements of changes shareholders' in equity, consolidated statements of comprehensive income and consolidated statements of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial positions of the Company as at December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ["IFRSs"].

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
March 6, 2020

Richardson GMP Limited

Consolidated statements of financial position

[Expressed in thousands of Canadian dollars]

As at December 31

	2019	2018
	$	$
Assets		
Current		
Cash	**67,901**	61,694
Securities owned *[note 4]*	**997**	546
Due from carrying broker *[note 13]*	**10,328**	11,051
Other assets *[note 5]*	**7,310**	7,764
Total current assets	**86,536**	81,055
Deposit with carrying broker *[notes 6 and 13]*	**496**	496
Equipment and leasehold improvements, net *[note 7]*	**14,418**	12,658
Right-of-use assets *[note 10]*	**24,949**	—
Advisor loans receivable *[notes 8 and 13]*	**30,858**	27,167
Deferred tax asset *[note 20]*	**28,494**	34,475
Goodwill and intangible assets, net *[note 9]*	**145,267**	145,482
Total non-current assets	**244,482**	220,278
Total assets	**331,018**	301,333
Liabilities and shareholders' equity		
Current		
Accounts payable and accrued liabilities	**39,281**	35,877
Other liabilities *[note 11]*	**79**	1,852
Lease liability *[note 14]*	**7,556**	—
Subordinated loans *[note 15]*	**3,000**	—
Total current liabilities	**49,916**	37,729
Provisions *[note 12]*	**10,382**	10,982
Lease liability *[note 14]*	**19,848**	—
Subordinated loans *[note 15]*	**68,000**	71,000
Total non-current liabilities	**98,230**	81,982
Total liabilities	**148,146**	119,711
Commitments *[notes 17]*		
Shareholders' equity		
Share capital *[note 16]*	**196,408**	193,679
Contributed surplus	**2,793**	2,958
Accumulated deficit	**(16,329)**	(15,015)
Total shareholders' equity	**182,872**	181,622
Total liabilities and shareholders' equity	**331,018**	301,333

See accompanying notes to the consolidated financial statements.

On behalf of the Board:

Director

Chief Financial Officer

Consolidated statements of changes in shareholders' equity

[Expressed in thousands of Canadian dollars]

Years ended December 31

	Preference shares	Common shares	Contributed surplus	Accumulated deficit	Total
	$	$	$	$	$
Balance, December 31, 2017	61,537	131,593	3,847	(8,476)	188,501
Issuance of common shares	—	3,548	—	—	3,548
Deferred share-based compensation	—	(958)	—	—	(958)
Redemption of common shares	—	(2,031)	—	—	(2,031)
Redemption of preference shares	(10)	—	—	—	(10)
Share-based compensation expense	—	—	(889)	—	(889)
Common share dividends	—	—	—	(13,123)	(13,123)
Common share return of capital	—	—	—	(2,547)	(2,547)
Preference share dividends	—	—	—	(4,521)	(4,521)
Comprehensive income for the year	—	—	—	13,652	13,652
Balance, December 31, 2018	61,527	132,152	2,958	(15,015)	181,622
Issuance of common shares	**—**	**1,486**	**—**	**—**	**1,486**
Deferred share-based compensation	**—**	**1,955**	**—**	**—**	**1,955**
Redemption of common shares	**—**	**(702)**	**—**	**—**	**(702)**
Redemption of preference shares	**(10)**	**—**	**—**	**—**	**(10)**
Share-based compensation expense	**—**	**—**	**(165)**	**—**	**(165)**
Common share dividends	**—**	**—**	**—**	**(4,410)**	**(4,410)**
Common share return of capital	**—**	**—**	**—**	**(3,371)**	**(3,371)**
Preference share dividends	**—**	**—**	**—**	**(4,827)**	**(4,827)**
Comprehensive income for the year	**—**	**—**	**—**	**11,294**	**11,294**
Balance, December 31, 2019	**61,517**	**134,891**	**2,793**	**(16,329)**	**182,872**

See accompanying notes to the consolidated financial statements.

Richardson GMP Limited

Consolidated statements of income and comprehensive income

[Expressed in thousands of Canadian dollars]

Years ended December 31

	2019	2018
	$	$
Revenue		
Commissions	**30,402**	46,304
Investment management and fee income	**201,575**	202,040
Interest	**25,471**	28,152
Other	**14,486**	14,930
Unrealized gain (loss) on trading securities *[note 4]*	**348**	(1,347)
	272,282	290,079
Expenses		
Employee compensation and benefits	**181,796**	190,337
Selling, general and administrative	**51,791**	67,360
Depreciation and amortization *[notes 7 and 9]*	**5,354**	5,204
Depreciation of right-of-use assets *[note 10]*	**7,773**	—
Interest	**8,095**	7,067
	254,809	269,968
Income before income taxes	**17,473**	20,111
Current tax expense *[note 20]*	**198**	99
Deferred tax expense *[note 20]*	**5,981**	6,360
Comprehensive income for the year	**11,294**	13,652

See accompanying notes to the consolidated financial statements.

Richardson GMP Limited

Consolidated statements of cash flows

[Expressed in thousands of Canadian dollars]

Years ended December 31

	2019	2018
	$	$
Operating activities		
Comprehensive income for the year	**11,294**	13,652
Add (deduct) items not involving cash		
Deferred income taxes	**5,981**	6,360
Depreciation and amortization *[notes 7 and 9]*	**5,354**	5,209
Advisor loan amortization *[note 8]*	**8,132**	10,401
Depreciation of right-of-use assets *[note 10]*	**7,773**	—
Interest expense in connection with lease liabilities *[note 14]*	**1,674**	—
	40,208	35,622
Net change in non-cash operating items *[note 21]*	**(8,218)**	2,914
Cash provided by operating activities	**31,990**	38,536
Investing activities		
Purchase of equipment and leasehold improvements *[note 7]*	**(6,791)**	(1,924)
Purchase of application software *[note 9]*	**(108)**	(232)
Cash used in investing activities	**(6,899)**	(2,156)
Financing activities		
Lease payment *[note 14]*	**(8,840)**	—
Repayment of subordinated loans *[note 15]*	**—**	(9,000)
Issuance of common shares	**3,276**	1,701
Redemption of common shares	**(702)**	(2,031)
Redemption of preferred shares	**(10)**	(10)
Cash dividends paid on common shares *[note 16]*	**(4,410)**	(13,123)
Distribution of capital *[note 16]*	**(3,371)**	(2,547)
Cash dividends paid on preference shares *[note 16]*	**(4,827)**	(4,521)
Cash used in financing activities	**(18,884)**	(29,531)
Net increase in cash during the year	**6,207**	6,849
Cash, beginning of year	**61,694**	54,845
Cash, end of year	**67,901**	61,694
Supplemental cash flow information		
Interest paid	**8,095**	7,067

See accompanying notes to the consolidated financial statements.

Notes to consolidated financial statements

[In thousands of Canadian dollars, unless otherwise noted]

December 31, 2019 and 2018

1. Organization structure

Richardson GMP Limited [“RGMP” or the “Company”] is a Canadian-controlled private company incorporated on November 12, 2009 pursuant to the laws of Canada. The Company is a member of the Investment Industry Regulatory Organization of Canada [“IIROC”] and as such is subject to regulation by the IIROC. The Company’s registered office is located at Suite 500, 145 King Street West, Toronto, Ontario, M5H 1J8.

On November 12, 2009, GMP Capital Inc. [“GMP”] and James Richardson and Sons, Limited [“JRSL”] completed the combination of their respective wealth management businesses consisting of GMP Private Client L.P. [“GMP PC”] and Richardson Partners Financial Limited [“RPFL”] to form the Company. The Company carries on the wealth management business previously carried on by GMP PC and RPFL.

On June 8, 2010, GMP Insurance Inc., Richardson Partners Insurance Services Inc., and Richardson Partners Insurance Services (Quebec) Inc. were amalgamated to form Richardson GMP Insurance Limited. Richardson GMP Insurance Limited is a wholly owned subsidiary of the Company.

On November 1, 2013, RGMP completed the acquisition of all of the outstanding shares of Macquarie Private Wealth Inc. [“MPW”], a wholly-owned subsidiary of Macquarie BFS Holdings Inc.

On May 9, 2016, Richardson GMP Private Family Office Limited [“RGMP PFO”] was incorporated, RGMP PFO is a wholly owned subsidiary of the Company.

On November 10, 2016, Richardson GMP USA Corp. was dissolved.

2. Summary of significant accounting policies

Basis of presentation

The Company’s consolidated financial statements have been prepared in accordance with International Financial Reporting Standards [“IFRS”]. These consolidated financial statements have been prepared under the historical cost convention modified to include the fair value of certain financial instruments to the extent required or permitted under accounting standards and as set out in the relevant accounting policies. These consolidated financial statements have been prepared on a going concern basis. The Company’s functional and presentation currency is the Canadian dollar.

The consolidated financial statements were authorized for issuance by the Company’s Board of Directors on March 6, 2020.

Principles of consolidation

These consolidated financial statements include the assets and liabilities and results of operations of the Company and its subsidiaries after consolidation of intercompany transactions and balances.

Subsidiaries, which include certain private equity subsidiaries established to hold general partner interests in the Richardson Funds, Richardson GMP Insurance Limited, Richardson GMP USA Limited and RGMP PFO, are entities over which the Company has control, where control is defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Generally, control is presumed to exist when the Company owns more than one half of the voting rights of an entity.

Leases

The Company as a Lessee

For any new contracts entered into, the Company considers whether a contract is, or contains a lease in accordance with IFRS 16. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset [the underlying asset] for a period of time in exchange for consideration.

To apply this definition, the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available;
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract;
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct how and for what purpose the asset is used throughout the period of use.

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date [net of any incentives received].

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments [including in substance fixed], variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company applies the short-term lease exemption to its short-term leases [i.e., those leases that have a term of 12 months or less from the commencement date]. It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognized an expense in the consolidated statements of income and comprehensive income on a straight-line basis over the lease term.

The Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Lease revenue are recognized in profit or loss statement on a straight-line basis over the lease term.

Financial assets

At initial recognition, the Company's financial assets are classified and measured at amortized cost or fair value through profit or loss ["FVTPL"]. The classification is based on two criteria: interest on the principal amount outstanding ["SPPI criterion"] and the business model for managing the assets; and whether the instruments' contractual cash flows represent solely payments.

Amortized cost
A financial asset is measured at amortized cost if it is held within a business model that has an objective to hold financial assets to collect contractual cash flows; and the contractual terms of the financial asset result in cash flows that meet the SPPI criteria. Loans and receivables are recorded at amortized cost using the effective interest rate method and are subject to impairment. Such accounts include due from carrying broker, certain advisor loans receivables, due from affiliate, certain financial instruments included in other assets. Investment advisor loans that are subject to offsetting cash bonuses or forgiveness as a form of compensation are not considered a financial

asset for the purposes of IFRS 9 classification, measurement and disclosure purposes. Refer to note 8 for additional details regarding such loans.

FVTPL

Financial assets measured at FVTPL comprise quoted equity instruments that the company had elected not to classify as FVOCI. The fair value of financial instruments is generally determined by reference to quoted market bid prices when an active market exists. Where no active market exists, the fair value is determined using valuation techniques. Financial assets classified as FVTPL include securities owned and Government of Canada treasury bills held on deposit with the carrying broker.

Financial liabilities

At initial recognition, all of the Company's financial liabilities are recognized at fair value and in the case of loans, are net of borrowing costs, if any. The Company's financial liabilities include accounts payable and accrued liabilities, due to affiliates and subordinated loans.

For purpose of subsequent measurement, financial liabilities are classified at amortized cost using effective interest rate method.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statements of income and comprehensive income.

Impairment

Financial assets measured at amortized cost

IFRS 9 replaces IAS 39's incurred loss approach with a forward-looking expected credit loss ["ECL"] approach, requiring the Company to record an allowance for ECLs for loans and debt financial assets not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. Under the ECL model, the Company recognizes ECL provision on the following basis:

Stage 1-At initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ["12-month ECL"].

Stage 2-When a significant increase in credit risk is detected, a loss allowance is required for credit losses expected over the remaining life of the exposure ["a lifetime ECL"].

Stage 3-When a financial asset is impaired, a lifetime ECL is recognized.

Provisions are based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Goodwill and intangible assets

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business acquisition is allocated to each of the Company's cash-generating units that are expected to benefit from the acquisition. Goodwill is assessed for impairment annually or more frequently if events or circumstances suggest that there might have been an impairment. A write-down is recognized if the recoverable amount of the cash-generating unit, determined as the greater of the estimated fair value less costs to sell or value in use, is less than the carrying value. Any impairment of goodwill is expensed in the year during which the impairment is identified. Impairment losses relating to goodwill are not reversed if there is a subsequent recovery in value of the cash-generating unit.

Following initial recognition, intangible assets are carried at cost less accumulated amortization and any accumulated impairment losses. Identifiable finite-life intangible assets are amortized over their estimated useful lives on a straight-line basis. The amortization period and the method of amortization for an intangible asset with a finite life are reviewed at least annually, at each financial year-end. Intangible assets are assessed for indicators of impairment annually. If indicators are present, these assets are subject to an impairment review. Any loss resulting from the impairment of intangible assets is expensed in the period the impairment is identified.

Equipment and leasehold improvements

The carrying values of equipment and leasehold improvements are assessed for indicators of impairment as at each consolidated statement of financial position date. Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, the asset is written down to its recoverable amount. The Company evaluates impairment losses for potential reversals when events or changes in circumstances warrant such consideration.

Equipment and leasehold improvements

Equipment and leasehold improvements are stated at cost, less accumulated depreciation and accumulated impairment in value, if any. Depreciation is recorded on a straight-line basis over the following expected useful lives:

Furniture and equipment	7-8 years
Computer equipment	5 years
Leasehold improvements	Shorter of useful life and lease term plus first renewal period, if renewal is reasonably assured

Provisions

Provisions are recognized when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured based on management's best estimate of the consideration required to settle the obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are measured at the present value of the expenditure expected to be required to settle the obligation, using a discount rate that reflects the current market assessment of the time value of money and risk specific to the obligation.

Revenue recognition

Commission revenue

Commissions consist of revenue generated primarily from traditional commission-based brokerage services provided to retail clients. The performance obligation for recognition of commission revenue is satisfied through the settlement of trades for clients [trade date].

Fee-based revenue

Fee-based revenue consists primarily of fees earned through investment management services. The performance obligation for recognition of fee-based income is satisfied through the over the period of time during which the service is delivered.

Interest revenue

Interest revenue primarily includes interest earned on client margin loans. Interest revenue also includes interest on the Company's own cash positions. Interest revenue is recognized using the effective interest rate method.

Other revenue

Other revenue primarily includes revenue earned from the provision of insurance products and foreign exchange services to individuals. Other revenue is recognized on an accrual basis.

Share-based compensation

The Company uses the fair value method to account for share-based compensation granted to employees and advisors. The cost of these shares to the Company is measured based on the fair value on the date the awards are granted and is recognized in the consolidated statements of income and comprehensive income. The share-based compensation expense is recognized over the period during which the employee provides the service to earn the awards with a corresponding increase to contributed surplus. For share-based compensation with graded vesting, the fair value of each tranche is treated as a separate grant with a different vesting date and a different fair value.

As at each reporting date, the Company reassesses its estimates of the number of awards that are expected to vest and recognizes the impact of the change in estimate in forfeitures through the consolidated statements of income and comprehensive income in the current reporting period.

For share-based payment awards subject to performance vesting conditions, compensation expense is recognized in the consolidated statements of income and comprehensive income over the applicable service period for only those awards where it is probable that the applicable performance targets will be achieved. Estimates regarding the probability of achieving performance targets are adjusted through the consolidated statements of income and comprehensive income in the current reporting period.

Income taxes

The Company uses the liability method of accounting for income taxes. Under this method, deferred income taxes are based on the differences between the accounting and income tax basis of an asset or liability, referred to as temporary differences. Temporary differences are tax effected using enacted or substantively enacted tax rates that are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax balances recorded on the consolidated statements of financial position are adjusted to reflect changes in temporary differences and income tax rates with the adjustments being recognized in income or equity in the year that the changes occur. Deferred tax assets are recognized in income or equity in the year the changes occur. Deferred tax assets are recognized only to the extent that it is probable that sufficient taxable income will be available against which unused tax losses and deductible temporary differences can be utilized.

Critical accounting estimates and use of judgments

The preparation of these consolidated financial statements in accordance with IFRS requires management to make estimates and exercise judgments that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting periods. These estimates and judgments are made based on the information available as at the date of issuance of the consolidated financial statements. Accordingly, actual results may differ from these amounts. Accounting policies that require management's estimates and judgments are discussed below.

Income taxes

The Company computes an income tax provision in each of the jurisdictions in which it operates. However, actual amounts of income tax expense only become final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the consolidated financial statements. Additionally, estimation of income taxes includes evaluating the recoverability of deferred tax assets against future taxable income based on an assessment of the ability to use the underlying future tax deductions before they expire. The assessment is based upon existing tax laws and estimates of future taxable income. To the extent estimates differ from the tax return, income would be affected in a subsequent year.

Share-based compensation

The Company uses estimates and judgments when determining the share-based compensation expense recorded on awards granted to employees and advisors during a reporting period. Measurement of the compensation expense is based on the estimated fair value of shares of a private company. The fair value is determined using the most appropriate model, which depends on terms and conditions of the share based compensation plan. These amounts are, by their nature, subject to measurement uncertainty.

Expected credit losses

The Company uses the ECL model to address credit risk associated with client margin and advisor loans. ECLs are estimated based on detailed review of client margin and advisor loans. A 12-month allowance for ECL is recognized at initial recognition, reflecting the portion of lifetime cash shortfalls that would result if a default occurs in the 12 months after the reporting date. A lifetime ECL allowance is recognized if a significant increase in credit risk is detected subsequent to initial recognition, reflecting a lifetime cash shortfalls that would result over the expected life of a financial asset.

Impairment of goodwill

When testing goodwill for impairment, the Company uses valuation models that consider such factors as projected earnings, enterprise value to assets under administration [“AUA”] and discount rates. The Company must apply judgment in the selection of the approach to determining fair value and any necessary assumptions. These judgments may affect the recoverable amount and any resulting impairment write-down.

Provisions

Due to the nature of provisions, a considerable part of their determination is based on estimates and judgments, including assumptions concerning the future. The actual outcome of these uncertain factors may be materially different from the estimates, causing differences with the estimated provisions.

Leases – estimating incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company ‘would have to pay’, which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Notes to consolidated financial statements

[In thousands of Canadian dollars, unless otherwise noted]

December 31, 2019 and 2018

3. Changes in accounting policies

New standards adopted by the Company

IFRS 16, *Leases* [“IFRS 16”]

IFRS 16 supersedes IAS 17 Leases [“IAS 17”] IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognize most leases on the balance sheet.

The Company adopted IFRS 16 at the date of initial application of January 1, 2019. The Company adopted IFRS 16 using the modified retrospective approach with no restatement of prior year comparatives and the cumulative effect of initially applying the standard is recognized at the date of initial application. The comparative remains as previously reported under IAS 17. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option [short-term leases], and lease contracts for which the underlying asset is of low value [low-value assets].

As at January 1, 2019, the Company has recognized on the balance sheet the right-of-use assets and corresponding liabilities of $26,238 and $28,010 respectively. The net impact of these adjustments on the consolidated statements of income and comprehensive income was NIL. When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at January 1, 2019. The weighed-average rate applied is 6.45%.

In addition, the Company is using the following practical expedients:

1. the election is being taken to apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
2. the election is being taken to rely on the IAS 37 assessment of whether leases are onerous instead of performing an impairment review;
3. the election is being taken to exclude initial direct costs from the measurement of the right-of-use assets on January 1, 2019;
4. the election is being taken to use hindsight to determine lease terms;
5. the election is being taken, by class of underlying asset, not to separate non-lease components from lease components, and instead account of each lease component and any associated non-lease components as a single lease component;
6. the election is being taken to not reassess whether a contract is or contains a lease at the date of initial application, and instead to only apply IFRS 16 to contracts that were in the scope of IAS 17; and
7. the election is being taken to measure the right-of-use assets on January 1, 2019 as an amount equal to the lease liability, adjusted for $1,772 lease inducement.

[In thousands of Canadian dollars, unless otherwise noted]

The lease liabilities as at January 1, 2019 can be reconciled to the operating lease commitments as of December 31, 2018, as follows:

	$
Operating lease commitments at December 31,2018	33,154
Discounted using incremental borrowing rate at January 1, 2019	29,324
Recognition exemption for short term leases	(1,314)
Lease obligations recognized at January 1, 2019	**28,010**

4. Securities owned

Securities owned consist of the following as at December 31:

	2019 $	2018 $
Trading assets		
Equity securities	**997**	546

During the year ended December 31, 2019, the Company recorded a realized gain on financial assets of nil [2018- nil].

5. Other assets

Other assets consist of the following as at December 31:

	2019 $	2018 $
Accounts receivable and other	**4,313**	4,336
Prepaid expenses	**2,997**	3,428
	7,310	7,764

6. Deposit with carrying broker

Under the terms of the introducing/carrying broker agreement between the Company and GMP Securities L.P. [“GMP Securities”] dated November 12, 2009, the Company is required to maintain at least $500 in the form of short-term Canadian treasury bills [or other acceptable government issues]. As at December 31, 2019, the Company had $496 [2018 – $496] short-term Canadian treasury bill and $30 [2018 – $21] cash lodged with GMP Securities.

Notes to consolidated financial statements

[In thousands of Canadian dollars, unless otherwise noted]

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7. Equipment and leasehold improvements

Equipment and leasehold improvements consist of the following:

	Leasehold improvements	Furniture and equipment	Computer equipment	Total
	$	$	$	$
Cost				
As at December 31, 2017	29,085	5,634	2,890	37,609
Additions	385	163	1,376	1,924
Disposals	(1,608)	(861)	(903)	(3,372)
As at December 31, 2018	27,862	4,936	3,363	36,161
Additions	**5,555**	**279**	**957**	**6,791**
Disposals	**(1,477)**	**(142)**	**(748)**	**(2,367)**
As at December 31, 2019	**31,940**	**5,073**	**3,572**	**40,585**
Depreciation and impairment				
As at December 31, 2017	17,353	3,177	1,562	22,092
Depreciation charge for the year	3,354	691	738	4,783
Disposals	(1,608)	(861)	(903)	(3,372)
As at December 31, 2018	19,099	3,007	1,397	23,503
Depreciation charge for the year	**3,678**	**623**	**730**	**5,031**
Disposals	**(1,477)**	**(142)**	**(748)**	**(2,367)**
As at December 31, 2019	**21,300**	**3,488**	**1,379**	**26,167**
Net book value				
As at December 31, 2018	8,763	1,929	1,966	12,658
As at December 31, 2019	**10,640**	**1,585**	**2,193**	**14,418**

8. Advisor loans receivable

For the year ended December 31, 2019, the Company recorded compensation expense of $8,132 [2018 – $10,401] and a corresponding reduction to loans outstanding pursuant to these programs.

All outstanding investment advisor loans are repayable immediately should an investment advisor leave the Company prior to the scheduled loan repayment date.

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Investment advisor loans

RGMP adopted an investment advisor loan program effective November 12, 2009. Under the RGMP investment advisor loan plan, RGMP will advance interest-free funds to new investment advisors upon commencement of their employment. All common shares held by the investment advisor while the loan is outstanding are pledged to the Company as collateral against the loan. Upon the satisfaction of certain conditions over a pre-specified term of five to seven years, RGMP is obligated to pay cash bonuses to the investment advisors of an advance sufficient to repay 100% of the total loans. RGMP also adopted an investment advisor loan program effective November 1, 2013. Upon the satisfaction of certain conditions, the loan is forgiven over a pre-specified term of seven to ten years on each applicable anniversary date. The Company records a reduction in the loan as compensation expense over the term of such loan. As at December 31, 2019, the loans outstanding under these adopted programs were $27,035 [2018 – $23,597] and are included in advisor loans receivable. Investment advisor loans that are subject to offsetting cash bonuses or forgiveness as a form of compensation are not considered a financial asset for the purposes of IFRS 9 classification, measurement and disclosure purposes.

Transition agreement for retirees

RGMP has a program for interested advisors to help facilitate the transition of the clients' assets under administration upon retirement. RGMP has agreed to provide a loan to the successor investment advisors to assist in acquiring the book of business. The interest rates and terms vary with the individual circumstances. As at December 31, 2019, the loans outstanding under this program were $3,317 [2018 – $3,546] and are included in advisor loans receivable. Of these, $3,091 [2018 - $2,888] investment advisor loans bear no interest and are not considered a financial asset for the purposes of IFRS 9 classification, measurement and disclosure purposes.

Other investment advisor loans

Other investment advisor loans represent loans advanced to investment advisors by RPFL that are collateralized by the personal accounts of the investment advisors maintained at GMP Securities. The loans bear an interest rate of 3% and are repayable over the next four to seven years. As at December 31, 2019, the loans outstanding under this program were $512 [2018 – $797] and are included in advisor loans receivable. The loans are settled via deduction to payroll on each payroll run.

For the year ended December 31, 2019, the Company recorded a reserve of $6 [2018 – $773] against advisor loans receivable for investment advisors who ceased to be employees and collectability was not probable. During the year the Company recovered $255 [2018: $17].

[In thousands of Canadian dollars, unless otherwise noted]

9. Goodwill and other intangible assets

	Goodwill	Application software	Total
	$	$	$
Cost			
As at December 31, 2018	145,019	1,046	146,065
Additions	—	108	108
Disposals	—	(438)	(438)
As at December 31, 2019	**145,019**	**716**	**145,735**
Amortization and impairment			
As at December 31, 2018	—	583	583
Amortization charge for the year	—	323	323
Disposals	—	(438)	(438)
As at December 31, 2019	—	**468**	**468**
Net book value			
As at December 31, 2018	145,019	463	145,482
As at December 31, 2019	**145,019**	**248**	**145,267**

The Company, on a consolidated basis, represents a single cash-generating unit. Goodwill, which stems from both the 2009 acquisition of RPFL and the 2013 acquisition of MPW, has been allocated to the assets and liabilities of the Company for impairment testing purposes.

Goodwill is assessed for impairment annually or more frequently if events or circumstances suggest that there may be impairment. A write-down is recognized if the recoverable amount of the cash-generating unit, determined as the greater of the estimated fair value less costs to sell or value in use, is less than the carrying value. Any impairment of goodwill is expensed in the year during which the impairment is identified. Impairment losses relating to goodwill are not reversed if there is a subsequent recovery in value of the cash-generating unit. At December 31, 2019, no indicators of impairment existed as the recoverable amount was determined to be higher than the carrying amount.

The recoverable amount of the Company was determined based on fair value less costs to sell using AUA as a maintainable metric multiplied by a market multiple to determine enterprise value. Enterprise value is determined using estimated future cash flows based on the Company’s internal forecasts which are discounted using an appropriate pre-tax discount rate. The market multiples are selected in consideration of the comparable public company trading multiples and the precedent transactions multiples.

The recoverable amount of the Company was determined based on fair value less costs to sell using AUA as a maintainable metric multiplied by a market multiple to determine enterprise value.

Application software is being amortized on a straight-line basis.

[In thousands of Canadian dollars, unless otherwise noted]

10. Right-of-use assets

The following table presents the right-of-use assets for the Company that only comprises office space:

	$
Balance, January 1, 2019	26,238
Additions of right-of-use asset	**6,484**
Depreciation of right-of-use asset	**(7,773)**
Balance, December 31, 2019	**24,949**

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

11. Other liabilities

Deferred management fees

Deferred management fees represent management fees that are received on a semi-annual basis in advance of the Company providing management services. Management fees are recognized in income over the period the services are rendered. As at December 31, 2019, the deferred management fees were $79 [2018 – $80] and are recorded in other liabilities.

12. Provisions

	2019	2018
	$	$
Balance, beginning of year	**10,982**	8,786
Additions	**1,519**	3,950
Unused amounts reversed	**(919)**	(249)
Amounts used	**(1,200)**	(1,505)
Balance, end of year	**10,382**	10,982

Legal provisions

The Company is a party to a number of claims, proceedings and investigations, including legal and regulatory matters, in the ordinary course of its business. Legal provisions that are not assumed as part of the business acquisition are recorded by the Company when it is probable that the Company will incur a loss and the amount of the loss can be reasonably estimated. Legal provisions that are assumed as part of a business acquisition are recorded by the Company at fair value if there is a present obligation for a past event that can be reliably measured even if it is not probable that the Company will incur a loss. While there is inherent difficulty in predicting the outcome of such matters, based on its current knowledge, the Company does not expect that the outcome of any of these matters, individually or in aggregate, would have a material adverse effect on its consolidated financial position or results of operations. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognized as a finance cost.

[In thousands of Canadian dollars, unless otherwise noted]

13. Related party balances and transactions

Consolidated subsidiaries

These consolidated financial statements include the following subsidiaries, all of which are 100% owned and were incorporated in Canada:

- Richardson GMP Insurance Limited
- RPFHL G.P. No. 1 Limited
- RPFHL G.P. No. 2 Limited
- RPFHL G.P. No. 3 Limited
- RPFHL Real Estate Holding G.P. Limited
- Richardson GMP (USA) Limited
- Richardson GMP Private Family Office

Key management personnel

Key management personnel comprise the Board of Directors and officers on the executive committee of RGMP who have authority and responsibility for planning, directing and controlling the activities of RGMP.

Key management personnel compensation for services rendered for the year ended December 31 is as follows:

	2019 $	2018 $
Fixed and variable salaries, share-based compensation plus director fees	**6,009**	5,970

Related party balances

The following balances reflect outstanding transactions with related parties:

	2019 $	2018 $
Advisor loans receivable	**30,858**	27,167
Due from carrying broker	**10,328**	11,051
Deposit with carrying broker	**496**	517

Advisor loans receivable are loans advanced to the Company's investment advisors. Terms of these loans are discussed in note 8.

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Due from carrying broker represents a receivable from GMP Securities, the Company's carrying broker, which relates to the Company's revenue earned from its client accounts, net of expenses in accordance with a general services agreement. This balance is due on demand and is non-interest bearing. Expenses incurred under the general services agreement that relate to trade execution, technology and administrative services were $9,722 [2018 – $11,992] and are included in selling, general and administrative expenses on the consolidated statements of income and comprehensive income.

As required under the terms of the introducing/carrying broker arrangement, the Company maintains a deposit with GMP Securities of $526 [2018 – $517]. Refer to note 6 for additional details regarding this deposit.

The Company also has sub-lease arrangements with GMP Securities, which the Company has arranged to pay directly at rental rates and terms consistent with the head lease. Refer to note 17 for further details regarding these commitments.

Private funds

The Company is the manager of certain limited partnerships that offer retail clients access to alternative investment strategies such as private equity or real estate [the "Richardson Funds"]. The Company, through its ownership of the private equity subsidiaries, is the general partner of the Richardson Funds. The Richardson Funds have an aggregate total asset value of $29,766 [2018 – $30,646] as at September 30, 2019.

The Company signed an administrative service agreement with each of the Richardson Funds. For the year ended December 31, 2019, the Company recognized $133 [2018 – $432] in revenue.

14. Lease obligation

The Company has lease contracts for various office spaces used in its operations. Office spaces generally have lease terms between 1 to 10 years. Some lease contracts include extension options at fair market value and one lease contract has an economic incentive to renew.

The following table presents the contractual undiscounted cash flows for lease obligations as of December 31, 2019:

	$
Less than one year	8,269
One to five years	19,976
Greater than five years	3,832
Total undiscounted lease obligations	32,077

Interest expense on lease obligations for the year ended December 31, 2019 was $1,674. Total cash outflow for leases was $8,840. Expenses for leases of low-dollar value items are not material. There are no variable lease payments which are not included in the measurement of lease obligations. All extension options with an economic incentive have been included in the measurement of lease obligations. Lease liabilities as of December 31, 2019 is $27,404, of which $7,556 is current.

[In thousands of Canadian dollars, unless otherwise noted]

15. Subordinated loans

	2019	2018
	$	$
Bank of China	**26,625**	26,625
Canadian Imperial Bank of Commerce	**26,625**	26,625
Canadian Western Bank	**17,750**	17,750
	71,000	71,000

On November 7, 2017, the Company entered into an agreement with Canadian Imperial Bank of Commerce ["CIBC"], Bank of China and Canadian Western Bank to refinance the existing subordinated loans with National Bank of Canada and CIBC in the amount of $80,000. During the year, the Company repaid nil [2018 – $9,000] of the refinanced amount.

The subordinated loans each bear interest at the prime rate plus 2.5%. The subordinate loans are repayable by the Company, in quarterly instalments of $1,000 due until August 1st, 2021 and the remaining balance is due at November 8, 2021. All three loans are unsecured and repayments are subject to prior approval of the IIROC.

The subordinated loans have financial tests and other covenants with which the Company must comply. As at December 31, 2019, the Company was in compliance with all financial covenants associated with all three subordinated loans.

Notes to consolidated financial statements

[In thousands of Canadian dollars, unless otherwise noted]

December 31, 2019 and 2018

16. Share capital

	2019		2018	
	Shares	**Amount**	**Shares**	**Amount**
	# [000s]	$	# [000s]	$
Common Shares				
Class A common shares	**22,049**	**23,242**	22,049	23,242
Class B common shares	**22,049**	**39,239**	22,049	39,239
Class C common shares	**9,643**	**13,006**	9,665	13,015
Class D common shares	**4,607**	**4,553**	4,657	4,590
Class E common shares	**20,476**	**43,808**	19,088	41,482
Class F common shares	**6,030**	**11,043**	6,480	10,584
	84,854	**134,891**	83,988	132,152
Preference Shares				
Class B preference shares	**61**	**60,844**	61	60,844
Special preference shares	**673**	**673**	683	683
	734	**61,517**	744	61,527
Total Share Capital	**85,588**	**196,408**	84,732	193,679

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[In thousands of Canadian dollars, unless otherwise noted]

December 31, 2019 and 2018

During the year ended December 31, 2019, there were no Class A or Class B common shares issued or redeemed. The following table details the Class C, D, E and F shares issued and redeemed during the year.

	Class C		Class D		Class E		Class F	
	Shares # [000s]	**Amount** $	**Shares** # [000s]	**Amount** $	**Shares** # [000s]	**Amount** $	**Shares** # [000s]	**Amount** $
December 31, 2017	9,986	13,413	4,995	4,906	18,250	39,501	7,129	11,293
Issued – other	—	—	3	10	1,021	2,441	(11)	138
redemptions	(321)	(398)	(341)	(326)	(183)	(460)	(638)	(847)
December 31, 2018	9,665	13,015	4,657	4,590	19,088	41,482	6,480	10,584
Issued – other	**—**	**—**	**3**	**10**	**1,577**	**2,663**	**215**	**769**
redemptions	**(22)**	**(9)**	**(53)**	**(47)**	**(189)**	**(337)**	**(665)**	**(310)**
December 31, 2019	**9,643**	**13,006**	**4,607**	**4,553**	**20,476**	**43,808**	**6,030**	**11,043**

Authorized share capital

RGMP is authorized to issue an unlimited number of Class A, B, C, D, E and F common shares, an unlimited number of Class A and Class B preference shares, and an unlimited number of special preference shares.

Common shares

The Class A and Class B common shares are held by holding companies owned by JRSL and GMP, respectively. The Class A and Class B common shares have ten votes for each Class A and Class B common shares held and are entitled to receive dividends, when declared. The Class C and Class D common shares are held by investment advisors and management from the predecessor firms of RPFL and GMP PC, respectively. The Class C and Class D common shares have one vote for each Class C and Class D common share held and are entitled to receive dividends, when declared. The Class E and Class F common shares are entitled to one vote for each Class E and Class F common share held and are entitled to receive dividends, when declared. No dividends shall be declared and paid on the Class F common shares unless a per share dividend that is twice the amount per share of such dividend has been declared and paid on the Class C, D and E common shares.

Preference shares and special preference shares

The Class B preference shares are non-voting, entitled to receive preferential, cumulative cash dividends at an annual rate of prime plus 4%, when declared, and are redeemable at the option of the Company at par, plus any accrued but unpaid dividends. The special preference shares are non-voting, are not entitled to receive dividends and are mandatorily redeemable by the Company from time to time. Partial redemption will result from the proceeds received from the exercise of Class D options of the Company.

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Share-based compensation

Deferred share-based awards

In 2016, RGMP offered a deferred incentive plan for investment advisors and employees in the form of restricted share units ["RSUs"]. The shares are subject to restrictions with vesting to occur at the end of a three-year vesting period. The value of these share units is adjusted to reflect reinvested dividends. The compensation expense relating to the RSUs recorded during the year was $2,663 [2018 – $2,389].

	RSUs # [000's]
Balance, December 31, 2018	2,225
Granted	**979**
Vested	**(502)**
Forfeited	**(99)**
Balance, December 31, 2019	**2,603**

Performance incentive program

The Performance Incentive Program ["PIP"] awards advisors with shares once certain performance targets are met during the year. Once awarded, these shares are vested over three years. During the year ended December 31, 2019, the Company issued 719 [2018 – 586] Class E common shares with a grant date fair value of $3.10. Total compensation expense recognized during the year was $557 [2018 – $484] and all shares related to PIP are unvested as at December 31, 2019.

Performance share awards

During the year ended December 31, 2019, the Company issued 3 [2018 – 61] Class F common shares under the performance share awards plan with an average grant date fair value of $1.80. Also during the year, 101 Class F common shares [2018 – 60] with an average fair value of $2.24 were forfeited as a result of an unmet vesting conditions. Total compensation expense, net of reversals relating to forfeitures, recognized during the year ended December 31, 2019 was ($215) [2018 – ($25)].

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[In thousands of Canadian dollars, unless otherwise noted]

December 31, 2019 and 2018

Dividends and distribution of capital

Common share dividend

The Company declared the following common share dividends for the year ended December 31, 2019:

Record date	Payment date	Cash dividend per common share	Total dividend Amount
March 19, 2019	April 1, 2019	$0.025	$1,102
May 22, 2019	May 31, 2019	$0.025	$1,102
August 13, 2019	August 31, 2019	$0.025	$1,103
November 25, 2019	November 29, 2019	$0.025	$1,103

Common share distributions of capital

Record date	Payment date	Cash dividend per common share	Total dividend Amount
March 19, 2019	April 1, 2019	$0.025	$835
May 22, 2019	May 31, 2019	$0.025	$834
August 13, 2019	August 31, 2019	$0.025	$852
November 25, 2019	November 29, 2019	$0.025	$850

Preferred share dividends

The Company declared the following preferred share dividends for the year ended December 31, 2019:

Record date	Payment date	Cash dividends per preferred share	Total dividend amount
February 27, 2019	March 20, 2019	$19.874	$1,209
May 3, 2019	May 8, 2019	$19.603	$1,193
August 1, 2019	August 9, 2019	$19.821	$1,206
November 1, 2019	November 8, 2019	$20.038	$1,219

[In thousands of Canadian dollars, unless otherwise noted]

17. Commitments

Operating leases

The Company has entered into lease agreements, either directly or through sub-leases with GMP Securities, for premises and equipment for periods up to December 31, 2029. Aggregate future minimum annual lease payments for the fiscal years ending December 31 are as follows:

	$
2020	8,261
2021	8,302
2022	6,405
2023	2,798
2024	1,581
Thereafter	5,361
	32,708

The Company is also responsible for its share of operating costs and realty taxes related to these leases.

This operating lease arrangement includes $1,452 [2018 – $2,015] in total commitments that relate to sub-leases with third parties.

18. Financial guarantees

In accordance with its carrying broker agreements with GMP Securities, the Company indemnifies its carrying broker from any loss, liability, damages, costs or expenses that the carrying brokers may incur by reason of the failure of the Company or any of the Company's clients to make any payment of money or delivery of securities to the carrying brokers as and when required.

Under the regulations of the IIROC, the Company signed a Uniform Guarantee Agreement, whereby the Company and GMP Securities guarantee the payment and discharge of all indebtedness, obligations and liabilities to their customers in connection with their respective securities business. The guarantee is limited to the risk-adjusted capital, as prescribed by the IIROC, maintained by the Company.

[In thousands of Canadian dollars, unless otherwise noted]

19. Financial instruments and risk management

Fair value estimation

IFRS require disclosure of a three-level hierarchy for fair value measurement based upon transparency of inputs to the valuation of an asset or liability as of the measurement date.

Level 1 includes financial instruments that have quoted prices [unadjusted] in active markets for identical assets or liabilities and generally includes debt and equity securities that are traded in an active exchange.

Level 2 includes financial instruments where fair value is based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 includes financial instruments where fair value is not based on observable market data.

The following tables present the level within the fair value hierarchy for each of the financial assets measured at fair value:

	2019			
	Level 1 $	**Level 2** $	**Level 3** $	**Total fair value** $
Deposit with carrying broker	**496**	**—**	**—**	**496**
Securities owned	**—**	**997**	**—**	**997**

	2018			
	Level 1 $	**Level 2** $	**Level 3** $	**Total fair value** $
Deposit with carrying broker	496	—	—	496
Securities owned	—	546	—	546

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[In thousands of Canadian dollars, unless otherwise noted]

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Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company segregates market risk into two categories: fair value risk, and interest rate risk.

Fair value risk

Fair value risk is the potential for loss from an adverse movement in the value of a financial instrument. The Company incurs fair value risk through its trading position.

Fair value sensitivity analysis

A 10% increase or decrease in the underlying market price of the Company's securities owned, as at December 31, 2019, would have increased or decreased net income by $150 [2018 – $105].

Interest rate risk

Interest rate risk relates to the risk that the fair value or future cash flows associated with a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk on cash, client cash balances, Government of Canada treasury bill deposits with the carrying broker, certain advisor loans and subordinated loans.

Interest rate sensitivity analysis

The table below provides the potential impact of an immediate and sustained 100 basis point ["bp"] increase or 25 bp decrease in interest rates on net income for an annualized period applied to the balances outstanding as at December 31. This analysis assumes that all other variables remain constant.

	2019			2018		
	Carrying value $	**Effect of a 100 bp increase in market interest rates on net income** $	**Effect of a 25 bp decrease in market interest rates on net income** $	**Carrying value** $	**Effect of a 100 bp increase in market interest rates on net income** $	**Effect of a 25 bp decrease in market interest rates on net income** $
Cash	**67,901**	**679**	**(170)**	61,694	617	(154)
Deposits with carrying brokers	**496**	**5**	**(1)**	496	5	(1)
Certain loans receivable	**738**	**7**	**(2)**	1,456	15	(4)
Subordinated loans	**71,000**	**(710)**	**178**	71,000	(710)	178

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Credit risk

Credit risk is the risk of loss associated with the inability of a third party to fulfil its payment obligations. The Company is exposed to the risk that third parties that owe it money or other assets will not perform their obligations. The Company's maximum exposure to credit risk as at December 31, 2019 is represented by the carrying value of the financial assets on the Company's consolidated statements of financial position and the value of its client receivables recorded on its carrying brokers' balance sheets.

As at December 31, 2019, the Company's total provision for doubtful accounts relating to advisor loans receivable was $6 [2018 – $773].

During the year, the Company recorded a bad debt expense in the amount of ($280) [2018 – nil] related to a client margin loan.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they become due. Management oversees the Company's liquidity risk management to ensure the Company has access to sufficient funds to cover its financial obligations as they come due and the ability to sustain and grow its assets and operations both under normal and stressed conditions.

	2019	**2018**	
	$	$	
Financial liability			
Accounts payable and accrued expenses	**39,281**	35,877	Due within one year
Other current liabilities	**79**	1,852	Due within one year
Subordinated loans current	**3,000**	-	Due within one year
Subordinated loans non-current	**68,000**	71,000	2020-2021

[In thousands of Canadian dollars, unless otherwise noted]

Capital management

The Company requires capital to fund existing and future operations, future dividends and regulatory capital requirements. Liquidity of the Company is continually evaluated, factoring in business requirements, market conditions and regulatory capital requirements. The Company's policy is to maintain sufficient and appropriate levels of capital through a variety of sources.

The Company's capital structure consists of common shares, preference shares, subordinated loans, contributed surplus, reserves, net of accumulated retained earnings (deficit). The following table summarizes the Company's capital:

	2019	**2018**
	$	$
Type of capital		
Common shares	**134,891**	132,152
Preference shares	**61,517**	61,527
Subordinated loans	**71,000**	71,000
Contributed surplus	**2,793**	2,958
Accumulated deficit	**(16,329)**	(15,015)
	253,872	252,622

The Company is subject to regulatory capital requirements designed to provide notice to the regulatory authorities of possible liquidity concerns. The Company is required to maintain a minimum amount of risk-adjusted capital calculated in accordance with the rules of the IIROC at all times. Regulatory capital requirements fluctuate daily. Compliance with these requirements may require the Company to keep sufficient cash and other liquid assets on hand to maintain regulatory capital requirements rather than using these liquid assets in connection with its business or paying them out in the form of a cash dividend. Throughout the year ended December 31, 2019, the Company was in compliance with its regulatory capital requirements.

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20. Income taxes

The components of income tax expense for 2019 and 2018 are as follows:

	2019 $	2018 $
Current tax expense		
Current year	**198**	99
Total current tax expense	**198**	99
Deferred tax benefit		
Origination and reversal of temporary differences	**5,981**	6,360
Total deferred tax expense	**6,179**	6,459

The differences between the income tax expense, which is not reflected in the consolidated statements of income and comprehensive income and the amounts calculated at the combined Canadian federal and provincial statutory tax rates for the year ended December 31, are as follows:

	2019 $	2018 $
Income taxes at the combined Canadian federal and provincial tax rate	**4,662**	5,387
Increases (decreases) due to:		
Non-deductible expenses	**62**	103
Stock option expenses	**891**	674
Deductible share compensation expense	**(581)**	-
Impact of change in tax rates	**805**	(39)
Deferred tax asset not recognized	**393**	432
Other	**(53)**	(98)
Income tax expense	**6,179**	6,459

Notes to consolidated financial statements

[In thousands of Canadian dollars, unless otherwise noted]

December 31, 2019 and 2018

The major components of the Company's deferred tax assets and liabilities before offsetting for the year ended December 31, are as follows:

	2019 $	2018 $
Deferred tax assets		
Non-capital losses	**24,609**	30,367
Equipment and leasehold improvements	**1,698**	2,120
Financial statement reserves	**124**	147
Financing costs	**270**	389
Deferred compensation arrangements	**1,153**	977
Leasehold inducements	**324**	475
Lease liability	**7,141**	-
Right-of-use assets	**(6,825)**	-
Net deferred tax asset	**28,494**	34,475

The utilization of the deferred tax assets are dependent upon future taxable profits in excess of the profits arising on the reversal of existing taxable temporary differences.

The unrecognized non-capital losses, as at December 31, 2019 and 2018, of $4,591 and $3,118 respectively expire in various years beginning in 2026.

21. Non-cash operating items

The net change in non-cash working capital balances related to operations comprise the following:

	2019 $	2018 $
Securities owned	**(451)**	1,035
Due from clients	**—**	117
Due from carrying broker	**723**	2,422
Other assets	**454**	(387)
Deposits with carrying brokers	**—**	2
Advisor loans receivable	**(11,823)**	(1,311)
Accounts payable and accrued liabilities	**3,404**	(498)
Provisions	**(600)**	2,196
Other	**75**	(662)
	(8,218)	2,914

Richardson GMP Limited

Consolidated financial statements
December 31, 2018 and 2017

Building a better working world

Independent auditor's report

To the Shareholders of
Richardson GMP Limited

Opinion

We have audited the consolidated financial statements of Richardson GMP Limited and its subsidiaries [the "Company"], which comprise the consolidated statements of financial position as at December 31, 2018 and 2017, and the consolidated statements of changes of shareholders' equity, consolidated statements of income and comprehensive income and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying (consolidated) financial statements present fairly, in all material respects, the (consolidated) financial position of the Company as at December 31, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ["IFRSs"].

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the (consolidated) financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
February 26, 2019

Richardson GMP Limited

Consolidated statements of financial position

[Expressed in thousands of Canadian dollars]

As at December 31

	2018	**2017**
	$	$
Assets		
Current		
Cash	**61,694**	54,845
Securities owned *[note 4]*	**546**	1,581
Due from clients	**—**	117
Due from carrying broker *[note 12]*	**11,051**	13,473
Other assets *[note 5]*	**7,764**	7,377
Total current assets	**81,055**	77,393
Deposit with carrying broker *[notes 6 and 12]*	**496**	498
Equipment and leasehold improvements, net *[note 7]*	**12,658**	15,517
Advisor loans receivable *[notes 8 and 12]*	**27,167**	36,257
Deferred Tax Asset *[note 18]*	**34,475**	40,835
Goodwill and intangible assets, net *[note 9]*	**145,482**	145,676
Total assets	**301,333**	316,176
Liabilities and shareholders' equity		
Current		
Accounts payable and accrued liabilities	**35,877**	36,375
Other liabilities *[note 10]*	**1,852**	2,514
Provisions *[note 11]*	**10,982**	8,786
Subordinated loans *[note 13]*	**71,000**	80,000
Total current liabilities	**119,711**	127,675
Commitments and guarantees *[notes 15 and 16]*		
Shareholders' equity		
Share capital *[note 14]*	**193,679**	193,130
Contributed surplus	**2,958**	3,847
Accumulated retained earnings (deficit)	**(15,015)**	(8,476)
Total shareholders' equity	**181,622**	188,501
Total liabilities and shareholders' equity	**301,333**	316,176

See accompanying notes to the consolidated financial statements.

On behalf of the Board:

Director

Chief Financial Officer

Richardson GMP Limited

Consolidated statements of changes in shareholders' equity

[Expressed in thousands of Canadian dollars]

Years ended December 31

	Preference shares	Common shares	Contributed surplus	Retain Earnin (defic
	$	$	$	$
Balance, December 31, 2016	106,693	131,377	4,406	1
Issuance of common shares	—	2,910	—	
Deferred share-based compensation	—	(660)	—	
Redemption of common shares	—	(2,034)	—	
Redemption of preference shares	(45,156)	—	—	
Share-based compensation expense	—	—	(559)	
Common share dividends	—	—	—	(
Preference share dividends	—	—	—	(2
Comprehensive income	—	—	—	1
Balance, December 31, 2017	**61,537**	**131,593**	**3,847**	**(**
Issuance of common shares	**—**	**3,548**	**—**	
Deferred share-based compensation	**—**	**(958)**	**—**	
Redemption of common shares	**—**	**(2,031)**	**—**	
Redemption of preference shares	**(10)**	**—**	**—**	
Share-based compensation expense	**—**	**—**	**(889)**	
Common share dividends	**—**	**—**	**—**	**(1**
Common share return of capital	**—**	**—**	**—**	**(**
Preference share dividends	**—**	**—**	**—**	**(**
Comprehensive income	**—**	**—**	**—**	**1**
Balance, December 31, 2018	**61,527**	**132,152**	**2,958**	**(1**

See accompanying notes to the consolidated financial statements.

Richardson GMP Limited

Consolidated statements of income and comprehensive income

[Expressed in thousands of Canadian dollars]

Years ended December 31

	2018	2017
	$	$
Revenue		
Commissions	**46,304**	58,023
Investment management and fee income	**202,040**	198,551
Interest	**28,152**	19,945
Other	**14,930**	11,656
Unrealized gain (loss) on trading securities *[note 4]*	**(1,347)**	1,230
	290,079	289,405
Expenses		
Employee compensation and benefits	**190,337**	192,614
Selling, general and administrative	**67,360**	66,532
Depreciation and amortization *[notes 7 and 9]*	**5,204**	5,154
Interest	**7,067**	3,607
	269,968	267,907
Income before income taxes	**20,111**	21,498
Current tax expense *[note 18]*	**99**	68
Deferred tax expense *[note 18]*	**6,360**	6,313
Comprehensive income	**13,652**	15,117

See accompanying notes to the consolidated financial statements.

Richardson GMP Limited

Consolidated statements of cash flows

[Expressed in thousands of Canadian dollars]

Years ended December 31

	2018	2017
	$	$
Operating activities		
Comprehensive income for the year	**13,652**	15,117
Add (deduct) items not involving cash		
Deferred income taxes	**6,360**	6,313
Depreciation and amortization *[notes 7 and 9]*	**5,209**	5,182
Advisor loan amortization *[note 8]*	**10,401**	11,452
	35,622	38,064
Net change in non-cash working capital balances related to operations *[note 19]*	**2,914**	4,138
Cash provided by (used in) operating activities	**38,536**	42,202
Investing activities		
Purchase of equipment and leasehold improvements *[note 7]*	**(1,924)**	(3,593)
Purchase of application software *[note 9]*	**(232)**	(343)
Cash provided by (used in) investing activities	**(2,156)**	(3,936)
Financing activities		
Repayment of subordinated loans *[note 13]*	**(9,000)**	(45,000)
Proceeds from subordinated loans *[note 13]*	**—**	80,000
Issuance of common shares	**1,701**	1,691
Redemption of common shares	**(2,031)**	(2,034)
Redemption of preferred shares	**(10)**	(45,156)
Cash dividends paid on common shares *[note 14]*	**(13,123)**	(7,929)
Distribution of capital *[note 14]*	**(2,547)**	—
Cash dividends paid on preference shares *[note 14]*	**(4,521)**	(27,509)
Cash used in financing activities	**(29,531)**	(45,937)
Net increase (decrease) in cash during the year	**6,849**	(7,671)
Cash, beginning of year	**54,845**	62,516
Cash, end of year	**61,694**	54,845
Supplemental cash flow information		
Interest paid	**7,067**	3,607

See accompanying notes to the consolidated financial statements.

Notes to consolidated financial statements

[In thousands of Canadian dollars, unless otherwise noted]

December 31, 2018 and 2017

1. Organization structure

Richardson GMP Limited [“RGMP” or the “Company”] is a Canadian-controlled private company incorporated on November 12, 2009 pursuant to the laws of Canada. The Company is a member of the Investment Industry Regulatory Organization of Canada [“IIROC”] and as such is subject to regulation by the IIROC. The Company’s registered office is located at Suite 500, 145 King Street West, Toronto, Ontario, M5H 1J8.

On November 12, 2009, GMP Capital Inc. [“GMP”] and James Richardson and Sons, Limited [“JRSL”] completed the combination of their respective wealth management businesses consisting of GMP Private Client L.P. [“GMP PC”] and Richardson Partners Financial Limited [“RPFL”] to form the Company. The Company carries on the wealth management business previously carried on by GMP PC and RPFL.

On June 8, 2010, GMP Insurance Inc., Richardson Partners Insurance Services Inc., and Richardson Partners Insurance Services (Quebec) Inc. were amalgamated to form Richardson GMP Insurance Limited. Richardson GMP Insurance Limited is a wholly owned subsidiary of the Company.

On November 1, 2013, RGMP completed the acquisition of all of the outstanding shares of Macquarie Private Wealth Inc. [“MPW”], a wholly-owned subsidiary of Macquarie BFS Holdings Inc.

On May 9, 2016, Richardson GMP Private Family Office Limited [“RGMP PFO”] was incorporated, RGMP PFO is a wholly owned subsidiary of the Company.

On November 10, 2016, Richardson GMP USA Corp. was dissolved.

2. Summary of significant accounting policies

Basis of presentation

The Company’s consolidated financial statements have been prepared in accordance with International Financial Reporting Standards [“IFRS”]. These consolidated financial statements have been prepared under the historical cost convention modified to include the fair value of certain financial instruments to the extent required or permitted under accounting standards and as set out in the relevant accounting policies. These consolidated financial statements have been prepared on a going concern basis. The Company’s functional and presentation currency is the Canadian dollar.

The consolidated financial statements were authorized for issuance by the Company’s Board of Directors on February 27, 2019.

Principles of consolidation

These consolidated financial statements include the assets and liabilities and results of operations of the Company and its subsidiaries after consolidation of intercompany transactions and balances.

Subsidiaries, which include certain private equity subsidiaries established to hold general partner interests in the Richardson Funds, Richardson GMP Insurance Limited, Richardson GMP USA Limited and RGMP PFO, are entities over which the Company has control, where control is defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Generally, control is presumed to exist when the Company owns more than one half of the voting rights of an entity.

Financial assets

On January 1, 2018, the Company adopted IFRS 9, *Financial Instruments* [“IFRS 9”], which replaces the guidance in IAS 39, *Financial Instruments: Recognition and Measurement* [“IAS 39”]. IFRS 9 includes requirements on: (1) classification and measurement of financial assets and liabilities; (2) impairment of financial assets; and (3) general hedge accounting. The Company does not apply hedge accounting. Refer to note 3 for further details.

At initial recognition, the Company’s financial assets are classified and measured at amortized cost or fair value through profit or loss [“FVTPL”]. The classification is based on two criteria: the business model for managing the assets, and whether the instruments’ contractual cash flows represent solely payments and interest on the principal amount outstanding [“SPPI criterion”].

Amortized cost – A financial asset is measured at amortized cost if it is held within a business model that has an objective to hold financial assets to collect contractual cash flows; and the contractual terms of the financial asset result in cash flows that meet the SPPI criterion. Loans and receivables and other financial liabilities are recorded at amortized cost using the effective interest rate method and are subject to impairment. Such accounts include due from carrying broker, certain advisor loans receivable, certain financial instruments included in other assets, accounts payable and accrued liabilities and subordinated loans. Investment advisor loans that are subject to offsetting cash bonuses or forgiveness as a form of compensation are not considered a financial asset for the purposes of IFRS 9 classification, measurement and disclosure purposes. Refer to note 8 for additional details regrading such loans.

FVTPL - Financial assets measured at FVTPL comprise quoted equity instruments that the Company had elected not to classify as FVOCI. The fair value of financial instruments is generally determined by reference to quoted market bid prices when an active market exists. Where no active market exists, the fair value is determined using valuation techniques. Financial assets classified as FVTPL include securities owned and Government of Canada treasury bills held on deposit with the carrying broker.

Impairment

[i] Financial assets measured at amortized cost

IFRS 9 replaces IAS 39’s incurred loss approach with a forward-looking expected credit loss [“ECL”] approach, requiring the Company to record an allowance for ECLs for loans and debt financial assets not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. Under the ECL model, the Company recognizes ECL provision on the following basis:

Stage 1 - At initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months [“12-month ECL”].

Stage 2 - When a significant increase in credit risk is detected, a loss allowance is required for credit losses expected over the remaining life of the exposure [“a lifetime ECL”].

Stage 3 - When a financial asset is impaired, a lifetime ECL is recognized.

Provisions are based on the Company’s historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

[ii] Goodwill and intangible assets

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business acquisition is allocated to each of the Company’s cash-generating units that are expected to benefit from the acquisition. Goodwill is assessed for impairment annually or more frequently if events or circumstances suggest that there might have been an impairment. A write-down is recognized if the recoverable amount of the cash-generating unit, determined as the greater of the estimated fair value less costs to sell or value in use, is less than the carrying value. Any impairment of goodwill is expensed in the year during which the impairment is identified. Impairment losses relating to goodwill are not reversed if there is a subsequent recovery in value of the cash-generating unit.

Following initial recognition, intangible assets are carried at cost less accumulated amortization and any accumulated impairment losses. Identifiable finite-life intangible assets are amortized over their estimated useful lives on a straight-line basis. The amortization period and the method of amortization for an intangible asset with a finite life are reviewed at least annually, at each financial year-end. Intangible assets are assessed for indicators of impairment annually. If indicators are present, these assets are subject to an impairment review. Any loss resulting from the impairment of intangible assets is expensed in the period the impairment is identified.

[iii] Equipment and leasehold improvements

The carrying values of equipment and leasehold improvements are assessed for indicators of impairment as at each consolidated statement of financial position date. Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, the asset is written down to its recoverable amount. The Company evaluates impairment losses for potential reversals when events or changes in circumstances warrant such consideration.

Equipment and leasehold improvements

Equipment and leasehold improvements are stated at cost, less accumulated depreciation and accumulated impairment in value, if any. Depreciation is recorded on a straight-line basis over the following expected useful lives:

Furniture and equipment	7 to 8 years
Computer equipment	5 years
Leasehold improvements	Lease term plus first renewal period, if renewal is reasonably assured

Deferred lease inducements are recorded when received as a deferred liability on the consolidated statements of financial position and amortized on a straight-line basis, over the term of the related lease as a reduction to rent expense.

Provisions

Provisions are recognized when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured based on management's best estimate of the consideration required to settle the obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are measured at the present value of the expenditure expected to be required to settle the obligation, using a discount rate that reflects the current market assessment of the time value of money and risk specific to the obligation.

Revenue recognition

On January 1, 2018, the Company adopted IFRS 15, *Revenue from Contracts with Customers* ["IFRS 15"], which replaces the guidance in IAS 11, *Construction Contracts* and IAS 18, *Revenue* and related interpretations. Refer to note 3 for further details.

[i] Commission revenue

Commissions consist of revenue generated primarily from traditional commission-based brokerage services provided to retail clients. The performance obligation for recognition of commission revenue is satisfied through the settlement of trades for clients (trade date).

[ii] Fee-based revenue

Fee-based revenue consists primarily of fees earned through investment management services. The performance obligation for recognition of fee-based income is satisfied through the over the period of time during which the service is delivered.

[iii] Interest revenue

Interest revenue primarily includes interest earned on client margin loans. Interest revenue also includes interest on the Company's own cash positions. Interest revenue is recognized on an accrual basis.

[iv] Other revenue

Other revenue primarily includes revenue earned from the provision of insurance products and foreign exchange services to individuals. Other revenue is recognized on an accrual basis.

Share-based compensation

The Company uses the fair value method to account for share-based compensation granted to employees and advisors. The cost of these shares to the Company is measured based on the fair value on the date the awards are granted and is recognized in the consolidated statements of income and comprehensive income. The share-based compensation expense is recognized over the period during which the employee provides the service to earn the awards with a corresponding increase to contributed surplus. For share-based compensation with graded vesting, the fair value of each tranche is treated as a separate grant with a different vesting date and a different fair value.

As at each reporting date, the Company reassesses its estimates of the number of awards that are expected to vest and recognizes the impact of the change in estimate in forfeitures through the consolidated statements of income and comprehensive income in the current reporting period.

For share-based payment awards subject to performance vesting conditions, compensation expense is recognized in the consolidated statements of income and comprehensive income over the applicable service period for only those awards where it is probable that the applicable performance targets will be achieved. Estimates regarding the probability of achieving performance targets are adjusted through the consolidated statements of income and comprehensive income in the current reporting period.

Income taxes

The Company uses the liability method of accounting for income taxes. Under this method, deferred income taxes are based on the differences between the accounting and income tax basis of an asset or liability, referred to as temporary differences. Temporary differences are tax effected using enacted or substantively enacted tax rates that are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax balances recorded on the consolidated statements of financial position are adjusted to reflect changes in temporary differences and income tax rates with the adjustments being recognized in income or equity in the year that the changes occur. Deferred tax assets are recognized in income or equity in the year the changes occur. Deferred tax assets are recognized only to the extent that it is probable that sufficient taxable income will be available against which unused tax losses and deductible temporary differences can be utilized.

Critical accounting estimates and use of judgments

The preparation of these consolidated financial statements in accordance with IFRS requires management to make estimates and exercise judgments that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting periods. These estimates and judgments are made based on the information available as at the date of issuance of the consolidated financial statements. Accordingly, actual results may differ from these amounts. Accounting policies that require management's estimates and judgments are discussed below.

[i] Income taxes

The Company computes an income tax provision in each of the jurisdictions in which it operates. However, actual amounts of income tax expense only become final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the consolidated financial statements. Additionally, estimation of income taxes includes evaluating the recoverability of deferred tax assets against future taxable income based on an assessment of the ability to use the underlying future tax deductions before they expire. The assessment is based upon existing tax laws and estimates of future taxable income. To the extent estimates differ from the tax return, income would be affected in a subsequent year.

[ii] Share-based compensation

The Company uses estimates and judgments when determining the share-based compensation expense recorded on awards granted to employees and advisors during a reporting period. Measurement of the compensation expense is based on the estimated fair value of shares of a private company. The fair value estimate is derived primarily from a third-party valuation. These amounts are, by their nature, subject to measurement uncertainty.

[iii] Expected credit losses

The Company uses the ECL model to address credit risk associated with client margin and advisor loans. ECLs are estimated based on detailed review of client margin and advisor loans. A 12-month allowance for ECL is recognized at initial recognition, reflecting the portion of lifetime cash shortfalls that would result if a default occurs in the 12 months after the reporting date. A lifetime ECL allowance is recognized if a significant increase in credit risk is detected subsequent to initial recognition, reflecting a lifetime cash shortfalls that would result over the expected life of a financial asset.

[iv] Impairment of goodwill

When testing goodwill for impairment, the Company uses valuation models that consider such factors as projected earnings, enterprise value to assets under administration ["AUA"] and discount rates. The Company must apply judgment in the selection of the approach to determining fair value and any necessary assumptions. These judgments may affect the recoverable amount and any resulting impairment write-down.

[v] Provisions

Due to the nature of provisions, a considerable part of their determination is based on estimates and judgments, including assumptions concerning the future. The actual outcome of these uncertain factors may be materially different from the estimates, causing differences with the estimated provisions.

3. Changes in accounting policies

New standards adopted by the Company

IFRS 9, *Financial Instruments*

[In thousands of Canadian dollars, unless otherwise noted]

Effective January 1, 2018, the Company retrospectively adopted IFRS 9, Financial Instruments [“IFRS 9”] replacing IAS 39, Financial Instruments [“IAS 39”]. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of its financial assets. IFRS 9 also includes an expected loss impairment model that requires reporting of 12-month ECL from the date financial instruments are first recognized and reporting of full lifetime expected credit losses upon a significant increase in credit risk. The classification of all financial assets is consistent with previous classification under IAS 39 with the exception that assets previously classified as loans and receivables under IAS 39 are now classified as amortized cost under IFRS 9. Adoption of IFRS 9 did not have a significant impact or result in transitional adjustments on the Company’s consolidated financial statements

IFRS 15, *Revenue from Contracts with Customers*

Effective January 1, 2018, the Company retrospectively adopted IFRS 15, Revenue from Contracts with Customers [“IFRS 15”]. IFRS 15 replaces prior guidance, including IAS 18, *Revenue*. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new guidance includes a five-step recognition and measurement approach, requirements for accounting of contract costs, and enhanced quantitative and qualitative disclosure requirements. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Adoption of IFRS 15 did not have a significant impact or result in transitional adjustments on the Company’s consolidated financial statements.

New standards not yet adopted by the Company

IFRS 16, *Leases* [“IFRS 16”]

The Company will be required to adopt IFRS 16, which is the IASB’s replacement of IAS 17, *Leases*. IFRS 16 will require lessees to recognize a lease liability that reflects future lease payments and a “right-of-use-asset” for most lease contracts. IFRS 16 is required to be applied for fiscal years beginning on or after January 1, 2019, with early adoption permitted, but only in conjunction with the adoption of IFRS 15. The Company is in the process of assessing the impact of this standard on its consolidated financial statements.

4. Securities owned

Securities owned consist of the following as at December 31:

	2018	**2017**
	$	$
Trading assets		
Equity securities	**546**	1,581

During the year ended December 31, 2018, the Company recorded a realized gain on financial assets of nil [2017 - $133].

Notes to consolidated financial statements

[In thousands of Canadian dollars, unless otherwise noted]

December 31, 2018 and 2017

5. Other assets

Other assets consist of the following as at December 31:

	2018 $	2017 $
Accounts receivable and other	**4,336**	4,040
Prepaid expenses	**3,428**	3,337
	7,764	7,377

6. Deposit with carrying broker

Under the terms of the introducing/carrying broker agreement between the Company and GMP Securities L.P. ["GMP Securities"] dated November 12, 2009, the Company is required to maintain at least $500 in the form of short-term Canadian treasury bills [or other acceptable government issues]. As at December 31, 2018, the Company had $496 [2017 – $498] and $21 [2017 – $12] cash lodged with GMP Securities.

Notes to consolidated financial statements

[In thousands of Canadian dollars, unless otherwise noted]

December 31, 2018 and 2017

7. Equipment and leasehold improvements

Equipment and leasehold improvements consist of the following:

	Leasehold improvements $	Furniture and equipment $	Computer equipment $	Total $
Cost				
As at December 31, 2016	27,204	8,277	2,935	38,416
Additions	2,626	419	548	3,593
Disposals	(745)	(3,062)	(593)	(4,400)
As at December 31, 2017	**29,085**	**5,634**	**2,890**	**37,609**
Additions	385	163	1,376	1,924
Disposals	(1,608)	(861)	(903)	(3,372)
As at December 31, 2018	**27,862**	**4,936**	**3,363**	**36,161**
Depreciation and impairment				
As at December 31, 2016	14,814	5,371	1,601	21,786
Depreciation charge for the year	3,284	868	554	4,706
Disposals	(745)	(3,062)	(593)	(4,400)
As at December 31, 2017	**17,353**	**3,177**	**1,562**	**22,092**
Depreciation charge for the year	3,354	691	738	4,783
Disposals	(1,608)	(861)	(903)	(3,372)
As at December 31, 2018	**19,099**	**3,007**	**1,397**	**23,503**
Net book value				
As at December 31, 2017	11,732	2,457	1,328	15,517
As at December 31, 2018	**8,763**	**1,929**	**1,966**	**12,658**

8. Advisor loans receivable

For the year ended December 31, 2018, the Company recorded compensation expense of $10,401 [2017 – $11,452] and a corresponding reduction to loans outstanding pursuant to these programs.

All outstanding investment advisor loans are repayable immediately should an investment advisor leave the Company prior to the scheduled loan repayment date.

Investment advisor loans

RGMP adopted an investment advisor loan program effective November 12, 2009. Under the RGMP investment advisor loan plan, RGMP will advance interest-free funds to new investment advisors upon commencement of their employment. All common shares held by the investment advisor while the loan is outstanding are pledged to the Company as collateral against the loan. Upon the satisfaction of certain conditions over a pre-specified term of five to seven years, RGMP is obligated to pay cash bonuses to the investment advisors of an advance sufficient to repay 100% of the total loans. RGMP also adopted an investment advisor loan program effective November 1, 2013. Upon the satisfaction of certain conditions, the loan is forgiven over a pre-specified term of seven to ten years on each applicable anniversary date. The Company records a reduction in the loan as compensation expense over the term of such loan. As at December 31, 2018, the loans outstanding under these adopted programs were $23,597 [2017 – $35,112] and are included in advisor loans receivable. Investment advisor loans that are subject to offsetting cash bonuses or forgiveness as a form of compensation are not considered a financial asset for the purposes of IFRS 9 classification, measurement and disclosure purposes.

Transition agreement for retirees

RGMP has a program for interested advisors to help facilitate the transition of the clients' assets under administration upon retirement. RGMP has agreed to provide a loan to the successor investment advisors to assist in acquiring the book of business. The interest rates and terms vary with the individual circumstances. As at December 31, 2018, the loans outstanding under this program were $3,546 [2017 – $819] and are included in advisor loans receivable.

Other investment advisor loans

Other investment advisor loans represent loans advanced to investment advisors by RPFL that are collateralized by the personal accounts of the investment advisors maintained at GMP Securities. The loans bear an interest rate of 3% and are repayable over the next four to seven years. As at December 31, 2018, the loans outstanding under this program were $797 [2017 – $1,190] and are included in advisor loans receivable.

For the year ended December 31, 2018, the Company recorded a reserve of $773 [2017 – $864] against advisor loans receivable for investment advisors who ceased to be employees and collectability was not probable.

Notes to consolidated financial statements

[In thousands of Canadian dollars, unless otherwise noted]

December 31, 2018 and 2017

9. Goodwill and other intangible assets

	Goodwill $	Application software $	Total $
Cost			
As at December 31, 2017	145,019	1,303	146,322
Additions	—	232	232
Disposals	—	(489)	(489)
As at December 31, 2018	**145,019**	**1,046**	**146,065**
Depreciation and impairment			
As at December 31, 2017	—	646	646
Depreciation charge for the year	—	426	426
Disposals	—	(489)	(489)
As at December 31, 2018	**—**	**583**	**583**
Net book value			
As at December 31, 2017	145,019	657	145,676
As at December 31, 2018	**145,019**	**463**	**145,482**

The Company, on a consolidated basis, represents a single cash-generating unit. Goodwill, which stems from both the 2009 acquisition of RPFL and the 2013 acquisition of MPW, has been allocated to the assets and liabilities of the Company for impairment testing purposes.

Goodwill is assessed for impairment annually or more frequently if events or circumstances suggest that there may be impairment. A write-down is recognized if the recoverable amount of the cash-generating unit, determined as the greater of the estimated fair value less costs to sell or value in use, is less than the carrying value. Any impairment of goodwill is expensed in the year during which the impairment is identified. Impairment losses relating to goodwill are not reversed if there is a subsequent recovery in value of the cash-generating unit. At December 31, 2018, no indicators of impairment existed as the recoverable amount was determined to be higher than the carrying amount.

The recoverable amount of the Company was determined based on fair value less costs to sell using AUA as a maintainable metric multiplied by a market multiple to determine enterprise value. Enterprise value is determined using estimated future cash flows based on the Company's internal forecasts which are discounted using an appropriate pre-tax discount rate. The market multiples are selected in consideration of the comparable public company trading multiples and the precedent transactions multiples.

The recoverable amount of the Company was determined based on fair value less costs to sell using AUA as a maintainable metric multiplied by a market multiple to determine enterprise value.

Application software is being amortized on a straight-line basis.

[In thousands of Canadian dollars, unless otherwise noted]

10. Other liabilities

Deferred lease inducements

Pursuant to the respective operating lease agreements for the Toronto, Calgary, Montreal, Edmonton, Halifax and Saskatoon offices, the Company received cash lease inducements upon satisfaction of certain conditions related to the leasehold improvements.

These lease inducements are recorded as a deferred amount on the consolidated statements of financial position when the cash is received, and the liability is reduced on a straight-line basis over the term of the related lease as a reduction to rent expense. The balance of the lease inducements as at December 31, 2018 was $1,772 [2017 – $2,226] and is recorded in other liabilities.

Deferred management fees

Deferred management fees represent management fees that are received on a semi-annual basis in advance of the Company providing management services. Management fees are recognized in income over the period the services are rendered. As at December 31, 2018, the deferred management fees were $80 [2017 – $226] and are recorded in other liabilities.

11. Provisions

	2018 $	2017 $
Balance, beginning of year	8,786	9,901
Additions	3,950	2,824
Unused amounts reversed	(249)	(151)
Amounts used	(1,505)	(3,788)
Balance, end of year	10,982	8,786

Legal provisions

The Company is a party to a number of claims, proceedings and investigations, including legal and regulatory matters, in the ordinary course of its business. Legal provisions that are not assumed as part of the business acquisition are recorded by the Company when it is probable that the Company will incur a loss and the amount of the loss can be reasonably estimated. Legal provisions that are assumed as part of a business acquisition are recorded by the Company at fair value if there is a present obligation for a past event that can be reliably measured even if it is not probable that the Company will incur a loss. While there is inherent difficulty in predicting the outcome of such matters, based on its current knowledge, the Company does not expect that the outcome of any of these matters, individually or in aggregate, would have a material adverse effect on its consolidated financial position or results of operations. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognized as a finance cost.

[In thousands of Canadian dollars, unless otherwise noted]

12. Related party balances and transactions

Consolidated subsidiaries

These consolidated financial statements include the following subsidiaries, all of which are 100% owned and were incorporated in Canada:

- Richardson GMP Insurance Limited
- RPFHL G.P. No. 1 Limited
- RPFHL G.P. No. 2 Limited
- RPFHL G.P. No. 3 Limited
- RPFHL Real Estate Holding G.P. Limited
- Richardson GMP (USA) Limited
- Richardson GMP Private Family Office

Key management personnel

Key management personnel comprise the Board of Directors and officers on the executive committee of RGMP who have authority and responsibility for planning, directing and controlling the activities of RGMP.

Key management personnel compensation for services rendered for the year ended December 31 is as follows:

	2018 $	2017 $
Fixed and variable salaries, share-based compensation plus director fees	**5,970**	5,661

Related party balances

The following balances reflect outstanding transactions with related parties:

	2018 $	2017 $
Advisor loans receivable	**27,167**	36,257
Due from carrying broker	**11,051**	13,473
Deposit with carrying broker	**517**	510

Advisor loans receivable are loans advanced to the Company's investment advisors. Terms of these loans are discussed in note 8.

[In thousands of Canadian dollars, unless otherwise noted]

Due from carrying broker represents a receivable from GMP Securities, the Company's carrying broker, which relates to the Company's revenue earned from its client accounts, net of expenses in accordance with a general services agreement. This balance is due on demand and is non-interest bearing. Expenses incurred under the general services agreement that relate to trade execution, technology and administrative services were $11,992 [2017 – $10,234] and are included in selling, general and administrative expenses on the consolidated statements of income and comprehensive income.

As required under the terms of the introducing/carrying broker arrangement, the Company maintains a deposit with GMP Securities of $517 [2017 – $510]. Refer to note 6 for additional details regarding this deposit.

The Company also has sub-lease arrangements with GMP Securities, which the Company has arranged to pay directly at rental rates and terms consistent with the head lease. Refer to note 15 for further details regarding these commitments.

Private funds

The Company is the manager of certain limited partnerships that offer retail clients access to alternative investment strategies such as private equity or real estate [the "Richardson Funds"]. The Company, through its ownership of the private equity subsidiaries, is the general partner of the Richardson Funds. The Richardson Funds have an aggregate total asset value of $30,646 [2017 – $61,473] as at September 30, 2018.

The Company signed an administrative service agreement with each of the Richardson Funds. As the administrator, the Company will receive a standard fee of 20% of the total commitments. For the year ended December 31, 2018, the Company recognized $432 [2017 – $505] in revenue.

13. Subordinated loans

	2018	**2017**
	$	$
Bank of China	**26,625**	30,000
Canadian Imperial Bank of Commerce	**26,625**	30,000
Canadian Western Bank	**17,750**	20,000
	71,000	80,000

On November 7, 2017, the Company entered into an agreement with Canadian Imperial Bank of Commerce ["CIBC"], Bank of China and Canadian Western Bank to refinance the existing subordinated loans with National Bank of Canada and CIBC in the amount of $80,000. During the year, the Company repaid $9,000 [2017 – nil] of the refinanced amount.

The subordinated loans each bear interest at the prime rate plus 2.5%. All three loans are unsecured and repayable on demand subject to the prior approval of the IIROC.

The subordinated loans have financial tests and other covenants with which the Company must comply. As at December 31, 2018, the Company was in compliance with all financial covenants associated with all three subordinated loans.

14. Share capital

	2018		2017	
	Shares # [000s]	**Amount** $	**Shares** # [000s]	**Amount** $
Common shares				
Class A common shares	**22,049**	**23,242**	22,049	23,241
Class B common shares	**22,049**	**39,239**	22,049	39,239
Class C common shares	**9,665**	**13,015**	9,986	13,413
Class D common shares	**4,657**	**4,590**	4,995	4,906
Class E common shares	**19,088**	**41,482**	18,250	39,501
Class F common shares	**6,480**	**10,584**	7,129	11,293
	83,988	**132,152**	84,458	131,593
Preference shares				
Class B preference shares	**61**	**60,844**	61	60,844
Special preference shares	**683**	**683**	693	693
	744	**61,527**	754	61,537
Total share capital	**84,732**	**193,679**	85,212	193,130

Notes to consolidated financial statements

[In thousands of Canadian dollars, unless otherwise noted]

December 31, 2018 and 2017

During the year ended December 31, 2018, there were no Class A or Class B common shares issued or redeemed. The following table details the Class C, D, E and F shares issued and redeemed during the year.

	Class C		Class D		Class E		Class F	
	Shares # [000s]	Amount $	Shares # [000s]	Amount $	Shares # [000s]	Amount $	Shares # [000s]	Amount $
December 31, 2016	10,231	13,740	5,555	5,461	17,837	39,167	7,301	11,107
Issued – Other	—	—	—	—	722	997	336	675
Redemptions	(245)	(327)	(560)	(555)	(309)	(663)	(508)	(489)
December 31, 2017	**9,986**	**13,413**	**4,995**	**4,906**	**18,250**	**39,501**	**7,129**	**11,293**
Issued – Other	—	—	**3**	**10**	**1,021**	**2,441**	**(11)**	**138**
Redemptions	**(321)**	**(398)**	**(341)**	**(326)**	**(183)**	**(460)**	**(638)**	**(847)**
December 31, 2018	**9,665**	**13,015**	**4,657**	**4,590**	**19,088**	**41,482**	**6,480**	**10,584**

Authorized share capital

RGMP is authorized to issue an unlimited number of Class A, B, C, D, E and F common shares, an unlimited number of Class A and Class B preference shares, and an unlimited number of special preference shares.

Common shares

The Class A and Class B common shares are held by holding companies owned by JRSL and GMP, respectively. The Class A and Class B common shares have ten votes for each Class A and Class B common shares held and are entitled to receive dividends, when declared. The Class C and Class D common shares are held by investment advisors and management from the predecessor firms of RPFL and GMP PC, respectively. The Class C and Class D common shares have one vote for each Class C and Class D common share held and are entitled to receive dividends, when declared. The Class E and Class F common shares are entitled to one vote for each Class E and Class F common share held and are entitled to receive dividends, when declared. No dividends shall be declared and paid on the Class F common shares unless a per share dividend that is twice the amount per share of such dividend has been declared and paid on the Class C, D and E common shares.

Preference shares and special preference shares

The Class B preference shares are non-voting, entitled to receive preferential, cumulative cash dividends at an annual rate of prime plus 4%, when declared, and are redeemable at the option of the Company at par, plus any accrued but unpaid dividends. The special preference shares are non-voting, are not entitled to receive dividends and are mandatorily redeemable by the Company from time to time. Partial redemption will result from the proceeds received from the exercise of Class D options of the Company.

Notes to consolidated financial statements

[In thousands of Canadian dollars, unless otherwise noted]

December 31, 2018 and 2017

Share-based compensation

[i] Deferred share-based awards

In 2016, RGMP offered a deferred incentive plan for investment advisors and employees in the form of restricted share units [“RSUs”]. The shares are subject to restrictions with vesting to occur at the end of a three-year vesting period. The value of these share units is adjusted to reflect reinvested dividends. The compensation expense relating to the RSUs recorded during the year was $2,389 [2017 – $1,482].

	RSUs # [000’s]
Balance, December 31, 2017	1,267
Granted	1,041
Vested	(5)
Forfeited	(78)
Balance, December 31, 2018	2,225

[ii] Performance incentive program

The Performance Incentive Program [“PIP”] awards advisors with shares once certain performance targets are met during the year. Once awarded, these shares are vested over three years. During the year ended December 31, 2018, the Company issued 586 [2017 – 565] Class E common shares with a grant date fair value of $3.30. Total compensation expense recognized during the year was $484 [2017 – $466] and all shares related to PIP are unvested as at December 31, 2018.

[iii] Performance share awards

During the year ended December 31, 2018, the Company issued 61 [2017 – 102] Class F common shares under the performance share awards plan with an average grant date fair value of $2.46. Also during the year, 60 Class F common shares [2017 – 25] with an average fair value of $2.60 were forfeited as a result of an unmet vesting conditions. Total compensation expense, net of reversals relating to forfeitures, recognized during the year ended December 31, 2018 was ($25) [2017 – $319].

Notes to consolidated financial statements

[In thousands of Canadian dollars, unless otherwise noted]

December 31, 2018 and 2017

Dividends and Distribution of Capital

Common share dividend

The Company declared the following common share dividends for the year ended December 31, 2018:

Record date	Payment date	Cash dividend per common share	Total dividend amount
March 7, 2018	March 31, 2018	$0.125	$9,817
May 16, 2018	May 31, 2018	$0.025	$1,102
August 21, 2018	August 31, 2018	$0.025	$1,102
November 22, 2018	November 30, 2018	$0.025	$1,102

Common share distributions of capital

Record date	Payment date	Cash dividend per common share	Total dividend amount
May 16, 2018	May 31, 2018	$0.025	$858
August 21, 2018	August 31, 2018	$0.025	$852
November 22, 2018	November 30, 2018	$0.025	$837

Preferred share dividends

The Company declared the following preferred share dividends for the year ended December 31, 2018:

Record date	Payment date	Cash dividends per preferred share	Total dividend amount
March 2, 2018	March 31, 2018	$18.148	$1,104
May 3, 2018	May 31, 2018	$18.253	$1,111
August 1, 2018	August 31, 2018	$18.574	$1,130
November 1, 2018	November 30, 2018	$19.333	$1,176

[In thousands of Canadian dollars, unless otherwise noted]

15. Commitments

Operating leases

The Company has entered into lease agreements, either directly or through sub-leases with GMP Securities, for premises and equipment for periods up to December 31, 2023. Aggregate future minimum annual lease payments for the fiscal years ending December 31 are as follows:

	$
2019	10,129
2020	9,062
2021	8,879
2022	6,798
2023	2,756
Thereafter	6,664
	44,288

The Company is also responsible for its share of operating costs and realty taxes related to these leases.

This operating lease arrangement includes $2,015 [2017 – $3,775] in total commitments that relate to sub-leases with third parties.

16. Financial guarantees

In accordance with its carrying broker agreements with GMP Securities, the Company indemnifies its carrying broker from any loss, liability, damages, costs or expenses that the carrying brokers may incur by reason of the failure of the Company or any of the Company's clients to make any payment of money or delivery of securities to the carrying brokers as and when required.

Under the regulations of the IIROC, the Company signed a Uniform Guarantee Agreement, whereby the Company and GMP Securities guarantee the payment and discharge of all indebtedness, obligations and liabilities to their customers in connection with their respective securities business. The guarantee is limited to the risk-adjusted capital, as prescribed by the IIROC, maintained by the Company.

17. Financial risk management

[a] Fair value estimation

IFRS require disclosure of a three-level hierarchy for fair value measurement based upon transparency of inputs to the valuation of an asset or liability as of the measurement date.

Level 1 includes financial instruments that have quoted prices [unadjusted] in active markets for identical assets or liabilities and generally includes debt and equity securities that are traded in an active exchange.

[In thousands of Canadian dollars, unless otherwise noted]

Level 2 includes financial instruments where fair value is based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 includes financial instruments where fair value is not based on observable market data.

The following tables present the level within the fair value hierarchy for each of the financial assets measured at fair value:

	2018			
	Level 1 $	Level 2 $	Level 3 $	Total fair value $
Cash on deposit	**61,694**	—	—	**61,694**
Securities owned	—	**1,042**	—	**1,042**
Deposit with carrying broker	—	**11,051**	—	**11,051**
	61,694	**12,093**	—	**73,787**

	2017			
	Level 1 $	Level 2 $	Level 3 $	Total fair value $
Cash on deposit	54,845	—	—	54,845
Securities owned	—	2,079	—	2,079
Deposit with carrying broker	—	13,473	—	13,473
	54,845	15,552	—	70,397

[b] Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company segregates market risk into two categories: fair value risk, and interest rate risk.

[i] Fair value risk

Fair value risk is the potential for loss from an adverse movement in the value of a financial instrument. The Company incurs fair value risk through its trading position.

Fair value sensitivity analysis

A 10% increase or decrease in the underlying market price of the Company's securities owned, as at December 31, 2018, would have increased or decreased net income by $105 [2017 – $208].

[ii] Interest rate risk

Interest rate risk relates to the risk that the fair value or future cash flows associated with a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk on cash, client cash balances, Government of Canada treasury bill deposits with the carrying broker, certain advisor loans and subordinated loans.

[In thousands of Canadian dollars, unless otherwise noted]

Interest rate sensitivity analysis

The table below provides the potential impact of an immediate and sustained 100 basis point ["bp"] increase or 25 bp decrease in interest rates on net income for an annualized period applied to the balances outstanding as at December 31. This analysis assumes that all other variables remain constant.

	2018			2017		
	Carrying value	Effect of a 100 bp increase in market interest rates on net income	Effect of a 25 bp decrease in market interest rates on net income	Carrying value	Effect of a 100 bp increase in market interest rates on net income	Effect of a 25 bp decrease in market interest rates on net income
	$	$	$	$	$	$
Cash	**61,694**	**617**	**(154)**	54,845	548	(137)
Deposits with carrying brokers	**496**	**5**	**(1)**	498	5	(1)
Certain loans receivable	**1,456**	**15**	**(4)**	1,927	19	(5)
Subordinated loans	**71,000**	**(710)**	**178**	80,000	(800)	200

[c] Credit risk

Credit risk is the risk of loss associated with the inability of a third party to fulfil its payment obligations. The Company is exposed to the risk that third parties that owe it money or other assets will not perform their obligations. The Company's maximum exposure to credit risk as at December 31, 2018 is represented by the carrying value of the financial assets on the Company's consolidated statements of financial position and the value of its client receivables recorded on its carrying brokers' balance sheets.

As at December 31, 2018, the Company's total provision for doubtful accounts relating to advisor loans receivable was $773 [2017 – $864].

[d] Liquidity risk

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they become due. Management oversees the Company's liquidity risk management to ensure the Company has access to sufficient funds to cover its financial obligations as they come due and the ability to sustain and grow its assets and operations both under normal and stressed conditions.

[In thousands of Canadian dollars, unless otherwise noted]

	2018 $	2017 $	
Financial liability			
Accounts payable and accrued expenses	**35,877**	36,375	Due within one year
Other current liabilities	**1,852**	2,514	Due within one year
Subordinated loans	**71,000**	80,000	2019 - 2021

[e] Capital management

The Company requires capital to fund existing and future operations, future dividends and regulatory capital requirements. Liquidity of the Company is continually evaluated, factoring in business requirements, market conditions and regulatory capital requirements. The Company's policy is to maintain sufficient and appropriate levels of capital through a variety of sources.

The Company's capital structure consists of common shares, preference shares, subordinated loans, contributed surplus, reserves, net of accumulated retained earnings (deficit). The following table summarizes the Company's capital:

	2018 $	2017 $
Type of capital		
Common shares	**132,152**	131,593
Preference shares	**61,527**	61,537
Subordinated loans	**71,000**	80,000
Contributed surplus	**2,958**	3,847
Retained earnings (deficit)	**(15,015)**	(8,476)
	252,622	268,501

The Company is subject to regulatory capital requirements designed to provide notice to the regulatory authorities of possible liquidity concerns. The Company is required to maintain a minimum amount of risk-adjusted capital calculated in accordance with the rules of the IIROC at all times. Regulatory capital requirements fluctuate daily. Compliance with these requirements may require the Company to keep sufficient cash and other liquid assets on hand to maintain regulatory capital requirements rather than using these liquid assets in connection with its business or paying them out in the form of a cash dividend. Throughout the year ended December 31, 2018, the Company was in compliance with its regulatory capital requirements.

Notes to consolidated financial statements

[In thousands of Canadian dollars, unless otherwise noted]

December 31, 2018 and 2017

18. Income taxes

The components of income tax expense for 2018 and 2017 are as follows:

	2018	**2017**
	$	$
Current tax expense		
Current year	**99**	68
Total current tax expense	**99**	68
Deferred tax benefit		
Origination and reversal of temporary differences	**6,360**	6,313
Total deferred tax expense	**6,459**	6,381

The differences between the income tax expense, which is not reflected in the consolidated statements of income and comprehensive income and the amounts calculated at the combined Canadian federal and provincial statutory tax rates for the year ended December 31, are as follows:

	2018	**2017**
	$	$
Income taxes at the combined Canadian federal and provincial tax rate	**5,387**	5,745
Increases (decreases) due to:		
Non-deductible expenses	**103**	68
Stock option expenses	**674**	603
Impact of change in tax rates	**(39)**	(179)
Deferred tax asset not recognized	**432**	322
Other	**(98)**	(178)
Income tax expense	**6,459**	6,381

[In thousands of Canadian dollars, unless otherwise noted]

The major components of the Company's deferred tax assets and liabilities before offsetting for the year ended December 31, are as follows:

	2018 $	2017 $
Deferred tax assets		
Deductible temporary differences		
Non-capital losses	**30,367**	35,931
Equipment and leasehold improvements	**2,120**	2,773
Financial statement reserves	**147**	180
Financing costs	**389**	444
Deferred compensation arrangements	**977**	911
Leasehold inducements	**475**	596
Net deferred tax assets	**34,475**	40,835

The utilization of the deferred tax asset which is supported by management forecasts is dependent upon future taxable income in excess of the profits arising on the reversal of existing taxable temporary differences.

The unrecognized non-capital losses, as at December 31, 2018 and 2017, of $3,118 and $1,505 respectively expire in various years beginning in 2026.

19. Net change in non-cash working capital balances related to operations

The net change in non-cash working capital balances related to operations consists of the following:

	2018 $	2017 $
Securities owned	**1,035**	(1,279)
Due from clients	**117**	5,053
Due from carrying broker	**2,422**	(321)
Other assets	**(387)**	2,494
Deposits with carrying brokers	**2**	1
Advisor loans receivable	**(1,311)**	3,787
Accounts payable and accrued liabilities	**(498)**	(997)
Provisions	**2,196**	(1,228)
Due to affiliates	**—**	(84)
Other liabilities	**(662)**	(3,288)
	2,914	4,138

20. Comparative figures

Certain comparative figures have been reclassified from the financial statements previously presented to conform to current year's presentation.

SCHEDULE I
MANAGEMENT'S DISCUSSION AND ANALYSIS OF RICHARDSON GMP

See attached.

* * * * *

RICHARDSON GMP

MANAGEMENT'S DISCUSSION & ANALYSIS

For the Three and Six Months Ended June 30, 2020

ABOUT THIS MANAGEMENT’S DISCUSSION AND ANALYSIS

Management's discussion and analysis (“MD&A”) is provided to enable readers to assess the financial condition and results of operations and cash flows of Richardson GMP Limited (“Richardson GMP” or the “Company”) as at and for the three and six months ended June 30, 2020.

This MD&A has been prepared with an effective date of September 2, 2020 and should be read in conjunction with the unaudited interim condensed consolidated financial statements and related notes of Richardson GMP for the three and six months ended June 30, 2020 (“Second Quarter 2020 Financial Statements”) and Richardson GMP’s audited consolidated financial statements and related notes as at and for the year ended December 31, 2019 (“2019 Annual Financial Statements”). Certain comparative amounts have been reclassified to conform to the current year's presentation.

All references to we, our, us refer to Richardson GMP, together with its consolidated operations controlled by it.

Certain numbers contained in this MD&A are subject to rounding.

FORWARD-LOOKING INFORMATION

This MD&A contains “forward-looking information” as defined under applicable Canadian securities laws. This information includes, but is not limited to, statements made in “Business Environment - 2020 Highlights - Outlook” and “Liquidity and Capital Resources” and other statements concerning our objectives, our strategies to achieve those objectives as well as statements with respect to management’s beliefs, plans, estimates, projections, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking information generally can be identified by the use of forward-looking terminology such as “outlook”, “objective”, “may”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “should”, “plans”, “continue”, or similar expressions suggesting future outcomes or events. Such forward-looking information reflects management’s current beliefs and is based on information currently available to management.

Forward-looking information is not a guarantee of future performance and is subject to numerous risks and uncertainties, including those described in this MD&A. Richardson GMP's primary business activities are both competitive and subject to various risks. These risks include market, credit, liquidity, operational, legal and regulatory risks, reputational and other risk factors including, without limitation: variation in the market value of securities, Richardson GMP’s ability to recruit/retain investment advisors, an ability to grow assets under administration, Richardson GMP’s ability to execute and integrate acquired businesses, industry competition, volatility and liquidity in financial markets, dependence on key personnel, Richardson GMP’s ability to manage risks, legislative and regulatory events in Canada, and sustainability of fees. Other factors, such as general economic conditions, including interest rate and exchange rate fluctuations, and changes in tax laws may also have an effect on Richardson GMP’s results of operations. Many of these risks and uncertainties can affect Richardson GMP's actual results and could cause its actual results to differ materially from those expressed or implied in any forward-looking information disclosed by management or on its behalf. For a description of additional risks that could cause our actual results to materially differ from our current expectations, see “Risk Management” and "Risk Factors" in this MD&A. These risks and uncertainties are not the only ones facing Richardson GMP. Additional risks and uncertainties not currently known to us or that we currently consider immaterial, may also impair the operations of Richardson GMP. Although forward-looking information contained in this MD&A is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with this forward-looking information. Certain statements included in this MD&A may be considered a “financial outlook” for purposes of applicable Canadian securities laws and, as such, the financial outlook may not be appropriate for purposes other than this MD&A. The forward-looking information contained in this MD&A is made as of the date of this MD&A, and should not be relied upon as representing Richardson GMP’s views as of any date subsequent to the date of this MD&A.

Except as required by applicable law, management and the Richardson GMP Board of Directors undertake no obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

ABOUT RICHARDSON GMP

Richardson GMP was formed in 2009 through the merger of Richardson Partners Financial Ltd. (“RPFL”) and GMP Private Client L.P. In 2013, Richardson GMP acquired and amalgamated Macquarie Private Wealth Inc. (“MPW”). Richardson GMP was recognized as one of Canada's Best Workplaces ™ and awarded top ranking in the latest *Investment Executive* Annual Brokerage Report Card for products and services dedicated to high net worth investors.

As at June 30, 2020, Richardson GMP was owned by three groups in roughly equal proportions: GMP Capital Inc. (“GMP”); Richardson Financial Group Limited (“RFGL”); and Investment Advisors, Management and Current and Former Employees.

In addition to the common shares, GMP and RFGL own \$31.1 million and \$30.4 million preference shares of Richardson GMP, respectively.

The ownership interests of Richardson GMP’s shareholders are governed by Richardson GMP’s Shareholders Agreement dated November 12, 2009, as amended. This agreement, amongst other things, provides a specific framework for the purchase, sale, transfer or issuance of shares by Richardson GMP including the transaction announced jointly by GMP, RFGL and the two investment advisor representatives on Richardson GMP’s board on August 13, 2020 (the “RGMP Transaction”).

Richardson GMP is recognized as one of Canada's leading independent wealth management firms providing exclusive and innovative investment solutions, including investment advisory, tax and estate planning, charitable giving, risk management, and the intergenerational transfer of wealth for high net worth businesses and families. Business transition counsel and intergenerational transfer of wealth are an important part of the value proposition that it offers clients. Through a network of 165 advisory teams, Richardson GMP administers approximately \$28.3 billion (as at June 30, 2020) in client assets through offices in 19 markets across Canada. Richardson GMP advisors are concentrated in the high net worth wealth management markets. All Richardson GMP advisors share the firm’s passion for professionalism, entrepreneurial spirit, independent culture and philosophy to deliver unbiased – and unparalleled – face-to-face advice to Canadians opting for non-bank points of success for wealth management solutions.

Richardson GMP earns its revenue primarily from fee-based products and services, traditional commission-based brokerage services, client-related interest, and insurance-related products. The table below highlights Richardson GMP’s key revenue streams.

Revenue Streams	Description
Investment Management and Fees	Fees earned from the provision of investment management services
Commissions	Commissions earned on trading volume and by the retail distribution network from capital markets issuances
Interest	Spread earned on client loans and client cash balances
Other	Provision of insurance products, foreign exchange services and other miscellaneous

Investment management and fees is the largest and most consistent and predictable revenue stream, representing approximately 77% of Richardson GMP’s first half 2020 revenue. Portfolio Management Accounts and Separately Managed Accounts represent a combined majority of investment management and fees revenue and are driven by the value of AUA balances.

The following table provides a brief description of the three main types of accounts and the activities involved in serving each.

Type of Account	Description
Portfolio Management Accounts	Provides the advisor with the discretionary authority to make investment decisions on behalf of the clients
Asset Management Accounts	Provides the client with flexibility on number of transactions for a fixed fee
Separately Managed Accounts	Investment professional for third party managers to separately manage client accounts

Commission revenue is largely driven by client trading volumes and the level of capital markets issuances. Gross commissions on new issuances are typically split between the underwriter and the retail distribution network.

Richardson GMP intends to grow prudently and aggressively through the selective recruitment of investment advisors whose practices are predominantly fee-based, and who share Richardson GMP's philosophy to deliver holistic wealth management solutions across the entire household balance sheet, fit in its culture and want to partner with the Richardson family brand.

Recruitment will be primarily focused on cities where Richardson GMP has excess capacity in its real estate footprint. This and the existing back office support services infrastructure and scale allows the company to absorb considerable asset growth with minimal incremental fixed costs. As a result, a greater percentage of the revenue increase generated from those assets will flow directly to EBITDA, adding considerable enterprise value.

Key elements of Richardson GMP's strategy going forward also includes investing in our very talented investment advisors, acquisition of like-minded IIROC-member wealth management businesses, acquisition of complementary asset management and insurance capabilities, enhancing operating margins, and offering greater choice of third party product and services.

Richardson GMP will pursue all of these opportunities by:

1. Building product and service capabilities organically;

2. Pursuing strategic acquisitions prudently; and/or

3. Partnering with proven third party operators to explore providing co-branded Richardson GMP financial products and services, including banking solutions.

Going forward, potential acquisitions will be completed predominantly on a share exchange basis to ensure that target firms share Richardson GMP's long-term goals.

Assuming Common Shareholder approval of the RGMP Transaction Resolution and completion of the RGMP Transaction, the Company hopes to use the resources and strengths of the combined firms to:

- invest in Richardson GMP's highly talented investment advisors and platform to better serve advisors and their clients;
- aggressively recruit top advisors;
- explore acquisition of like-minded IIROC-member wealth management businesses;
- add complementary asset management and insurance capabilities through acquisition or alliances;
- enhance operating margins;
- realize operating synergies with our carrying broker platform;
- offer greater choice of third-party products and services, including co-branded solutions across the household balance sheet; and

- broaden the Company's shareholder base to include new small to midcap investors looking for opportunities in the growing wealth management market in Canada.

Following the closing of the RGMP Transaction, Richardson GMP will change its in name in the anglophone and francophone markets as follows:

The following sections highlight Richardson GMP's financial results, on a continuing basis, for the three and six months ended June 30, 2020 and 2019. These financial results reflect the manner in which financial information is evaluated by management.

PRESENTATION OF FINANCIAL INFORMATION AND NON-GAAP MEASURES

Presentation of Financial Information

Unless otherwise specified herein, financial results, including related historical comparatives, contained in this MD&A, are based on our Second Quarter 2020 Financial Statements, which have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). The Canadian dollar is our functional and reporting currency for purposes of preparing Richardson GMP's consolidated financial statements and accordingly, all dollar references in this MD&A are in Canadian dollars, unless otherwise specified herein.

Non-GAAP Measures

We use certain measures to assess our financial performance that are not generally accepted accounting principles (GAAP) measures under IFRS. These measures do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers. Non-GAAP measures should not be considered as alternatives to net income or comparable metrics determined in accordance with IFRS as indicators of GMP's performance, liquidity, cash flows, and profitability.

Assets under administration ("AUA") is a non-GAAP financial measure of client assets that are common to the wealth management business. AUA represents 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. The Company's method of calculating may differ from the methods used by other companies and therefore may not be comparable to other companies. Management uses these measures to assess Richardson GMP's operational performance.

Adjusted Measures

Financial statement items that exclude significant items are non-GAAP measures under IFRS. Management believes adjusting certain results and measures by excluding the impact of specified items may be more reflective of ongoing operating results and provides readers with an enhanced understanding of how management views Richardson GMP's core performance. Management assesses performance on both a reported and an adjusted basis and considers both bases to be useful in assessing underlying, ongoing business performance. Presenting results on both bases also permits readers to assess the impact of the specified items on the results for the periods presented.

Richardson GMP presents earnings before interest, income tax, depreciation and amortization ("EBITDA") which excludes:

- Interest expense recorded primarily in connection with subordinated loan financing arrangements.

- Income tax expense (benefit) recorded.

- Depreciation and amortization expense recorded primarily in connection with equipment and leasehold improvements.

- Depreciation and amortization expense and interest expense primarily in connection with leases.

- Transition assistance loan amortization in connection with investment advisor loan programs. Richardson GMP views these loans as an effective recruiting and retention tool, the cost of which is assessed by management upfront when the loan is provided rather than over its term.

Richardson GMP also presents an adjusted EBITDA which excludes the following ("adjusted EBITDA"):

- Share-based compensation costs recorded in connection with awards granted to employees and investment advisors of Richardson GMP.

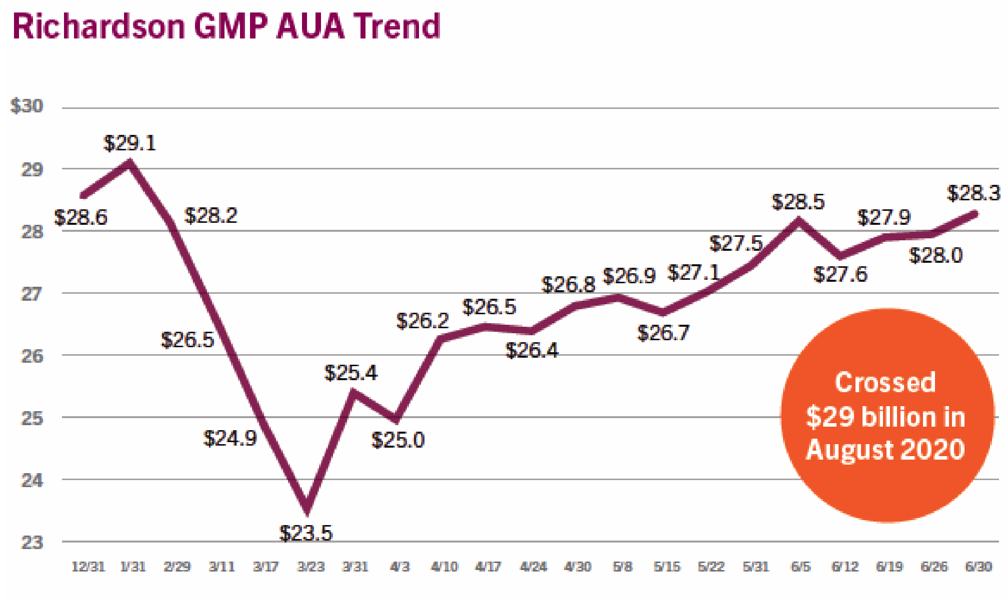
EBITDA and adjusted EBITDA do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers. These Non-GAAP measures should not be considered as alternatives to net income or comparable metrics determined in accordance with IFRS as indicators of Richardson GMP's performance, liquidity, cash flows, and profitability. Richardson GMP's management believes adjusting results by excluding the impact of the specified items is more reflective of ongoing financial performance and cash generating capabilities and provides readers with an enhanced understanding of how management views Richardson GMP's core performance.

BUSINESS ENVIRONMENT – 2020 HIGHLIGHTS - OUTLOOK

COVID-19

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, may cause material disruption to businesses globally resulting in an economic slowdown and heightened global equity market volatility. Governments and central banks have responded with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and full impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries or business affiliates in future periods.

The second quarter 2020 results reflect the effects of a full quarter of COVID-19 outbreak induced volatility in equity markets and sharp economic contraction, and the effects of historically low rates on interest revenue, largely on client margin accounts. The prime rate decreased from 3.95% to 2.45% over this period. At Richardson GMP, assets under administration at the end of June were $28.3 billion, recovering most of the short-term losses from the sharp drop caused by the COVID-19 pandemic. This highlights the stability and resilience of their business driven by strong demand for face-to-face wealth management advice and a long-term investment strategy.



Strategic Alliance with Cormark Securities Inc.

In June 2020, Richardson GMP announced a strategic alliance with Cormark Securities Inc., one of Canada's premier independent investment dealers, that will result in Richardson GMP's advisors and their extensive high net worth clientele having preferred access to Cormark's industry-leading research and new investment issues and ideas; and Cormark's marquee issuer clients and institutional investors benefitting from close collaboration with Richardson GMP's growing network of professional, experienced and knowledgeable investment advisors who are amongst the best in the country.

Second Quarter and First Half 2020 Highlights

- Richardson GMP generated net income of $1.07 million in the six months of 2020 on total revenue of $131.8 million and net loss of $0.4 million in the second quarter of 2020 on total revenue of $61.7 million compared with net income of $5.7 million in the six months of 2019 on total revenue of $136.8 million and a net income of $1.6 million in the second quarter of 2019 on total revenue of $68.8 million.
- Richardson GMP ended the first half 2020 with $28.3 billion of assets under administration ("AUA") compared with $28.5 billion in the same period of 2019.
- As at June 30, 2020, Richardson GMP had 165 advisor teams; with an average AUA per team of approximately $170 million compared with 161 advisor teams as of June 30, 2019 with an average AUA per team of approximately $177 million.
- Richardson GMP was awarded top ranking in the latest *Investment Executive* Annual Brokerage Report Card for products and services dedicated to high net worth investors.

COMPETITIVE LANDSCAPE AND FINANCIAL HIGHLIGHTS

Richardson GMP has built a platform that supports its advisory teams with the opportunity to significantly scale their practices through technology tools, resources and policies that support growth. Richardson GMP provides clients with access to a comprehensive approach to managing their financial wealth from an overall household balance sheet perspective.

Competitive Landscape

Competition in the wealth management industry is based on a wide range of factors, including brand recognition, investment performance, the types of products offered, business reputation, financial strength, continuity of institutional, management and sales relationships, quality of service and face-to-face advice. Richardson GMP's competitors include mutual fund companies, private client investment managers, financial advisors, investment dealers, and the wealth management divisions of banks and insurance companies. The wealth management industry is highly correlated to equity market valuations, global economic conditions and investor demand for wealth management services and solutions.

There has been considerable consolidation among independent wealth managers in Canada. The decrease is driven largely by the need for scale in order to drive profitability, compete for talent and having the financial strength to absorb rising onerous regulatory costs. Competition among the firms with greater scale has also intensified over the past decade. Further industry consolidation is likely, whether by acquisition or aggressive recruitment of investment advisors. This will result in fewer, but larger and stronger industry players capturing growth in financial wealth.

Financial wealth has grown considerably in Canada over the last decade, in large part due to rising equity markets worldwide and a prolonged period of global economic growth. In particular, Canadian retail financial wealth is approximately $4.4 trillion in 2018, which is held across 16 million households. This industry wealth is expected to grow to $7.7 trillion by 2028 (Source: Investor Economics). Canada's financial wealth is largely concentrated in the hands of the five major Canadian banks; however, strong independents with scale play a pivotal role in the wealth management ecosystem, providing Canadians with choice and non-banks points of access in selecting the best holistic wealth management service provider to help them achieve their long-term financial goals. Richardson GMP is focused on providing a comprehensive suite of products and services across the entire household balance sheet and believes the opportunities to grow aggressively its business are compelling. In Canada, there are approximately 1.6 million households that have financial wealth in excess of $500,000/household (excluding real estate). These households account for $3.8 trillion or approximately 86% of total financial wealth in 2018. High net worth clients, Richardson GMP's chosen market and traditional area of strength, account for $3.3 trillion of total financial wealth. Richardson GMP believes that there is an immense opportunity for non-bank alternative wealth managers to provide holistic wealth solutions on a national scale, with Richardson GMP at the forefront.

There has been a demonstrable shift in advisor practices toward a greater proportionate share of fee-based accounts relative to traditional transaction/commission-based accounts. This trend is particularly notable in the high net worth markets. Revenue associated with fee-based assets has greater predictability and tends to be "stickier" in nature. Wealth managers with a concentration of fee-based assets, like Richardson GMP, are higher quality franchises and command greater enterprise valuations across the industry. Richardson GMP has one of the highest ratios of fee-based revenue as a percentage of total revenue in the industry at approximately 77% in the first half of 2020. The competition to recruit investment advisors with practices comprised largely of fee-based assets has intensified among both independents and bank-owned brokerages over the past decade.

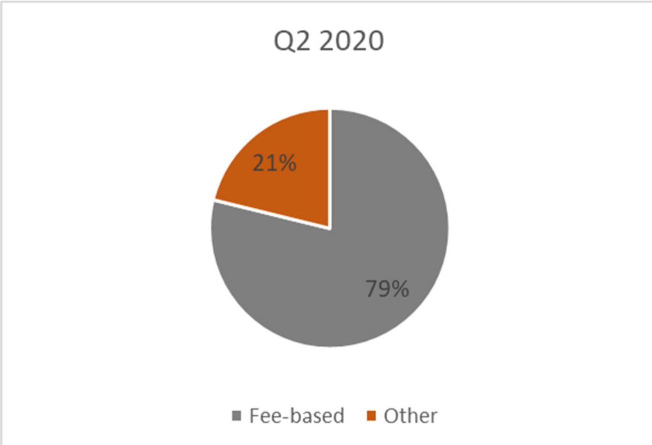
Financial Performance

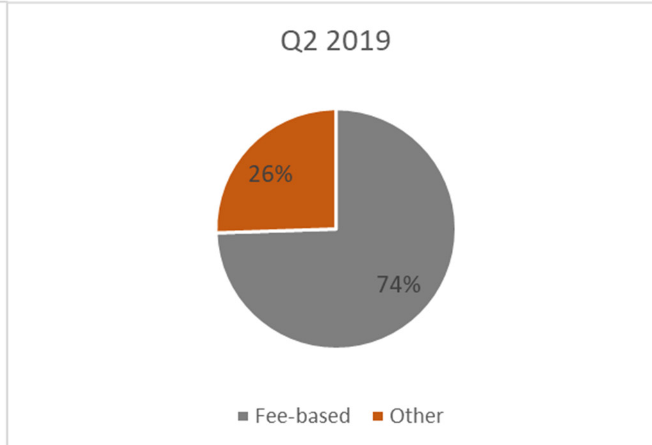
The following shows Richardson GMP's financial results for the periods presented:

	Three months ended June 30			Six months ended June 30		
('000, except as otherwise noted)	**2020**	2019	**% increase/ (decrease)** [2]	**2020**	2019	**% increase/ (decrease)** [2]
Revenue	61,680	68,798	(10)	131,832	136,783	(4)
Commissions	6,558	8,123	(19)	15,771	16,019	(2)
Investment management and fee income	48,618	51,244	(5)	101,919	99,381	3
Interest	2,741	6,377	(57)	8,583	13,594	(37)
Other	3,246	3,021	7	5,348	7,788	(31)
Unrealized gain/loss on trading securities	517	33	n.m.	211	1	n.m.
Expenses	61,661	66,069	(7)	129,262	128,201	1
Employee compensation and benefits	45,323	46,568	(3)	94,964	90,575	5
Non-compensation expenses	16,338	19,501	(16)	34,298	37,626	(9)
Income before income tax	19	2,729	(99)	2,570	8,582	(70)
Net (loss) income – reported	(387)	1,620	(124)	1,073	5,650	(81)
Pre-tax impact of adjusting items						
Interest	1,278	2,004	(36)	3,257	4,038	(19)
Income tax	406	1,109	(63)	1,497	2,932	(49)
Depreciation and amortization	2,922	3,282	(11)	6,238	6,503	(4)
Transition assistance loan amortization	2,614	1,933	35	4,984	3,984	25
EBITDA[1]	6,833	9,948	(31)	17,049	23,107	(26)
Share-based compensation	1,318	1,081	22	2,564	1,541	66
Adjusted EBITDA	8,151	11,029	(26)	19,613	24,648	(20)
Number of advisory teams	165	161	2			
AUA[1] at period end ($ millions)	28,266	28,514	(1)			

1. Considered to be a non-GAAP financial measure. This measure does not have any standardized meaning prescribed by GAAP under IFRS and is therefore unlikely to be comparable to similar measures presented by other issuers.
2. n.m. = not meaningful

Second Quarter 2020 vs Second Quarter 2019



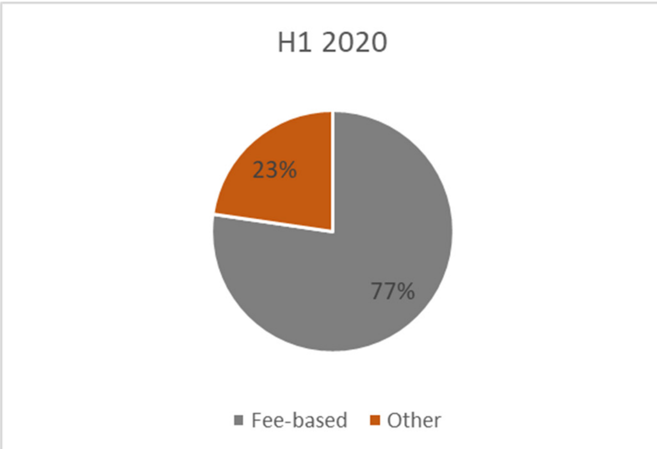


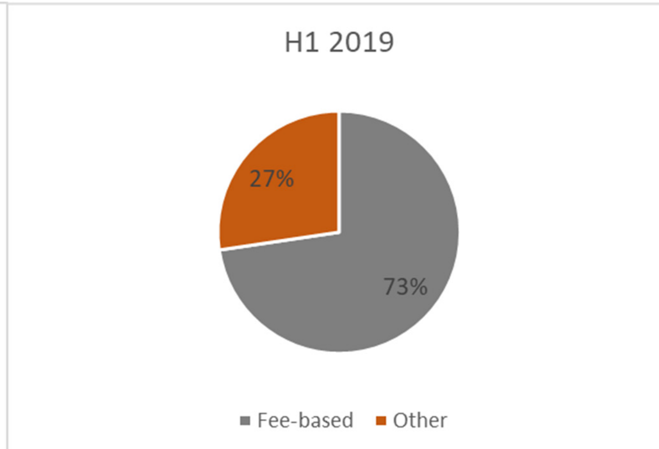
Richardson GMP reported:

- reported net loss of \$0.4 million in second quarter 2020 compared with reported net income of \$1.6 million in second quarter 2019;
- adjusted EBITDA of \$8.2 million in second quarter 2020 compared to \$11.0 million for the same period in 2019;
- net loss attributable to common shareholders was \$1.4 million this quarter compared with net income attributable to common shareholders of \$0.4 million in the same period last year;
- revenues of \$61.7 million in second quarter 2020, a decrease of \$7.1 million compared with the same period a year ago; and
- expenses of \$61.7 million, a decrease of \$4.4 million in second quarter 2020 compared with second quarter 2019.

The second quarter 2020 results reflect the effects of a full quarter of COVID-19 outbreak induced volatility in equity markets and sharp economic contraction, and the effects of historically low rates on interest revenue.

First Half 2020 vs First Half 2019





Richardson GMP reported:

- reported net income of $1.1 million in first half of 2020 compared with reported net income of $5.7 million in the same period in 2019;
- adjusted EBITDA of $19.6 million in first half of 2020 compared to $24.6 million for the same period in 2019;
- net loss attributable to common shareholders was $1.1 million in the first half of 2020 compared with net income attributable to common shareholders of $3.4 million in the same period last year;
- revenues of $131.8 million in first half of 2020, a decrease of $5.0 million compared with the same period a year ago; and
- expenses of $129.3 million in the first half of 2020, an increase of $1.1 million compared with first half 2019.

These results also reflect the effects of COVID-19 outbreak induced volatility in equity markets and sharp economic contraction, and the effects of historically low rates on interest revenue.

QUARTERLY RESULTS

The following table shows selected quarterly financial information for the eight most recently completed quarters:

($000s)	2020		2019				2018	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenue	61,680	70,152	68,558	66,941	68,798	67,985	69,117	70,915
Commissions	6,558	9,213	7,806	6,577	8,123	7,896	8,936	10,239
Investment management and fee income	48,618	53,301	50,315	51,879	51,244	48,137	48,261	51,148
Interest	2,741	5,842	5,827	6,050	6,377	7,217	7,504	7,135
Other	3,246	2,102	4,134	2,564	3,021	4,767	4,399	3,268
Unrealized gain (loss) on trading securities	517	(306)	476	(129)	33	(32)	17	(875)
Expenses	61,661	67,601	64,031	62,577	66,069	62,132	64,474	67,011
Income before income taxes	19	2,551	4,527	4,364	2,729	5,853	4,643	3,904
Net income	(387)	1,460	2,719	2,925	1,620	4,030	2,834	2,615
Net income (loss) per Common Share (dollars):								
Basic	(0.00)	0.02	0.03	0.04	0.02	0.05	0.04	0.03
Diluted	(0.02)	0.00	0.02	0.02	0.01	0.04	0.02	0.02

Quarterly Trend and Analysis

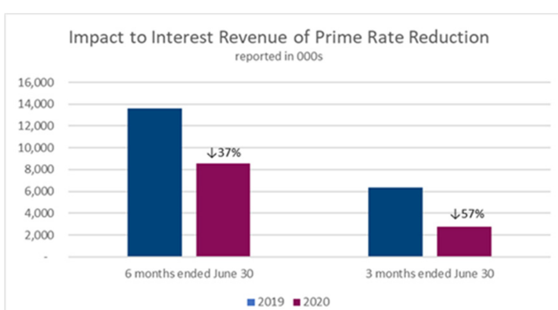
Richardson GMP continues to provide steady revenue from robust investment management and fee income.

Commission revenue trending downward due to lower trading volume and origination activity.

Interest revenue trending downward due to Prime Rate reduction.

Expenses continue to decrease due to lower transaction costs and management's focus on operational efficiencies.

Quarterly results are generally not significantly affected by seasonal factors due to high % of revenue in fee category.



FINANCIAL CONDITION

The table below shows select unaudited interim condensed consolidated balance sheet items as at the dates presented and is followed by a discussion of the change in these balances:

($000)	**June 30, 2020**	December 31, 2019	**$ increase/ (decrease)**	**% increase/ (decrease)**
TOTAL ASSETS	**323,376**	331,018	(7,642)	(2%)
Selected assets balances:				
Due from carrying broker	**5,991**	10,328	(4,337)	(42%)
Current and Non-current Advisor loans receivable	**27,751**	30,858	(3,107)	(10%)
TOTAL LIABILITIES	**140,388**	148,146	(7,758)	(5%)
Selected liabilities balances:				
Current and Non-current Lease liability	**24,754**	27,404	(2,650)	(10%)
Subordinated loans	**67,000**	71,000	(4,000)	(6%)

Total assets decreased $7.6 million or 2% in first half 2020. The decrease primarily relates to:

- $4.3 million decrease in due from carrying broker; and
- $3.1 million decrease in advisor loans receivable.

Total liabilities decreased $7.8 million or 5% in June 30, 2020 compared with December 31, 2019. The decrease primarily relates to:

- $2.7 million decrease in lease liability; and
- $4.0 million decrease in subordinated loans.

LIQUIDITY AND CAPITAL RESOURCES

Richardson GMP requires capital and liquidity to fund existing and future operations, future cash payments to its shareholders and to satisfy regulatory requirements. In the normal course of business, the Company enters into contracts that give rise to commitments of future minimum payments that may affect liquidity. Richardson GMP's policy is to maintain sufficient and appropriate levels of capital and liquidity through a variety of sources, at a reasonable cost. This serves to maintain balance sheet strength under normal market conditions and through periods of financial stress. Capital and balance sheet strength are always key priorities for Richardson GMP.

Richardson GMP derives liquidity from its working capital and subordinated loans. Due from carrying broker represents a receivable from RF Securities Clearing LP, Richardson GMP's carrying broker, which relates to Richardson GMP's revenue earned from its client accounts, net of expenses, in accordance with a general services agreement. This balance is due on demand and is non-interest bearing.

At June 30, 2020 and June 30, 2019, Richardson GMP was in a positive working capital position. Management believes Richardson GMP's working capital provides it with an appropriate level of liquidity and capital for existing operating and regulatory purposes, and dividend and debt repayment for the reasonably foreseeable future assuming no significant adverse changes in the markets in which we operate. We continually assess our dividend policy, capital expenditures and cost structure. If financial markets experience sharp declines, adversely impacting investment management fees and cash flow generation, the Company will need to assess and potentially make changes to our dividend policy, initiatives, technology and cost structure. We may also seek borrowings and/or equity financing to maintain or increase our productive capacity. There can be no assurance that such borrowings and/or equity financing will be available to Richardson GMP or available on terms and in an amount sufficient to meet our needs and financial obligations.

Subordinated Loans

Subordinated loans can be used to provide additional capital to support operating activities in Richardson GMP. Richardson GMP has in place an $8 million revolving line of credit from GMP capital Inc. in order to accommodate short-term funding requirements. The loan, when drawn, is unsecured, bears interest at the prime rate of interest plus 4% and is repayable on demand subject to certain conditions, including IIROC approval. There were no amounts outstanding under this facility as at June 30, 2020 and December 31, 2019.

Subordinated Loans

	June 30, 2020	December 31, 2019
	$	$
Bank of China	**25,125**	26,625
Canadian Imperial Bank of Commerce	**25,125**	26,625
Canadian Western Bank	**16,750**	17,750
	67,000	71,000

On November 7, 2017, the Company entered into an agreement with Canadian Imperial Bank of Commerce ("CIBC"), Bank of China and Canadian Western Bank to refinance the existing subordinated loans with National Bank of Canada and CIBC in the amount of $80,000. The company has made all scheduled repayments to date.

The subordinated loan each bears interest at the prime rate plus 2.5%. The subordinated loan is unsecured and subject to regular scheduled repayment dates. The subordinated loans have financial tests and other covenants with which the Company must comply. As at June 30, 2020, the Company was in compliance with all financial covenants associated with its subordinated loans.

There were no significant changes made to Richardson GMP's cash management practices during the first half 2020.

Capital management

The Company requires capital to fund existing and future operations, future dividends and regulatory capital requirements. Liquidity of the Company is continually evaluated, factoring in business requirements, market conditions and regulatory capital requirements. The Company's policy is to maintain sufficient and appropriate levels of capital through a variety of sources.

The Company's capital structure consists of common shares, preference shares, subordinated loans, contributed surplus, reserves, net of accumulated retained earnings (deficit). The following table summarizes the Company's capital:

	June 30, 2020	December 31, 2019
	$	$
Type of capital		
Common shares	**137,207**	134,891
Preference shares	**61,517**	61,517
Subordinated loans	**67,000**	71,000
Contributed surplus	**2,688**	2,793
Accumulated deficit	**(18,424)**	(16,329)
	249,988	253,872

The Company is subject to regulatory capital requirements designed to provide notice to the regulatory authorities of possible liquidity concerns. The Company is required to maintain a minimum amount of risk-adjusted capital calculated in accordance with the rules of the IIROC at all times. Regulatory capital requirements fluctuate daily. Compliance with these requirements may require the Company to keep sufficient cash and other liquid assets on hand to maintain regulatory capital requirements rather than using these liquid assets in connection with its business or paying them out in the form of a cash dividend. Throughout the period ended June 30, 2020 and June 30, 2019, the Company was in compliance with its regulatory capital requirements.

Cash Flow Summary

The following table summarizes the statement of cash flows as presented within our Second Quarter 2020 Financial Statements:

($000)	**June 30, 2020**	June 30, 2019
Operating activities	**12,784**	30,025
Investing activities	**(808)**	(4,053)
Financing activities	**(7,879)**	(9,427)
Net increase in cash and cash equivalents	**4,097**	16,545

Operating Activities

Cash provided by operating activities was $12.8 million in first half of 2020 compared with cash provided by operating activities of $30.0 million in the same period in 2019.

For further detail on non-cash operating items, refer to Note 12 to the Second Quarter 2020 Financial Statements.

Investing Activities

Investing activities consumed $0.8 million and $4.1 million of cash in first half of 2020 and 2019, respectively.

Investing activities are largely attributed to purchase of equipment and leasehold improvements for both first half of 2020 and 2019.

Financing Activities

Financing activities consumed $7.9 million and $9.4 million of cash in first half of 2020 and 2019, respectively.

Financing activities are largely attributed to $1.9 million of dividend payment and return of capital; $4.1 million of lease payments and $4.0 million of repayment of subordinated loans in first half of 2020 compared with $6.3 million of dividend payment and return of capital and $4.3 million of lease payments in the same period of 2019.

OUTSTANDING SHARE DATA AND DIVIDENDS

Richardson GMP is authorized to issue an unlimited number of Class A, B, C, D, E and F common shares, an unlimited number of Class A and Class B preference shares, and an unlimited number of special preference shares.

The following table shows Richardson GMP's outstanding equity and securities convertible into equity as of the dates presented:

(# 000)	June 30, 2020	December 31, 2019
Common Shares		
Class A	**22,049**	22,049
Class B	**22,049**	22,049
Class C	**9,607**	9,643
Class D	**4,558**	4,607
Class E	**20,903**	20,476
Class F	**6,053**	6,030
	85,219	84,854
Preference Shares		
Class B	**61**	61
Special	**673**	673
	734	734
Total Share Capital	**85,953**	85,588

Subsequent to quarter end, 51 Class E Common Shares were cancelled as a result of departures, rectifications and modified estimates. As of the date hereof, the total number of Common Shares outstanding is 85.168 million. There have been no other changes to the above table since June 30, 2020.

Common shares

The Class A and Class B common shares are held by holding companies owned by Richardson Financial Group Limited and GMP Capital Inc., respectively. The Class A and Class B common shares have ten votes for each Class A and Class B common shares held and are entitled to receive dividends, when declared. The Class C and Class D common shares are held by investment advisors and management from the predecessor firms of RPFL and GMP PC, respectively. The Class C and Class D common shares have one vote for each Class C and Class D common share held and are entitled to receive dividends, when declared. The Class E and Class F common shares are entitled to one vote for each Class E and Class F common share held and are entitled to receive dividends, when declared. No dividends shall be declared and paid on the Class F common shares unless a per share dividend that is twice the amount per share of such dividend has been declared and paid on the Class C, D and E common shares.

Preference shares and special preference shares

The Class B preference shares are non-voting, entitled to receive preferential, cumulative cash dividends at an annual rate of prime plus 4%, when declared, and are redeemable at the option of Richardson GMP at par, plus any accrued but unpaid dividends. The special preference shares are non-voting, are not entitled to receive dividends and are mandatorily redeemable by Richardson GMP from time to time. Partial redemption will result from the proceeds received from the exercise of Class D options of Richardson GMP.

Dividends

The declaration and payment of dividends are at the sole discretion of the Board of Directors. The Board of Directors reviews Richardson GMP's dividend policy periodically in the context of the firm's overall profitability, free cash flow, regulatory capital requirements, legal requirements and other such factors that the Board of Directors determines to be relevant.

Common Share Dividends

Richardson GMP declared the following common share dividends during the period ended June 30, 2020.

Record Date	Payment Date	Class A	Class B	Class C	Class D	Class E	Class F	Total Dividend Amount ($)
March 27, 2020	March 31, 2020	0.025	0.025	0.025	0.025	0.025	0.0125	1,102

Common Share Distribution of Capital

Record Date	Payment Date	Class A	Class B	Class C	Class D	Class E	Class F	Total Capital Amount ($)
March 27, 2020	March 31, 2020	0.025	0.025	0.025	0.025	0.025	0.0125	847

Preferred Share Dividends

Richardson GMP declared the following Class B preferred share dividends during the period ended June 30, 2020. Special preferred shareholders are not entitled to dividends.

Record Date	Payment Date	Class B ($)	Special	Total Dividend Amount ($)
May 8, 2020		20.038	–	1,219

RELATED PARTY TRANSACTIONS

Our related parties include the following persons and/or entities: entities which are 100% owned by Richardson GMP, controlled or significantly influenced by Richardson GMP, and key management personnel, which are comprised of the Board of Directors and/or officers on the executive committee of Richardson GMP, investment advisors, and those persons having authority and responsibility for planning, directing and controlling the activities of Richardson GMP.

Advisor loans receivable are loans advanced to the Company's investment advisors. For further information, refer to Note 6 to the Second Quarter 2020 Financial Statements.

Related party transactions with GMP Capital Inc., Richardson GMP's carrying broker, include amounts due from and deposits with carrying broker, the latter pursuant to the terms of the introducing/carrying broker arrangement between Richardson GMP and RF Securities Clearing LP. The Company also has sub-lease arrangements with GMP Securities, which the Company has arranged to pay directly at rental rates and terms consistent with the head lease.

For further details on related party transactions, see Note 9 to the Second Quarter 2020 Financial Statements.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of the Second Quarter 2020 Financial Statements in accordance with IFRS required management to make estimates and exercise judgment that affects reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and judgments are made based on information available as at the date of issuance of consolidated financial statements. Accordingly, actual results may differ from these amounts. Accounting policies that require management's estimates and judgments are discussed below. Significant accounting policies used and policies requiring management's judgement and estimates are described fully in Note 2 to the Second Quarter 2020 Financial Statements.

Income taxes

The Company computes an income tax provision in each of the jurisdictions in which it operates. However, actual amounts of income tax expense only become final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the consolidated financial statements. Additionally, estimation of income taxes includes evaluating the recoverability of deferred tax assets against future taxable income based on an assessment of the ability to use the underlying future tax deductions before they expire. The assessment is based upon existing tax laws and estimates of future taxable income. To the extent estimates differ from the tax return, income would be affected in a subsequent year.

Share-based compensation

The Company uses estimates and judgments when determining the share-based compensation expense recorded on awards granted to employees and advisors during a reporting period. Measurement of the compensation expense is based on the estimated fair value of shares of a private company. The fair value is determined using the most appropriate model, which depends on terms and conditions of the share based compensation plan. These amounts are, by their nature, subject to measurement uncertainty.

Expected credit losses

The Company uses the ECL model to address credit risk associated with client margin and advisor loans. ECLs are estimated based on detailed review of client margin and advisor loans. A 12-month allowance for ECL is recognized at initial recognition, reflecting the portion of lifetime cash shortfalls that would result if a default occurs in the 12 months after the reporting date. A lifetime ECL allowance is recognized if a significant increase in credit risk is detected subsequent to initial recognition, reflecting a lifetime cash shortfalls that would result over the expected life of a financial asset.

Impairment of goodwill

When testing goodwill for impairment, the Company uses valuation models that consider such factors as projected earnings, enterprise value to assets under administration ("AUA") and discount rates. The Company must apply judgment in the selection of the approach to determining fair value and any necessary assumptions. These judgments may affect the recoverable amount and any resulting impairment write-down.

Provisions

Due to the nature of provisions, a considerable part of their determination is based on estimates and judgments, including assumptions concerning the future. The actual outcome of these uncertain factors may be materially different from the estimates, causing differences with the estimated provisions.

Leases – estimating incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

FINANCIAL INSTRUMENTS

The Company, through its financial assets and liabilities, has exposure to the following risks from its financial instruments: market risk, fair value risk, credit risk, interest rate risk, and liquidity risk. See “Risk Management” in this MD&A for details on how these risks are managed. For significant assumptions made in determining the valuation of financial and other instruments, refer to “Critical Accounting Policies and Estimates” in this MD&A.

The Company’s business is the management of investment assets and delivery of face to face advice. The key performance driver of the Company’s ongoing results is the level of AUA, which is directly linked to the Company’s ability to attract and retain investment advisors and their sophisticated clients. The Company’s consolidated statements of financial position include a portfolio of investments. The value of these investments is subject to a number of risk factors.

For additional information regarding Richardson GMP's financial instruments and risks, refer to Note 11 to the Second Quarter 2020 Financial Statements.

FUTURE CHANGES IN ACCOUNTING POLICIES OR ESTIMATES

Richardson GMP monitors continuously the potential changes proposed by the International Accounting Standards Board and analyzes the effect that changes in the standards may have on Richardson GMP. For a summary of future changes in accounting policies or estimates, refer to Note 3 to the Second Quarter 2020 Financial Statements.

RISK MANAGEMENT

Oversight and Monitoring

The securities business is, by its nature, subject to numerous and substantial risks, particularly in volatile or illiquid markets. Management believes that effective risk management is of primary importance to the ongoing success of Richardson GMP. We have risk management processes in place to monitor, evaluate and manage the principal risks we assume in conducting our activities. We seek to monitor and control our risk exposure through a variety of separate but complementary financial, credit, operational and compliance processes. Segregation of duties and management oversight are fundamental elements of our risk management process.

The Richardson GMP Board of Directors and Richardson GMP’s CEO support our risk management processes through involvement in the assessment of principal risks. Key risk metrics are reported regularly to the Richardson GMP Board of Directors and executive management.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company segregates market risk into two categories: fair value risk, and interest rate risk.

(i) Fair value risk

Fair value risk is the potential for loss from an adverse movement in the value of a financial instrument. The Company incurs fair value risk through its trading position.

Fair value sensitivity analysis

A 10% increase or decrease in the underlying market price of the Company’s securities owned, as at June 30, 2020, would have increased or decreased net income by $127 (2019 – $150).

(ii) Interest rate risk

Interest rate risk relates to the risk that the fair value or future cash flows associated with a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk on cash, client cash balances, Government of Canada treasury bill deposits with the carrying broker, certain advisor loans and subordinated loans.

Interest rate sensitivity analysis

The table below provides the potential impact of an immediate and sustained 100 basis point ("bp") increase or 25 bp decrease in interest rates on net income for an annualized period applied to the balances outstanding. This analysis assumes that all other variables remain constant.

	June 30, 2020			**December 31, 2019**		
	Carrying value $	**Effect of a 100 bp increase in market interest rates on net income** $	**Effect of a 25 bp decrease in market interest rates on net income** $	**Carrying value** $	**Effect of a 100 bp increase in market interest rates on net income** $	**Effect of a 25 bp decrease in market interest rates on net income** $
Cash	**71,998**	**720**	**(180)**	67,901	679	(170)
Deposits with carrying brokers	**499**	**5**	**(1)**	496	5	(1)
Certain loans receivable	**592**	**6**	**(1)**	738	7	(2)
Subordinated loans	**67,000**	**(670)**	**168**	71,000	(710)	178

For further information, including interest rate sensitivity analysis, please refer to Note 19 to the 2019 Annual Financial Statements.

Credit risk

Credit risk is the risk of loss associated with the inability of a third party to fulfil its payment obligations. The Company is exposed to the risk that third parties that owe it money or other assets will not perform their obligations. A primary source of credit risk arises when Richardson GMP extends credit to its clients to purchase securities by way of margin lending. The Company's maximum exposure to credit risk as at June 30, 2020 is represented by the carrying value of the financial assets on the Company's consolidated statements of financial position and the value of its client receivables recorded on its carrying brokers' balance sheets.

As at June 30, 2020, the Company's total provision for doubtful accounts relating to advisor loans receivable was $nil (2019 – $6).

Liquidity risk

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they become due. Management oversees the Company's liquidity risk management to ensure the Company has access to sufficient funds to cover its financial obligations as they come due and the ability to sustain and grow its assets and operations both under normal and stressed conditions. For further discussion regarding liquidity risk and how we ensure such risks are minimized, refer to "Liquidity and Capital Resources" in this MD&A.

Operational Risk

Operational risk is the risk of loss due to inadequate or failed internal processes, people and systems or external events. Operational risk is embedded in all of our activities, including the practices and controls used to manage other risks. Failure to manage operational risk can lead to failure in the management of other risks such as credit, market or regulatory risk.

We manage operational risk through the application of long-standing, but continuously evolving, firm-wide control standards: the training, supervision and development of our people; the active participation and commitment of senior management in a continuous process of identifying and mitigating key operational risks across the firm; and a framework of strong and independent control personnel that monitor operational risk on a daily basis. Together, these elements form a strong firm-wide control culture that serves as the foundation of our efforts to minimize events that create operational risk and the damage they can cause.

Legal and Regulatory Risk

Legal and regulatory risk is the risk of loss due to adverse legal developments and regulatory non-compliance. Richardson GMP is subject to extensive regulation under securities laws of the Canadian jurisdictions. Compliance with such regulations involves a number of risks, particularly in areas where applicable regulations may be subject to interpretation. Our regulatory compliance philosophy is to manage regulatory and legal risks through the promotion of a strong compliance culture and the integration of strong controls within the business and support areas. Richardson GMP's compliance department directly supports our management of regulatory, compliance and legal risk through approval of our ethics and compliance program, which includes our code of conduct and enterprise compliance management framework, as well as specific policies and procedures in areas such as privacy and information protection, conflicts of interest, etc. It serves as the senior management focal point in initiating a response to and action on new and changing regulatory and compliance risks.

In the normal course of business, Richardson GMP may be involved in legal proceedings, including regulatory investigations. An adverse resolution of any lawsuits against Richardson GMP could materially affect Richardson GMP's operating results and financial condition. Management and Richardson GMP's external experts are involved in assessing the likelihood and in estimating any amounts involved. Due to the nature of provisions, a considerable part of their determination is based on estimates and judgments, including assumptions concerning the future. The actual outcome of these uncertain factors may be materially different from the estimates, causing differences with the estimated provisions.

For further information regarding financial risk management, please refer to Note 19 to the 2019 Annual Financial Statements.

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Management has designed disclosure controls and procedures to provide reasonable assurance that material information relating to Richardson GMP is accumulated and communicated to Richardson GMP's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") to allow for timely decisions regarding required disclosure and to ensure that information required to be disclosed in Richardson GMP's annual and interim filings and other reports filed or submitted under Canadian securities legislation is recorded, processed, summarized and reported within the time periods specified therein.

Internal Control over Financial Reporting

Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management is responsible for establishing and maintaining adequate internal control over financial reporting for GMP.

As of June 30, 2020, management evaluated the effectiveness of Richardson GMP's internal control over financial reporting taking into account the nature and size of Richardson GMP's business and using the framework and criteria established in the *Internal Control - Integrated Framework (2013)*, issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that Richardson GMP's internal control over financial reporting was effective as of June 30, 2020, and that there were no material weaknesses that have been identified in our internal control over financial reporting as of June 30, 2020.

Changes in Internal Control over Financial Reporting

To the best of the knowledge and belief of the CEO and CFO, no changes were made in Richardson GMP's internal control over financial reporting in first half 2020 that have materially affected or are reasonably likely to have a material effect on Richardson GMP's internal control over financial reporting.

FINANCIAL INSTRUMENTS

Richardson GMP is a Type 2 introducing broker and relies on its carrying broker to facilitate certain services including clearing and record keeping activities. An immaterial portion of the company's assets and liabilities are composed of financial instruments.

Richardson GMP under the terms of the introducing/carrying broker agreement, is required to maintain short-term Canadian treasury bills with the carrying broker.

Occasionally Richardson GMP engages in trading activities which include the purchase and sale of securities in the course of facilitating private placement transactions.

See "Risk Management" in this MD&A for details on how these risks are managed. For significant assumptions made in determining the valuation of financial and other instruments, refer to "Critical Accounting Policies and Estimates" in this MD&A.

RISK FACTORS

Richardson GMP securities are subject to a number of risks in addition to those described under "Forward-Looking Information" and "Risk Management" in this MD&A. Please see "Risk Factors – Risks Relating to Richardson GMP" in the accompanying management information circular of GMP Capital Inc. dated September 8, 2020 (the "Circular") for a discussion of risk factors with respect to investing in Richardson GMP. These risks and uncertainties are not the only ones facing Richardson GMP. In many cases, risks which are inherent to our industry and our activities are beyond our control and are not easily detected or mitigated. In addition to those described in the Circular, additional risks and uncertainties not currently known to Richardson GMP, or that Richardson GMP currently considers immaterial, may also impair the operations of Richardson GMP. If any such risks occur, the business, financial condition, or liquidity and results of operations of Richardson GMP could be materially adversely affected.

The risks set out in the Circular are risks and uncertainties that Richardson GMP currently believes could materially affect Richardson GMP's future financial performance. The reader should carefully consider the most significant risks associated with Richardson GMP's business, as described in the Circular.

RICHARDSON GMP

MANAGEMENT'S DISCUSSION & ANALYSIS

For the Year Ended December 31, 2019

ABOUT THIS MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis ("MD&A") is provided to enable readers to assess the financial condition and results of operations and cash flows of Richardson GMP Limited ("Richardson GMP" or the "Company") as at and for the year ended December 31, 2019.

This MD&A has been prepared with an effective date of September 2, 2020 and should be read in conjunction with the audited annual consolidated financial statements and related notes of Richardson GMP for the year ended December 31, 2019 ("2019 Annual Financial Statements"). Certain comparative amounts have been reclassified to conform to the current year's presentation.

All references to we, our, us refer to Richardson GMP, together with its consolidated operations controlled by it.

Certain numbers contained in this MD&A are subject to rounding.

FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking information" as defined under applicable Canadian securities laws. This information includes, but is not limited to, statements made in "Business Environment - 2019 Highlights - Outlook" and "Liquidity and Capital Resources" and other statements concerning our objectives, our strategies to achieve those objectives as well as statements with respect to management's beliefs, plans, estimates, projections, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking information generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans", "continue", or similar expressions suggesting future outcomes or events. Such forward-looking information reflects management's current beliefs and is based on information currently available to management.

Forward-looking information is not a guarantee of future performance and is subject to numerous risks and uncertainties, including those described in this MD&A. Richardson GMP's primary business activities are both competitive and subject to various risks. These risks include market, credit, liquidity, operational, legal and regulatory risks, reputational and other risk factors including, without limitation: variation in the market value of securities, Richardson GMP's ability to recruit/retain investment advisors, an ability to grow assets under administration, Richardson GMP's ability to execute and integrate acquired businesses, industry competition, volatility and liquidity in financial markets, dependence on key personnel, Richardson GMP's ability to manage risks, legislative and regulatory events in Canada, and sustainability of fees. Other factors, such as general economic conditions, including interest rate and exchange rate fluctuations, and changes in tax laws may also have an effect on Richardson GMP's results of operations. Many of these risks and uncertainties can affect Richardson GMP's actual results and could cause its actual results to differ materially from those expressed or implied in any forward-looking information disclosed by management or on its behalf. For a description of additional risks that could cause our actual results to materially differ from our current expectations, see "Risk Management" and "Risk Factors" in this MD&A. These risks and uncertainties are not the only ones facing Richardson GMP. Additional risks and uncertainties not currently known to us or that we currently consider immaterial, may also impair the operations of Richardson GMP. Although forward-looking information contained in this MD&A is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with this forward-looking information. Certain statements included in this MD&A may be considered a "financial outlook" for purposes of applicable Canadian securities laws and, as such, the financial outlook may not be appropriate for purposes other than this MD&A. The forward-looking information contained in this MD&A is made as of the date of this MD&A, and should not be relied upon as representing Richardson GMP's views as of any date subsequent to the date of this MD&A.

Except as required by applicable law, management and the Richardson GMP Board of Directors undertake no obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

ABOUT RICHARDSON GMP

Richardson GMP was formed in 2009 through the merger of Richardson Partners Financial Ltd. (“RPFL”) and GMP Private Client L.P. In 2013, Richardson GMP acquired and amalgamated Macquarie Private Wealth Inc. (“MPW”). Richardson GMP was recognized as one of Canada's Best Workplaces ™ and awarded top ranking in the latest *Investment Executive* Annual Brokerage Report Card for products and services dedicated to high net worth investors.

As at December 31, 2019, Richardson GMP was owned by three groups in roughly equal proportions: GMP Capital Inc. (“GMP”); Richardson Financial Group Limited (“RFGL”); and Investment Advisors, Management and Current and Former Employees.

In addition to the common shares, GMP and RFGL own $31.1 million and $30.4 million preference shares of Richardson GMP, respectively.

The ownership interests of Richardson GMP’s shareholders are governed by Richardson GMP’s Shareholders Agreement dated November 12, 2009, as amended. This agreement, amongst other things, provides a specific framework for the purchase, sale, transfer or issuance of shares by Richardson GMP.

Richardson GMP is recognized as one of Canada's leading independent wealth management firms providing exclusive and innovative investment solutions, including investment advisory, tax and estate planning, charitable giving, risk management, and the intergenerational transfer of wealth for high net worth businesses and families. Business transition counsel and intergenerational transfer of wealth are an important part of the value proposition that it offers clients. Through a network of 162 advisory teams, Richardson GMP administers approximately $28.6 billion (as at December 31, 2019) in client assets through offices in 19 markets across Canada. Richardson GMP advisors are concentrated in the high net worth wealth management markets. All Richardson GMP advisors share the firm’s passion for professionalism, entrepreneurial spirit, independent culture and philosophy to deliver unbiased – and unparalleled – face-to-face advice to Canadians opting for non-bank points of success for wealth management solutions.

Richardson GMP earns its revenue primarily from fee-based products and services, traditional commission-based brokerage services, client-related interest, and insurance-related products. The table below highlights Richardson GMP’s key revenue streams.

Revenue Streams	Description
Investment Management and Fees	Fees earned from the provision of investment management services
Commissions	Commissions earned on trading volume and by the retail distribution network from capital markets issuances
Interest	Spread earned on client loans and client cash balances
Other	Provision of insurance products, foreign exchange services and other miscellaneous

Investment management and fees is the largest and most consistent and predictable revenue stream, representing approximately 74% of Richardson GMP’s 2019 revenue. Portfolio Management Accounts and Separately Managed Accounts represent a combined majority of investment management and fees revenue and are driven by the value of AUA balances.

The following table provides a brief description of the three main types of accounts and the activities involved in serving each.

Type of Account	Description
Portfolio Management Accounts	Provides the advisor with the discretionary authority to make investment decisions on behalf of the clients
Asset Management Accounts	Provides the client with flexibility on number of transactions for a fixed fee
Separately Managed Accounts	Investment professional for third party managers to separately manage client accounts

Commission revenue is largely driven by client trading volumes and the level of capital markets issuances. Gross commissions on new issuances are typically split between the underwriter and the retail distribution network.

Richardson GMP intends to grow prudently and aggressively through the selective recruitment of investment advisors whose practices are predominantly fee-based, and who share Richardson GMP's philosophy to deliver holistic wealth management solutions across the entire household balance sheet, fit in its culture and want to partner with the Richardson family brand.

Recruitment will be primarily focused on cities where Richardson GMP has excess capacity in its real estate footprint. This and the existing back office support services infrastructure and scale allows the company to absorb considerable asset growth with minimal incremental fixed costs. As a result, a greater percentage of the revenue increase generated from those assets will flow directly to EBITDA, adding considerable enterprise value.

Key elements of Richardson GMP's strategy going forward also includes investing in our very talented investment advisors, acquisition of like-minded IIROC-member wealth management businesses, acquisition of complementary asset management and insurance capabilities, enhancing operating margins, and offering greater choice of third party product and services.

Richardson GMP will pursue all of these opportunities by:

1. Building product and service capabilities organically;

2. Pursuing strategic acquisitions prudently; and/or

3. Partnering with proven third party operators to explore providing co-branded Richardson GMP financial products and services, including banking solutions.

Going forward, potential acquisitions will be completed predominantly on a share exchange basis to ensure that target firms share Richardson GMP's long-term goals.

The following sections highlight Richardson GMP's financial results, on a continuing basis, for the year ended December 31, 2019, and 2018. These financial results reflect the manner in which financial information is evaluated by management.

PRESENTATION OF FINANCIAL INFORMATION AND NON-GAAP MEASURES

Presentation of Financial Information

Unless otherwise specified herein, financial results, including related historical comparatives, contained in this MD&A, are based on our 2019 Annual Financial Statements, which have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). The Canadian dollar is our functional and reporting currency for purposes of preparing Richardson GMP's consolidated financial statements and accordingly, all dollar references in this MD&A are in Canadian dollars, unless otherwise specified herein.

Non-GAAP Measures

We use certain measures to assess our financial performance that are not generally accepted accounting principles (GAAP) measures under IFRS. These measures do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers. Non-GAAP measures should not be considered as alternatives to net income or comparable metrics determined in accordance with IFRS as indicators of GMP's performance, liquidity, cash flows, and profitability.

Assets under administration ("AUA") is a non-GAAP financial measure of client assets that are common to the wealth management business. AUA represents 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. The Company's method of calculating may differ from the methods used by other companies and therefore may not be comparable to other companies. Management uses these measures to assess Richardson GMP's operational performance.

Adjusted Measures

Financial statement items that exclude significant items are non-GAAP measures under IFRS. Management believes adjusting certain results and measures by excluding the impact of specified items may be more reflective of ongoing operating results and provides readers with an enhanced understanding of how management views Richardson GMP's core performance. Management assesses performance on both a reported and an adjusted basis and considers both bases to be useful in assessing underlying, ongoing business performance. Presenting results on both bases also permits readers to assess the impact of the specified items on the results for the periods presented.

Richardson GMP presents earnings before interest, income tax, depreciation and amortization ("EBITDA") which excludes:

- Interest expense recorded primarily in connection with subordinated loan financing arrangements.
- Income tax expense (benefit) recorded.
- Depreciation and amortization expense recorded primarily in connection with equipment and leasehold improvements.
- Depreciation and amortization expense and interest expense primarily in connection with leases.
- Transition assistance loan amortization in connection with investment advisor loan programs. Richardson GMP views these loans as an effective recruiting and retention tool, the cost of which is assessed by management upfront when the loan is provided rather than over its term.

Richardson GMP also presents an adjusted EBITDA which excludes the following ("adjusted EBITDA"):

- Share-based compensation costs recorded in connection with awards granted to employees and investment advisors of Richardson GMP.

EBITDA and adjusted EBITDA do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers. These Non-GAAP measures should not be considered as alternatives to net income or comparable metrics determined in accordance with IFRS as indicators of Richardson GMP's performance, liquidity, cash flows, and profitability. Richardson GMP's management believes adjusting results by excluding the impact of the specified items is more reflective of ongoing financial performance and cash generating capabilities and provides readers with an enhanced understanding of how management views Richardson GMP's core performance.

BUSINESS ENVIRONMENT - 2019 HIGHLIGHTS - OUTLOOK

Business Environment

Global equity markets posted strong returns in 2019, boosted largely by further aggressive central bank stimulus and easing trade tensions between the U.S. and China. After raising rates in 2018, many central banks around the globe, including the Bank of Canada, abruptly changed course and made further rate cuts in 2019. In Canada, the S&P/TSX Composite Index rose 22.9%, while, in the U.S., the S&P 500 Index was up 31.5% in 2019.

Outlook

Richardson GMP is exclusively focused on deploying considerable resources toward accelerating growth in wealth management through aggressive recruitment of investment advisors, selective and complementary acquisitions, and forming alliances to help it grow faster and better serve clients. The recruitment pipeline for Canada’s top investment advisors remains fairly robust and the company expect to continue building on that growth momentum in 2020, with the addition of new advisory teams with a high proportion of fee-based assets. Management is also focused on enhancing operating margins and managing expenses by leveraging technology and utilizing existing capacity. Richardson GMP is also committed to technology investment spending to enable its advisors to spend less time on routine mundane activities that can be automated, freeing up more time that can be better spent building and strengthening client relationships.

2019 Highlights

- Richardson GMP generated net income of $11.3 million in 2019 on total revenue of $272.3 million compared with net income of $13.7 million in 2018 on total revenue of $290.1 million.
- Richardson GMP ended the year with $28.6 billion of AUA compared with $27.4 billion in 2018.
- As at December 31, 2019, Richardson GMP had 162 advisor teams; with an average AUA per team of approximately $176 million compared with 166 advisor teams with an average AUA per team of approximately $165 million in 2018.
- Richardson GMP was recognized as one of Canada's Best Workplaces ™.
- Richardson GMP was awarded top ranking in the latest *Investment Executive* Annual Brokerage Report Card for products and services dedicated to high net worth investors.
- During 2019, GMP and RFGL each made an additional equity investment in Richardson GMP of $4.4 million pursuant to a Richardson GMP internal liquidity process.

COMPETITIVE LANDSCAPE AND FINANCIAL HIGHLIGHTS

Richardson GMP has built a platform that supports its advisory teams with the opportunity to significantly scale their practices through technology tools, resources and policies that support growth. Richardson GMP provides clients with access to a comprehensive approach to managing their financial wealth from an overall household balance sheet perspective.

Competitive Landscape

Competition in the wealth management industry is based on a wide range of factors, including brand recognition, investment performance, the types of products offered, business reputation, financial strength, continuity of institutional, management and sales relationships, quality of service and face-to-face advice. Richardson GMP's competitors include mutual fund companies, private client investment managers, financial advisors, investment dealers, and the wealth management divisions of banks and insurance companies. The wealth management industry is highly correlated to equity market valuations, global economic conditions and investor demand for wealth management services and solutions.

There has been considerable consolidation among independent wealth managers in Canada. The decrease is driven largely by the need for scale in order to drive profitability, compete for talent and having the financial strength to absorb rising onerous regulatory costs. Competition among the firms with greater scale has also intensified over the past decade. Further industry consolidation is likely, whether by acquisition or aggressive recruitment of investment advisors. This will result in fewer, but larger and stronger industry players capturing growth in financial wealth.

Financial wealth has grown considerably in Canada over the last decade, in large part due to rising equity markets worldwide and a prolonged period of global economic growth. In particular, Canadian retail financial wealth is approximately $4.4 trillion in 2018, which is held across 16 million households. This industry wealth is expected to grow to $7.7 trillion by 2028 (Source: Investor Economics). Canada’s financial wealth is largely concentrated in the hands of the five major Canadian banks; however, strong independents with scale play a pivotal role in the wealth management ecosystem, providing Canadians with choice and non-banks points of access in selecting the best holistic wealth management service provider to help them achieve their long-term financial goals. Richardson GMP is focused on providing a comprehensive suite of products and services across the entire household balance sheet and believes the opportunities to grow aggressively its business are compelling. In Canada, there are approximately 1.6 million households that have financial wealth in excess of $500,000/household (excluding real estate). These households account for $3.8 trillion or approximately 86% of total financial wealth in 2018. High net worth clients, Richardson GMP’s chosen market and traditional area of strength, account for $3.3 trillion of total financial wealth. Richardson GMP believes that there is an immense opportunity for non-bank alternative wealth managers to provide holistic wealth solutions on a national scale, with Richardson GMP at the forefront.

There has been a demonstrable shift in advisor practices toward a greater proportionate share of fee-based accounts relative to traditional transaction/commission-based accounts. This trend is particularly notable in the high net worth markets. Revenue associated with fee-based assets has greater predictability and tends to be “stickier” in nature. Wealth managers with a concentration of fee-based assets, like Richardson GMP, are higher quality franchises and command greater enterprise valuations across the industry. Richardson GMP has one of the highest ratios of fee-based revenue as a percentage of total revenue in the industry at approximately 74% in fiscal 2019. The competition to recruit investment advisors with practices comprised largely of fee-based assets has intensified among both independents and bank-owned brokerages over the past decade.

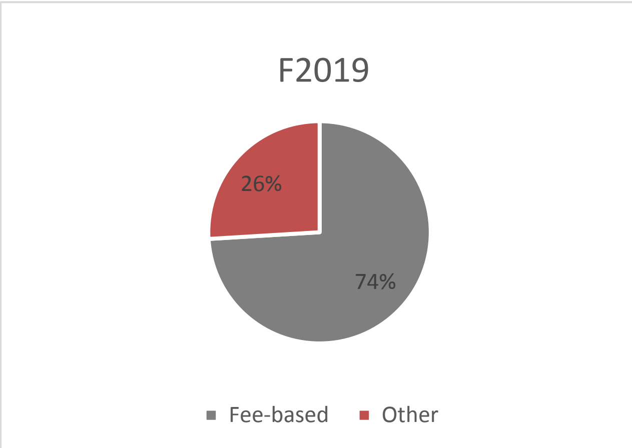
Financial Performance

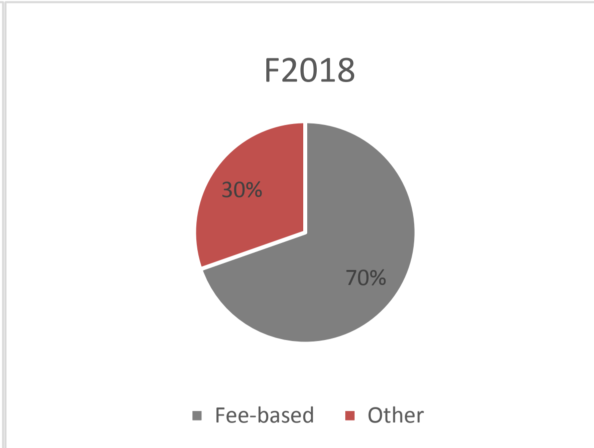
The following shows Richardson GMP's financial results for the periods presented:

($000s)	2019	2018	2017	% increase/(decrease)[3]	% increase/(decrease)[3]
Revenue	272,282	290,079	289,405	(6)	-
Commissions	30,402	46,304	58,023	(34)	(20)
Investment management and fee income	201,575	202,040	198,551	-	2
Interest	25,471	28,152	19,945	(10)	41
Other	14,486	14,930	11,656	(3)	28
Unrealized gain (loss) on trading securities	348	(1,347)	1,230	n.m.	n.m.
Expenses	254,809	269,968	267,907	(6)	1
Employee compensation and benefits	181,796	190,337	192,614	(4)	(1)
Selling, general and administrative[2]	51,791	67,359	66,532	(23)	1
Depreciation and amortization[2]	13,127	5,205	5,154	n.m.	1
Interest[2]	8,095	7,067	3,607	15	n.m.
Income before income taxes	17,473	20,111	21,498	(13)	(6)
Net income	11,294	13,652	15,117	(17)	(10)
EBITDA[1]	46,827	42,785	41,710	9	3
Share-based compensation	3,431	2,580	2,255	33	14
Adjusted EBITDA[1]	50,258	45,365	43,965	11	3
Number of advisory teams	162	166	182	(2)	(9)
AUA at period-end ($ millions)	28,564	27,408	30,519	4	(10)
Net income (loss) per Common Share (dollars):					
Basic	0.14	0.17	0.18		
Diluted	0.08	0.11	0.10		

1. Considered to be a non-GAAP financial measure. This measure does not have any standardized meaning prescribed by GAAP under IFRS and is therefore unlikely to be comparable to similar measures presented by other issuers.
2. The company adopted IFRS16, leases (IFRS16) on January 1, 2019. Lease expenses from selling, general and administrative expenses is effectively reclassed to Depreciation and amortization and interest expenses.
3. n.m. = not meaningful

Financial Performance2019 vs. 2018



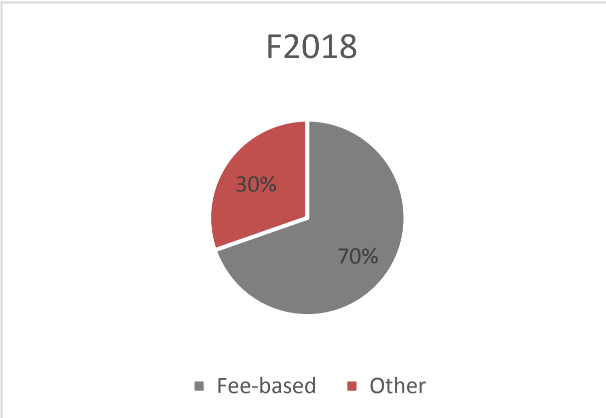


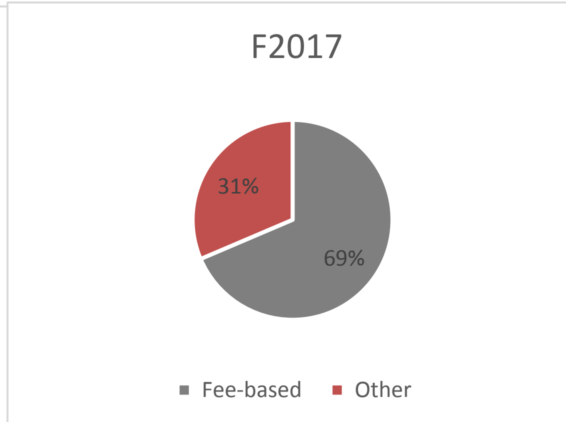
Richardson GMP reported net income of $11.3 million in 2019 compared with $13.7 million in 2018. Net income attributable to common shareholders was $6.5 million in 2019 compared with $9.0 million in 2018. On an adjusted basis, Richardson GMP adjusted EBITDA was $50.3 million and $45.4 million in 2019 and 2018, respectively.

Total revenues decreased by 6% primarily due to lower commission revenue. Investment management and fee income remains unchanged as Richardson GMP continues to produce steady fee-based revenue. AUA increased by 4%, largely due to robust recruiting pipeline and market appreciation - recruited AUA expected to have a greater impact in 2020.

Total expenses decreased by 6% primarily due to lower employee compensation and benefits and lower selling, general and administrative expenses. Employee compensation and benefits decreased by 4% largely due to lower revenue generation. Selling, general and administrative expenses continued to decline due to lower transactional related costs and company's focuses on strong expense management.

Financial Performance 2018 vs. 2017





Richardson GMP reported net income of $13.7 million in 2018 compared with $15.1 million in 2017. Net income attributable to common shareholders was $9.0 million in 2018 compared with $8.2 million in 2017. On an adjusted basis, Richardson GMP adjusted EBITDA was $45.4 million and $44.0 million in 2018 and 2017, respectively.

Total revenues were largely unchanged in 2018 compared with 2017, higher investment management fees and higher interest revenue offset lower commissions. Through its high fee-based revenue model, the company was able to produce stable revenue through the volatility in the markets at the end of 2018.

Total expenses increased by 1% primarily due to higher interest expense compared to 2017 offset by 1% decrease in employee compensation and benefits.

QUARTERLY RESULTS

The following table shows selected quarterly financial information for the eight most recently completed quarters:

($000s)	2019				2018			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	68,558	66,941	68,798	67,985	69,117	70,915	74,748	75,299
Commissions	7,806	6,577	8,123	7,896	8,936	10,239	12,402	14,727
Investment management and fee income	50,315	51,879	51,244	48,137	48,261	51,148	51,270	51,361
Interest	5,827	6,050	6,377	7,217	7,504	7,135	6,679	6,835
Other	4,134	2,564	3,021	4,767	4,399	3,268	3,863	3,400
Unrealized gain (loss) on trading securities	476	(129)	33	(32)	17	(875)	534	(1,024)
Expenses	64,031	62,577	66,069	62,132	64,474	67,011	68,164	70,319
Income before income taxes	4,527	4,364	2,729	5,853	4,643	3,904	6,584	4,980
Net income	2,719	2,925	1,620	4,030	2,834	2,615	4,601	3,602
Net income (loss) per Common Share (dollars):								
Basic	0.03	0.04	0.02	0.05	0.04	0.03	0.06	0.04
Diluted	0.02	0.02	0.01	0.04	0.02	0.02	0.04	0.03

Quarterly Trend and Analysis

Richardson GMP continues to provide steady revenue from robust investment management and fee income.

Commissions revenue trending downward due to lower trading volume and origination activity.

Expenses continue to decrease due to lower transaction costs and management's focus on operational efficiencies.

Quarterly results are generally not significantly affected by seasonal factors due to high % of revenue in fee category.

Fourth Quarter 2019 Financial Performance

Fourth Quarter 2019 vs. Fourth Quarter 2018

Richardson GMP reported net income of $2.7 million in fourth quarter 2019 compared with $2.8 million in fourth quarter 2018. On an adjusted basis, Richardson GMP adjusted EBITDA was $13.5 million and $10.6 million in fourth quarter 2019 and fourth quarter 2018, respectively.

Total revenues were largely unchanged in fourth quarter 2019 compared with fourth quarter 2018, as higher investment management fees was offset by lower commissions and interest income.

Total expenses were largely unchanged in fourth quarter 2019 compared with fourth quarter 2018, as lower selling, general and administrative expenses were offset by higher employee compensation and benefits and amortization.

FINANCIAL CONDITION

The table below shows select consolidated balance sheet items as at the dates presented and is followed by a discussion of the change in these balances:

($000)	December 31, 2019	December 31, 2018	$ increase/ (decrease)	% increase/ (decrease)
TOTAL ASSETS	**331,018**	301,333	29,685	10%
Selected asset balances:				
Cash and cash equivalents	**67,901**	61,694	6,207	10%
Right of use asset	**24,949**	-	24,949	n.m.
Advisor loans receivable	**30,858**	27,167	3,691	14%
Deferred tax asset	**28,494**	34,475	(5,981)	(17%)
TOTAL LIABILITIES	**148,146**	119,711	28,435	24%
Selected liability balances:				
Accounts payable and accrued liabilities	**39,281**	35,877	3,404	9%
Current and non-current Lease liability	**27,404**	-	27,404	n.m.
Subordinated loans	**71,000**	71,000		

Total assets increased $29.7 million or 10% in 2019. The increase primarily relates to:

- $24.9 million increase in Right of use asset due to adoption of IFRS 16,
- $6.2 million increase in cash and cash equivalent balances,
- $3.7 million increase in advisor loans receivable, offset by
- $6.0 million decrease in deferred tax asset

Total liabilities increased $28.4 million or 24% in 2019 compared with 2018. The increase primarily relates to:

- $27.4 million increase in lease liability and
- $3.4 million increase in accounts payable and accrued liabilities.

LIQUIDITY AND CAPITAL RESOURCES

Richardson GMP requires capital and liquidity to fund existing and future operations, future cash payments to its shareholders and to satisfy regulatory requirements. Richardson GMP's policy is to maintain sufficient and appropriate levels of capital and liquidity through a variety of sources, at a reasonable cost. This serves to maintain balance sheet strength under normal market conditions and through periods of financial stress. Capital and balance sheet strength are always key priorities for Richardson GMP.

In the normal course of business, the Company enters into contracts that give rise to commitments of future minimum payments that may affect liquidity. Richardson GMP currently derives liquidity from its working capital, subordinated loans and long-term debt.

Subordinated Loans

Subordinated loans can be used to provide additional capital to support operating activities in Richardson GMP. Richardson GMP has in place an $8 million revolving line of credit from GMP capital Inc. in order to accommodate short-term funding requirements. The loan, when drawn, is unsecured, bears interest at the prime rate of interest plus 4% and is repayable on demand subject to certain conditions, including IIROC approval. There were no amounts outstanding under this facility as at December 31, 2019, and December 31, 2018.

Subordinated Loans

	2019	**2018**
	$	$
Bank of China	**26,625**	**26,625**
Canadian Imperial Bank of Commerce	**26,625**	**26,625**
Canadian Western Bank	**17,750**	**17,750**
	71,000	**71,000**

On November 7, 2017, the Company entered into an agreement with Canadian Imperial Bank of Commerce ("CIBC"), Bank of China and Canadian Western Bank to refinance the existing subordinated loans with National Bank of Canada and CIBC in the amount of $80,000. The company has made all scheduled repayments to date.

The subordinated loan each bears interest at the prime rate plus 2.5%. The subordinated loan is unsecured and subject to regular scheduled repayment dates. The subordinated loans have financial tests and other covenants with which the Company must comply. As at December 31, 2019, the Company was in compliance with all financial covenants associated with all three subordinated loans.

There were no significant changes made to Richardson GMP's cash management practices during 2019.

Capital management

The Company requires capital to fund existing and future operations, future dividends and regulatory capital requirements. Liquidity of the Company is continually evaluated, factoring in business requirements, market conditions and regulatory capital requirements. The Company's policy is to maintain sufficient and appropriate levels of capital through a variety of sources.

The Company's capital structure consists of common shares, preference shares, subordinated loans, contributed surplus, reserves, net of accumulated retained earnings (deficit). The following table summarizes the Company's capital:

	2019	**2018**
	$	$
Type of capital		
Common shares	**134,891**	**132,152**
Preference shares	**61,517**	**61,527**
Subordinated loans	**71,000**	**71,000**
Contributed surplus	**2,793**	**2,958**
Accumulated deficit	**(16,329)**	**(15,015)**
	253,872	**252,622**

The Company is subject to regulatory capital requirements designed to provide notice to the regulatory authorities of possible liquidity concerns. The Company is required to maintain a minimum amount of risk-adjusted capital calculated in accordance with the rules of the IIROC at all times. Regulatory capital requirements fluctuate daily. Compliance with these requirements may require the Company to keep sufficient cash and other liquid assets on hand to maintain regulatory capital requirements rather than using these liquid assets in connection with its business or paying them out in the form of a cash dividend. Throughout the year ended December 31, 2019 and December 31, 2018, the Company was in compliance with its regulatory capital requirements.

Management believes Richardson GMP's working capital provides it with an appropriate level of liquidity and capital for existing operating and regulatory purposes for the reasonably foreseeable future assuming no significant adverse changes in the markets in which we operate.

Cash Flow Summary

The following table summarizes the statement of cash flows as presented within our 2019 Annual Financial Statements:

($000)	**2019**	2018
Operating activities	**31,990**	38,536
Investing activities	**(6,899)**	(2,156)
Financing activities	**(18,884)**	(29,531)
Net increase in cash and cash equivalents	**6,207**	6,849

Operating Activities

Cash provided by operating activities was $32.0 million in 2019 compared with cash provided by operating activities of $38.5 million in 2018.

For further detail on non-cash operating items, refer to Note 21 to the 2019 Annual Financial Statements.

Financing Activities

Financing activities provided $(18.9) million and $(29.5) million of cash in 2019 and 2018, respectively.

Financing activities are largely attributed to $(12.6) million of dividend payment and return of capital and $(8.8) million of lease payments in 2019 compared with $(20.2) million of dividend payment and return of capital and $(9.0) million repayment of subordinated loans

Investing Activities

Investing activities consumed $(6.9) million and $(2.2) million of cash in 2019 and 2018, respectively.

Investing activities are largely attributed to purchase of equipment and leasehold improvements in both 2019 and 2018.

Contractual Obligations

In the normal course of business, Richardson GMP enters into contracts that give rise to commitments of future minimum payments that affect our liquidity. The Company has entered into lease agreements, either directly or through sub-leases with RF Securities Clearing LP, for premises and equipment for periods up to December 31, 2029. The table below provides a summary of our future contractual funding commitments. Management expects to fund these commitments through cash generated by operations.

	$
2020	8,261
2021	8,302
2022	6,405
2023	2,798
2024	1,581
Thereafter	5,361
	32,708

OUTSTANDING SHARE DATA AND DIVIDENDS

Richardson GMP is authorized to issue an unlimited number of Class A, B, C, D, E and F common shares, an unlimited number of Class A and Class B preference shares, and an unlimited number of special preference shares.

The following table shows Richardson GMP's outstanding equity and securities convertible into equity as of the dates presented:

(# 000)	**December 31, 2019**	**December 31, 2018**
Common Shares	**84,854**	83,988
Preference Shares	**734**	744
Total Share Capital	**85,588**	**84,732**

There have been no other changes to the above table since December 31, 2019.

Common shares

The Class A and Class B common shares are held by holding companies owned by Richardson Financial Group Limited and GMP Capital Inc., respectively. The Class A and Class B common shares have ten votes for each Class A and Class B common shares held and are entitled to receive dividends, when declared. The Class C and Class D common shares are held by investment advisors and management from the predecessor firms of RPFL and GMP PC, respectively. The Class C and Class D common shares have one vote for each Class C and Class D common share held and are entitled to receive dividends, when declared. The Class E and Class F common shares are entitled to one vote for each Class E and Class F common share held and are entitled to receive dividends, when declared. No dividends shall be declared and paid on the Class F common shares unless a per share dividend that is twice the amount per share of such dividend has been declared and paid on the Class C, D and E common shares.

Preference shares and special preference shares

The Class B preference shares are non-voting, entitled to receive preferential, cumulative cash dividends at an annual rate of prime plus 4%, when declared, and are redeemable at the option of Richardson GMP at par, plus any accrued but unpaid dividends. The special preference shares are non-voting, are not entitled to receive dividends and are mandatorily redeemable by Richardson GMP from time to time. Partial redemption will result from the proceeds received from the exercise of Class D options of Richardson GMP.

Share-based compensation

Deferred share-based awards

In 2016, Richardson GMP offered a deferred incentive plan for investment advisors and employees in the form of restricted share units ("RSUs"). The shares are subject to restrictions with vesting to occur at the end of a three-year vesting period. The value of these share units is adjusted to reflect reinvested dividends. The compensation expense relating to the RSUs recorded during the year was $2,663 (2018 – $2,389).

Performance incentive program

The Performance Incentive Program ("PIP") awards advisors with shares once certain performance targets are met during the year. Once awarded, these shares are vested over three years. During the year ended December 31, 2019, the Company issued 719 (2018 – 586) Class E common shares with a grant date fair value of $3.10. Total compensation expense recognized during the year was $557 (2018 – $484) and all shares related to PIP are unvested as at December 31, 2019.

Performance share awards

During the year ended December 31, 2019, the Company issued 3 (2018 – 61) Class F common shares under the performance share awards plan with an average grant date fair value of $1.80. Also during the year, 101 Class F common shares (2018 – 60) with an average fair value of $2.24 were forfeited as a result of an unmet vesting conditions. Total compensation expense, net of reversals relating to forfeitures, recognized during the year ended December 31, 2019 was ($215) (2018 – ($25)).

For further information regarding share-based compensation refer to Note 16 to the 2019 Annual Financial Statements.

Dividends

The declaration and payment of dividends are at the sole discretion of the Board of Directors. The Board of Directors reviews Richardson GMP's dividend policy periodically in the context of the firm's overall profitability, free cash flow, regulatory capital requirements, legal requirements and other such factors that the Board of Directors determines to be relevant. For more information on dividends, refer to Note 16 to the 2019 Annual Financial Statements.

RELATED PARTY TRANSACTIONS

Our related parties include the following persons and/or entities: entities which are 100% owned by Richardson GMP, controlled or significantly influenced by Richardson GMP, and key management personnel, which are comprised of the Board of Directors and/or officers on the executive committee of Richardson GMP, investment advisors, and those persons having authority and responsibility for planning, directing and controlling the activities of Richardson GMP.

Advisor loans receivable are loans advanced to the Company's investment advisors. For further information, refer to Note 8 to the 2019 Annual Financial Statements.

Related party transactions with GMP Capital Inc., Richardson GMP's carrying broker, include amounts due from and deposits with carrying broker, the latter pursuant to the terms of the introducing/carrying broker arrangement between Richardson GMP and RF Securities Clearing L.P. The Company also has sub-lease arrangements with GMP Securities, which the Company has arranged to pay directly at rental rates and terms consistent with the head lease. Refer to note 17 for further details regarding these commitments.

Private funds

The Company is the manager of certain limited partnerships that offer retail clients access to alternative investment strategies such as private equity or real estate (the "Richardson Funds"). The Company, through its ownership of the private equity subsidiaries, is the general partner of the Richardson Funds.

The Company signed an administrative service agreement with each of the Richardson Funds.

For further details on related party transactions, see Note 13 to the 2019 Annual Financial Statements.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of the 2019 Annual Financial Statements in accordance with IFRS required management to make estimates and exercise judgment that affects reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and judgments are made based on information available as at the date of issuance of consolidated financial statements. Accordingly, actual results may differ from these amounts. Accounting policies that require management's estimates and judgments are discussed below. Significant accounting policies used and policies requiring management's judgement and estimates are described fully in Note 2 to the 2019 Annual Financial Statements.

Income taxes

The Company computes an income tax provision in each of the jurisdictions in which it operates. However, actual amounts of income tax expense only become final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the consolidated financial statements. Additionally, estimation of income taxes includes evaluating the recoverability of deferred tax assets against future taxable income based on an assessment of the ability to use the underlying future tax deductions before they expire. The assessment is based upon existing tax laws and estimates of future taxable income. To the extent estimates differ from the tax return, income would be affected in a subsequent year.

Share-based compensation

The Company uses estimates and judgments when determining the share-based compensation expense recorded on awards granted to employees and advisors during a reporting period. Measurement of the compensation expense is based on the estimated fair value of shares of a private company. The fair value is determined using the most appropriate model, which depends on terms and conditions of the share based compensation plan. These amounts are, by their nature, subject to measurement uncertainty.

Expected credit losses

The Company uses the ECL model to address credit risk associated with client margin and advisor loans. ECLs are estimated based on detailed review of client margin and advisor loans. A 12-month allowance for ECL is recognized at initial recognition, reflecting the portion of lifetime cash shortfalls that would result if a default occurs in the 12 months after the reporting date. A lifetime ECL allowance is recognized if a significant increase in credit risk is detected subsequent to initial recognition, reflecting a lifetime cash shortfalls that would result over the expected life of a financial asset.

Impairment of goodwill

When testing goodwill for impairment, the Company uses valuation models that consider such factors as projected earnings, enterprise value to AUA and discount rates. The Company must apply judgment in the selection of the approach to determining fair value and any necessary assumptions. These judgments may affect the recoverable amount and any resulting impairment write-down.

Provisions

Due to the nature of provisions, a considerable part of their determination is based on estimates and judgments, including assumptions concerning the future. The actual outcome of these uncertain factors may be materially different from the estimates, causing differences with the estimated provisions.

Leases – estimating incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company ‘would have to pay’, which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

FUTURE CHANGES IN ACCOUNTING POLICIES OR ESTIMATES

Richardson GMP monitors continuously the potential changes proposed by the International Accounting Standards Board and analyzes the effect that changes in the standards may have on Richardson GMP. For a summary of future changes in accounting policies or estimates, refer to Note 3 to the 2019 Annual Financial Statements.

RISK MANAGEMENT

Oversight and Monitoring

The securities business is, by its nature, subject to numerous and substantial risks, particularly in volatile or illiquid markets. Management believes that effective risk management is of primary importance to the ongoing success of Richardson GMP. We have risk management processes in place to monitor, evaluate and manage the principal risks we assume in conducting our activities. We seek to monitor and control our risk exposure through a variety of separate but complementary financial, credit, operational and compliance processes. Segregation of duties and management oversight are fundamental elements of our risk management process.

The Richardson GMP Board of Directors and Richardson GMP's CEO support our risk management processes through involvement in the assessment of principal risks. Key risk metrics are reported regularly to the Richardson GMP Board of Directors and executive management.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company segregates market risk into two categories: fair value risk, and interest rate risk.

(i) Fair value risk

Fair value risk is the potential for loss from an adverse movement in the value of a financial instrument. The Company incurs fair value risk through its trading position.

(ii) Interest rate risk

Interest rate risk relates to the risk that the fair value or future cash flows associated with a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk on cash, client cash balances, Government of Canada treasury bill deposits with the carrying broker, certain advisor loans and subordinated loans.

Credit risk

Credit risk is the risk of loss associated with the inability of a third party to fulfil its payment obligations. The Company is exposed to the risk that third parties that owe it money or other assets will not perform their obligations. A primary source of credit risk arises when Richardson GMP extends credit to its clients to purchase securities by way of margin lending. The Company's maximum exposure to credit risk as at December 31, 2019 is represented by the carrying value of the financial assets on the Company's consolidated statements of financial position and the value of its client receivables recorded on its carrying brokers' balance sheets.

As at December 31, 2019, the Company's total provision for doubtful accounts relating to advisor loans receivable was $6 (2018 – $773).

Liquidity risk

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they become due. Management oversees the Company's liquidity risk management to ensure the Company has access to sufficient funds to cover its financial obligations as they come due and the ability to sustain and grow its assets and operations both under normal and stressed conditions. For further discussion regarding liquidity risk and how we ensure such risks are minimized, refer to "Liquidity and Capital Resources" in this MD&A.

Operational Risk

Operational risk is the risk of loss due to inadequate or failed internal processes, people and systems or external events. Operational risk is embedded in all of our activities, including the practices and controls used to manage other risks. Failure to manage operational risk can lead to failure in the management of other risks such as credit, market or regulatory risk.

We manage operational risk through the application of long-standing, but continuously evolving, firm-wide control standards: the training, supervision and development of our people; the active participation and commitment of senior management in a continuous process of identifying and mitigating key operational risks across the firm; and a framework of strong and independent control personnel that monitor operational risk on a daily basis. Together, these elements form a strong firm-wide control culture that serves as the foundation of our efforts to minimize events that create operational risk and the damage they can cause.

Legal and Regulatory Risk

Legal and regulatory risk is the risk of loss due to adverse legal developments and regulatory non-compliance. Richardson GMP is subject to extensive regulation under securities laws of the Canadian jurisdictions. Compliance with such regulations involves a number of risks, particularly in areas where applicable regulations may be subject to interpretation. Our regulatory compliance philosophy is to manage regulatory and legal risks through the promotion of a strong compliance culture and the integration of strong controls within the business and support areas. Richardson GMP's compliance department directly supports our management of regulatory, compliance and legal risk through approval of our ethics and compliance program, which includes our code of conduct and enterprise compliance management framework, as well as specific policies and procedures in areas such as privacy and information protection, conflicts of interest, etc. It serves as the senior management focal point in initiating a response to and action on new and changing regulatory and compliance risks.

In the normal course of business, Richardson GMP may be involved in legal proceedings, including regulatory investigations. An adverse resolution of any lawsuits against Richardson GMP could materially affect Richardson GMP's operating results and financial condition. Management and Richardson GMP's external experts are involved in assessing the likelihood and in estimating any amounts involved. Due to the nature of provisions, a considerable part of their determination is based on estimates and judgments, including assumptions concerning the future. The actual outcome of these uncertain factors may be materially different from the estimates, causing differences with the estimated provisions.

For further information regarding financial risk management, please refer to Note 19 to the 2019 Annual Financial Statements.

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Management has designed disclosure controls and procedures to provide reasonable assurance that material information relating to Richardson GMP is accumulated and communicated to Richardson GMP's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") to allow for timely decisions regarding required disclosure and to ensure that information required to be disclosed in Richardson GMP's annual and interim filings and other reports filed or submitted under Canadian securities legislation is recorded, processed, summarized and reported within the time periods specified therein.

Internal Control over Financial Reporting

Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management is responsible for establishing and maintaining adequate internal control over financial reporting for GMP.

As of December 31, 2019, management evaluated the effectiveness of Richardson GMP's internal control over financial reporting taking into account the nature and size of Richardson GMP's business and using the framework and criteria established in the *Internal Control - Integrated Framework (2013)*, issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that Richardson GMP's internal control over financial reporting was effective as of December 31, 2019, and that there were no material weaknesses that have been identified in our internal control over financial reporting as of December 31, 2019.

Changes in Internal Control over Financial Reporting

To the best of the knowledge and belief of the CEO and CFO, no changes were made in Richardson GMP's internal control over financial reporting in 2019 that have materially affected or are reasonably likely to have a material effect on Richardson GMP's internal control over financial reporting.

FINANCIAL INSTRUMENTS

Richardson GMP is a Type 2 introducing broker and relies on its carrying broker to facilitate certain services including clearing and record keeping activities. An immaterial portion of the company's assets and liabilities are composed of financial instruments.

Richardson GMP under the terms of the introducing/carrying broker agreement, is required to maintain short-term Canadian treasury bills with the carrying broker.

Occasionally Richardson GMP engages in trading activities which include the purchase and sale of securities in the course of facilitating private placement transactions.

See "Risk Management" in this MD&A for details on how these risks are managed. For significant assumptions made in determining the valuation of financial and other instruments, refer to "Critical Accounting Policies and Estimates" in this MD&A.

RISK FACTORS

Richardson GMP securities are subject to a number of risks in addition to those described under "Forward-Looking Information" and "Risk Management" in this MD&A. Please see "Risk Factors – Risks Relating to Richardson GMP" in the accompanying management information circular of GMP Capital Inc. dated September 8, 2020 (the "Circular") for a discussion of risk factors with respect to investing in Richardson GMP. These risks and uncertainties are not the only ones facing Richardson GMP. In many cases, risks which are inherent to our industry and our activities are beyond our control and are not easily detected or mitigated. In addition to those described in the Circular, additional risks and uncertainties not currently known to Richardson GMP, or that Richardson GMP currently considers immaterial, may also impair the operations of Richardson GMP. If any such risks occur, the business, financial condition, or liquidity and results of operations of Richardson GMP could be materially adversely affected.

The risks set out in the Circular are risks and uncertainties that Richardson GMP currently believes could materially affect Richardson GMP's future financial performance. The reader should carefully consider the most significant risks associated with Richardson GMP's business, as described in the Circular.

RICHARDSON
GMP

MANAGEMENT'S DISCUSSION & ANALYSIS

For the Year Ended December 31, 2018

ABOUT THIS MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis ("MD&A") is provided to enable readers to assess the financial condition and results of operations and cash flows of Richardson GMP Limited ("Richardson GMP" or the "Company") as at and for the year ended December 31, 2018.

This MD&A has been prepared with an effective date of September 2, 2020 and should be read in conjunction with the audited annual consolidated financial statements and related notes of Richardson GMP for the year ended December 31, 2018 ("2018 Annual Financial Statements"). Certain comparative amounts have been reclassified to conform to the current year's presentation.

All references to we, our, us refer to Richardson GMP, together with its consolidated operations controlled by it.

Certain numbers contained in this MD&A are subject to rounding.

FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking information" as defined under applicable Canadian securities laws. This information includes, but is not limited to, statements made in "Business Environment - 2018 Highlights - Outlook" and "Liquidity and Capital Resources" and other statements concerning our objectives, our strategies to achieve those objectives as well as statements with respect to management's beliefs, plans, estimates, projections, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking information generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans", "continue", or similar expressions suggesting future outcomes or events. Such forward-looking information reflects management's current beliefs and is based on information currently available to management.

Forward-looking information is not a guarantee of future performance and is subject to numerous risks and uncertainties, including those described in this MD&A. Richardson GMP's primary business activities are both competitive and subject to various risks. These risks include market, credit, liquidity, operational, legal and regulatory risks, reputational and other risk factors including, without limitation: variation in the market value of securities, Richardson GMP's ability to recruit/retain investment advisors, an ability to grow assets under administration, Richardson GMP's ability to execute and integrate acquired businesses, industry competition, volatility and liquidity in financial markets, dependence on key personnel, Richardson GMP's ability to manage risks, legislative and regulatory events in Canada, and sustainability of fees. Other factors, such as general economic conditions, including interest rate and exchange rate fluctuations, and changes in tax laws may also have an effect on Richardson GMP's results of operations. Many of these risks and uncertainties can affect Richardson GMP's actual results and could cause its actual results to differ materially from those expressed or implied in any forward-looking information disclosed by management or on its behalf. For a description of additional risks that could cause our actual results to materially differ from our current expectations, see "Risk Management" and "Risk Factors" in this MD&A. These risks and uncertainties are not the only ones facing Richardson GMP. Additional risks and uncertainties not currently known to us or that we currently consider immaterial, may also impair the operations of Richardson GMP. Although forward-looking information contained in this MD&A is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with this forward-looking information. Certain statements included in this MD&A may be considered a "financial outlook" for purposes of applicable Canadian securities laws and, as such, the financial outlook may not be appropriate for purposes other than this MD&A. The forward-looking information contained in this MD&A is made as of the date of this MD&A, and should not be relied upon as representing Richardson GMP's views as of any date subsequent to the date of this MD&A.

Except as required by applicable law, management and the Richardson GMP Board of Directors undertake no obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

ABOUT RICHARDSON GMP

Richardson GMP was formed in 2009 through the merger of Richardson Partners Financial Ltd. ("RPFL") and GMP Private Client L.P. In 2013, Richardson GMP acquired and amalgamated Macquarie Private Wealth Inc. ("MPW"). Richardson GMP was awarded top ranking in the latest *Investment Executive* Annual Brokerage Report Card for products and services dedicated to high net worth investors.

As at December 31, 2018, Richardson GMP was owned by three groups in roughly equal proportions: GMP Capital Inc. ("GMP"); Richardson Financial Group Limited ("RFGL"); and Investment Advisors, Management and Current and Former Employees.

In addition to the common shares, GMP and RFGL own $31.1 million and $30.4 million preference shares of Richardson GMP, respectively.

The ownership interests of Richardson GMP's shareholders are governed by Richardson GMP's Shareholders Agreement dated November 12, 2009, as amended. This agreement, amongst other things, provides a specific framework for the purchase, sale, transfer or issuance of shares by Richardson GMP.

Richardson GMP is recognized as one of Canada's leading independent wealth management firms providing exclusive and innovative investment solutions, including investment advisory, tax and estate planning, charitable giving, risk management, and the intergenerational transfer of wealth for high net worth businesses and families. Business transition counsel and intergenerational transfer of wealth are an important part of the value proposition that it offers clients.

Through a network of 166 advisory teams, Richardson GMP administers approximately $27.4 billion (as at December 31, 2018) in client assets through offices in 19 markets across Canada. Richardson GMP advisors are concentrated in the high net worth wealth management markets. All Richardson GMP advisors share the firm's passion for professionalism, entrepreneurial spirit, independent culture and philosophy to deliver unbiased – and unparalleled – face-to-face advice to Canadians opting for non-bank points of success for wealth management solutions.

Richardson GMP earns its revenue primarily from fee-based products and services, traditional commission-based brokerage services, client-related interest, and insurance-related products. The table below highlights Richardson GMP's key revenue streams.

Revenue Streams	Description
Investment Management and Fees	Fees earned from the provision of investment management services
Commissions	Commissions earned on trading volume and by the retail distribution network from capital markets issuances
Interest	Spread earned on client loans and client cash balances
Other	Provision of insurance products, foreign exchange services and other miscellaneous

Investment management and fees is the largest and most consistent and predictable revenue stream, representing approximately 70% of Richardson GMP's 2018 revenue. Portfolio Management Accounts and Separately Managed Accounts represent a combined majority of investment management and fees revenue and are driven by the value of AUA balances.

The following table provides a brief description of the three main types of accounts and the activities involved in serving each.

Type of Account	Description
Portfolio Management Accounts	Provides the advisor with the discretionary authority to make investment decisions on behalf of the clients
Asset Management Accounts	Provides the client with flexibility on number of transactions for a fixed fee
Separately Managed Accounts	Investment professional for third party managers to separately manage client accounts

Commission revenue is largely driven by client trading volumes and the level of capital markets issuances. Gross commissions on new issuances are typically split between the underwriter and the retail distribution network.

Richardson GMP intends to grow prudently and aggressively through the selective recruitment of investment advisors whose practices are predominantly fee-based, and who share Richardson GMP's philosophy to deliver holistic wealth management solutions across the entire household balance sheet and fit in with its culture.

The following sections highlight Richardson GMP's financial results, on a continuing basis, for the year ended December 31, 2018, and 2017. These financial results reflect the manner in which financial information is evaluated by management.

PRESENTATION OF FINANCIAL INFORMATION AND NON-GAAP MEASURES

Presentation of Financial Information

Unless otherwise specified herein, financial results, including related historical comparatives, contained in this MD&A, are based on our 2018 Annual Financial Statements, which have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). The Canadian dollar is our functional and reporting currency for purposes of preparing Richardson GMP's consolidated financial statements and accordingly, all dollar references in this MD&A are in Canadian dollars, unless otherwise specified herein.

Non-GAAP Measures

We use certain measures to assess our financial performance that are not generally accepted accounting principles ("GAAP") measures under IFRS. These measures do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers. Non-GAAP measures should not be considered as alternatives to net income or comparable metrics determined in accordance with IFRS as indicators of GMP's performance, liquidity, cash flows, and profitability.

Assets under administration ("AUA") is a non-GAAP financial measure of client assets that are common to the wealth management business. AUA represents 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. The Company's method of calculating may differ from the methods used by other companies and therefore may not be comparable to other companies. Management uses these measures to assess Richardson GMP's operational performance.

Adjusted Measures

Financial statement items that exclude significant items are non-GAAP measures under IFRS. Management believes adjusting certain results and measures by excluding the impact of specified items may be more reflective of ongoing operating results and provides readers with an enhanced understanding of how management views Richardson GMP's core performance. Management assesses performance on both a reported and an adjusted basis and considers both bases to be useful in assessing underlying, ongoing business performance. Presenting results on both bases also permits readers to assess the impact of the specified items on the results for the periods presented.

Richardson GMP presents earnings before interest, income tax, depreciation and amortization ("EBITDA") which excludes:

- Interest expense recorded primarily in connection with subordinated loan financing arrangements.
- Income tax expense (benefit) recorded.
- Depreciation and amortization expense recorded primarily in connection with equipment and leasehold improvements.
- Transition assistance loan amortization in connection with investment advisor loan programs. Richardson GMP views these loans as an effective recruiting and retention tool, the cost of which is assessed by management upfront when the loan is provided rather than over its term.

Richardson GMP also presents an adjusted EBITDA which excludes the following ("adjusted EBITDA"):

- Share-based compensation costs recorded in connection with awards granted to employees and investment advisors of Richardson GMP.

EBITDA and adjusted EBITDA do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers. These Non-GAAP measures should not be considered as alternatives to net income or comparable metrics determined in accordance with IFRS as indicators of Richardson GMP's performance, liquidity, cash flows, and profitability. Richardson GMP's management believes adjusting results by excluding the impact of the specified items is more reflective of ongoing financial performance and cash generating capabilities and provides readers with an enhanced understanding of how management views Richardson GMP's core performance.

BUSINESS ENVIRONMENT - 2018 HIGHLIGHTS - OUTLOOK

Business Environment

2018 turned out to be mixed from both a macro and financial perspective. While the first three quarters of the year proved constructive in equity markets, led largely by growth in the cannabis sector, the fourth quarter witnessed higher levels of equity market volatility and negative performance across virtually all asset classes. The result was a broad-based equity markets retreat in 2018. The S&P/TSX Composite Index declined by 11.6% in 2018 with most of the year's losses recorded in the fourth quarter, where the index declined by 10.9%. In the U.S., the S&P 500 Index was down 6.24% in 2018.

Outlook

Richardson GMP is exclusively focused on deploying considerable resources toward accelerating growth in wealth management through aggressive recruitment of investment advisors, selective and complementary acquisitions, and forming alliances to help it grow faster and better serve clients. The recruitment pipeline for Canada's top investment advisors remains fairly robust and the company expect to continue building on that growth momentum in 2019, with the addition of new advisory teams with a high proportion of fee-based assets. Management is also focused on enhancing operating margins and managing expenses by leveraging technology and utilizing existing capacity. Richardson GMP is also committed to technology investment spending to enable its advisors to spend less time on routine mundane activities that can be automated, freeing up more time that can be better spent building and strengthening client relationships.

2018 Highlights

- Richardson GMP generated net income of $13.7 million in 2018 on total revenue of $290.1 million compared with $15.1 million in 2017 on total revenue of $289.4 million.
- Richardson GMP ended the year with $27.4 billion of AUA compared with $30.5 billion in 2017. Richardson GMP's AUA was $29.9, $30.2 and $30.2 billion for Q1, Q2 and Q3 respectively.
- As at December 31, 2018, Richardson GMP had 166 advisor teams; with an average AUA per team of approximately $165 million compared with 182 advisor teams with an average AUA per team of approximately $168 million.
- Richardson GMP was awarded top ranking in the latest *Investment Executive* Annual Brokerage Report Card for products and services dedicated to high net worth investors.
- During 2018, GMP and RFGL each made an additional equity investment in Richardson GMP of $2.9 million pursuant to a Richardson GMP internal liquidity process.

COMPETITIVE LANDSCAPE AND FINANCIAL HIGHLIGHTS

Richardson GMP has built a platform that supports its advisory teams with the opportunity to significantly scale their practices through technology tools, resources and policies that support growth. Richardson GMP provides clients with access to a comprehensive approach to managing their financial wealth from an overall household balance sheet perspective.

Competitive Landscape

Competition in the wealth management industry is based on a wide range of factors, including brand recognition, investment performance, the types of products offered, business reputation, financial strength, continuity of institutional, management and sales relationships, quality of service and face-to-face advice. Richardson GMP's competitors include mutual fund companies, private client investment managers, financial advisors, investment dealers, and the wealth management divisions of banks and insurance companies. The wealth management industry is highly correlated to equity market valuations, global economic conditions and investor demand for wealth management services and solutions.

There has been considerable consolidation among independent wealth managers in Canada. The decrease is driven largely by the need for scale in order to drive profitability, compete for talent and having the financial strength to absorb rising onerous regulatory costs. Competition among the firms with greater scale has also intensified over the past decade. Further industry consolidation is likely, whether by acquisition or aggressive recruitment of investment advisors. This will result in fewer, but larger and stronger industry players capturing growth in financial wealth.

Financial wealth has grown considerably in Canada over the last decade, in large part due to rising equity markets worldwide and a prolonged period of global economic growth. In particular, Canadian retail financial wealth totaled $4.4 trillion in 2018, which is held across 16 million households. This industry wealth is expected to grow to $7.7 trillion by 2028 (Source: Investor Economics). Canada's financial wealth is largely concentrated in the hands of the five major Canadian banks; however, strong independents with scale play a pivotal role in the wealth management ecosystem, providing Canadians with choice and non-banks points of access in selecting the best holistic wealth management service provider to help them achieve their long-term financial goals. Richardson GMP is focused on providing a comprehensive suite of products and services across the entire household balance sheet and believes the opportunities to grow aggressively its business are compelling. In Canada, there are currently 1.6 million households that have financial wealth in excess of $500,000/household (excluding real estate). These households account for $3.8 trillion or approximately 86% of total financial wealth in 2018. High net worth clients, Richardson GMP's chosen market and traditional area of strength, account for $3.3 trillion of total financial wealth. Richardson GMP believes there is an immense opportunity for non-bank alternative wealth managers to provide holistic wealth solutions on a national scale, with Richardson GMP at the forefront.

There has been a demonstrable shift in advisor practices toward a greater proportionate share of fee-based accounts relative to traditional transaction/commission-based accounts. This trend is particularly notable in the high net worth markets. Revenue associated with fee-based assets has greater predictability and tends to be "stickier" in nature. Wealth managers with a concentration of fee-based assets, like Richardson GMP, are higher quality franchises and command greater enterprise valuations across the industry. Richardson GMP has one of the highest ratios of fee-based revenue as a percentage of total revenue in the industry at approximately 70% in fiscal 2018. The competition to recruit investment advisors with practices comprised largely of fee-based assets has intensified among both independents and bank-owned brokerages over the past decade.

Financial Performance

The following shows Richardson GMP's financial results for the periods presented:

($000s)	2018	2017	2016	% increase/(decrease)[2]	% increase/(decrease)[2]
Revenue	290,079	289,405	274,186	-	6
Commissions	46,304	58,023	63,167	(20)	(8)
Investment management and fee income	202,040	198,551	179,925	2	10
Interest	28,152	19,945	17,157	41	16
Other	14,930	11,656	13,890	28	(16)
Unrealized gain (loss) on trading securities	(1,347)	1,230	47	n.m.	n.m.
Expenses	269,968	267,907	261,516	1	2
Employee compensation and benefits	190,337	192,614	186,963	(1)	3
Selling, general and administrative	67,359	66,532	66,057	1	1
Depreciation and amortization	5,205	5,154	5,280	1	(2)
Interest	7,067	3,607	3,216	n.m.	12
Income before income taxes	20,111	21,498	12,670	(6)	70
Net income	13,652	15,117	8,341	(10)	81
EBITDA[1]	42,785	41,710	34,444	3	21
Share-based compensation	2,580	2,255	2,343	14	(4)
Adjusted EBITDA[1]	45,365	43,965	36,787	3	20
Number of advisory teams	166	182	199	(9)	(9)
AUA at period-end ($ millions)	27,408	30,519	29,397	(10)	4
Net income (loss) per Common Share (dollars):					
Basic	0.17	0.18	0.10		
Diluted	0.11	0.10	0.01		

1. Considered to be a non-GAAP financial measure. This measure does not have any standardized meaning prescribed by GAAP under IFRS and is therefore unlikely to be comparable to similar measures presented by other issuers.
2. n.m. = not meaningful

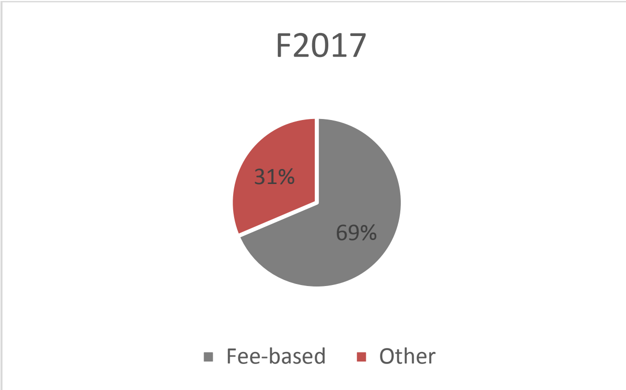
Financial Performance 2018 vs. 2017

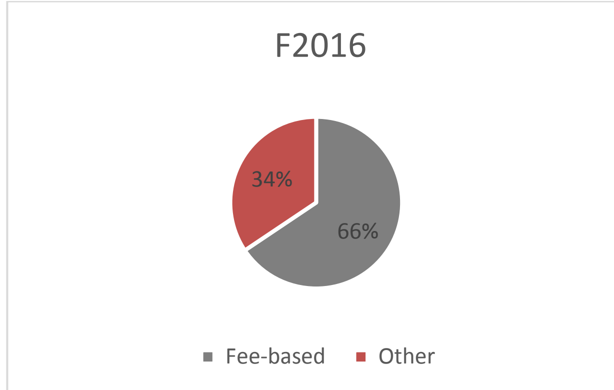
Richardson GMP reported net income of $13.7 million in 2018 compared with $15.1 million in 2017. Net income attributable to common shareholders was $9.0 million in 2018 compared with $8.2 million in 2017. On an adjusted basis, Richardson GMP adjusted EBITDA was $45.4 million and $44.0 million in 2018 and 2017, respectively.

Total revenues were largely unchanged in 2018 compared with 2017, higher investment management fees and higher interest revenue offset lower commissions. Through its high fee-based revenue model, the company was able to produce stable revenue through the volatility in the markets at the end of 2018.

Total expenses increased by 1% primarily due to higher interest expense compared to 2017 offset by 1% decrease in employee compensation and benefits.

__Financial Performance 2017 vs. 2016__





Richardson GMP reported net income of $15.1 million in 2017 compared with $8.3 million in 2016. The notable increase in performance was driven by higher investment management and fee income. Net income attributable to common shareholders was $8.2 million in 2017 compared with $1.2 million in 2016. On an adjusted basis, Richardson GMP adjusted EBITDA was $44.0 million and $36.8 million in 2017 and 2016, respectively.

Total revenues increased 6% in 2017 compared with 2016, as higher investment management fees offset lower commissions. Richardson GMP continues to focus on its stable fee-based revenue. Increase in fee-based revenue is largely attributed to the 4% increase in AUA.

Total expenses increased 2% primarily due to higher employee compensation on higher revenue generation. Non-compensation expenses were largely unchanged.

QUARTERLY RESULTS

The following table shows selected quarterly financial information for the eight most recently completed quarters:

($000s)	2018				2017			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	**69,117**	**70,915**	**74,748**	**75,299**	75,371	66,238	70,389	77,407
Commissions	8,936	10,239	12,402	14,727	15,648	9,745	12,669	19,961
Investment management and fee income	48,261	51,148	51,270	51,361	49,700	49,034	50,473	49,344
Interest	7,504	7,135	6,679	6,835	5,662	5,190	4,700	4,393
Other	4,399	3,268	3,863	3,400	3,071	2,489	2,422	3,674
Unrealized gain (loss) on trading securities	17	(875)	534	(1,024)	1,290	(220)	125	35
Expenses	**64,474**	**67,011**	**68,164**	**70,319**	68,920	63,078	64,368	71,541
Income before income taxes	4,643	3,904	6,584	4,980	6,451	3,160	6,021	5,866
Net income	2,834	2,615	4,601	3,602	4,372	2,235	4,319	4,191
Net income (loss) per Common Share (dollars):								
Basic	0.04	0.03	0.06	0.04	0.05	0.03	0.05	0.05
Diluted	0.02	0.02	0.04	0.03	0.03	0.00	0.03	0.03

Quarterly Trend and Analysis

Richardson GMP continues to provide steady revenue from robust investment management and fee income.

Commissions revenue trending downward due to lower trading volume and origination activity.

Expenses continue to decrease due to lower transaction costs and management's focus on operational efficiencies.

Quarterly results are generally not significantly affected by seasonal factors due to high % of revenue in fee category.

Fourth Quarter 2018 Financial Performance

Fourth Quarter 2018 vs. Fourth Quarter 2017

Richardson GMP reported net income of $2.8 million in fourth quarter 2018 compared with $4.4 million in fourth quarter 2017. On an adjusted basis, Richardson GMP adjusted EBITDA was $10.6 million and $12.6 million in fourth quarter 2018 and fourth quarter 2017, respectively.

Total revenue decreased in fourth quarter 2018 compared with fourth quarter 2017 due to lower commission revenue.

Total expenses decreased in fourth quarter 2018 compared with fourth quarter 2017 due to lower variable employee compensation and benefits.

FINANCIAL CONDITION

The table below shows select consolidated balance sheet items as at the dates presented and is followed by a discussion of the change in these balances:

($000)	**December 31, 2018**	December 31, 2017	$ increase/ (decrease)	% increase/ (decrease)
TOTAL ASSETS	**301,333**	316,176	(14,843)	(5%)
Selected asset balances:				
Advisor loans receivable	**27,167**	36,257	(9,090)	(25%)
Deferred tax asset	**34,475**	40,835	(6,360)	(16%)
TOTAL LIABILITIES	**119,711**	127,675	(7,964)	(6%)
Selected liability balances:				
Provisions	**10,982**	8,786	2,196	25%
Subordinated loans	**71,000**	80,000	(9,000)	(11%)

Total assets decreased $14.8 million or 5% in 2018. The decrease primarily relates to:

- $9.1 million decrease in advisor loans receivable and
- $6.4 million decrease in deferred tax asset,

Total liabilities decreased $8.0 million or 6% in 2018 compared with 2017. The decrease primarily relates to:

- $9.0 million decrease in subordinated loans offset by
- $2.2 million increase in provisions.

LIQUIDITY AND CAPITAL RESOURCES

Richardson GMP requires capital and liquidity to fund existing and future operations, future cash payments to its shareholders and to satisfy regulatory requirements. Richardson GMP's policy is to maintain sufficient and appropriate levels of capital and liquidity through a variety of sources, at a reasonable cost. This serves to maintain balance sheet strength under normal market conditions and through periods of financial stress. Capital and balance sheet strength are always key priorities for Richardson GMP.

In the normal course of business, the Company enters into contracts that give rise to commitments of future minimum payments that may affect liquidity. Richardson GMP currently derives liquidity from its working capital, subordinated loans and long-term debt.

Subordinated Loans

Subordinated loans can be used to provide additional capital to support operating activities in Richardson GMP. Richardson GMP has in place an $8 million revolving line of credit from GMP capital Inc. in order to accommodate short-term funding requirements. The loan, when drawn, is unsecured, bears interest at the prime rate of interest plus 4% and is repayable on demand subject to certain conditions, including IIROC approval. There were no amounts outstanding under this facility as at December 31, 2018, and December 31, 2017.

Subordinated Loans

	2018	2017
	$	$
Bank of China	**26,625**	30,000
Canadian Imperial Bank of Commerce	**26,625**	30,000
Canadian Western Bank	**17,750**	20,000
	71,000	80,000

On November 7, 2017, the Company entered into an agreement with Canadian Imperial Bank of Commerce ("CIBC"), Bank of China and Canadian Western Bank to refinance the existing subordinated loans with National Bank of Canada and CIBC in the amount of $80,000. The company has made all scheduled repayments to date.

The subordinated loans each bear interest at the prime rate plus 2.5%. The subordinated loan is unsecured and subject to regular scheduled repayment dates. The subordinated loans have financial tests and other covenants with which the Company must comply. As at December 31, 2018, the Company was in compliance with all financial covenants associated with all three subordinated loans.

There were no significant changes made to Richardson GMP's cash management practices during 2018.

Capital management

The Company requires capital to fund existing and future operations, future dividends and regulatory capital requirements. Liquidity of the Company is continually evaluated, factoring in business requirements, market conditions and regulatory capital requirements. The Company's policy is to maintain sufficient and appropriate levels of capital through a variety of sources.

The Company's capital structure consists of common shares, preference shares, subordinated loans, contributed surplus, reserves, net of accumulated retained earnings (deficit). The following table summarizes the Company's capital:

	2018	2017
	$	$
Type of capital		
Common shares	**132,152**	131,593
Preference shares	**61,527**	61,537
Subordinated loans	**71,000**	80,000
Contributed surplus	**2,958**	3,847
Accumulated deficit	**(15,015)**	(8,476)
	252,622	268,501

The Company is subject to regulatory capital requirements designed to provide notice to the regulatory authorities of possible liquidity concerns. The Company is required to maintain a minimum amount of risk-adjusted capital calculated in accordance with the rules of the IIROC at all times. Regulatory capital requirements fluctuate daily. Compliance with these requirements may require the Company to keep sufficient cash and other liquid assets on hand to maintain regulatory capital requirements rather than using these liquid assets in connection with its business or paying them out in the form of a cash dividend. Throughout the year ended December 31, 2018 and December 31, 2017, the Company was in compliance with its regulatory capital requirements.

Management believes Richardson GMP's working capital provides it with an appropriate level of liquidity and capital for existing operating and regulatory purposes for the reasonably foreseeable future assuming no significant adverse changes in the markets in which we operate.

Cash Flow Summary

The following table summarizes the statement of cash flows as presented within our 2018 Annual Financial Statements:

($000)	**2018**	2017
Operating activities	**38,536**	42,202
Investing activities	**(2,156)**	(3,936)
Financing activities	**(29,531)**	(45,937)
Net increase (decrease) in cash and cash equivalents	**6,849**	(7,671)

Operating Activities

Cash provided by operating activities was $38.5 million in 2018 compared with cash provided by operating activities of $42.2 million in 2017.

For further detail on non-cash operating items, refer to Note 19 to the 2018 Annual Financial Statements.

Financing Activities

Financing activities provided $(29.5) million and $(45.9) million of cash in 2018 and 2017, respectively.

Financing activities are largely attributed to $(20.2) million of dividend payment and return of capital and $(9.0) million of subordinated loan repayment compared with $(47.2) million of redemption of shares, $(35.4) million of dividend payment and $35 million net proceeds from subordinated loans in 2017.

Investing Activities

Investing activities consumed $(2.2) million and $(3.9) million of cash in 2018 and 2017, respectively.

Investing activities are largely attributed to purchase of equipment and leasehold improvements both in 2018 and 2017.

Contractual Obligations

In the normal course of business, Richardson GMP enters into contracts that give rise to commitments of future minimum payments that affect our liquidity. The Company has entered into lease agreements, either directly or through sub-leases with RF Securities Clearing LP, for premises and equipment for periods up to December 31, 2023.

The table below provides a summary of our future contractual funding commitments. Management expects to fund these commitments through cash generated by operations.

	$
2019	10,129
2020	9,062
2021	8,879
2022	6,798
2023	2,756
Thereafter	6,664
	44,288

OUTSTANDING SHARE DATA AND DIVIDENDS

Richardson GMP is authorized to issue an unlimited number of Class A, B, C, D, E and F common shares, an unlimited number of Class A and Class B preference shares, and an unlimited number of special preference shares.

The following table shows Richardson GMP's outstanding equity and securities convertible into equity as of the dates presented:

(# 000)	**December 31, 2018**	December 31, 2017
Common Shares	**83,988**	84,458
Preference Shares	**744**	754
Total Share Capital	**84,732**	85,212

There have been no other changes to the above table since December 31, 2018.

Common shares

The Class A and Class B common shares are held by holding companies owned by Richardson Financial Group Limited and GMP Capital Inc., respectively. The Class A and Class B common shares have ten votes for each Class A and Class B common shares held and are entitled to receive dividends, when declared. The Class C and Class D common shares are held by investment advisors and management from the predecessor firms of RPFL and GMP PC, respectively. The Class C and Class D common shares have one vote for each Class C and Class D common share held and are entitled to receive dividends, when declared. The Class E and Class F common shares are entitled to one vote for each Class E and Class F common share held and are entitled to receive dividends, when declared. No dividends shall be declared and paid on the Class F common shares unless a per share dividend that is twice the amount per share of such dividend has been declared and paid on the Class C, D and E common shares.

Preference shares and special preference shares

The Class B preference shares are non-voting, entitled to receive preferential, cumulative cash dividends at an annual rate of prime plus 4%, when declared, and are redeemable at the option of Richardson GMP at par, plus any accrued but unpaid dividends. The special preference shares are non-voting, are not entitled to receive dividends and are mandatorily redeemable by Richardson GMP from time to time. Partial redemption will result from the proceeds received from the exercise of Class D options of Richardson GMP.

Share-based compensation

Deferred share-based awards

In 2016, Richardson GMP offered a deferred incentive plan for investment advisors and employees in the form of restricted share units ("RSUs"). The shares are subject to restrictions with vesting to occur at the end of a three-year vesting period. The value of these share units is adjusted to reflect reinvested dividends. The compensation expense relating to the RSUs recorded during the year was $2,389 (2017 – $1,482).

Performance incentive program

The Performance Incentive Program ("PIP") awards advisors with shares once certain performance targets are met during the year. Once awarded, these shares are vested over three years. During the year ended December 31, 2018, the Company issued 586 (2017 – 565) Class E common shares with a grant date fair value of $3.30. Total compensation expense recognized during the year was $484 (2017 – $466) and all shares related to PIP are unvested as at December 31, 2018.

Performance share awards

During the year ended December 31, 2018, the Company issued 61 (2017 – 102) Class F common shares under the performance share awards plan with an average grant date fair value of $2.46. Also during the year, 60 Class F common shares (2017 – 25) with an average fair value of $2.60 were forfeited as a result of an unmet vesting conditions. Total compensation expense, net of reversals relating to forfeitures, recognized during the year ended December 31, 2018 was $(25) (2017 – $319).

For further information regarding share-based compensation refer to Note 14 to the 2018 Annual Financial Statements.

Dividends

The declaration and payment of dividends are at the sole discretion of the Board of Directors. The Board of Directors reviews Richardson GMP's dividend policy periodically in the context of the firm's overall profitability, free cash flow, regulatory capital requirements, legal requirements and other such factors that the Board of Directors determines to be relevant. For more information on dividends, refer to Note 14 to the 2018 Annual Financial Statements.

RELATED PARTY TRANSACTIONS

Our related parties include the following persons and/or entities: entities which are 100% owned by Richardson GMP, controlled or significantly influenced by Richardson GMP, and key management personnel, which are comprised of the Board of Directors and/or officers on the executive committee of Richardson GMP, investment advisors, and those persons having authority and responsibility for planning, directing and controlling the activities of Richardson GMP.

Advisor loans receivable are loans advanced to the Company's investment advisors. For further information, refer to Note 8 to the 2018 Annual Financial Statements.

Related party transactions with GMP Capital Inc., Richardson GMP's carrying broker, include amounts due from and deposits with carrying broker, the latter pursuant to the terms of the introducing/carrying broker arrangement between Richardson GMP and RF Securities Clearing L.P. The Company also has sub-lease arrangements with GMP Securities, which the Company has arranged to pay directly at rental rates and terms consistent with the head lease. Refer to note 15 for further details regarding these commitments.

Private funds

The Company is the manager of certain limited partnerships that offer retail clients access to alternative investment strategies such as private equity or real estate (the "Richardson Funds"). The Company, through its ownership of the private equity subsidiaries, is the general partner of the Richardson Funds.

The Company signed an administrative service agreement with each of the Richardson Funds.

For further details on related party transactions, see Note 12 to the 2018 Annual Financial Statements.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of the 2018 Annual Financial Statements in accordance with IFRS required management to make estimates and exercise judgment that affects reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and judgments are made based on information available as at the date of issuance of consolidated financial statements. Accordingly, actual results may differ from these amounts. Accounting policies that require management's estimates and judgments are discussed below. Significant accounting policies used and policies requiring management's judgement and estimates are described fully in Note 2 to the 2018 Annual Financial Statements.

Income taxes

The Company computes an income tax provision in each of the jurisdictions in which it operates. However, actual amounts of income tax expense only become final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the consolidated financial statements. Additionally, estimation of income taxes includes evaluating the recoverability of deferred tax assets against future taxable income based on an assessment of the ability to use the underlying future tax deductions before they expire. The assessment is based upon existing tax laws and estimates of future taxable income. To the extent estimates differ from the tax return, income would be affected in a subsequent year.

Share-based compensation

The Company uses estimates and judgments when determining the share-based compensation expense recorded on awards granted to employees and advisors during a reporting period. Measurement of the compensation expense is based on the estimated fair value of shares of a private company. The fair value estimate is derived primarily from a third- party valuation. These amounts are, by their nature, subject to measurement uncertainty.

Expected credit losses

The Company uses the ECL model to address credit risk associated with client margin and advisor loans. ECLs are estimated based on detailed review of client margin and advisor loans. A 12-month allowance for ECL is recognized at initial recognition, reflecting the portion of lifetime cash shortfalls that would result if a default occurs in the 12 months after the reporting date. A lifetime ECL allowance is recognized if a significant increase in credit risk is detected subsequent to initial recognition, reflecting a lifetime cash shortfalls that would result over the expected life of a financial asset.

Impairment of goodwill

When testing goodwill for impairment, the Company uses valuation models that consider such factors as projected earnings, enterprise value to assets under administration ("AUA") and discount rates. The Company must apply judgment in the selection of the approach to determining fair value and any necessary assumptions. These judgments may affect the recoverable amount and any resulting impairment write-down.

Provisions

Due to the nature of provisions, a considerable part of their determination is based on estimates and judgments, including assumptions concerning the future. The actual outcome of these uncertain factors may be materially different from the estimates, causing differences with the estimated provisions.

FUTURE CHANGES IN ACCOUNTING POLICIES OR ESTIMATES

Richardson GMP monitors continuously the potential changes proposed by the International Accounting Standards Board and analyzes the effect that changes in the standards may have on Richardson GMP. For a summary of future changes in accounting policies or estimates, refer to Note 3 to the 2018 Annual Financial Statements.

RISK MANAGEMENT

Oversight and Monitoring

The securities business is, by its nature, subject to numerous and substantial risks, particularly in volatile or illiquid markets. Management believes that effective risk management is of primary importance to the ongoing success of Richardson GMP. We have risk management processes in place to monitor, evaluate and manage the principal risks we assume in conducting our activities. We seek to monitor and control our risk exposure through a variety of separate but complementary financial, credit, operational and compliance processes. Segregation of duties and management oversight are fundamental elements of our risk management process.

The Richardson GMP Board of Directors and Richardson GMP's CEO support our risk management processes through involvement in the assessment of principal risks. Key risk metrics are reported regularly to the Richardson GMP Board of Directors and executive management.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company segregates market risk into two categories: fair value risk, and interest rate risk.

(i) Fair value risk

Fair value risk is the potential for loss from an adverse movement in the value of a financial instrument. The Company incurs fair value risk through its trading position.

(ii) Interest rate risk

Interest rate risk relates to the risk that the fair value or future cash flows associated with a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk on cash, client cash balances, Government of Canada treasury bill deposits with the carrying broker, certain advisor loans and subordinated loans.

Credit risk

Credit risk is the risk of loss associated with the inability of a third party to fulfil its payment obligations. The Company is exposed to the risk that third parties that owe it money or other assets will not perform their obligations. A primary source of credit risk arises when Richardson GMP extends credit to its clients to purchase securities by way of margin lending. The Company's maximum exposure to credit risk as at December 31, 2018 is represented by the carrying value of the financial assets on the Company's consolidated statements of financial position and the value of its client receivables recorded on its carrying brokers' balance sheets.

As at December 31, 2018, the Company's total provision for doubtful accounts relating to advisor loans receivable was $773 (2017 – $864).

Liquidity risk

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they become due. Management oversees the Company's liquidity risk management to ensure the Company has access to sufficient funds to cover its financial obligations as they come due and the ability to sustain and grow its assets and operations both under normal and stressed conditions. For further discussion regarding liquidity risk and how we ensure such risks are minimized, refer to "Liquidity and Capital Resources" in this MD&A.

Operational Risk

Operational risk is the risk of loss due to inadequate or failed internal processes, people and systems or external events. Operational risk is embedded in all of our activities, including the practices and controls used to manage other risks. Failure to manage operational risk can lead to failure in the management of other risks such as credit, market or regulatory risk.

We manage operational risk through the application of long-standing, but continuously evolving, firm-wide control standards: the training, supervision and development of our people; the active participation and commitment of senior management in a continuous process of identifying and mitigating key operational risks across the firm; and a framework of strong and independent control personnel that monitor operational risk on a daily basis. Together, these elements form a strong firm-wide control culture that serves as the foundation of our efforts to minimize events that create operational risk and the damage they can cause.

Legal and Regulatory Risk

Legal and regulatory risk is the risk of loss due to adverse legal developments and regulatory non-compliance. Richardson GMP is subject to extensive regulation under securities laws of the Canadian jurisdictions. Compliance with such regulations involves a number of risks, particularly in areas where applicable regulations may be subject to interpretation. Our regulatory compliance philosophy is to manage regulatory and legal risks through the promotion of a strong compliance culture and the integration of strong controls within the business and support areas. Richardson GMP's compliance department directly supports our management of regulatory, compliance and legal risk through approval of our ethics and compliance program, which includes our code of conduct and enterprise compliance management framework, as well as specific policies and procedures in areas such as privacy and information protection, conflicts of interest, etc. It serves as the senior management focal point in initiating a response to and action on new and changing regulatory and compliance risks.

In the normal course of business, Richardson GMP may be involved in legal proceedings, including regulatory investigations. An adverse resolution of any lawsuits against Richardson GMP could materially affect Richardson GMP's operating results and financial condition. Management and Richardson GMP's external experts are involved in assessing the likelihood and in estimating any amounts involved. Due to the nature of provisions, a considerable part of their determination is based on estimates and judgments, including assumptions concerning the future. The actual outcome of these uncertain factors may be materially different from the estimates, causing differences with the estimated provisions.

For further information regarding financial risk management, please refer to Note 17 to the 2018 Annual Financial Statements.

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Management has designed disclosure controls and procedures to provide reasonable assurance that material information relating to Richardson GMP is accumulated and communicated to Richardson GMP's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") to allow for timely decisions regarding required disclosure and to ensure that information required to be disclosed in Richardson GMP's annual and interim filings and other reports filed or submitted under Canadian securities legislation is recorded, processed, summarized and reported within the time periods specified therein.

Internal Control over Financial Reporting

Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management is responsible for establishing and maintaining adequate internal control over financial reporting for GMP.

As of December 31, 2018, management evaluated the effectiveness of Richardson GMP's internal control over financial reporting taking into account the nature and size of Richardson GMP's business and using the framework and criteria established in the *Internal Control - Integrated Framework (2013)*, issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that Richardson GMP's internal control over financial reporting was effective as of December 31, 2018, and that there were no material weaknesses that have been identified in our internal control over financial reporting as of December 31, 2018.

Changes in Internal Control over Financial Reporting

To the best of the knowledge and belief of the CEO and CFO, no changes were made in Richardson GMP's internal control over financial reporting in 2018 that have materially affected or are reasonably likely to have a material effect on Richardson GMP's internal control over financial reporting.

FINANCIAL INSTRUMENTS

Richardson GMP is a Type 2 introducing broker and relies on its carrying broker to facilitate certain services including clearing and record keeping activities. An immaterial portion of the company's assets and liabilities are composed of financial instruments.

Richardson GMP under the terms of the introducing/carrying broker agreement, is required to maintain short-term Canadian treasury bills with the carrying broker.

Occasionally Richardson GMP engages in trading activities which include the purchase and sale of securities in the course of facilitating private placement transactions.

See "Risk Management" in this MD&A for details on how these risks are managed. For significant assumptions made in determining the valuation of financial and other instruments, refer to "Critical Accounting Policies and Estimates" in this MD&A.

RISK FACTORS

Richardson GMP securities are subject to a number of risks in addition to those described under "Forward-Looking Information" and "Risk Management" in this MD&A. Please see "Risk Factors – Risks Relating to Richardson GMP" in the accompanying management information circular of GMP Capital Inc. dated September 8, 2020 (the "Circular") for a discussion of risk factors with respect to investing in Richardson GMP. These risks and uncertainties are not the only ones facing Richardson GMP. In many cases, risks which are inherent to our industry and our activities are beyond our control and are not easily detected or mitigated. In addition to those described in the Circular, additional risks and uncertainties not currently known to Richardson GMP, or that Richardson GMP currently considers immaterial, may also impair the operations of Richardson GMP. If any such risks occur, the business, financial condition, or liquidity and results of operations of Richardson GMP could be materially adversely affected.

The risks set out in the Circular are risks and uncertainties that Richardson GMP currently believes could materially affect Richardson GMP's future financial performance. The reader should carefully consider the most significant risks associated with Richardson GMP's business, as described in the Circular.

SCHEDULE J
ADVANCE NOTICE BY-LAW

See attached.

* * * * *

GMP CAPITAL INC.

BY-LAW NO. 3

BE IT ENACTED AND IT IS HEREBY ENACTED as a by-law of GMP Capital Inc. (hereinafter called the "**Corporation**") as follows:

PART ONE
ADVANCE NOTICE

1.1 Definitions

For purposes of this Part One:

(a) "**Act**" means the *Business Corporations Act* (Ontario), as from time to time amended, and every statute that may be substituted therefor and, in the case of such amendment or substitution, any reference in the by-laws of the Corporation shall be read as referring to the amended or substituted provisions therefor;

(b) "**public announcement**" means disclosure in a (i) press release reported in a national news service in Canada, or (ii) a document publicly filed by the Corporation or its transfer agent and registrar under the Corporation's profile on the System for Electronic Document Analysis and Retrieval at www.sedar.com; and

(c) "**Applicable Securities Laws**" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the written rules, regulations and forms made or promulgated under any such legislation and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authorities of each province or territory of Canada.

1.2 Nomination of Directors

Subject only to the Act, Applicable Securities Laws and the articles of the Corporation, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board of directors of the Corporation may be made at any annual meeting of shareholders, or at any special meeting of shareholders, if one of the purposes for which the special meeting was called is the election of directors. Such nominations may be made in the following manner:

(a) by or at the direction of the board of directors of the Corporation, including pursuant to a notice of meeting;

(b) by or at the direction or request of one or more shareholders pursuant to a proposal submitted to the Corporation in accordance with the provisions of the Act, or a requisition of meeting submitted to the directors in accordance with the provisions of the Act; or

(c) by any person (a "**nominating shareholder**") who:

(i) at the close of business on the date of the giving of the notice provided for below in this Part One and on the record date for determining shareholders entitled to vote at such meeting, is a registered holder or beneficial owner of shares that are entitled to be voted at such meeting; and

(ii) complies with the notice and other procedures set forth in this Part One.

1.3 Timely Notice

In addition to any other requirements in this Part One and under applicable laws, for a nomination to be made by a nominating shareholder, the nominating shareholder must have given timely notice thereof in proper written form to the secretary of the Corporation at the principal executive offices of the Corporation.

1.4 Manner of Timely Notice

To be timely, a nominating shareholder's notice to the secretary of the Corporation must be made:

(a) in the case of an annual meeting of shareholders (which includes an annual and special meeting), not less than 30 days prior to the date of the annual meeting of shareholders; provided, however, that if (i) an annual meeting of shareholders is called for a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice must be received not later than the close of business on the 10th day following the date on which the public announcement of the date of the annual meeting is first made by the Corporation, and (ii) the Corporation uses "notice-and-access" (as defined in National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer*) to send proxy-related materials to shareholders in connection with an annual meeting, notice must be received not less than 40 days prior to the date of the annual meeting; and

(b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th day following the day on which the public announcement of the date of the special meeting of shareholders is first made by the Corporation. The adjournment or postponement of a meeting of shareholders or the announcement thereof shall commence a new time period for the giving of a nominating shareholder's notice as described above.

1.5 Proper Form of Timely Notice

To be in proper written form, a nominating shareholder's notice to the secretary of the Corporation must set forth, all of which the Corporation believes to be necessary information to be included in a dissident proxy circular, or is necessary to enable to board and shareholders to determine director nominee qualifications, relevant experience, shareholding or voting interest in the Corporation or independence, all in the same manner as would be required for nominees of the Corporation:

(a) as to each person whom the nominating shareholder proposes to nominate for election as a director:

(i) the name, age, business address and residential address of that person;

(ii) the principal occupation or employment of that person;

(iii) whether the nominee is a resident Canadian within the meaning of the Act;

(iv) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;

(v) any relationships, agreements or arrangements, including financial, compensation and indemnity related relationships, agreements or arrangements, between the person or any of its affiliates and the nominating shareholder, any person acting jointly or in concert with the nominating shareholder or any of their respective affiliates;

(vi) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws; and

(b) as to the nominating shareholder proposing a nomination and giving the notice,

(i) the name and record address of the nominating shareholder,

(ii) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the nominating shareholder as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;

(iii) any derivatives or other economic or voting interests in the Corporation and any hedges implemented with respect to the nominating shareholders' interests in the Corporation;

(iv) any proxy, contract, arrangement, understanding or relationship pursuant to which the nominating shareholder has a right to vote any shares of the Corporation;

(v) whether the nominating shareholder intends to deliver a proxy circular and form of proxy to any shareholders of the Corporation in connection with the election of directors; and

(vi) any other information relating to the nominating shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws.

The Corporation may require any proposed nominee to furnish such other information as may be reasonably required by the Corporation to determine, pursuant to Applicable Securities Laws, the independence, or lack thereof, of such proposed nominee, provided that such disclosure request does not go beyond that required of management nominees for election as directors of the Corporation. Reference to "nominating shareholder" in this Section 1.6 shall be deemed to refer to each shareholder that nominates a person for election as director in the case of a nomination proposal where more than one shareholder is involved in making such nomination proposal. All information provided in a nominating shareholder's notice will be made publicly available to shareholders of the Corporation.

1.6 Determination of Eligibility

No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this Part One; provided, however, that nothing in this Part One shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chair of the meeting of shareholders at which an election for directors is held shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

1.7 Delivery of Notice

Notwithstanding any other provision of the by-laws of the Corporation, notice given to the secretary of the Corporation pursuant to this Part One may only be given by personal delivery or by email (at such email address as may be stipulated from time to time by the secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery to the secretary of the Corporation at the address of the principal executive offices of the Corporation or email (at the address as aforesaid); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Toronto time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

1.8 Waiver

Notwithstanding the foregoing, the board of directors of the Corporation may, in its sole discretion, waive any requirement in this Part One.

Effective as of the 30th day of July, 2020.

SCHEDULE K
CORPORATE GOVERNANCE

GMP's corporate governance framework is founded on the principles of integrity and accountability and is designed to guide the Board and Management in fulfilling their responsibilities to GMP, its shareholders, employees and clients. The Board works continuously to review, assess and improve GMP's governance practices to ensure GMP is managed with the objective of enhance shareholder value.

Independence of Directors

Pursuant to National Instrument 52-110 *Audit Committees*, a director is considered independent if he or she has no direct or indirect material relationship with the company or its subsidiaries. A "material relationship" is defined to mean any relationship, which could, in the view of the board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment. On an annual basis, the Board, in consultation with its Governance Committee, considers the relationships that a director has with the GMP Group, in order to determine whether the director is or remains independent.

Based on reference to these requirements and a review of the factual circumstances, the Board, in consultation with the Governance Committee, has determined that five of the director nominees, being a majority, are independent:

Director	Year Appointed	Independence Status of Directors			Reason for Not-Independent Status
		Independent	Not Independent	Management	
David G. Brown	2014	✓			
Marc Dalpé	n/a		✓		Mr. Dalpé is currently an employee and a member of the board of directors of Richardson GMP.
David C. Ferguson	2014	✓			
Kishore Kapoor	2018		✓	✓	Mr. Kapoor is President and CEO, GMP
Julie A. Lassonde	2018	✓			
Donald A. Wright	2004	✓			

Board Interlocks

A board interlock refers to the situation in which two or more members of our Board also serve as members of the board of directors of another public company. Although the Board does not set a formal limit on the number of interlocking board and committee memberships, it will review them should they arise and approve the disclosure of them in our management information circular. As of September 4, 2020, no members of our Board served together on the boards of other public companies. The Governance Committee monitors the number of outside boards our directors sit on against our expectation that such membership will not impair the director's time and availability and for his or her commitment to GMP. In considering whether to approve a director's request, the Governance Committee considers the matter on a case-by-case basis, taking into consideration all relevant factors, including, but not limited to, the requesting director's other directorships, other employment commitments and the time commitment associated with membership on another board or committee.

Independent Chair of the Board

We believe that the separation of the positions of President and CEO and Chair contributes to allowing the Board to function independently of management. The Chair of the Board's responsibilities include establishing, in consultation with the CEO, CFO, appropriate directors and senior members of the GMP Group, as appropriate, the agendas for each meeting of the Board.

Board and Committee Meetings

It is expected that the Board will meet at least four times each year (and more frequently, if required). Each committee will meet at least twice each year or more frequently as mandated by the applicable committee's respective charter or as otherwise deemed necessary. The agenda for each committee meeting is established by the Chair of that committee in consultation with appropriate members of the committee and senior members of the GMP Group, as appropriate. Additionally, to the extent not serving as an appointed member, the Chair of the Board is an *ex officio* member of each committee who attends, but does not vote on matters, at such committee meetings.

Sessions With the CEO

To ensure strong communication with the CEO, the independent directors meet with the CEO (with no other members of management present) at every scheduled meeting of the Board and otherwise as the independent directors determine.

Sessions Without Management

To ensure free and open discussion and communication among directors, the independent directors meet in executive session with no other directors or members of management present at the beginning and conclusion of every regularly scheduled Board meeting and otherwise as the independent directors determine. The Chair of the Board presides at any such executive sessions, unless the independent directors determine otherwise. In 2018, the Board met without management and non-independent directors at each meeting of the Board.

Meeting Attendance

Set out below is information regarding the number of Board and Committee meetings held and attendance by directors for fiscal 2019. Additionally, this information can be found in the individual director nominee charts under "*Election of Directors – Director Nominees at a Glance*" in this Information Circular.

Director	Board Meetings		Audit Meetings		Governance Meetings		MRCC Meetings		Overall Meeting Attendance	
	#	%	#	%	#	%	#	%	#	%
David G. Brown(1)(2)	7/9	78	0/1	0	–	–	3/5	60	10/15	67
David C. Ferguson(3)	9/9	100	4/4	100	3/3	100	3/3	60	19/19	100
Harris A. Fricker(4)(5)	8/8	100	–	–	–	–	–	–	8/8	100
Kishore Kapoor(6)(7)	9/9	100	2/3	67	–	–	–	–	11/12	92
Julie A. Lassonde(8)	9/9	100	–	–	3/3	100	2/2	100	14/14	100
Fiona L. Macdonald(9)	9/9	100	4/4	100	3/3	100	5/5	100	21/21	100
Eugene C. McBurney(4)(9)	8/8	100	–	–	–	–	–	–	8/8	100
Kevin M. Sullivan(4)(10)	8/8	100	–	–	–	–	–	–	8/8	100
Donald A. Wright(11)(12)	9/9	100	–	–	3/3	100	–	–	12/12	100

1. Mr. Brown's Board and Committee meeting participation was impacted by an absence due to injuries incurred in an accident and resulting hospital time. Mr. Brown has fully recovered from the accident.
2. Mr. Brown was appointed as a member of the Audit Committee on August 8, 2020.
3. Mr. Ferguson resigned from the Management Resources & Compensation Committee on August 8, 2019
4. Meeting held on January 24, 2019 related to CEO compensation matters. Accordingly, Messrs. Fricker, McBurney and Sullivan recused themselves from the meeting.
5. Mr. Fricker resigned (i) as President and Chief Executive Officer of GMP Capital Inc. as of August 8, 2019; and (ii) from the Board on December 6, 2019.
6. Mr. Kapoor resigned from the Audit Committee on August 8, 2019 and was appointed as Interim President and Chief Executive Officer of GMP Capital Inc. effective August 9, 2019.
7. Mr. Kapoor was absent from the August 7, 2019 Audit Committee meeting due to a scheduled medical procedure.
8. Ms. Lassonde was appointed as Chair of the Governance Committee and as a member of the Management Resources & Compensation Committee on August 8, 2019.
9. Ms. Macdonald and Mr. McBurney resigned from the Board on June 2, 2020.
10. Mr. Sullivan resigned from the Board on February 27, 2020.
11. Mr. Wright served as the Interim Chair of the Governance Committee until August 8, 2019, after which he continued to serve as an *ex officio* member.
12. Mr. Wright serves as an ex officio member of all of the Board's standing committees

The Role of the Board

The Board is responsible for the overall stewardship of GMP. Directors are elected by Shareholders to supervise the management of the business and affairs of GMP in the best interests of the organization. Some of the Board's supervisory responsibilities are described below. The Board's functions are fully described in its mandate, which is attached as Schedule L to this Information Circular and available on our website at www.gmpcapital.com/About-Us/Corporate-Governance.

Strategic Planning

The Board's objective is to dedicate at least one board meeting a year is to strategic planning. In 2019, strategic planning and implementation of strategic initiatives were a primary focus of the Board and its special committees. Throughout the year, the Board reviews the results and assesses the performance of our businesses on an annual and quarterly basis. This performance is assessed against both past performance and industry peers. While the Board delegates day-to-day management of GMP's operations to executive management, this is subject to certain limits. New strategic initiatives, acquisitions and investments are presented to the executive and risk committee and/or the board for review and approval.

Oversight of Risk

The securities business is inherently subject to numerous risks, and as such, GMP Group is exposed to risks that could result in financial losses. Therefore, the management believes that mitigating potential loss through effective risk management while enhancing shareholder value are fundamental to the ongoing success of the GMP Group. GMP Group's major risk categories include external, strategic, reputation, organizational, regulatory compliance/legal, financial, market and credit, financial and operational.

The Board is responsible for identifying principal business risks and supervising the implementation and monitoring of risk management framework. The Board exercises its oversight of risk management primarily through its Audit Committee and MRCC. Through these committees and with the assistance of management, the Board identifies the principal risks of our business and oversees the risk control environment. The Audit Committee receives regular reports on key risks affecting GMP Group. The MRCC is responsible for reviewing the alignment of GMP's major compensation programs and policies with sound risk management principles. In addition, we have a number of internal committees comprised of executives and senior management and an operational risk management group that is independent of the business lines to support our risk management framework.

Succession planning and evaluation of management performance

The Board through its MRCC supervises the management succession planning processes, which include the selection, appointment and development of the CEO and GMP executive group. The MRCC assists the Board in its oversight responsibilities regarding succession planning and reviews the plans and programs for the assessment and development of senior talent. The Board and MRCC evaluate and approve compensation of the CEO and senior management in a manner that is consistent with prudent incentives.

Integrity of controls and management information

The Board with the assistance of the Audit Committee is responsible for ensuring that internal control and management information systems for the organization are in place. The Audit Committee assesses the effectiveness of GMP's internal controls and management information systems through quarterly and annual reports from, and meetings with, GMP's external auditors and senior management.

Approach to Corporate Governance Issues

GMP's policies are reviewed each year in the context of changing regulation and emerging best practices, with a view to enhancing the organization's governance. The policies are approved by the board annually. The Governance Committee is responsible for reviewing the disclosure of corporate governance practices in this Information Circular and ensuring that the Board's policies and practices stay current with legislation and accepted best practices in corporate governance. As appropriate, the Governance Committee recommends corporate governance policy changes to the board in order to meet this objective.

Fostering a culture of integrity and ethical business conduct

The Board adopted a written code of business conduct and ethics (the Code), which sets out basic principles to guide all directors, officers and employees of the GMP Group. The issues that the Code addresses include the following:

- compliance with laws, rules and regulations;
- conflicts of interest;
- confidentiality;
- protection and proper use of GMP Group assets;
- competition and fair dealing;
- gifts and entertainment; and
- reporting of any illegal or unethical behaviour.

To ensure that directors exercise independent judgement in considering transactions and agreements in respect of which a director or officer has a material interest, the Board's practice is that the interested director is required to be absent during the Board's consideration of such transactions and agreements and is not permitted to vote on any resolution to approve such matters.

The Governance Committee, which is appointed by the Board, is responsible for monitoring the Code, granting any waivers from the application of the Code, reviewing management's monitoring of compliance with the Code and obtaining reports from the CFO, the Chief Compliance Officer, and other members of management that GMP's subsidiary/affiliated entities are in conformity with the Code.

At least annually, the Governance Committee reviews the adequacy of the Code and recommends any proposed changes to the Code to the Board for approval.

The Code is available on GMP's website at gmpcapital.com.

Pursuant to its Mandate, the Board is responsible for, to the extent feasible, satisfying itself as to the integrity of the CEO and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the organization. Additionally, the Board's mandate sets out a specific expectation that the directors should conduct themselves in accordance with the Code.

The GMP Group is committed to the conduct of its businesses in a lawful and ethical manner. Directors, officers and employees of the GMP Group are expected to talk to supervisors, managers or other appropriate personnel about observed illegal or unethical behaviour and when in doubt about the best course of action in a particular situation. It is the policy of the GMP Group not to allow retaliation for reports of misconduct by others made in good faith. The foregoing commitment of the GMP Group is evidenced by the Board's adoption of a policy regarding employee complaint procedures for accounting and auditing matters, which sets out procedures for the confidential submission of good faith complaints relating to any questionable accounting or auditing matter and the GMP Group's commitment not to allow retaliation for such reporting.

Board Composition

A core responsibility of the Board's Governance Committee, which is composed entirely of independent directors, is to identify and recommend to the Board individuals qualified to become members of the Board (either as a nominee for election or in the event of a vacancy), based upon Board-approved criteria, which include:

- judgement, character, expertise, skills and knowledge useful to the oversight of the GMP Group's business;
- diversity of viewpoints, backgrounds, experiences and other demographics;
- business or other relevant experience (including previous board experience and existing commitments); and
- the extent to which the interplay of the individual's expertise, skills, knowledge and experience with that of other members of the Board will build a board that is effective, collegial and responsive to the needs of the GMP Group.

Independence

The Governance Committee also is responsible for initially assessing, against GMP's categorical standards for directors' independence, whether a candidate would be independent and advising the Board of that assessment. The Board, taking into consideration the recommendations of the Governance Committee, is responsible for selecting the nominees for election to the Board and for appointing directors to fill vacancies. The Board, taking into consideration the assessment of the Governance Committee, also will make a determination as to whether a nominee or appointee would be independent.

Diversity

The Governance Committee believes that the Board should be comprised of directors with a broad range of experience and expertise and utilizes a skills matrix to identify those areas which are necessary for the Board to carry out its mandate effectively.

The Board also believes that diversity within the organization offers a depth of perspective and enhances operations in the boardroom and in the workforce generally. In March 2016, the Board adopted a written diversity policy that provides that in identifying the highest quality directors, the Governance Committee will take into account diversity considerations such as gender, age and ethnicity, with a view to ensuring that the Board benefits from a broad range of perspectives and relevant experience. The Governance Committee also sets measurable objectives for achieving diversity and recommends them to the Board for adoption on an annual basis. In this regard, with the appointment of Ms. Lassonde in September 2018, the Board achieved its representation objective of having two (20%) women on the Board, which target was set in 2016. Following Ms. Macdonald's resignation from the Board in June 2020, the Board's gender representation has fallen one female director (while still maintaining a 20% representation), however, the Board will continue its efforts to identify and recruit new director nominees that will satisfy both the Company's skills and experience requirements as well as its diversity objectives.

The policy also requires that, in order to support the specific objective of gender diversity, the Governance Committee will build and maintain a list of potential qualified director candidates, which will include women, for consideration as future Board appointments.

Tenure and Term Limits

The average tenure of GMP's current Board is 6.63 years. The Board does not have a retirement policy or mandatory age for the retirement of its directors, as it does not believe that such arbitrary limits are in the best interest of GMP. Instead, the Governance Committee reviews the composition of the Board on a regular basis in relation to: (i) GMP's identified criteria and skill requirements; (ii) the

Tenure	
0 – 5 years	57%
6 – 10 years	29%
> 10 years	14%

results of the annual effectiveness evaluation program; and (iii) anticipated Board succession needs, and recommends changes as appropriate to renew the Board.

Further, GMP's **BLUE** form of proxy provides shareholders the ability to vote for or withhold from voting for each individual director proposed for election to the Board.

Director	**Appointment Date**	**Tenure** (Years)
David G. Brown	May 2014	6
Marc Dalpé	n/a	–
David C. Ferguson	August 2014	6
Kishore Kapoor	June 2018	2
Julie A. Lassonde	September 2018	2
Donald A. Wright	January 2004	16

Majority Voting Policy in Director Elections

The Board has adopted a majority voting policy in director elections that will apply at any meeting of GMP's shareholders where an uncontested election of directors is held. Pursuant to this policy, if the number of proxy votes withheld for a particular director nominee is greater than the votes for such director, the director nominee will be required to submit his or her resignation to the Chair of the Board promptly following the applicable shareholders' meeting. Absent exceptional circumstances, the Board will accept the resignation. The resignation will be effective on the date that it is accepted by the Board. Within 90 days following the date of the meeting at which the director does not receive a majority of votes cast, the decision of the Board will be announced by press release, with such press release to include the reasons for rejecting the resignation, if applicable. A copy of such press release will be provided to the TSX. A director who tenders his or her resignation pursuant to this majority voting policy will not be permitted to participate in any meeting of the Board or the Governance Committee at which the resignation is considered.

Director Orientation and Continuing Education Program

Management, working with the Board, provides an orientation and education program for new directors to familiarize them with the GMP Group and its businesses. Each new director is provided with a GMP orientation package which contains copies of key documents, including, among other items, GMP's code of ethics and business conduct, insider trading and continuous disclosure policies, copies of the board and committee charters and current financial information. New directors are also given the opportunity to meet with members of senior management, including the CFO and Chief Compliance Officer, at which time they are provided with a comprehensive presentation and briefing regarding GMP and the nature of its operations. All new directors participate in this program, which is conducted within a reasonable period of a director first joining the Board.

The Board also recognizes the importance of ongoing education for directors. Directors are encouraged to attend seminars, conferences or other programs to help ensure they stay current on relevant issues such as corporate governance, financial and accounting practices and corporate ethics. The Company and all of our directors are members of the Institute of Corporate Directors (the ICD) and the Company pays the cost of this membership. As well, written materials likely to be of interest to directors are included in a "reference material" section in the Board and committee meeting materials. The Governance Committee is responsible for overseeing the Director Education Program and, based on feedback from all directors, the program focuses on providing directors with information about business trends, industry practices and other key aspects of our business. Directors provide input into the agenda for the education program and management schedules sessions covering these areas, some of which are presented by management and others by external consultants or experts. In 2019, Board and committee meetings included materials relating to strategic planning, regulatory updates and corporate governance developments.

Position Descriptions

Board and Committee Chairs

The Board has not developed a written position description for the Chair of the Board or the Chair of any of the Board committees. The Board is of the view that these roles and responsibilities are well understood by the Board and the individuals holding these positions. The Board and its committees each operate within written charters established and periodically reviewed by the Board that effectively constitute the criteria by which the roles and responsibilities of the members and Chairs are assessed. The Chair of the Board and of each committee are responsible for establishing the agenda for each Board or committee meeting, as applicable, in consultation with appropriate members of the Board or committee and senior members of the GMP Group, as appropriate. In addition to chairing all Board meetings and setting the Board's agenda, the Chair's role is to facilitate and chair discussions among the company's independent directors, and to facilitate communication between the independent directors and the company and GMP's management. The Chair is also charged with the responsibility of leading the Board and organizing it to function in partnership with, but independent of, management of GMP in order to facilitate the achievement of the goals of GMP. The Chair reviews any comments or requests made by an independent director and oversees the process by which unfettered information to independent directors is made available regarding GMP's activities. The Chair is also responsible for reviewing any performance issues of any director.

Chief Executive Officer

The CEO's position description is set out in broad terms in his employment letter. The CEO provides leadership to GMP and, subject to approved policies and the discretion of the Board, oversees the management of the business and affairs of the GMP Group. The Board and the MRCC evaluate the CEO based on GMP's strategies and business priorities, in light of capital market and economic conditions and GMP's financial performance. The CEO's mandate and responsibilities are primarily established through this evaluation and communicated to the CEO.

Director Compensation

Director compensation is reviewed annually by GMP's Governance Committee, which makes recommendations to the Board with respect to the compensation of directors, the Chair and those acting as committee chairs to ensure that their compensation appropriately reflects the responsibilities the directors are assuming. See under the subheading "*Director Compensation*" of this Information Circular for further information.

Management Resources & Compensation Committee

The Board has established the MRCC composed of three members, all of whom are independent within the meaning of National Instrument 52-110 – *Audit Committees*. The MRCC is currently comprised of Donald A. Wright (Interim Chair), David G. Brown and Julie A. Lassonde.

The MRCC's mandate includes evaluating the CEO's performance and recommending the CEO's compensation, reviewing for appropriateness and fairness any special or supplemental compensation paid to any employees or partners of the GMP Group outside the Compensation Pool and reviewing awards to GMP Group employees of options under the Option Plan or other share-based compensation plans. The MRCC recognizes that independence from management is fundamental to its effectiveness in managing executive compensation and regularly meets privately, without members of management present.

The Board recognizes the importance of appointing to the MRCC knowledgeable and experienced individuals who have the background in executive compensation matters, leadership, talent management, governance and risk management necessary to fulfill the MRCC's obligations to the Board and GMP's shareholders. All of the MRCC members have had significant and direct experience in these important areas through their tenures as senior leaders directing large and complex organizations, which help to enable the MRCC to make decisions on the suitability of GMP's compensation policies and practices. For more information on the experiences of each committee member, refer to the individual profiles described under "*Election of Directors – Director Nominees at a Glance*" in this Information Circular.

Assessments

The Governance Committee, in conjunction with the Chair of the Board, conducts an annual assessment of the Board's effectiveness. The Board reviews the assessment process each year, updating it as necessary to reflect evolving best practices and requirements. In 2015, the Board instituted the inclusion of an individual director self and peer assessment questionnaire as well one-on-one meetings between the Chair of the Board and each director. Accordingly, GMP's annual assessment process is currently comprised of the following components.

Board and Committee Performance Evaluations

In respect of each year, the directors complete a set of questionnaires designed to assess the performance of the Board against the responsibilities set out in its mandate and each Committee against the responsibilities set out in its respective charter. The directors are also asked to assess the performance of the chair of the Board and the chair of each committee. The questionnaires are also designed to solicit subjective feedback in key areas and suggestions for improvement.

Individual Director Assessments

The directors also complete a written self and peer review to assess individual directors on attributes that are key to an effective board, including, among others, meeting attendance, preparation, contribution, communication and collaboration.

Evaluation Results

The results of the evaluations are summarized, on a confidential basis, and reported to the Chair of the Governance Committee and Chair of the Board. The process is then further complemented by one-on-one meetings between the Chair of the Board and each director. Thereafter, the results of the evaluation process are reviewed and considered by the Governance Committee and the Board, who consider whether any changes to the Board's process, composition or committee structure are appropriate. Matters requiring follow-up are identified and action plans are developed to address any matters raised in the assessment. The Governance Committee and Board also review and consider any proposed changes to the Board's Governance Guidelines or the respective committee charters as may be determined to be appropriate.

Lastly, the results of the annual assessment process are considered by the Governance Committee and Board when reviewing and making determinations regarding the composition of the Board.

Diversity and Representation of Women in Senior Management

GMP values a high performing workforce and is supportive of gender diversity within its organization; however, we recognize that there is currently limited female representation within our executive officer ranks. As at September 4, 2020, one woman, GMP's General Counsel and Corporate Secretary, served as an executive officer of GMP (representing 33.3% of GMP's total executive officer team). Rather than instituting a target or quota for female executive officers at this time, GMP has undertaken efforts to develop our talent pipeline at management and executive levels to increase the number of women in senior management. Together with the MRCC, GMP has incorporated diversity as a key consideration in its succession planning process. By prioritizing the development of GMP's talent pipeline to include women, our goal is to ensure that the executive leadership team will continue to be comprised of individuals with the appropriate skills, experience, character and behavioural qualities to successfully lead the firm.

Number of Women on the Board and in Executive Officer Positions

	Board Positions				Executive Officer Positions			
Fiscal[(1)]	Target %	# of Women on Board	Total # of Board Members	%	Target %	# of Women Executive Officers	Total # of Executive Officers	%
2020	20	1	6	16.7	N/A	1	3	33.3
2019	20	2	9	22.2	N/A	1	11	9.1
2018	20	1	9	11.1	N/A	1	13	8.0

1. For each year, information provided as at the date of the respective management information circular: 2020 – September 8, 2020, 2019 – March 22, 2019 and 2018 – March 23, 2018.

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SCHEDULE L
MANDATE OF THE BOARD

Purpose

The Board is elected by the shareholders of GMP Capital Inc. (the "**Company**") to supervise the management of the business and affairs of the Company, in the best interests of the Company. The Board shall be responsible for:

- to the extent feasible, satisfying itself as to the integrity of the Chief Executive Officer and other executive officers and that the Chief Executive Officer and other executive officers create a culture of integrity throughout the organization,
- reviewing and approving, on at least an annual basis, the strategic planning and business objectives that are submitted by management and monitoring the implementation by management of the strategic plan,
- identifying the principal business risks of the GMP Group and supervising the implementation and monitoring of appropriate risk management systems, with the Audit Committee assisting the Board in the monitoring of implemented risk management systems and monitoring of the risks and reporting on these matters regularly to the Board,
- ensuring, with the assistance of the Governance Committee, the effective functioning of the Board and its committees in compliance with the corporate governance requirements of applicable Canadian securities legislation and policies, and that such compliance is reviewed periodically by the Governance Committee,
- ensuring internal control and management information systems for the GMP Group are in place, and reviewed periodically by the Audit Committee, with the Audit Committee assessing the effectiveness of the internal control and management information systems through meetings held with the external auditors, as appropriate, and senior management and a review of reports prepared by senior management,
- monitoring the establishment of appropriate systems for succession planning,
- with the assistance of the MRCC, ensuring appropriate and effective incentive compensation programs are in place for GMP Group employees and compensation paid to executive officers of the GMP Group (exclusive of compensation received in accordance with the incentive compensation programs of GMP Group) is appropriate and fair,
- develop clear position descriptions for the Chair of the Board and the chair of each committee,
- ensuring that the Company has in place a policy for effective communication with securityholders, other stakeholders and the public generally, and
- setting out measures for receiving feedback from stakeholders (e.g. the Board may wish to establish a process to permit stakeholders to directly contact independent directors).

Expectations of Directors

The Board has developed a number of specific expectations of directors to promote the discharge by the directors of their responsibilities and to promote the efficient conduct of the Board.

Commitment and Attendance. All directors should strive to attend all meetings of the Board and the committees of which they are members. Although there is a preference that directors attend meetings in person, attendance by telephone or video conference may be used to facilitate a director's attendance.

Participation in Meetings. Each director should be sufficiently familiar with the business of the GMP Group, including its financial statements and capital structure, and the risks and the competition it faces, to ensure active and effective participation in the deliberations of the Board and of each committee on which he or she serves. Upon request, management will make appropriate personnel available to answer any questions a director may have about any aspect of the GMP Group's business. Directors also should review the materials provided by management and advisors in advance of the meetings of the Board and its committees and should arrive prepared to discuss the issues presented.

Loyalty and Ethics. In their roles as directors, all directors owe a duty of loyalty to the Company. This duty of loyalty mandates that the best interests of the Company take precedence over any other interest possessed by a director. Directors should conduct themselves in accordance with the Company's Code of Business Conduct and Ethics.

Other Directorships and Significant Activities. The GMP Group values the experience directors bring from other boards on which they serve and other activities in which they participate, but recognizes that those boards and activities also may present demands on a director's time and availability and may present conflicts or legal issues, including independence issues. No director should serve on the board of a competitor or of a regulatory body with oversight of the GMP Group. Each director should, when considering membership on another board or committee, make every effort to ensure that such membership will not impair the director's time and availability for his or her commitment to the GMP Group. Directors should seek the approval of the chair of the Governance Committee and the Chief Executive Officer before accepting membership on other boards of directors or any audit committee or other significant committee assignment on any other board of directors, or establishing other significant relationships with businesses, institutions, governmental units or regulatory entities, particularly those that may result in significant time commitments or a change in the director's relationship to the GMP Group. In considering whether to approve a director's request the Governance Committee shall consider the matter on a case-by-case basis, taking into consideration all relevant factors, including, but not limited to, the requesting director's other directorships, other employment commitments and the time commitment associated with membership on another board or committee.

Contact with Management and Employees. All directors should be free to contact the Chief Executive Officer and other senior management of the GMP Group at any time to discuss any aspect of the GMP Group's business. Directors should use their judgement to ensure that any such contact is not disruptive to the operations of the GMP Group. The Board expects that there will be frequent opportunities for directors to meet with the Chief Executive Officer and other senior members of the GMP Group in meetings of the Board and committees, or in other formal or informal settings.

Speaking on Behalf of the Company. It is important that the GMP Group speak to employees and outside constituencies with a single voice, and that management serve as the primary spokesperson. As a result, directors should ensure that they adhere to the Company's Policy Concerning Confidentiality, Fair Disclosure and Trading in Securities.

Confidentiality. The proceedings and deliberations of the Board and its committees are confidential. Each director will maintain the confidentiality of information received in connection with his or her service as a director.

Measures for Receiving Shareholder Feedback

All publicly disseminated materials of the Company shall provide for a mechanism for feedback from shareholders. Persons designated to receive such information shall be required to provide a summary of the feedback to the Board on a semi-annual basis or at such other more frequent intervals as they see fit. Shareholders of the Company may communicate directly with the independent directors by writing to the Chair of the Board, GMP Capital Inc., 145 King Street West, Suite 200, Toronto, Ontario, Canada M5H 1J8.

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Transforming into a Wealth-Management Leader

The Richardson GMP Transaction – a fair and balanced way forward

- **BEST ADVISORS**
- **POWERFUL BRAND**
- **STRONG BALANCE SHEET**

Vote FOR the best path to grow the company. Act TODAY.

Vote using the **BLUE** form of proxy:

- FOR the RGMP Transaction; and
- FOR the Company's nominees for election to the Board.

Questions? Need help voting?

Contact Kingsdale Advisors at 1-866-879-7644

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