

Notice of Annual Meeting of Shareholders

April 5, 2022

Management Proxy Circular

YOUR VOTE IS IMPORTANT!
Please read this management proxy
circular for details



**LAURENTIAN
BANK**



Notice of 2022 Annual Meeting of Shareholders

WHEN

Tuesday, April 5, 2022
9:30 a.m. (Eastern)

WHERE

Virtual Meeting:

Via Live Webcast Online at:
<https://web.lumiagm.com/434949739>
Meeting ID Number: **434-949-739**
Meeting Password: **laurentian2022**

In Person*:

Laurentian Bank of Canada
1360 René-Lévesque Blvd, Suite 600
Montréal QC, H3G 0E5

***Subject to public health directives.**

BUSINESS OF THE MEETING

At the meeting, shareholders will be asked to

1. receive the Bank's consolidated financial statements for the year ended October 31, 2021 and the auditor's report thereon;
2. elect directors;
3. appoint the Bank's auditor;
4. consider a resolution regarding the amendment of the Bank's Stock Option Plan;
5. consider an advisory resolution regarding the Bank's approach to named executive officer compensation;
6. consider the shareholder proposals that are properly introduced at the meeting; and
7. transact such other business as may be properly brought before the meeting.

The accompanying Management Proxy Circular provides detailed information related to the above matters. Holders of common shares of Laurentian Bank of Canada, as at the close of business on February 4, 2022 (the record date), are entitled to receive notice of, attend and vote at the meeting. There were 43,281,808 common shares of the Bank outstanding on this date.

HOW TO ATTEND

Given the continued uncertainty surrounding the COVID-19 pandemic and the importance of the health and safety of our employees, shareholders, communities and other stakeholders, the meeting will be held in a hybrid format to allow participation virtually or in-person (if permitted by government and public health authorities at the time of the meeting). Whether you attend virtually or in-person, we encourage you to vote your shares prior to the meeting. All public health protocols will be followed to ensure the safety of in-person attendees including enforcing applicable capacity, physical distancing, masking and vaccine mandates. Any changes or restrictions to the meeting format will be made available on the Bank's website at <https://lbcfg.ca/investors-centre/>. For more information about how to attend, ask questions and vote at the meeting, see part A of the Management Proxy Circular.

YOUR VOTE MATTERS

As a shareholder, it is important that you read the Management Proxy Circular carefully before voting your shares. Detailed voting instructions are provided under the heading "How do I vote?" on page 4 of the Management Proxy Circular. Unless you intend to vote in-person or virtually at the meeting, please vote as early as possible so your Laurentian Bank of Canada common shares are represented at the meeting. Your vote must be received by the Bank's transfer agent, Computershare Trust Company of Canada ("Computershare") by 5:00 p.m. (Eastern Time) on April 1, 2022.

QUESTIONS ABOUT VOTING?

Should you have any questions regarding this notice, voting or proxies, you may contact:

Computershare by telephone at 1-800-564-6253 or by email at service@computershare.com or Kingsdale Advisors, the Bank's strategic shareholder advisor and proxy solicitation agent, by telephone at 1-888-518-1561 toll-free in North America (+1 416-867-2272 for collect calls outside of North America) or by email at contactus@kingsdaleadvisors.com.

By order of the Board of Directors,

A handwritten signature in black ink, appearing to read "Sivan Fox".

Sivan Fox
Senior Vice President, Legal Affairs and Corporate Secretary
February 4, 2022

Dear shareholders,

We are pleased to invite you to join us at the Bank's 2022 annual meeting of shareholders to be held on April 5, 2022.

In light of the ongoing COVID-19 pandemic and our commitment to the health and safety of our employees, shareholders and communities, the meeting will be held in a hybrid format to allow participation virtually or in-person (if permitted by government and public health authorities at the time of the meeting). We will be following all protocols from public health and government authorities to ensure the safety of our in-person attendees including enforcing applicable capacity, physical distancing, masking and vaccine mandates. As in prior years, we have made every effort to host our annual meeting in a manner that promotes shareholder participation. Shareholders attending the meeting virtually will have the opportunity to submit questions and vote in real time through the web-based platform. Whether you attend virtually or in-person, we look forward to the opportunity to review the accomplishments and challenges of the past year, discuss the year ahead, and hear directly from our shareholders.

Looking back at this past year, I am extremely proud of our many accomplishments. 2021 was a year of resetting for the Bank – its strategy, culture, and purpose. It was also a year where the Bank delivered improved adjusted financial results for its shareholders. Under the leadership of our President and CEO, Rania Llewellyn, the Bank renewed its senior leadership team; improved its adjusted efficiency ratio and developed and unveiled a new three-year plan.

The Bank's success and momentum of the past year demonstrates that we are capable of great accomplishments and that we are on the right track. As we look towards 2022, our focus is now to build on our solid foundation and execute on the Bank's new three-year plan. This plan will set Laurentian Bank apart from its competitors and focus on areas where the Bank can best differentiate and position ourselves for the future.

As unveiled at the Bank's Investor Day on December 10, 2021, we have refined and sharpened our focus on the following 5 strategic pillars which will reposition the Bank for sustainable long-term profitable growth:

1. **Make Size our Advantage** – Leverage our size to create a competitive advantage in specialized markets and remain agile in assessing new opportunities.
2. **Build One Winning Team** – Work across boundaries, putting the Bank ahead of individual or team interests, in an environment where everyone belongs and thrives.
3. **Think Customer First** – Create a culture with a relentless focus on the customer.
4. **Simplify** – Streamline internal operations and enhance efficiencies.
5. **Make the Better Choice** – From the businesses we're in, to the people we hire, and the suppliers we use, we will live up to our values and integrate environmental, social and governance best practices.

The Bank also launched its new purpose which forms the foundation for all that we do:

We believe we can change banking for the better. By seeing beyond numbers to bring hopes and dreams to life. Better begins when everyone feels like they belong and has the chance to thrive.

The vision of the Bank's renewed leadership team is one that the entire Board embraces, and it's our job to offer the right support to enable the team to execute flawlessly. As our strategic plan pivots, our Board composition and competencies will also adjust accordingly. A balanced and diverse board is critical to successful management oversight and effective governance. We firmly believe that the Board should reflect the diversity of our customers, employees, shareholders and communities. We're proud to already be a leader in gender diversity, but we know we have more work to do. This year the Board has adopted additional diversity targets, beyond women, to further enhance the representation of people from other diverse groups among board members, while ensuring that the board is composed of directors whose skills and experience will enhance long-term shareholder value.

Throughout the year, the Board continued to take an active role in Laurentian Bank's Environmental, Social and Governance ("**ESG**") initiatives, and we have updated our Board and committee mandates to include oversight of ESG. This is clearly a strategic business imperative and we are giving it an augmented level of focus and energy to ensure we're making progress. We don't just leave it up to training events, we treat it as one of our core responsibilities by considering ESG matters at every single board meeting.

I would like to express my gratitude to my fellow Board members for your hard work, your advice and your counsel over the past year. A special thank you to every employee of the Laurentian Bank family – for your commitment to placing the customer at the centre of everything you do, and for living and believing in our new purpose that we can change banking for the better. And, finally, thank you to our shareholders for your support, loyalty and trust in Laurentian Bank.

On April 5th, you will have an opportunity to ask questions of the leadership team and vote on important matters. Please consider the information set out in this Circular and vote online, by phone or by completing and sending in your form of proxy or voting instructions form prior to the meeting, or at the meeting.

My fellow directors and the leadership team look forward to welcoming you on April 5th.

Sincerely,

LAURENTIAN BANK OF CANADA



Michael Mueller
Chair of the Board of Directors

TABLE OF CONTENTS

PART A – INFORMATION ON VOTING AND ATTENDING THE MEETING	3
INFORMATION ABOUT VOTING	3
INFORMATION ABOUT ATTENDING THE MEETING	7
PART B – BUSINESS OF THE MEETING	8
FINANCIAL STATEMENTS	8
ELECTION OF DIRECTORS	8
APPOINTMENT OF AUDITOR	8
SHAREHOLDER PROPOSALS	8
STOCK OPTION PLAN AMENDMENTS	9
ADVISORY VOTE ON NAMED EXECUTIVE OFFICER COMPENSATION	10
OTHER BUSINESS	10
PART C – DIRECTOR NOMINEES	11
PART D – COMPENSATION OF DIRECTORS	18
COMPENSATION STRUCTURE	18
COMPENSATION IN THE FORM OF SHARES OR DEFERRED SHARE UNITS	18
OWNERSHIP REQUIREMENTS	19
DIRECTORS' COMPENSATION TABLE	19
PART E – EXECUTIVE COMPENSATION	20
COMPENSATION DISCUSSION AND ANALYSIS	22
NAMED EXECUTIVE OFFICERS' COMPENSATION	25
SUMMARY COMPENSATION TABLE	43
INCENTIVE PLAN AWARDS	44
PENSION PLAN BENEFITS	46
TERMINATION AND CHANGE OF CONTROL BENEFITS	47
PART F – CORPORATE GOVERNANCE	49
ABOUT THE BOARD	49
SERVING AS A DIRECTOR	54
ENGAGING WITH SHAREHOLDERS AND OTHER STAKEHOLDERS	55
CONDUCT AND CULTURE	56
ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS	56
ADDITIONAL INFORMATION	57
BOARD COMMITTEES	58
PART G – OTHER INFORMATION	66
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS	66
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS	66
CODE OF PROCEDURE	67
MINUTES	67
REMOTE VIEWING OF THE ANNUAL MEETING	67
DIRECTORS' APPROVAL	67
SCHEDULES	68
SCHEDULE A SHAREHOLDER PROPOSALS	68
SCHEDULE B CODE OF PROCEDURE	80
SCHEDULE C BOARD MANDATE	81

Management Proxy Circular

This document contains important information about the meeting, the Board, executive compensation and corporate governance. You are encouraged to read it in detail and exercise your vote.

This Circular is dated as of February 4, 2022 and, unless otherwise indicated, information is presented as at that date. All dollar amounts are in Canadian dollars, unless stated otherwise.

In this Circular:

- "we", "our", "us", "Laurentian Bank" and the "Bank" mean Laurentian Bank of Canada and, where applicable, the Bank's subsidiaries;
- "you", "your" and "shareholder" refer to holders of common shares of the Bank;
- "shares" means common shares of the Bank;
- "Circular" means this Management Proxy Circular;
- "Board" means the Bank's board of directors; and
- references to the Bank's Annual Information Form are references to the Bank's Annual Information Form dated December 10, 2021, and references to the Bank's Annual Report are references to the 2021 Annual Report, both of which are available on the Bank's website and on SEDAR at www.sedar.com.

All references to websites are for your information only. The information they contain and any other websites they refer to are not part of this Circular.

For More Information

Financial information is provided in the Bank's consolidated annual financial statements and management discussion & analysis ("MD&A") for its most recently completed financial year. Additional information about the Bank may be found on the Bank's website at <https://lbcfg.ca/investors-centre/> or on SEDAR at www.sedar.com.

Shareholders may also contact the Bank's Corporate Secretariat in writing at corporate_secretariat@lbcfg.ca or 1360 René-Lévesque Boulevard West, Suite 600, Montréal, Québec, H3G 0E5, to obtain a complimentary copy of the meeting materials, or of any other document available on SEDAR that is mentioned in this Circular.

Delivery of Meeting Materials

Meeting Materials

Electronic copies of the Management Proxy Circular and the Bank's 2021 Annual Report, containing the consolidated financial statements of the Bank and MD&A for the year ended October 31, 2021 (together, the "meeting materials") may be found on the Bank's website at <https://lbcfg.ca/investors-centre/> or on SEDAR at www.sedar.com.

Shareholders may contact the Bank's Corporate Secretariat in writing at 1360 René-Lévesque Boulevard West, Suite 600, Montréal, Québec, H3G 0E5, to obtain a complimentary copy of the Bank's financial statements and management discussion and analysis, or of any other document available on SEDAR that is mentioned in this Circular. The Bank's head office is located at 1360 René-Lévesque Boulevard West, Suite 600, Montréal, Québec, H3G 0E5.

Notice-and-Access

This year once again, as permitted by Canadian securities regulators, the Bank is using "notice-and-access" for delivery of the meeting materials. Notice-and-access allows the Bank to post electronic versions of the meeting materials online, rather than mailing paper copies of such materials to shareholders. The notice-and-access mechanism provides quicker access to the meeting materials while contributing to environmental protection by reducing tree, water and energy consumption. Shareholders have received a notice in the mail containing instructions on how to access the meeting materials and how to request a paper copy of such materials, free of charge, together with a form of proxy or voting instruction form, as the case may be.

How to Obtain Paper Copies of the Meeting Materials

Shareholders may request that paper copies of the meeting materials be mailed to them at no cost. Requests may be made up to one year from the date the Management Proxy Circular was filed on SEDAR by contacting Computershare Trust Company of Canada ("Computershare") by telephone at 1-800-564-6253 or by email at service@computershare.com or the Bank's Corporate Secretariat's Office at corporate_secretariat@lbcfg.ca.

Requests for paper copies may be made using your control number as it appears on your form of proxy or voting instruction form. Please note that if you do request a paper copy, you will not receive another form of proxy or voting instruction form. You should therefore keep the initial form sent to you in order to vote.

To request a paper copy before the meeting date, please follow the instructions below. A paper copy will be sent to you within three (3) business days of receiving your request.

Registered Shareholder

You are a registered shareholder if your shares are registered in your name.

You will require a 15-digit Control Number (located on the front of your proxy) to identify yourself.

Toll Free, within North America: 1-866-962-0498

Outside of North America: 514-982-8716

Enter your Control Number as indicated on your voting instruction form or form of proxy.

Beneficial (non-registered) Shareholder

You are a beneficial (non-registered) shareholder if your shares are registered in the name of an intermediary such as a bank, trust company, investment dealer, clearing agency, or other institution. Most of the Bank's shareholders are non-registered holders.

You will require a 16-digit Control Number (located on the front of your voting instruction form) to identify yourself.

Toll Free, within North America: 1-877-907-7643

Outside of North America: 303-562-9305 (English) or 303-562-9306 (French).

Enter your Control Number as indicated on your voting instruction form.

To obtain paper copies of the meeting materials **after** the meeting date, please contact the Bank's Corporate Secretariat's Office at corporate_secretariat@lbcfg.ca or the Bank's Investor Relations Department at investor_relations@lbcfg.ca. The meeting materials will be sent to you within 10 calendar days of receiving your request.

In order to receive meeting materials in advance of the deadline to submit your vote, requests should be received as soon as possible and no later than **March 25, 2022**, in order to allow you sufficient time to receive and review such materials and return the form of proxy or voting instruction form within the prescribed time. Please note that postal delays could cause you to receive the meeting materials after the voting deadline and after the date of the meeting.

Sign up for eDelivery

We also invite shareholders that have not yet opted out of receiving by mail the Bank's other continuous disclosure documents, including the annual financial statements and interim reports, to sign up for electronic delivery ("**eDelivery**"). eDelivery reduces paper and energy consumption and gets the documents to you faster.

Shareholders may sign up to receive materials by e-mail as follows:

- Beneficial (or non-registered) shareholders may go to **www.proxyvote.com**, use the control number provided on the voting instruction form and click on "Go Paperless" to enroll.
- Registered shareholders who hold share certificates or receive statements from a direct registration system may go to **www.investorcentre.com** and click on "Receive Documents Electronically" to enroll.

PART A - INFORMATION ON VOTING AND ATTENDING THE MEETING

The Circular is provided in connection with the solicitation of proxies by the Bank's Management to be used at the Bank's Annual Meeting of Shareholders (the "meeting"), which will be held at the date, time and for the purposes set forth in the Notice of Meeting, and at any adjournment thereof.

How does the Bank solicit proxies?

Solicitation of proxies is made primarily by mail, as well as by telephone but you may also be contacted by employees of the Bank. The Bank has also retained Kingsdale Advisors to assist in soliciting proxies at a cost of approximately \$35,000, plus out-of-pocket expenses. All solicitation costs will be borne by the Bank.

Shareholders are encouraged to vote prior to the meeting. Detailed voting instructions for registered and beneficial (non-registered) shareholders are set forth below.

In addition, the Bank may also use the Broadridge QuickVote™ service to help beneficial or non-registered shareholders vote their shares. Beneficial or non-registered shareholders may be contacted by Kingsdale Advisors, the Bank's strategic shareholder advisor and proxy solicitation agent, to obtain voting instructions directly over the telephone. Broadridge then tabulates the results of all the instructions received and provides the appropriate instructions respecting the shares to be represented at the meeting.

Your vote must be received by the Bank's transfer agent, Computershare no later than 5:00 p.m. (Eastern time) on April 1, 2022 or if the meeting is adjourned or postponed, by 5:00 p.m. on the second-last business day before the date of the reconvened meeting. The time limit for the deposit of proxies may be waived or extended by the meeting Chair at their discretion and without notice.

INFORMATION ABOUT VOTING

Who can vote?

The Board has fixed the record date for the 2022 annual meeting of shareholders at the close business on February 4, 2022 (the "**Record Date**"). If you held common shares on that date, you are entitled to receive notice of and vote those common shares at the meeting. On the Record Date, 43,281,808 common shares of the Bank were outstanding.

Each common share entitles the registered holder thereof to one vote on each ballot taken at any general meeting of the Bank's shareholders.

The holders of common shares of the Bank may either vote for or withhold from voting regarding the election of directors and the appointment of the auditor. They may either vote for, vote against or withhold from voting on any other matter that may be properly brought before the meeting.

Only holders of common shares registered in the Bank's registrar at the close of business on the Record Date or their duly appointed proxyholders, will be entitled to attend and vote at the meeting.

To the knowledge of the Bank's directors and officers, no shareholder directly or indirectly beneficially owns or exercises control or direction over Bank shares carrying more than 10% of the votes attached to any class of shares entitled to vote in connection with any matters being proposed for consideration at the meeting.

The *Bank Act* (Canada) contains provisions which, under certain circumstances, restrict the exercise in person or by proxy of voting rights attached to the Bank's common shares.

How does voting work?

Unless otherwise noted, a simple majority (more than 50%) of the votes cast at the meeting, in person or by proxy, will decide any matter submitted to a vote.

How do I appoint a proxyholder?

You may appoint a proxyholder to represent you at the meeting and to exercise your voting rights there.

The persons proposed as proxyholders on the form of proxy or voting instruction form are directors of the Bank. Subject to the restrictions described under the heading "Who can vote?", **a registered shareholder who wishes to appoint another person to represent him or her at the meeting may do so by entering the name of the desired representative in the blank space provided. If you are a beneficial or non-registered shareholder and wish to vote at the meeting, you must first appoint yourself as proxyholder.**

The instrument appointing a proxyholder must be in writing and must be signed by the shareholder or by an attorney authorized in writing. If the registered or beneficial (non-registered) shareholder is a business corporation or a corporate entity, the form of proxy or voting instruction form must be signed by a duly authorized officer or agent of the registered or beneficial (non-registered) shareholder. A representative is not required to be a shareholder of the Bank to act as a proxyholder.

If the proxyholder will be attending the meeting virtually, you must also register the proxyholder with Computershare after submitting your form of proxy or voting instruction form according to the instructions provided. Registering your proxyholder is an additional step once you have submitted your form of proxy or voting instruction form. To register a proxyholder, shareholders must visit <http://www.computershare.com/laurentianbank> and provide Computershare with the proxyholder's contact information by 5:00 p.m. on April 1, 2022, so that Computershare may provide the proxyholder with a username via email after the proxy voting deadline has passed. **Failure to register the proxyholder will result in the proxyholder not receiving the control number from Computershare that is required in order to participate and vote virtually at the meeting.**

Is my vote by proxy confidential?

To protect the confidential nature of voting, the votes exercised by registered shareholders are received and compiled for the meeting by Computershare, the Bank's registrar and transfer agent, while the votes cast by beneficial (non-registered) shareholders are compiled and submitted by intermediaries to Computershare. Computershare submits a copy of a form of proxy to the Bank only when a shareholder clearly wishes to express a personal opinion to management or when necessary to comply with legal requirements.

How can I vote if I am an employee of the Bank?

If you are a Bank employee and hold shares purchased through the Employee Share Purchase Plan, you will have received a voting instruction form in your notice package. Please follow the instructions provided for beneficial or non-registered shareholders under the heading "How do I vote?" below.

How will my shares be voted?

When duly signed, the form of proxy or voting instruction form confers **discretionary authority on the persons named as proxyholders therein (the "named proxyholders") with respect to any matter on which no choice is specified, any amendment or variation to matters stated in the Notice of Meeting, and any other matter which may properly come before the meeting.**

In the exercise of their discretionary authority, the proxyholders proposed on the enclosed form of proxy intend to vote:

FOR:

- the election of each of directors;
- the appointment of auditor;
- the amendment of the Bank's Stock Option Plan;
- the adoption of a resolution, on an advisory basis, regarding the approach to named executive officer compensation; and

AGAINST:

- the shareholder proposals.

How do I vote?

You can vote in advance of the meeting, online or in-person during the meeting or you can appoint someone to attend the meeting and vote your shares for you (called voting by proxy). How you vote depends on whether you are a registered or a beneficial (non-registered) shareholder:

Registered Shareholder

You are a registered shareholder if your shares are registered in your name.

You will require a 15-digit Control Number (located on the front of your form of proxy) to identify yourself.

Beneficial (non-registered) Shareholder

You are a beneficial or non-registered shareholder if your shares are registered in the name of an intermediary such as a bank, trust company, investment dealer, clearing agency, or other institution. Most of the Bank's shareholders are non-registered holders.

You will require a 16-digit Control Number (located on the front of your voting instruction form) to identify yourself.

Voting Before the Meeting

Registered Shareholder

Provide your instructions in one of these ways:



Visit <https://www.investorvote.com> and enter the 15-digit Control Number (located on the front of your form of proxy).



Call 1-866-732-VOTE (8683) Toll Free and follow the instructions.



Complete your form of proxy and return it by mail in the prepaid envelope provided.

Computershare must receive your form of proxy or you must have voted by telephone or internet no later than 5:00 p.m. (Eastern) on April 1, 2022.

Changed your mind?

If you have already sent your completed form of proxy or otherwise provided voting instructions, you may revoke your proxy by submitting a new form of proxy with a later date, or by submitting new voting instructions by telephone or on the internet. Any new instructions, however, will only take effect if received by Computershare no later than 5:00 p.m. (Eastern) on April 1, 2022, or if the meeting is adjourned or postponed, by 5:00 p.m. on the second-last business day before the date of the reconvened meeting.

If you have followed the process for attending and voting at the meeting online, voting at the meeting online will revoke your previous proxy.

Beneficial (non-registered) Shareholder

Provide your instructions in one of these ways:



Visit <http://www.proxyvote.com> and enter the 16-digit Control Number (located on the front of your voting instruction form).



Canada: Call 1-800-474-7493 (English) or 1-800-474-7501 (French)
U.S.: Call 1-800-454-8683 and follow the instructions.



Complete your voting instruction form and return it by mail in the prepaid envelope provided.

Most intermediaries allow you to send your instructions as noted above, but some may have their own process so make sure you follow the instructions on the form. Your voting instruction must be entered by 5:00 p.m. (Eastern) on April 1, 2022. Your intermediary must receive your instructions in enough time to act on them before this deadline.

Changed your mind?

If you have already sent your completed voting instruction form to your intermediary or otherwise provided voting instructions, and you change your mind, contact your intermediary immediately. Any new instructions, however, will only take effect if received by Computershare no later than 5:00 p.m. (Eastern) on April 1, 2022, or if the meeting is adjourned or postponed, by 5:00 p.m. on the second-last business day before the date of the reconvened meeting.

If you have followed the process for attending and voting at the meeting online, voting at the meeting online will revoke your previous proxy.

Voting at the Meeting

Registered Shareholder

To Vote Virtually

Do not complete or return your form of proxy as you will be attending and voting online at the meeting.

Follow the instructions below under the heading "How do I attend the meeting?" to participate, vote and ask questions at the meeting.

You have to be connected to the internet at all times to be able to vote virtually at the meeting - it's your responsibility to make sure you stay connected for the entire meeting.

More information about online participation in the Bank's annual meeting is detailed in the Bank's Virtual AGM User Guide which is available on the Bank's website at <https://lbcfg.ca/investors-centre/>.

Registered Shareholder

To Vote in Person

Do not complete the form of proxy or return it to us. Please bring it with you to the meeting and register with Computershare when you arrive at the meeting.

Beneficial (non-registered) Shareholder

To Vote Virtually

Insert your name in the space provided for appointing a proxyholder and sign and return the voting instruction form as instructed by your intermediary. You must also register yourself as proxyholder by following the instructions under the heading "How do I appoint a proxyholder?" on page 3 of this Circular.

Do not complete the instructions section of the voting instruction form as you will be attending and voting online at the meeting. If no space is provided for you to insert your name on the form, please contact your intermediary for instructions.

Follow the instructions below under the heading "How do I attend the meeting?" to participate, vote and ask questions at the meeting.

Beneficial (non-registered) shareholders who have not duly appointed and registered themselves as proxyholder will not be able to vote during the meeting.

Beneficial (non-registered) Shareholder

To Vote in Person

Insert your name in the space provided for appointing a proxyholder and sign and return the voting instruction form as instructed by your intermediary.

Do not complete the instructions section of the voting instruction form, as you will be voting in person at the meeting. If no space is provided for you to insert your name on the form, please contact your intermediary for instructions.

Please register with Computershare when you arrive at the meeting.

Appointing a proxyholder to vote your shares at the meeting

The form of proxy or voting instruction form allows you to appoint a proxyholder to represent you at the meeting and exercise your voting right there. See the section "How do I appoint a proxyholder" on the page 3 of this Circular.

How do I change my vote?

If you are a registered shareholder and have voted by proxy, you may revoke your proxy by submitting a new form of proxy with a later date, or by submitting new voting instructions by telephone or on the internet. If you are a beneficial or non-registered shareholder, you may revoke your proxy or voting instructions by contacting your intermediary. Any new instructions, however, will only take effect if received by Computershare no later than 5:00 p.m. (Eastern) on April 1, 2022, or if the meeting is adjourned or postponed, by 5:00 p.m. on the second-last business day before the date of the reconvened meeting.

If you have followed the process for attending and voting at the meeting online, voting at the meeting online will revoke your previous proxy.

INFORMATION ABOUT ATTENDING THE MEETING

How do I attend the meeting?

Attending Virtually

Registered Shareholder

To Attend, Ask Questions and Vote Virtually

Registered shareholders can participate, vote, and ask questions by following the instructions below:

1. Log in at <https://web.lumiagm.com/434949739> at least 15 minutes before the meeting starts
2. Click on "I have a login"
3. Enter your 15-digit control number (which is your user name) and the password: **laurentian2022**

If you log into the online meeting and accept the terms and conditions, you will be revoking any and all previously submitted proxies. If you do not wish to revoke your previously submitted proxy, do not accept the terms and conditions, in which case you can only enter the meeting as a guest.

Beneficial (non-registered) Shareholder

To Attend, Ask Questions and Vote Virtually

If you are a beneficial or non-registered shareholder and wish to vote and ask questions at the meeting, you must first appoint yourself as proxyholder AND register your appointment with Computershare by following the instructions under the heading "How do I appoint a proxyholder?" on page 3 of this Circular. You will receive a 15-digit control number by email from Computershare, which is your user name to participate in the meeting.

1. Log in at <https://web.lumiagm.com/434949739> at least 15 minutes before the meeting starts
2. Click on "I have a login"
3. Enter your 15-digit control number (which is your user name) and the password: **laurentian2022**

Beneficial (non-registered) shareholders who do not appoint and register themselves as proxyholder will not be able to vote during the meeting but will be able to enter the meeting as a guest.

You have to be connected to the internet at all times to be able to vote virtually at the meeting - it's your responsibility to make sure you stay connected for the entire meeting.

More information about online participation in the Bank's annual meeting is detailed in the Bank's Virtual AGM User Guide which is available on the Bank's website at <https://lbcfg.ca/investors-centre/>.

To Attend as a Guest

Guests will be able to attend the meeting but will not be able to vote or ask questions. To attend the meeting as a guest:

1. Log in at <https://web.lumiagm.com/434949739> at least 15 minutes before the meeting starts
2. Click "I am a guest" and complete the online form.

Attending in Person

Given the continued uncertainty surrounding the COVID-19 pandemic and the importance of the health and safety of our employees, shareholders, communities and other stakeholders, the meeting will be held in a hybrid format to allow participation virtually or in-person (if permitted by government and public health authorities at the time of the meeting). All public health protocols will be followed to ensure the safety of in-person attendees including enforcing applicable capacity, physical distancing, masking and vaccine mandates. Any changes or restrictions to the meeting format will be made available on the Bank's website at <https://lbcfg.ca/investors-centre/>.

PART B – BUSINESS OF THE MEETING

FINANCIAL STATEMENTS

The Bank's consolidated financial statements for the fiscal year ended October 31, 2021 and the auditor's report thereon are included in the Annual Report mailed to shareholders on January 14, 2022. The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), including the accounting requirements specified by the Office of the Superintendent of Financial Institutions ("OSFI").

ELECTION OF DIRECTORS

The number of directors to be elected by the shareholders has been fixed at eleven (11). The holders of common shares will elect eleven (11) directors to hold office until the close of the next annual meeting of shareholders, or until the election or appointment of their successors.

The Board has adopted a majority voting policy, which applies to all uncontested elections, under which a nominee for election as director must immediately tender his or her resignation if not elected by at least a majority (50% +1). Within 90 days of the vote, the Board must determine whether or not to accept the resignation, at a meeting at which the director in question is not present, and is required to accept the resignation absent exceptional circumstances. Such resignation is effective as soon as the Board accepts it. Following such a decision, the Bank will promptly issue a news release that shall be transmitted to the Toronto Stock Exchange (TSX), stating the decision of the Board and the reasons for the decision.

The director nominees are presented in Part C - *Director Nominees* of this Circular.

The Board recommends voting FOR each director nominee.

SHAREHOLDER PROPOSALS

The Bank received eleven (11) proposals from Mouvement d'éducation et de défense des actionnaires ("MÉDAC"), a shareholder of the Bank whose offices are located at 82 Sherbrooke Street West, Montréal, Québec, H2X 1X3. **After discussions with the Bank, MÉDAC has agreed not to submit proposal 2, proposal 4, proposal 5, proposal 6 and proposal 8 to a vote.** The Bank has agreed to include these proposals for information purposes only. These proposals are not part of the formal business of the meeting. The text of all eleven (11) of the proposals and the Board's responses to them are included in Schedule A of this Circular. You may vote for, against, or abstain from voting on each of the proposals submitted for a vote.

The Board recommends voting AGAINST each proposal for the reasons noted in the Board's responses.

Shareholders wishing to have a proposal included in the Bank's next management proxy circular must send the text of such proposal to the Corporate Secretariat of the Bank not later than November 5, 2022 at 5:00 p.m. (Eastern).

APPOINTMENT OF AUDITOR

Based on the Audit Committee's annual assessment of the external auditor, which included audit quality considerations, including auditor independence, objectivity, and professional skepticism, quality of the engagement team, and Canadian Public Accounting Board (CPAB) inspection findings, the Board of Directors has recommended that Ernst & Young LLP ("**Ernst & Young**") be reappointed as the Bank's auditor for the 2022 fiscal year. Ernst & Young has been the external auditor of the Bank since 1990. It is subject to all applicable laws and regulations, including the Code of Ethics of the *Ordre des comptables professionnels agréés du Québec*, which establish clear guidance concerning independence. A number of mechanisms are in place that strengthen auditor independence, without impeding audit quality and efficiency, including:

1. **Audit Partner Rotation:** The rotation of audit partners mitigates the risk of over familiarity and self-interest, and promotes objectivity. The lead engagement and concurring partners are subject to a seven-year rotation requirement, followed by a five-year period of absence from the consolidated audit. Engagement time for the lead partner and concurring partners includes time previously served in these roles. The rotation of a new lead engagement partner was effective on November 1, 2020 for the audit of the financial year ending October 31, 2021. The rotation of a new concurring engagement partner was effective on November 1, 2021 for the audit of the financial year ending October 31, 2022.
2. **Oversight from Regulators (CPAB):** Heightened oversight by the regulators has resulted in increased audit quality. Inspection results are taken into account in the Audit Committee's assessment of the auditor.
3. **Regular Assessments:** Annual assessments of the auditor are conducted by the Audit Committee to ensure, among other things, the ongoing quality, independence and effectiveness of the auditor. In addition, the Audit Committee and the Board undertake a comprehensive assessment of the auditor every five (5) years, with the last such assessment conducted in June 2018. Included in this assessment is a determination as to whether there is any threat of institutional familiarity that could impact the independence of the auditor and prevent the engagement team from exercising appropriate professional skepticism. In addition to these regular assessments, the Board and the Audit Committee intend to initiate a tender process in relation to the engagement of the Bank's external auditor within the next year.

The Board recommends voting FOR Ernst & Young as the Bank's auditor.

Auditor Independence

As described above, the Board and the Audit Committee are confident in the Bank's current processes and controls which ensure auditor independence and protect the quality of audit results. During the 2021 fiscal year, the Audit Committee conducted an annual assessment of the performance and service quality of Ernst & Young as independent auditor of the Bank. This assessment was based, among other things, on the audit plan submitted, fees paid, the nature of work conducted, and the reports presented to the Audit Committee. In addition, the Audit Committee holds regular meetings with the external auditor in the absence of Management and receives annual confirmation of the external auditor's independence.

Auditor's Fees

The following table presents by category the fees billed by the external auditor Ernst & Young for the fiscal years ended October 31, 2021 and 2020.

Fee category	2021(\$)	2020(\$)
Audit fees (Note 1)	3,445,000	2,965,000
Fees for audit-related services (Note 2)	602,000	722,000
Fees for tax services (Note 3)	177,000	368,000
Other fees (Note 4)	138,000	95,000
Total	4,362,000	4,150,000

Note 1: "Audit fees" include all fees of Ernst & Young for the audit of the annual consolidated financial statements, examination of the interim financial statements and the statutory audits of financial statements of subsidiaries. Audit fees also include consultations concerning financial accounting and reporting, submissions related to prospectus and other offering documents and translation services related to audited financial statements and prospectuses.

Note 2: "Fees for audit-related services" include all fees of Ernst & Young for certification services and other related services traditionally carried out by the independent auditor, which are mainly services related to the production of reports concerning the effectiveness of internal controls for contractual or commercial purposes, specified procedures related to various trusts and other entities required in the context of securitization of mortgage loans receivables and translation fees for services other than for audited financial statements and prospectuses. Services for 2020 also include consultations on the implementation of new accounting standards not classified as "Audit fees".

Note 3: "Fees for tax services" include all fees of Ernst & Young for tax-related advice other than the time devoted to the audit or review of income taxes related to financial statements.

Note 4: "Other fees" include all fees of Ernst & Young for non-audit services other than those mentioned above.

During the 2021 fiscal year, the Audit Committee also reviewed the Bank's policy regarding the pre-approval of services that may be rendered by the Bank's external auditor. This policy is described in section 14 of the Bank's Annual Information Form.

STOCK OPTION PLAN AMENDMENTS

The Stock Option Plan (the "Plan") was established on October 30, 2018 and approved by shareholders at the Bank's Annual Meeting of Shareholders held on April 9, 2019. Since its inception, the Stock Option Plan has required the maintenance of a reserve of common shares of the Bank to cover the options granted each year to participants.

As at October 31, 2021, 753,001 options remained available for issuance, out of the 1,666,000 common shares that were initially reserved in 2019. At the meeting, shareholders will be asked to consider and, if deemed advisable, adopt a resolution authorizing the Bank to increase the maximum number of reserved common shares by a further 1,735,000 common shares, or approximately 4% as at October 31, 2021. This will bring the aggregate number of common shares that may be issued under the plan to 3,401,000, representing approximately 7.8% of the issued and outstanding common shares as at October 31, 2021. The recommended increase is driven by an orderly demand in the normal course of the Bank's business. Consistent with the prudent approach implemented in 2019, the Board believes that such increase will meet the Bank's requirements under its compensation framework.

Governance of the Stock Option Plan

The Bank's management recognizes the importance that shareholders place on the issuance of additional common shares. Therefore, the Bank has put in place several mechanisms to ensure sound management of the Stock Option Plan:

The Bank has a rigorous grant process:

- It makes only one grant per fiscal year, as well as upon the appointment of new officers;
- It does not grant options at a discount, meaning that their price always corresponds to the market price at the time of the grant; and
- The exercise price of the options may not be reduced.

Eligibility under the Stock Option Plan is limited:

- Only officers at the level of Senior Vice President and above are eligible for the Stock Option Plan; and
- Directors are not eligible for the Stock Option Plan.

Alignment with long-term interests of shareholders:

- ☑ Stock options lengthen the temporal horizon of the Bank's approach to executive compensation, fostering alignment with shareholder interests over up to 10 years.

Acquisitions are staggered over time:

- ☑ 50% of the options vest after three years, and the remaining 50% vest after four years; and
- ☑ The Bank does not provide loans to participants upon the exercise of vested options.

For more information on the overall governance practices and provisions of the Plan, refer to page 30 of the Circular. In addition, the complete text of the Plan is presented in Schedule B of the Bank's proxy circular dated February 26, 2019, available on the Bank's SEDAR profile at sedar.com, and is incorporated by reference herein.

The Human Resources and Corporate Governance Committee (the "**HRCG Committee**") and the Board of Directors regularly review the total compensation of officers and executive officers and have concluded that the Plan is an important component of employee retention in the context of total compensation, given that :

- The Plan supports the Bank's long-term growth strategy.
- Total compensation for participants in the Plan is competitive and consistent with the Bank's policies.
- The Plan is an important component of variable compensation.
- The Bank's normal course issuer bid is expected to moderate the dilutive effect of option grants.

Burn Rate Target

The Plan has a limited dilutive effect under current market standards. The options granted in fiscal 2021 represent 0.7% of the Bank's outstanding Common Shares. The Bank has adopted a target to limit the annual burn rate to no more than 1.00%, which is in line with the standards of good governance advocated by governance bodies and institutional investors.

For more information on the burn rate, refer to page 32 of the Circular.

Recommendation of the Board

In light of the foregoing, and upon the recommendation of the HRCG Committee, on November 2, 2021, the Board authorized the aforementioned amendment of the Plan. Regulatory approvals and approval by the holders of the Bank's Common Shares is required for this amendment to become effective.

Resolutions relating to this amendment must be passed by a majority of the votes cast by the holders of Common Shares of the Bank present or represented by proxy at the meeting.

The Board recommends voting FOR the resolutions set forth below:**"IT WAS RESOLVED, that:**

1. the number of Common Shares reserved for issuance under the Stock Option Plan be increased by 1,735,000 Common Shares;
2. thereafter, the aggregate number of Common Shares that may be issued under the Stock Option Plan be set at 3,401,000 and the amendment to the Stock Option Plan required to reflect such increase, be and is hereby authorized and approved;
3. the Board of Directors of the Bank may revoke this resolution before it is acted upon, without further approval of the shareholders of the Bank; and
4. any officer or director of the Bank be authorized to sign any and all documents and to take all the measures deemed necessary or advisable to give full force and effect to the preceding resolutions."

ADVISORY VOTE ON NAMED EXECUTIVE OFFICER COMPENSATION

Shareholder input is a key aspect of the Bank's engagement process, which includes inviting you to attend each annual meeting to have your say on the Bank's approach to executive compensation. Please review the "*Compensation Discussion and Analysis*" in Part E - *Executive Compensation* of this Circular, where we describe the Bank's approach to compensation and explain how it fosters a culture of performance that aligns with the creation of long-term shareholder value. If you have any comments or questions about the Bank's approach to executive compensation, please contact the Chair of the Board at mike.mueller@lbcfg.ca.

This vote is on an advisory basis only and does not bind the Bank's Board. The Board will take the results of the vote into account during future compensation planning. If a significant number of shares represented at the meeting are voted against the advisory resolution, the Chair will oversee a process to review and consider shareholders' specific concerns.

The Board recommends voting FOR the following advisory resolution:

"IT WAS RESOLVED, in an advisory capacity and without limiting the role and responsibility of the Board of Directors, that shareholders accept the approach to named executive officer compensation disclosed in the Bank's Management Proxy Circular delivered in advance of the 2022 annual meeting of shareholders of the Bank."

The result of the vote on this resolution will be announced at the end of the meeting at the same time as the voting results on all other items on the meeting agenda. We were pleased that in 2021, 92.42% of shareholder votes were in favour of the Bank's approach to executive officer compensation.

OTHER BUSINESS

The directors and officers of the Bank are not aware of any other matter which might be submitted at the meeting.

PART C – DIRECTOR NOMINEES

BOARD COMPOSITION

The number of directors to be elected at the meeting is eleven (11). The HRCG Committee has recommended the following individuals for election as directors of the Bank to serve until the end of the Bank's next annual meeting of shareholders. Each nominee was elected at the Bank's 2021 meeting of shareholders.



The following tables provide detailed information on each of the nominees for election as directors, including their expertise, committee memberships, meeting attendance, public board memberships and voting results for last year's elections, as applicable. The profiles also include a summary of their Bank shareholdings, as well as the value of total compensation earned by each director in the 2021 fiscal year.

It is the intention of the persons proposed as proxyholders on the enclosed form of proxy to vote **FOR** the election of the proposed nominees named herein, unless specifically instructed on the form of proxy to withhold such vote with respect to one, several or all of the nominees. All nominees have formally established their qualifications, eligibility and willingness to serve on the Bank's Board of Directors.

Sonia Baxendale

Summary of professional experience



Sonia Baxendale is President and CEO of the Global Risk Institute, a non-profit, public and private partnership focused on the management of risks in financial services.

Prior to joining the Global Risk Institute in 2018, Ms. Baxendale was President, CIBC Retail Banking and Wealth Management and Senior Executive Vice President. From 1992 to 2005, Ms. Baxendale held various leadership roles at CIBC, including Senior Executive Vice President, CIBC Wealth Management; Executive Vice President, Asset Management, Card Products and Collections; Executive Vice President, Global Private Banking & Investment Management Services; and Managing Director, CIBC Wood Gundy. Prior to her executive positions with CIBC, Ms. Baxendale held increasingly senior positions with Amex Bank of Canada and Saatchi & Saatchi Compton Hayhurst. She holds a B.A. degree from the University of Toronto and in 2014 received the ICD.D Director designation from the Institute of Corporate Directors. Ms. Baxendale is a member of the Board of Directors of Foresters Financial, where she is the Chair of the Human Capital and Governance Committee and member of the Audit and Compliance Committee. She also sits on the Board of The Bank of N.T. Butterfield & Son Limited. She is on the Board of Directors of the Hospital for Sick Children and is the Chair of the Board of the Sick Kids Foundation.

Age: 59
 Toronto, Ontario, Canada
 Director since August 31, 2016

Reporting Issuer board memberships during the last five years Current Role on Boards and Committees

The Bank N.T. Butterfield & Son Limited (NYSE & BSE)	(2020 to date)	Member of the Audit Committee Member of the Corporate Governance Committee
RSA Insurance Group plc	(2019 to 2021)	
CI Financial Corp.	(2013 to 2018)	

2021 Annual Meeting
 Votes in favour: 88.66%

Attendance (100% Overall)

Member of board/committees (note 2)	Regular	Special
Board of Directors	9/9	4/4
Risk Management Committee	5/5	1/1
Human Resources and Corporate Governance Committee	7/7	3/3

Expert knowledge in the following areas:

- Environment, Social & Governance
- Risk Management & Risk Governance
- Talent Management & Compensation
- Financial Services
- Retail & Consumer
- Other Board Experience & Governance
- Operational Excellence

Securities held

Date	Total common shares	Total DSUs	Total common shares and DSUs	Share value (\$)	Total value of common shares and DSUs (\$)	Minimum requirements shares/DSUs (Note 1)	Complies with minimum share ownership requirements for directors
Feb 4, 2022	3,610	13,806	17,416	44.99	783,546	5,797	300% Yes
Feb 5, 2021	2,647	11,295	13,942	32.12	447,817	5,797	241% Yes

Value of total compensation received during the 2021 fiscal year

\$155,250

Andrea Bolger**Summary of professional experience**

Andrea Bolger is a corporate director with deep experience in strategic business leadership, enterprise-wide risk management and governance practices.

Ms. Bolger is a former senior executive of the Royal Bank of Canada, where she served in a variety of senior executive positions mainly in commercial banking and risk management. Ms. Bolger is currently the Chair of the Board of Teranet Inc., a member of the Board of Directors of Equitable Life Insurance Company of Canada where she chairs the Senior Credit and Investment Committee, as well as a member of the Board of Directors and Chair of the Human Resources Committee of Knowledge First Foundation/Financial. Ms. Bolger holds a Bachelor of Commerce, Honours Finance, from Carleton University and a Masters of Business Administration from Concordia University. She also holds the ICD.D designation from the Institute of Corporate Directors at the Rotman Business School of the University of Toronto.

Age: 63
Toronto, Ontario, Canada

Director since
August 28, 2019

Independent

2021 Annual Meeting
Votes in favour: 96.17 %

Expert knowledge in the following areas:

- Risk Management & Risk Governance
- Financial Services
- Retail & Consumer
- Other Board Experience & Governance

Reporting Issuer board memberships during the last five years

Reporting Issuer	board memberships during the last five years	Current Role on Boards and Committees
Sagen MI Canada Inc.	(2016 to 2021)	Member of the Audit Committee Member of the Compensation and Nominating Committee

Attendance (100% Overall)

Member of board/committees	Regular	Special
Board of Directors	9/9	4/4
Risk Management Committee	5/5	1/1
Human Resources and Corporate Governance Committee (Note 3)	7/7	3/3

Securities held

Date	Total common shares	Total DSUs	Total common shares and DSUs	Share value (\$)	Total value of common shares and DSUs (\$)	Minimum requirements shares/DSUs (Note 1)	Complies with minimum share ownership requirements for directors
Feb 4, 2022	4,100	6,312	10,412	44.99	468,436	7,431	140% Yes
Feb 5, 2021	1,490	3,676	5,166	32.12	165,932	7,431	69% Recently appointed

Value of total compensation received during the 2021 fiscal year

\$134,000

Michael T. Boychuk, FCPA, FCA**Summary of professional experience**

Michael T. Boychuk is a corporate director with extensive experience in accounting, finance and financial services.

A chartered professional accountant since 1979, Mr. Boychuk became a Fellow of the Ordre des comptables professionnels agréés du Québec in 2012. From July 2009 until his retirement in June 2015, he was President of Bimcor Inc., the pension fund investment manager for the Bell Canada group of companies. From 1999 to 2009, Mr. Boychuk was Senior Vice President and Treasurer of BCE Inc./Bell Canada, responsible for all treasury, corporate security, environment and sustainability activities, and for the BCE Group of companies' pension plans. He holds a Bachelor of Commerce degree in Finance and Accounting from McGill University. Mr. Boychuk is a member of McGill University's Board of Governors and Audit Committee and a member of the Board of Directors of The Cadillac Fairview Corporation Limited. He chairs the Audit Committee of GDI Integrated Facility Services Inc. and sits on the Investment Committee of the J.W. McConnell Family Foundation and the Nunavut Trust. He is also a member of the Board of Directors of Corus Entertainment Inc. and Telesat Canada (U.S.S.E.C).

Age: 66
Baie d'Urfé, Quebec, Canada

Director since
August 30, 2013

Independent

2021 Annual Meeting
Votes in favour: 95.08%

Expert knowledge in the following areas:

- Environment, Social & Governance
- Accounting, Audit & Finance
- Risk Management & Risk Governance
- Financial Services
- Capital Markets, Investment Banking, M&A
- Public & Government Relations
- Other Board Experience & Governance
- Operational Excellence
- Business Transformation

Reporting Issuer board memberships during the last five years

Reporting Issuer	board memberships during the last five years	Current Role on Boards and Committees
Telesat Canada (U.S. S.E.C)	(2015 to date)	Chair of the Audit Committee
GDI Integrated Facility Services Inc.	(2015 to date)	Chair of the Audit Committee
Corus Entertainment Inc.	(2019 to date)	Member of the Audit Committee

Attendance (100% Overall)

Member of board/committees	Regular	Special
Board of Directors	9/9	4/4
Audit Committee (Chair)	6/6	—
Risk Management Committee	5/5	1/1

Securities held

Date	Total common shares	Total DSUs	Total common shares and DSUs	Share value (\$)	Total value of common shares and DSUs (\$)	Minimum requirements shares/DSUs (Note 1)	Complies with minimum share ownership requirements for directors
Feb 4, 2022	1,421	18,897	20,318	44.99	914,107	5,380	377% Yes
Feb 5, 2021	1,480	16,182	17,662	32.12	567,303	5,380	328% Yes

Value of total compensation received during the 2021 fiscal year

\$155,250

Suzanne Gouin, MBA, ICD.D**Summary of professional experience**

Ms. Suzanne Gouin is an accomplished director who focuses on business transformation, digital implementation, governance and human capital.

She has held senior management positions in the private and public sectors, including acting as President and Chief Executive Officer of TV5 Québec-Canada from 2002 to 2015. Ms. Gouin chairs the Board of Management of the Canada Revenue Agency, is a member of the Boards of Directors of Hydro-Québec, the Foundation of Greater Montréal, Just For Laughs and participates in advisory committees. A graduate of Concordia University, she holds an MBA from the Ivey Business School at the University of Western Ontario and is certified with the Institute of Corporate Directors. Ms. Gouin received the Order of Merit of the French Republic.

Age: 66
Hampstead, Quebec, Canada

Director since April 6, 2021

Independent

2021 Annual Meeting
Votes in favour: 98.90%

Expert knowledge in the following areas:

- Environment, Social & Governance
- Information Technology & Digital Strategy
- Public & Government Relations
- Other Board Experience & Governance
- Operational Excellence
- Business Transformation

Reporting Issuer board memberships during the last five years Current Role on Boards and Committees

None

Attendance (100% Overall)

Member of board/committees	Regular	Special
Board of Directors (Note 2)	5/5	2/2
Risk Management Committee (Note 3)	2/2	1/1

Securities held

Date	Total common shares	Total DSUs	Total common shares and DSUs	Share value (\$)	Total value of common shares and DSUs (\$)	Minimum requirements shares/DSUs (Note 1)	Complies with minimum share ownership requirements for directors	Recently appointed
Feb 4, 2022	—	2,241	2,241	44.99	100,823	8,140	27%	Recently appointed
Feb 5, 2021	—	—	—	32.12	—	—	—	—

Value of total compensation received during the 2021 fiscal year

\$76,001

Rania Llewellyn**Summary of professional experience**

Rania Llewellyn was appointed as President and Chief Executive Officer of Laurentian Bank in 2020, the first woman to head a major Canadian chartered bank. As a transformational change leader, her top priorities are building high-performance teams, creating a culture of equality, diversity and inclusion, improving the customer experience, and driving growth and shareholder value.

Ms. Llewellyn has more than 27 years of experience in the banking industry. Previous experience includes serving as an Executive Vice President at Scotiabank, where she began her career as a part-time teller. Over the years, she held a variety of progressively senior positions across a number of different groups, building up expertise in global payments, including digital and technology, corporate banking, retail banking, and commercial banking. She also launched the Bank's multicultural banking division and served as President & CEO of Roynat Capital, a Scotiabank subsidiary which provides alternative financing for mid-sized companies through the use of senior, sub-debt, mezzanine and equity.

Ms. Llewellyn holds Bachelor of Commerce and MBA degrees from Saint Mary's University where she focused on Finance, Marketing and International Business. In 2014, Saint Mary's awarded her with an Honorary Doctor of Commerce.

Age: 45
Toronto, Ontario, Canada

Director since
October 30, 2020

Non-independent

2021 Annual Meeting
Votes in favour: 88.64%

Expert knowledge in the following areas:

- Risk Management & Risk Governance
- Talent Management & Compensation
- Information Technology & Digital Strategy
- Financial Services
- Retail & Consumer
- Operational Excellence
- Business Transformation

Reporting Issuer board memberships during the last five years Current Role on Boards and Committees

None

Attendance (100% Overall)

Member of board/committees	Regular	Special
Board of Directors	9/9	4/4

Securities held

The minimum share ownership requirements for Ms. Llewellyn are those that apply to executive officers of the Bank, as is more fully described in the "Minimum Share Ownership Requirements" section, under Part E - Executive Compensation of this Circular.

Value of total compensation received during the 2021 fiscal year

Ms. Llewellyn does not receive any compensation as a director.

David Morris, CPA, Auditor, CA**Summary of professional experience**

David Morris is a corporate director with significant experience in accounting and financial reporting matters, risk management and regulatory compliance within the banking and insurance sectors.

Mr. Morris has been a chartered professional accountant and a member of the Canadian Institute of Chartered Accountants since 1975. Mr. Morris worked at Deloitte from 1975 until his retirement as a senior partner in 2016. Mr. Morris was an audit partner serving large global financial institutions in the Banking and Insurance industries. He is a graduate of McGill University. Since 2016, he has been on the Board of Directors of ECN Capital Corp. and chairs its Audit Committee. He is also a member of the Board of Directors, and Chair of the Audit Committee of Lallemand Inc., a privately held Canadian corporation.

Age: 68
Beaconsfield, Quebec, Canada

Director since
October 31, 2017

Independent
2021 Annual Meeting
Votes in favour: 96.12%

Expert knowledge in the following areas:

- Accounting, Audit & Finance
- Risk Management & Risk Governance
- Financial Services

Reporting Issuer board memberships during the last five years Current Role on Boards and Committees

ECN Capital Corp. (2016 to date) Chair of the Audit Committee

Attendance (100% Overall)

Member of board/committees	Regular	Special
Board of Directors	9/9	4/4
Audit Committee	6/6	—

Securities held

Date	Total common shares	Total DSUs	Total common shares and DSUs	Share value (\$)	Total value of common shares and DSUs (\$)	Minimum requirements shares/DSUs (Note 1)	Complies with minimum share ownership requirements for directors
Feb 4, 2022	1,000	10,866	11,866	44.99	533,851	4,750	249% Yes
Feb 5, 2021	1,000	7,972	8,972	32.12	288,181	4,750	188% Yes

Value of total compensation received during the 2021 fiscal year

\$126,500

David Mowat**Summary of professional experience**

David Mowat is a corporate director with extensive experience in banking and business leadership.

He was President and CEO of ATB Financial from June 2007 to June 2018 and CEO of Vancouver City Savings Credit Union from 2000 to 2007. David holds a Bachelor of Commerce degree from the University of British Columbia and the ICD.D designation from the Institute of Corporate Directors. Mr. Mowat is the Chair of the Audit Committee of Telus Communications Inc., the Chair of the Governance and Compensation Committee of Alberta Blue Cross and the Chair of the Audit Committee for the Edmonton International Airport. In 2015-2016, he served as Chair of the Alberta Royalty Review panel. In 2014, David was selected by Alberta Venture Magazine as Alberta's Business Person of the Year. In 2015, he received an Honorary Bachelor of Business Administration from the Southern Alberta Institute of Technology, and in 2017 he received an Honorary Doctorate of Laws from the University of Alberta.

Age: 66
West Vancouver, British Columbia, Canada

Director since
August 28, 2019

Independent
2021 Annual Meeting
Votes in favour: 88.61%

Expert knowledge in the following areas::

- Environment, Social & Governance
- Accounting, Audit & Finance
- Risk Management & Risk Governance
- Talent Management & Compensation
- Financial Services
- Retail & Consumer
- Public & Government Relations

Reporting Issuer board memberships during the last five years Current Role on Boards and Committees

Telus Corporation (2016 to date) Chair of the Audit Committee

Attendance (100% Overall)

Member of board/committees	Regular	Special
Board of Directors	9/9	4/4
Audit Committee (Note 4)	2/2	—
Human Resources and Corporate Governance Committee	7/7	3/3

Securities held

Date	Total common shares	Total DSUs	Total common shares and DSUs	Share value (\$)	Total value of common shares and DSUs (\$)	Minimum requirements shares/DSUs (Note 1)	Complies with minimum share ownership requirements for directors
Feb 4, 2022	9,640	4,374	14,014	44.99	630,490	7,431	188% Yes
Feb 5, 2021	9,640	2,419	12,059	32.12	387,335	7,431	162% Yes

Value of total compensation received during the 2021 fiscal year

\$130,838

Michael Mueller**Summary of professional experience**

Michael Mueller is a corporate director with a breadth of experience that spans the banking and life sciences industries.

From 2003 to 2005, he was President and Chief Executive Officer of MDS Capital Corporation. Prior to that, Mr. Mueller held a series of senior positions at TD Bank Financial Group, including Senior Vice President and Country Head of its USA Division, Executive Vice President of Global Credit and Vice Chairman and Head of Global Investment Banking. Mr. Mueller is a former Director of MDS Capital Corporation, the Canadian Medical Discoveries Funds I and II, the British Columbia Medical Innovations Fund and Medical Discoveries Management Corporation and Health Ventures. Mr. Mueller holds an MBA, International Finance from York University and a Bachelor of Science degree from the University of Western Ontario. Mr. Mueller was the Chairman of PSP Investments (Public Sector Pension Investment Board) until January 2018. He is currently the Chair of the Board at Revera Inc. and a member of the boards of Medexus Pharmaceuticals, Gensource Potash Corp., Smarter Alloys Inc., and Emily's House.

Age: 62
Guelph, Ontario, Canada

Director since
December 17, 2018

Independent

2021 Annual Meeting
Votes in favour: 88.50 %

Expert knowledge in the following areas:-

- Accounting, Audit & Finance
- Talent Management & Compensation
- Financial Services
- Capital Markets, Investment Banking, M&A
- Other Board Experience & Governance

Reporting Issuer	board memberships during the last five years	Current Role on Boards and Committees
Gensource Potash Corporation	(2018 to date)	Chair of the Audit Committee Member of the Compensation Committee
Medexus Pharmaceuticals Inc. (formerly PEDIAPHARM INC.)	(2014 to date)	Chair of the Audit Committee Member of the Compensation Committee
Mercal Capital Corp. / Eureka 93 Inc.	(2015 to 2019)	

Attendance (100% Overall)		
Member of board/committees	Regular	Special
Board of Directors	9/9	4/4

Securities held								
Date	Total common shares	Total DSUs	Total common shares and DSUs	Share value (\$)	Total value of common shares and DSUs (\$)	Minimum requirements shares/DSUs (Note 1)	Complies with minimum share ownership requirements for directors	
Feb 4, 2022	0	23,979	23,979	44.99	1,078,815	8,850	270%	Yes
Feb 5, 2021	0	15,669	15,669	32.12	503,288	8,850	177%	Yes

Value of total compensation received during the 2021 fiscal year
\$294,000

Michelle R. Savoy**Summary of professional experience**

Michelle R. Savoy is a corporate director with extensive experience in investment management and capital markets.

During her 27-year career in financial services, Ms. Savoy held numerous senior global executive leadership roles responsible for strategic planning, marketing, client relationship management, business development and information technology. Ms. Savoy is the former President of Capital Guardian (Canada) Inc., a subsidiary of The Capital Group of Companies, a global investment management organization. She holds a Bachelor of Business Administration from University of Ottawa and the ICD.D Director designation from the Institute of Corporate Directors. Ms. Savoy currently sits as a member of the Investment Committee of the University Health Network(UHN)Foundation and is an activator for SheEO Inc.

Age: 62
Toronto, Ontario, Canada

Director since
March 20, 2012

Independent

2021 Annual Meeting
Votes in favour: 91.28%

Expert knowledge in the following areas:

- Environment, Social & Governance
- Risk Management & Risk Governance
- Talent Management & Compensation
- Retail & Consumer
- Capital Markets, Investment Banking M&A
- Other Board Experience & Governance
- Business Transformation

Reporting Issuer	board memberships during the last five years	Current Role on Boards and Committees
Pizza Pizza Royalty Corporation	(2015 to date)	
Nav Canada	(2015 to date)	Member of the Pension and Human Resources Committees and Chair of the Corporate Governance Committee.

Attendance (100% Overall)		
Member of board/committees	Regular	Special
Board of Directors	9/9	4/4
Human Resources and Corporate Governance Committee (Chair)	7/7	3/3

Securities held								
Date	Total common shares	Total DSUs	Total common shares and DSUs	Share value (\$)	Total value of common shares and DSUs (\$)	Minimum requirements shares/DSUs (Note 1)	Complies with minimum share ownership requirements for directors	
Feb 4, 2022	7,097	15,374	22,471	44.99	1,010,970	5,380	417%	Yes
Feb 5, 2021	6,646	12,397	19,043	32.12	611,661	5,380	354%	Yes

Value of total compensation received during the 2021 fiscal year
\$147,914

Susan Wolburgh Jenah

Summary of professional experience



Susan Wolburgh Jenah is a corporate director and lawyer by training. She brings broad governance experience, strong capital markets regulatory and investor protection expertise and public policy background in these areas.

From February 2007 to October 2014, Ms. Wolburgh Jenah was President and Chief Executive Officer of the Investment Industry Regulatory Authority of Canada (IIROC), the national self-regulatory body overseeing investment firms and trading activity on Canadian debt and equity markets. Prior to this, she held numerous executive roles at the Ontario Securities Commission from 1983 to 2007, including Vice-Chair, General Counsel and Head of International Affairs. She holds a Bachelor's Degree from the University of Toronto, a J.D. from Osgoode Hall Law School and the ICD.D. designation. Ms. Wolburgh Jenah has been a member of the Board of Directors of Aecon Group Inc. since 2016 and is currently a member of the Risk Committee and Chair of the Corporate Governance, Nominating & Compensation Committee. She joined the Board of Directors of Hydro One Limited in January 2020 and is Chair of the Governance & Regulatory Committee and a member of the Indigenous Peoples, Safety and Operations Committee. Ms. Wolburgh Jenah also serves as Vice-Chair of the Humber River Hospital Board, as a member of the C.D. Howe National Advisory Council, and as a member of the Independent Review Committee for Vanguard Investments Canada. Ms. Wolburgh Jenah has served as a Mentor to the Catalyst Women on Board Program. She also served as a member of the Board of Directors of the Global Risk Institute from 2011 to 2017, as a member of the Board of Directors of the NEO Exchange and Aequitas Innovations from 2015 to 2020, and as a Public Governor of the U.S. Financial Industry Regulatory Authority from 2014 to 2020. She was awarded the Osgoode Hall Alumni Award for Achievement in 2011.

Age: 66
Toronto, Ontario, Canada

Director since
December 9, 2014

Independent

2021 Annual Meeting
Votes in favour: 88.55%

Expert knowledge in the following areas:

- Environment, Social & Governance
- Legal & Regulatory
- Capital Markets, Investment Banking, M&A
- Other Board Experience & Governance
- Talent Management & Compensation
- Operational Excellence

Reporting Issuer board memberships during the last five years **Current Role on Boards and Committees**

Hydro One Limited	(2020 to date)	Member of the Governance Committee Member of the Indigenous Peoples, Safety and Operations Committee
Aecon Group Inc.	(2016 to date)	Chair of the Corporate Governance, Nominating and Compensation Committee Member of the Risk Committee

Attendance (100% Overall)

Member of board/committees	Regular	Special
Board of Directors	9/9	4/4
Audit Committee	6/6	—
Human Resources and Corporate Governance Committee	7/7	3/3

Securities held

Date	Total common shares	Total DSUs	Total common shares and DSUs	Share value (\$)	Total value of common shares and DSUs (\$)	Minimum requirements shares/DSUs (Note 1)	Complies with minimum share ownership requirements for directors
Feb 4, 2022	1,237	16,495	17,732	44.99	797,763	5,380	329% Yes
Feb 5, 2021	1,237	13,656	14,893	32.12	478,363	5,380	277% Yes

Value of total compensation received during the 2021 fiscal year

\$134,000

Nicholas Zelenczuk, FCPA, FCA

Summary of professional experience



Nicholas Zelenczuk is a corporate director with over 35 years of experience in banking, capital markets, and investment and risk management.

He has served in Chief Executive Officer (CEO), Chief Financial Officer (CFO), and Chief Operating Officer (COO) positions for leading companies including the Canada Pension Plan Investment Board (CPPIB), BCE Inc, CIBC Wood Gundy, Citibank and Deutsche Bank (Canadian branch). He also worked at KPMG as a partner in risk consulting. At BCE, he served as head of audit and risk, where his risk management role was enterprise-wide in scope. As the COO of CPPIB he also had oversight responsibilities for HR, technology, data management, public affairs, investment operations and corporate strategy. He earned a CPA, CA designation and is fellow of CPA Ontario. He received the ICD.D Director designation from the Institute of Corporate Directors. Mr. Zelenczuk is on the Boards of the Healthcare of Ontario Pension Plan, Wilton Re, and Teine Energy Ltd.. Until 2020, he was also on the Board of Trillium Health Partners.

Age: 66
Toronto, Ontario, Canada

Director since
May 28, 2020

Independent

2021 Annual Meeting
Votes in favour: 96.23%

Expert knowledge in the following areas:

- Accounting, Audit & Finance
- Risk Management & Risk Governance
- Financial Services
- Capital Markets, Investment Banking, M&A
- Operational Excellence

Reporting Issuer board memberships during the last five years **Current Role on Boards and Committees**

None

Attendance (94.44% Overall)

Member of board/committees	Regular	Special
Board of Directors	9/9	4/4
Audit Committee	6/6	—
Risk Management Committee	4/5	1/1

Securities held

Date	Total common shares	Total DSUs	Total common shares and DSUs	Share value (\$)	Total value of common shares and DSUs (\$)	Minimum requirements shares/DSUs (Note 1)	Complies with minimum share ownership requirements for directors
Feb 4, 2022	3,000	5,494	8,494	44.99	382,145	10,543	80% Recently appointed
Feb 5, 2021	3,000	1,901	4,901	32.12	157,420	10,543	45% Recently appointed

Value of total compensation received during the 2021 fiscal year

\$134,000

Note 1: Rules on share ownership were adopted on May 1, 2016. Each director must hold at least three times his/her fixed compensation in common shares and/or Deferred Share Units. The minimum holding is based on the closing price of the common shares of the Bank on the Toronto Stock Exchange as at October 31, 2015, except for Ms. Baxendale, Mr. Morris, Mr. Mueller, Ms. Bolger, Mr. Mowat, Mr. Zelenczuk and Ms. Gouin whose minimum holdings are based on the closing price of the common shares of the Bank on said Exchange as at the dates they were appointed, i.e. August 31, 2016, October 31, 2017, December 17, 2018, August 28, 2019, August 28, 2019, May 28, 2020 and April 6, 2021 respectively.

Note 2: Ms. Gouin was elected on April 6, 2021.

Note 3: Ms. Gouin was appointed to the Risk Management Committee on April 6, 2021.

Note 4: Mr. Mowat was appointed to the Audit Committee on April 6, 2021.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Based on information provided by Mr. Michael T. Boychuk, he was a director of Yellow Media Inc. when the corporation announced a recapitalization on July 23, 2012. The recapitalization was implemented and became effective on December 20, 2012 and was implemented in accordance with a court-approved plan of arrangement under the Canada Business Corporations Act.

Based on information provided by Ms. Michelle R. Savoy, she was serving as a director of 2172079 Ontario Inc., a private company operating a franchise restaurant, when the company initiated creditor protection proceedings under section 49 of the *Bankruptcy and Insolvency Act* (Canada) on December 3, 2013.

Based on information provided by Mr. Michael Mueller, he was a director of Eureka 93 Inc. until August 2019, a public company that was declared bankrupt on August 28, 2020.

PART D – COMPENSATION OF DIRECTORS

COMPENSATION STRUCTURE

The HRCG Committee is responsible for reviewing director compensation and recommending to the Board the amount and structure of director compensation. The compensation of the Bank is designed to attract and retain qualified individuals to serve as directors of the Bank and to compensate such individuals appropriately for the time and effort they devote to overseeing the effective operation of the Bank. It is also designed to be consistent with the interests of shareholders and to reflect best practices. The HRCG Committee has the authority to engage the services of consultants, including compensation consultants or advisors, as it deems necessary or desirable to carry out its responsibilities.

The HRCG Committee reviews director compensation on a biennial basis to ensure that the compensation meets the stated objectives. The structure of director compensation was last modified on August 1, 2021, following a review by the HRCG Committee's independent advisor, Hexarem, of market competitive board compensation practices at similarly-sized Quebec-based companies from all industries and at similarly-sized Canadian companies from the financial services sector. This assessment took into account the risks, responsibilities, workload, time commitment, and the skills required of the Board in light of the evolving complexity of the Bank's business and increased regulatory oversight and scrutiny. Effective August 1, 2021: directors are required to receive all compensation in the form of DSUs until they achieve the minimum share ownership threshold; after meeting the threshold, the percentage of fixed compensation paid in the form of DSUs is at least 60% (up from 50%) and the overall fixed compensation is increased. Prior to these changes the last increase to overall fixed compensation for directors was on May 1, 2018.

	Prior to August 1, 2021	Starting from August 1, 2021
Per annum fixed compensation for all directors	\$110,000 (including at least 50% in deferred share units)	\$140,000 (including at least 60% in deferred share units)
Per annum fixed compensation for the Chair of the Board	\$170,000 (including at least 50% in deferred share units)	\$190,000 (including at least 60% in deferred share units)
Per annum fixed compensation for the Chair of a permanent committee	\$20,000	\$25,000 (including at least 60% in deferred share units)
Per annum fixed compensation per committee on which a director sits, with the exception of the Chair of the Board	\$7,500	\$7,500 (including at least 60% in deferred share units)

Directors receive no other fees for attending Board or committee meetings. Directors are entitled to the reimbursement of their hotel and travel expenses upon presentation of supporting documentation. Directors who are officers of the Bank are not entitled to receive any compensation as directors. Directors who are not officers are not eligible to participate in the Bank's stock option plan or in any other incentive compensation program of the Bank, except for participation in the Bank's Director deferred share unit plan as described below.

COMPENSATION IN THE FORM OF SHARES OR DEFERRED SHARE UNITS

Each director receives at least 60% of his or her annual compensation from the Bank in the form of deferred share units (DSUs). The purpose of DSUs is to promote a greater alignment of long-term interest between directors and shareholders of the Bank by linking a portion of annual director compensation to the future value of the Bank's common shares and to enhance the Bank's ability to attract and retain talented individuals to serve as directors.

A director may elect to receive all or part of his or her compensation in the form of issued Bank common shares and/or DSUs provided at least 60% is received in the form of DSUs. The value of such shares is determined on the basis of the market price at the time of payment to the director. The election may be changed at any time and takes effect on the next quarterly compensation payment date. As for the DSUs, the number of units awarded is established in accordance with the plan. Directors may elect to receive DSUs on an annual basis.

A DSU is a unit whose value is equivalent to the value of a common share of the Bank and is adjusted for events affecting the security (e.g. stock split, exchange of shares, etc.). DSUs cannot be converted until a director leaves the Board, at which time they are paid either in cash or in common shares, but not later than December 31 of the year following the year of the director's departure from the Bank. The number of DSUs awarded is established by dividing the amount payable to the director by the average market price of the Bank's common shares during the period defined in the DSU plan. DSUs also entitle their holders to an amount equal to dividend payments on common shares of the Bank, which amount is paid in the form of additional DSUs. This plan has been in force since February 1, 2000.

OWNERSHIP REQUIREMENTS

Each director must hold at least 3 times his or her fixed compensation, including director retainer and additional chair of the Board retainer, in the form of shares and/or DSUs of the Bank within five years of being nominated to the Board.

As at February 4, 2022, all non-employee directors exceeded the target minimum ownership requirement, except for recently appointed directors Mr. Nicholas Zelenczuk (80% of target) and Ms. Suzanne Gouin (27% of target). In accordance with the Board's requirements, they have until May 28, 2025 and April 6, 2026, respectively, to achieve the share ownership threshold and until such threshold is met shall receive all their compensation in the form of DSUs.

The number of shares and/or DSUs held by each proposed nominee for election as director is indicated in Part C - *Director Nominees* of this Circular. Ms. Rania Llewelyn is subject to minimum share ownership requirements as President and Chief Executive Officer of the Bank, as is further described in Part E - *Executive Compensation* of this Circular.

DIRECTORS' COMPENSATION TABLE

The following table presents a summary of the compensation provided to each director who was not an officer of the Bank during the last fiscal year:

	Board retainers (\$)	Committees retainers (\$)	Other Compensation (\$)	Total Compensation (\$)	Portion of Total Compensation Allocated to Cash and Shares/DSUs (Note 3)	
					Paid in Cash (\$)	Paid in Shares/DSUs (\$)
Lise Bastarache (Note 1)	47,584	6,489	0	54,073	30,281	23,792
Sonia Baxendale	117,500	36,250	1,500	155,250	44,311	110,939
Andrea Bolger	117,500	15,000	1,500	134,000	35,500	98,500
Michael T. Boychuk	117,500	36,250	1,500	155,250	87,000	68,250
Suzanne Gouin (Note 2)	70,225	4,276	1,500	76,001	21,514	54,487
David Morris	117,500	7,500	1,500	126,500	32,312	94,188
David Mowat	117,500	11,838	1,500	130,838	66,338	64,500
Michael Mueller	292,500	0	1,500	294,000	1,500	292,500
Michelle R. Savoy	117,500	28,914	1,500	147,914	41,136	106,778
Susan Wolburgh Jenah	117,500	15,000	1,500	134,000	52,500	81,500
Nicholas Zelenczuk	117,500	15,000	1,500	134,000	1,500	132,500

Note 1: Ms. Bastarache ceased to be director on April 6, 2021.

Note 2: Ms. Gouin was elected as a director on April 6, 2021.

Note 3: Effective August 1, 2021 directors are required to receive all compensation in the form of DSUs until they achieve the minimum share ownership threshold.

HUMAN RESOURCES AND CORPORATE GOVERNANCE COMMITTEE LETTER TO SHAREHOLDERS

Dear fellow shareholders,

In my role as Chair of the Human Resources and Corporate Governance (HRCG) Committee, it is my privilege to provide an update on the accomplishments of the Laurentian Bank team over the past year. Despite the ongoing challenges of the COVID-19 pandemic, the team has proven its resiliency and determination to work together as One Team.

The HRCG Committee is responsible for the Bank's human resources and corporate governance functions. This includes overseeing key culture and human resources strategies, employee engagement, employee health and well-being, as well as equity, diversity and inclusion (ED&I) and Future of Work initiatives. Our mandate also includes approving objectives for members of the Bank's management committee which, as of 2021, now include Environmental, Social and Governance (ESG) objectives.

Our focus is to ensure that the Bank's human resources and corporate governance strategies and practices are directly aligned with the interests and values of our shareholders. To that end, the HRCG Committee oversees the Bank's approach to compensation – an important element in building and renewing any leadership team. In 2021, key changes were made to Laurentian Bank's senior leadership team with the hiring of four experienced external executives and two internal promotions. This new leadership team comes from diverse backgrounds and brings together a range of expertise needed to execute on our ambitious strategic priorities as we enter the next chapter of Laurentian Bank's rich history.

2021 Financial Performance and Compensation Results

2021 was a year of resetting and rebuilding for the Bank. For fiscal 2021, the Bank reported net income of \$57.1 million, which was impacted by the Bank's strategic review resulting in charges totaling \$209 million before taxes in Q4 2021, essentially related to non-cash items. On an adjusted basis, the Bank delivered adjusted net income¹ of \$211.2 million, 53% higher than in 2020.

The charges were divided into four categories: Personal Banking Segment Impairment, Future of Work, Technology and Credit Provisions. The first three categories were designated as adjusting items to calculate the Bank's adjusted net income, as they were not indicative of the current underlying business performance. The fourth category, related to Credit Provisions, impacted both net income and adjusted net income. Please refer to the 2021 Annual Report on page 28 for further details.

The Bank's Short-Term Incentive Program (STIP) uses adjusted net income as a measure in calculation. The significant increase in adjusted net income generated a payout of STIP above target for the first time since 2017. This allowed the Bank to recognize the considerable efforts of its employees to respond to specific challenges and deliver results above expectations.

The Bank's Performance Share Units (PSU) are designed to align executive compensation with the Bank's shareholders' experience. As a result, the payout of the PSUs vesting in fiscal 2021 reflected challenges that the Bank faced over the past three year cycle, paying executive at 58% of the target.

During 2021, we continued to engage with Laurentian Bank's stakeholders on executive compensation and other corporate governance priorities. The HRCG Committee worked on their behalf to ensure that the Bank's compensation practices appropriately motivate the key employees responsible for achieving the Bank's strategic objectives, driving sustainable growth and enhancing long-term shareholder value within the Bank's risk appetite framework.

A Workforce Built on Equity, Diversity and Inclusion

Both the HRCG Committee and the Board of Directors as a whole oversaw various initiatives to support equity, diversity and inclusion. I am extremely proud of the work done developing and launching new ED&I policies for all employees and leaders, as well as the Board. These new policies set the guidelines to build a more diverse and inclusive team. As of 2021, ED&I objectives are now included in each of the leaders' scorecards and have a direct impact on their performance evaluation and therefore their compensation.

The Bank continued its long-standing support for diversity in 2021. Laurentian Bank's President & CEO, Rania Llewellyn, is the first woman to serve as CEO of a major Bank in Canada. Currently, there are six (6) nominees for election to the Board who are women, representing 55% of the Board, and two (2) of the three (3) Board committees are chaired by women. In addition, there are two (2) directors, representing 18% of the Bank's Board nominees, who identify as members of a racialized group.

The Board and management believe that diversity and inclusion efforts contribute to a culture of performance and enhance decision making at all levels of the organization. The HRCG Committee receives regular reports from management regarding the diversity of the Bank's workforce in terms of gender, racialized groups, Indigenous Peoples and persons with disabilities, and we are actively working on improving representation across these groups.

Additional details are described under the heading, "Our Commitment to Equity, Diversity and Inclusion" in part F of this Circular.

¹ Adjusted net income is a non-GAAP financial measure. The most directly comparable financial measure that is disclosed in the primary financial statements of the Bank to which this measure relates is net income. Non-GAAP financial measures are not standardized financial measures under the financial reporting framework used to prepare the financial statements of the Bank to which the non-GAAP financial measures relate and might not be comparable to similar financial measures disclosed by other issuers. For more information, refer to the "Non-GAAP Financial and Other Measures" section beginning on page 28 of the 2021 Annual Report, including the Management's Discussion and Analysis (MD&A) for the fiscal year ended October 31, 2021, which page is incorporated by reference herein. The MD&A is available on SEDAR at www.sedar.com.

Improving the Health and Wellness of Employees

The HRCG Committee also oversees all initiatives that promote and support the health and wellness of our more than 2,800 employees. During 2021, an improved Employee and Family Assistance program, with better mental health support, was launched. Employees and their families were also encouraged to take advantage of a new virtual healthcare platform offering them convenient, unlimited and on-demand access to health care professionals. Other wellness and mental health supports introduced and enhanced in 2021 include virtual fitness classes and a bank-wide physical health challenge, access to ergonomic tools, and a new health and wellness spending account.

In recognition of the importance of peer-to-peer support, three new Employee Resource Groups (“**ERGs**”) were launched this year: the Laurentian Bank Black Employee Network; the PRIDE Employee Resource Group for the LGBTQ2S+ community; and, the StrongHer Women’s Employee Resource Group. These ERGs – which are fully supported by the Bank’s leaders – are designed to provide a safe space for groups of employees and their allies to listen to, learn from and support one another.

This past year management was also focused on listening and learning from employees, including an enterprise-wide “Voice of the Employee” engagement survey and multiple listening tours conducted by the new leadership team. This valuable employee feedback formed the basis for the Bank’s Future of Work planning. We are proud to be pursuing an employee-centric strategy and adopting a hybrid and flexible model as part of our Future of Work strategy, where working from home is the Bank’s first approach for all tasks that can be performed remotely.

Shareholder Engagement

Shareholder input is an important consideration in the Bank’s approach to executive compensation. This includes inviting you to attend each annual meeting to have your say on the Bank’s practices through an advisory vote that provides valuable information to the Board for future compensation planning. The Board is committed to understanding and balancing the views and interests of the Bank’s stakeholders. Accordingly, outreach is a top priority. In addition to meeting with institutional shareholders, we encourage feedback from retail shareholders by email or telephone. We also regularly engage with various proxy advisory firms, advocacy groups and other stakeholders.

During the year, the Bank’s outreach included discussions on topics such as the Bank’s renewed strategic plan, the Bank’s response to the COVID-19 pandemic, executive compensation, board diversity and renewal, environmental, social and governance matters and cybersecurity. Together with management, we have worked over the year to be responsive to shareholder concerns and to improve the Bank’s executive compensation approach, governance practices and disclosure. We value the feedback we receive and would encourage you to provide your comments, suggestions or questions by email to the Bank’s Corporate Secretary at corporate_secretariat@lbcfg.ca, directly to the Chair of the Board at mike.mueller@lbcfg.ca or by mail at 1360 René-Lévesque Boulevard West, Suite 600, Montréal, Québec, H3G 0E5.

On behalf of the HRCG Committee and the Board, I encourage you to take some time to read the compensation discussion and analysis and invite you to vote on the Bank’s approach to executive compensation at this year’s annual meeting.

Sincerely,



Michelle R. Savoy
Chair of the Human Resources and Corporate Governance Committee

COMPENSATION DISCUSSION AND ANALYSIS

The Bank's executive compensation program is designed to attract, retain, and reward an experienced team of executive officers who are responsible for execution of the Bank's strategic objectives, driving sustainable growth and creating long-term value for shareholders.

Below, you will find a discussion of the Bank's approach to compensation including information about the Bank's compensation practices, the market research, policies, and methods used in determining compensation, and detailed information regarding the structure and awards for the following NEOs and former NEOs of the Bank:

- Rania Llewellyn, President and Chief Executive Officer;
- Yvan Deschamps, Executive Vice President, Chief Financial Officer
- François Laurin, Former Executive Vice President, Finance, Treasury and Chief Financial Officer;
- William Mason, Executive Vice President and Chief Risk Officer;
- Kelsey Gunderson, Executive Vice President, Capital Markets
- Yves Denommé, Executive Vice President, Operations

Compensation Governance

The Board is responsible for overseeing the Bank's compensation principles, policies, programs and decisions. The HRCG Committee, which is comprised of independent directors, supports the Board in this work with the advice of external independent compensation advisors, as needed. Among other things, the HRCG Committee:

- Reviews and recommends for Board approval, an Executive Compensation Policy (the "**Compensation Policy**") which establishes a framework for the Bank's compensation practices;
- Approves all elements related to compensation, including individual and financial objective setting, incentive programs design, long-term incentive grants and pension & benefits programs;
- Comments on the performance evaluations and provides recommendations to the Board for the members of the executive committee, which reports directly to the Bank's President and CEO; and
- Approves the disclosure of executive compensation.

Please refer to Part F - *Corporate Governance* for a description of the HRCG Committee mandate.

Management supports the HRCG Committee in its oversight of executive compensation by developing compensation policies, practices and programs to support the Bank's needs and regulatory requirements. The Bank's Chief Human Resources Officer advises the CEO and the HRCG Committee on compensation recommendations for executives. In addition, the CEO and the Bank's Chief Human Resources Officer attend meetings of the HRCG Committee but do not have the right to vote on any matter. Other senior officers may also attend for parts of a meeting for presentation purposes. No executive officer, including the CEO, is present when decisions regarding compensation are made.

Human Resources and Corporate Governance Committee

The Board recognizes the importance of appointing individuals to the HRCG Committee who have the necessary background and the competencies to fulfill the committee's obligations to the Board and shareholders with respect to executive compensation, and risk management. Accordingly, members of the HRCG Committee have been selected to ensure the committee has the knowledge, skills, and experience required to make informed inquiries and decisions on the suitability of the Bank's compensation policies and practices. All members of the HRCG Committee have significant expertise in executive compensation and human resources gained as senior leaders and directors of other organizations. This experience includes the following:

Specific Experience or Expertise	Number of HRCG Committee Members
Talent Management & Compensation Experience with compensation, pension and benefit programs (in particular, executive compensation)	5 of 5
Risk Management & Risk Governance Knowledge and experience with internal risk controls, risk assessments and reporting	5 of 5
Executive Leadership Experience as a senior executive/officer of a public company or major organization	5 of 5

The HRCG Committee is comprised of Michelle R. Savoy (Chair), Sonia Baxendale, David Mowat, Andrea Bolger and Susan Wolburgh Jenah. All members are independent within the meaning of National Instrument 52-110 - *Audit Committees*. Additional information regarding the HRCG Committee members standing for re-election as directors is provided in Part C - *Director Nominees* of this Circular.

The HRCG Committee adheres to various governance best practices to ensure the effective oversight of the Bank's compensation framework, including holding *in camera* sessions in the absence of management during each meeting.

Independent Advice

External advisors are retained regularly to provide an external perspective relating to compensation plan best practices, design and governance and to analyze and compare the target compensation of the Bank's executives and directors against an appropriately constituted reference group. Since 2017, the HRCG Committee has retained Hexarem, which has extensive executive compensation expertise, to provide independent advice with respect to the Bank's compensation practices. Information regarding the fees paid to the HRCG Committee's independent advisor is disclosed below.

Advisor	Executive Compensation-Related Fees (\$)		All Other Fees (\$)	
	2021	2020	2021	2020
Hexarem	44,038	252,312	—	—

During fiscal 2021, the HRCG Committee retained Hexarem to provide counsel on executive compensation matters.

During fiscal 2020, the HRCG Committee had mandated Hexarem, to conduct a benchmark of Total Compensation, including the pension plan, benefits and perquisites of the Bank's executives, and to assist the HRCG Committee in relation to the design of the compensation arrangements for the interim and new President and Chief Executive Officers.

Summary of Compensation Policies and Practices

The Bank's executive compensation program is designed to compensate employees on the basis of corporate and individual performance, with a focus on sustainable growth and the creation of long-term shareholder value. As further discussed below, the components of the compensation program form a comprehensive strategy for achieving the following objectives:

1. To attract and retain qualified management;
2. To compensate executives at a level competitive with an appropriate and representative peer group of similarly sized organizations from the Canadian financial services sector;
3. To motivate performance by linking compensation to the achievement of business objectives, financial performance and individual performance;
4. To link the interests of the NEOs with those of shareholders; and
5. To mitigate risk.

Every year, the HRCG Committee in conjunction with the Risk Management Committee of the Board, considers the risks associated with the Bank's compensation policies, programs and practices in the course of reviewing and recommending to the Board the compensation of the NEOs. The Bank's compensation approach incorporates features designed to mitigate risk without diminishing the incentive nature of compensation, and encourages and rewards prudent business judgment and appropriate risk taking over the long term. As further described below, examples of such risk mitigation strategies include the use of long-term incentives which vest only upon the achievement of performance-based and time-based criteria, executive share ownership and hold guidelines and anti-hedging and clawback provisions, all of which ensure alignment with shareholder interests over the long term.

The Bank's approach aligns compensation practices with performance and reinforces a strategy-driven and risk-controlled approach:

What we do

- Provide shareholders with opportunity to vote on an advisory "Say on Pay" resolution regarding the Bank's approach to executive compensation;
- Oversee the calculation of short and long-term variable compensation based on complementary financial and non-financial metrics;
- Align the Bank's compensation programs with its corporate strategy through short- and long-term strategic goals;
- Ensure that a significant proportion of compensation is conditional on the performance of the Bank and the individual;
- Assess target compensation for executive officers with reference to an appropriate and representative peer group of similarly sized organizations from the Canadian financial services sector;
- Review the information on organizations used in the Bank's peer group for benchmarking purposes;
- Retain an independent compensation advisor to obtain necessary information about trends and best practices on compensation policies and programs;
- Tie a majority of senior executives' compensation to shareholders' return;
- Defer a substantial portion of incentives for employees whose actions may have a material impact on the Bank's risk profile to ensure they are accountable for decisions that may entail greater long-term risk;
- Link the vesting of long-term incentive awards to the achievement post-grant of long-term performance goals, with the result that approximately 70% of NEO and 75% of CEO target total direct compensation is at risk;
- Require substantial minimum share ownership at the senior management level, and for the CEO extending ownership requirements for 12 months following retirement;
- Include relative and absolute performance vesting conditions in the design of the PSUs;
- Require the Bank's CEO to hold stock option gains, net of taxes, in shares for a minimum of 12 months;
- Test compensation awards for appropriate alignment between pay and performance under several outcome scenarios;

- Allow deferred vesting of share units until after retirement;
- Include clawback provisions in the Bank's compensation plans that allow the Bank to recoup incentive compensation payments;
- Subject equity incentives to a "double trigger" which means that vesting periods may only be accelerated if an executive is terminated without cause within 12 months after a change of control; and
- Cap annual incentive payouts and PSU payouts.

What we don't do

- Guarantee bonuses;
- Guarantee minimum vesting on the Bank's PSUs;
- Allow for the repricing or backdating of stock options;
- Have single-trigger change of control benefits;
- Permit hedging or pledging of equity holdings;
- Provide severance protection in excess of 24 months of pay;
- Have excessive perquisites; or
- Excessively dilute shareholders equity through long-term incentive programs.

Compensation Peer Group and Benchmarking

In order to maintain compensation aligned with the market, and best practices, the Bank regularly retains independent external advisors to conduct a survey of a reference market composed of Canadian companies operating in its sector.

In the 2019 fiscal year, the HRCG Committee retained Hexarem, the Committee's independent advisor, to review the selection criteria used to identify an appropriate reference group for benchmarking purposes (the "**peer group**"). The goal of the review was to establish a peer group more reflective of the Bank's market position, profile and executive talent pool.

The selection criteria used to determine the peer group are as follows:

- Canadian companies in the financial services sectors;
- Comparable in size and scope; and
- Reflective of the executive talent pool of the Bank.

The resulting peer group is comprised of 13 comparator companies:

Organizations	Publicly Traded Companies	Financial Industry		
		Banking	Other Financial Services	Insurance
ATB Financial		x		
Canadian Western Bank	x	x		
Co-operators General Insurance Co.				x
Desjardins Group		x		
ECN Capital Corp.	x		x	
E-L Financial Corporation Limited	x			x
Equitable Group Inc.	x	x		
First National Financial Corp.	x		x	
Sagen MI Canada Inc.	x			x
Home Capital Group Inc.	x	x		
HSBC Bank of Canada		x		
iA Financial Group	x			x
National Bank of Canada	x	x		

The HRCG Committee's role is to review the results of the market study prepared by external advisors, receive and evaluate the President and Chief Executive Officer's recommendations on other NEOs' compensation and submit its recommendations on the target compensation of NEO's to the Board for approval.

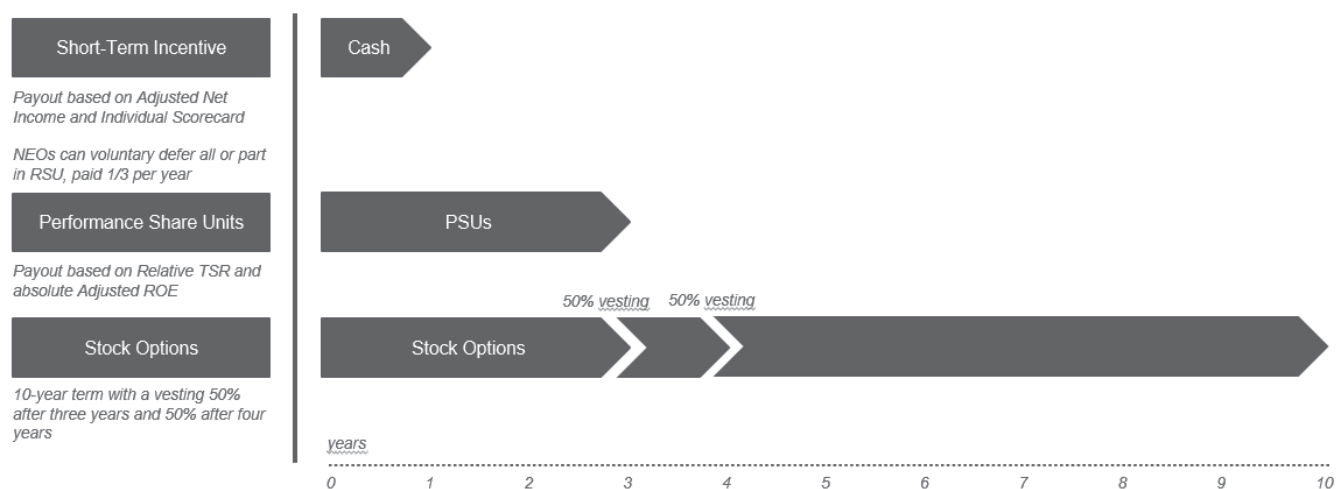
NAMED EXECUTIVE OFFICERS' COMPENSATION

The Bank's target total direct compensation for NEOs, including the CEO, is composed of four elements:

- Base salary;
- Short-term incentives (STI);
- Performance Share Units (PSUs); and
- Stock options.

The target total direct compensation of the Bank's President and CEO consists of a mix of 25% fixed and 75% fully at-risk compensation. For other NEOs, the pay mix consists of 30% fixed and 70% fully at-risk compensation.

The NEO incentive compensation program is designed to align pay with the interests of shareholders with an emphasis on long-term value creation. Short-term incentives link annual pay to a "Financial Performance Factor", based on the Bank's adjusted net income relative to its target for the year, and an "Individual Performance Factor" based on the achievement of individual goals. In fiscal 2021, the Bank's PSUs, which represent 70% of the long-term incentives granted to NEOs, are fully at risk over three years with no guaranteed minimum vesting. Half of PSU vesting is based on relative TSR against the XFN Financials Index Fund TSR. The other half of PSU vesting is based on adjusted ROE relative to the Bank's budget. Stock options represent 30% of the long-term incentive value granted to NEOs. The stock options granted in December 2021, vest 50% after three years and 50% after four years and tie realized NEO pay to shareholder return for up to 10 years.



Base Salary

The base salary provides NEOs with a base level of earnings throughout the year; and is determined based on the following criteria:

- Bank performance and individual contribution;
- Responsibility level; and
- Demonstrated skills and experience.

NEOs salaries are reviewed annually by the HRCG Committee based on the criteria listed above and considering the President and Chief Executive Officer's recommendations.

Annual base salaries of the Bank's NEOs are as follows:

	Base Salary Set at the Beginning of 2020	Base Salary Set at the Beginning of 2021	Base Salary Set at the Beginning of 2022
Rania Llewellyn (Note 1)	—	\$700,000	\$700,000
Yvan Deschamps	\$241,638	\$256,638	\$330,000
François Laurin (Note 2)	\$380,000	\$380,000	—
William Mason	\$380,000	\$380,000	\$380,000
Kelsey Gunderson	\$350,000	\$350,000	\$350,000
Yves Denommé (Note 3)	—	—	\$375,000

Note 1: Ms. Llewellyn joined the Bank on October 30, 2020.

Note 2: Mr. Laurin retired on April 6, 2021.

Note 3: Mr. Denommé joined the Bank on February 22, 2021.

Short-Term Incentive

The main purpose of the short-term incentive plan is to reward individuals for achievement of individual performance objectives as well as the Bank's financial objectives that occurred during the year.

In fiscal 2021, the payout under the program was calculated as follows:

$$\text{STI Target} \quad \times \quad \begin{array}{c} \text{Financial} \\ \text{Performance Factor} \\ \text{Between} \\ 0\% \text{ and } 150\% \end{array} \quad \times \quad \begin{array}{c} \text{Individual} \\ \text{Performance Factor} \\ \text{Between} \\ 0\% \text{ and } 150\% \end{array} \quad = \quad \begin{array}{c} \text{Short-Term Incentive} \\ \text{Compensation Payout} \\ \text{Between} \\ 0\% \text{ and } 225\% \end{array}$$

Short-Term Incentive Target

The short-term incentive targets are based on market practices and are represented as a percentage of base salary. The STI targets will remain unchanged in the coming year.

	2020 STI Target	2021 STI Target	2022 STI Target
Rania Llewellyn (Note 1)	—	100%	100%
Yvan Deschamps	n.d.	65%	65%
François Laurin (Note 2)	80%	80%	—
William Mason	80%	80%	80%
Kelsey Gunderson	65%	65%	65%
Yves Denommé (Note 3)	—	65%	65%

Note 1: Ms. Llewellyn joined the Bank on October 30, 2020.

Note 2: Mr. Laurin retired on April 6, 2021. Accordingly, he was not eligible to receive a short-term incentive for 2021.

Note 3: Mr. Denommé joined the Bank on February 22, 2021.

Starting in fiscal 2021, the mandatory requirement to defer 50% of the STI compensation into Restricted Share Units ("RSUs") was removed. NEOs can voluntarily defer part or all of the STI into RSUs payable at a rate of one third per year. This adjustment better aligns the NEOs compensation with our peers while still meeting the principles of the Financial Stability Board with over 50% of the compensation payable over multiple years. The mandatory requirement to defer a portion of the STIP compensation for Capital Markets employees with an incentive based on their sector's results is maintained.

Financial Performance Factor

The Financial Performance Factor is based on the financial target established by the Board at the beginning of the fiscal year and is designed to align awards with the Bank's performance objectives to support the Bank's strategic priorities. The Financial Performance Factor is based on the Bank's adjusted net income (adjusted net income after taxes and before dividends).

Performance Indicators	Description
Financial (100%)	
Laurentian Bank Adjusted Net Income	Act diligently to achieve the Group's financial target, which is a shared objective and one to which everyone contributes

An overarching hurdle of adjusted net income must be reached to trigger the payment of an annual STI award. No STI awards are paid if the threshold is not reached, unless the Board applies its discretionary power.

The performance levels that applied for fiscal 2021 and the corresponding Financial Performance Factor for incentive compensation purposes are summarized in the following table:

	Adjusted Net Income ⁽¹⁾ (\$M)	Financial Performance Factor
Overarching Hurdle	< 105.67	0%
Between Hurdle and Threshold	Between 105.67 and 140.88	0% for NEOs and lump sum envelope ⁽²⁾
Threshold	176.1	50%
Target	184.91	100%
Maximum	193.71	150%

(1) Linear interpolation between levels, above the threshold. This non-GAAP measure is referred to as "adjusted" measure and excludes amounts designated as adjusting items. Adjusting items relate to restructuring plans and to business combinations and have been designated as such as management does not believe they are indicative of underlying business performance.

(2) The creation of a lump sum envelope is to recognize employees who had a superior performance during the year. The members of the Executive Committee are not eligible.

2021 Results

From a financial perspective, adjusted net income was \$211.2 million for fiscal 2021 or 53% higher than in 2020. Other milestones we are particularly proud of include:

- An upgraded credit outlook from both S&P Global Ratings and DBRS Morningstar.
- The Bank's Real Estate Finance Group increased its asset base by \$1.2 billion, an increase of 16% .
- The Bank's Capital Markets business having a record year.
- The Bank's healthy liquidity levels and its strong capital position with a CET 1 ratio of 10.2%, up 60 basis points (bps) year over year

As per the 2021 STIP Financial Performance Factor target, the adjusted net income of \$211.2 million triggered a factor at 150% of target. No discretionary adjustment was made by the HRCG Committee.

The HRCG Committee considered the special charges recorded in the fourth quarter and fiscal 2021 results. These charges were divided into four categories: Personal Banking Segment Impairment, Future of Work, Technology and Credit Provisions. The first three were entirely strategic in nature, and therefore were considered adjusting items which did not have any impact on adjusted net income. The fourth charge, related to the increase in allowances for credit losses for the investment loan portfolio, fully impacted adjusted net income.

Individual Performance Factor

The Bank sees performance management as a crucial exercise and a key factor in the execution of the Bank's strategic plan. The HRCG Committee reserves the right to take into consideration other elements when assessing an executive's performance

Individual performance assessment is based on a balanced scorecard that takes the following four strategic pillars into account:

Performance Pillars	Description
Drive Shareholder Value	Ensure our strategic foundation is strong, take the right actions to position ourselves well for future growth and deliver on our targets. Exercise efficient decision making to earn and increase profits. Enhance our cost discipline across the organization to achieve savings and improve our overall efficiency
Customer Focus	Become a customer-first organization in everything we do and enhance customer experience, service and retention to provide long-term sustainable value. Drive customer engagement and growth across all our business lines.
Strengthen the Core	Simplify our processes and create an environment that is capable of quicker decision-making, with an innovative mindset and nimble implementation of customer centric change. Achieve operational efficiencies while cultivating a robust risk management culture
Culture and Leadership	Create an engaged workforce and empower our employees to work collaboratively as One Bank and One Team

Environmental, Social and Governance (ESG) performance objectives are included in each of the strategic pillars for all NEOs. ESG performance is included in performance evaluation and impacts compensation.

In 2021, ESG performance objectives included:

- Development of the ESG Strategy
- Creation of an internal Task Force on Climate-related Financial Disclosures (TCFD)
- Diversity and Inclusion targets such as the:
 - Percentage of women in leadership positions
 - Percentage of recruits from Black, Indigenous and racialized communities

The performance levels that applied for fiscal 2021 and the corresponding Individual Performance Factor for incentive compensation purposes are summarized in the following table:

Performance Rating	Superior	Exceeds expectations	Meets expectations	Near expectations	Below expectations
Individual Performance Factor	150%	120%	100%	50% to 80%	0%

For fiscal 2022, the Individual Performance Factor for incentive compensation has been modified to provide more flexibility on the factor. The following table presents the new factors:

Performance Rating	Superior	Exceeds expectations	Meets expectations	Near expectations	Below expectations
Individual Performance Factor	130% to 150%	110% to 130%	90% to 110%	50% to 80%	0%

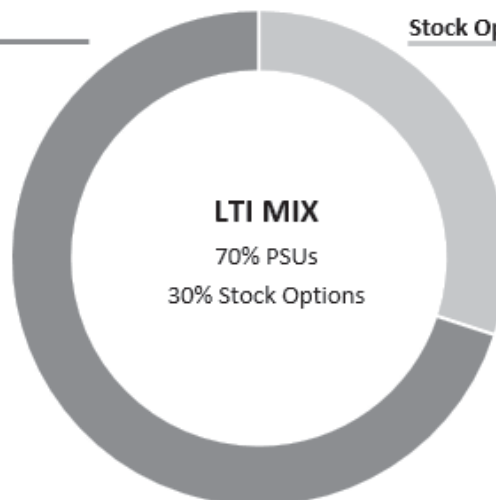
Long-Term Incentives

The Bank's long-term incentive ("LTI") program is comprised of PSUs and Stock Options and ensures alignment between executives' pay and the interests of shareholders with an emphasis on long-term value creation. The program is aligned with Canadian banking sector practices and sound governance standards.

In the work leading to the approval of the LTI mix, the HRCG Committee and the Board reviewed pay-performance projections and sensitivity analyses and were satisfied that the LTI mix ties NEO pay to shareholder return closely and appropriately over the long term.

Performance Share Units (PSUs)

- Vesting based on two performances metrics: Relative TSR and absolute ROE
- Payout range between 0% and 150%, without a floor or a minimum guaranteed level of vesting
- Non-dilutive and settled in cash after three years if performance warrants
- Change of control provisions:
 - Double triggered acceleration
 - Based on actual pro-rata performance
- Subject to clawback provisions



Stock Options

- Annual burn rate is capped at 1% of outstanding shares
- Vesting 50% after three years and 50% after four years
- 12-month post-exercise holding period for the CEO
- No financial assistance provided to participants for exercising the stock options
- Double triggered acceleration in case of a change of control
- Subject to clawback provisions

Performance Share Units (PSUs)

The 2021 PSU grants were as follows.

	Base Salary at the time of grant	2021 PSUs Target (% of salary) (70% of individual LTIP Target)	2021 PSUs Target (\$) (70% of individual LTIP Target)
Rania Llewellyn	\$700,000	140%	\$980,000
Yvan Deschamps (Note 1)	\$241,638	n.d.	\$118,403
François Laurin (Note 2)	\$380,000	109.2%	\$414,960
William Mason	\$380,000	109.2%	\$414,960
Kelsey Gunderson	\$350,000	106.1%	\$371,175
Yves Denommé (Note 3)	\$0	—%	\$0

Note 1: Mr. Deschamps was a Senior Vice President at the time of grant.

Note 2: Mr. Laurin retired on April 6, 2021.

Note 3: Mr. Denommé joined the Bank on February 22, 2021.

PSUs vest on the third anniversary of the grant. Upon vesting, the number of PSUs is adjusted based on the Bank's performance. The payout varies between 0% and 150% of the number of units granted. The performance measures are:

- Three-year Total Shareholders Return (TSR) average compared with the Banks' performance comparator group. The performance comparator group is defined as the XFN - S&P/TSX Capped Financials Index Fund, which is comprised of Canadian financial sector issuers listed on the Toronto Stock Exchange; and
- Three-year Return on Equity (ROE) average compared with the target set as part of the strategic plan.

Each of the performance measures are equally weighted and are each worth 50% of the PSUs performance vesting calculation.

For the PSUs granted in 2018 that vested in December 2021, the Bank has recorded a three-year TSR of 12.50%, while the XFN - S&P/TSX Capped Financials Index Fund has recorded a three-year TSR of 17.40%, which corresponds to a factor of 85.35% for the first component.

For the second component, the Bank has recorded an average adjusted ROE of 7.23% compared to a target of 10% and a threshold established at 6%. This corresponds to a factor of 30.75% (calculated by linear interpolation).

The resulting performance-based vesting factor was 58.05%, which is based on the following targets established at the time of grant:

PSU Metric	Weight	Minimum (0% payout)	Target (100% payout)	Maximum (150% payout)
Relative TSR	50%	3-year average is 33% below index	3-year average is equal to index	3-year average is 17% above index
Adjusted ROE	50%	3-year average adjusted ROE is equal to 6%	3-year average adjusted ROE is equal to 10%	3-year average adjusted ROE is equal to 12%

This resulting performance-based vesting factor is well-aligned with shareholder experience over the past three years and confirms the alignment between executives' pay and the interests of shareholders.

Prior performance vesting factors for PSUs that vested in December 2020 and 2019 were 75% and 81% respectively (both as per the former PSU program).

NEOs meeting the share ownership guidelines must choose to either participate in the PSU or the Deferred PSU (DPSU) version of the program. Executives not meeting the share ownership guidelines receive Deferred PSUs.

- Under the PSU program, the payout is made on the vesting date, which is three years after the grant;
- Under the Deferred PSU program, and provided the three-year vesting period is completed, the payout is subject to the performance factor and made at the time the executive leaves the Bank.

Stock Option Plan

The Stock Option Plan supports the deployment of the Bank's strategic plan, enables the Bank to better attract, retain and engage its executive workforce, and aligns the Bank's compensation offering with Canadian banking sector practices.

Stock options with no initial intrinsic value increase compensation risk for the Bank's senior executives because they replace historical awards of Retention PSUs which guaranteed minimum gains (floor of 75%). Furthermore, stock options lengthen the temporal horizon of the Bank's approach to executive compensation, with shareholder alignment over up to 10 years.

Stock Option Plan Features

Burn rate	The Bank has adopted a target to limit the annual burn rate to no more than 1.00% of outstanding shares.
Vesting provisions	The Board of Directors or, if the Board of Directors so decides by resolution, the Human Resources and Corporate Governance Committee (the "HRCGC"), may, in its sole discretion, determine the vesting provisions of the Stock Option Plan. It is currently intended that stock options granted will vest 50% after three years and 50% after four years.
Term	The option term will be determined, at the time of granting the particular option, by the Board of Directors or, as the case may be, the HRCGC, provided that such term shall not exceed 10 years.
Black-out period	In the event the expiration date of an option falls within a black-out period or within nine (9) trading days following the black-out period, such expiration date will be automatically extended to the tenth (10th) trading day after the end of the black-out period.
Performance criteria	Although the Board of Directors or the HRCGC, as the case may be, have the discretion to include performance criteria in the vesting provisions, stock options are not currently intended to be performance-based. However starting in fiscal 2019, 70% of participant's LTI is composed of non-dilutive fully at-risk Performance Share Units ("PSUs") based on relative TSR and absolute adjusted ROE.
Exercise price	Stock options cannot be granted below the market value of the Bank's share at the date of grant, such market value corresponding to the volume-weighted average price of the Bank's share on the TSX for the five (5) trading days preceding the date of grant. The price so determined will be rounded up to the next highest cent.
Financial assistance	The Bank does not provide for company loans to participants.
Cashless exercise	Under the Stock Option Plan, a participant may, in exercising his or her options, provide for payment of the underlying shares by way of selling, at the prevailing market price of the shares on the TSX at the time of such sale, the necessary number of shares issuable upon the exercise of his or her option, in order to pay the applicable exercise price with the resulting proceeds.
Individual grant limits	<ul style="list-style-type: none"> • The aggregate number of shares reserved for issuance at any time to any one participant should not exceed 5% of the issued and outstanding shares. • The aggregate number of shares issued to any one insider within any one-year period, should not exceed 5% of the issued and outstanding shares. • The aggregate number of shares issued to insiders within any one-year period and issuable to insiders at any time under the Plan or any other proposed or established Share Compensation Arrangement should in each case not exceed 10% of the issued and outstanding shares.

Post settlement share holding requirement	The CEO must hold, after the exercise of stock options, Bank's shares with a value at least equal to the net aftertax gain resulting from the exercise of vested stock options, for a period of at least 12 months or, if longer, until the applicable share ownership requirements have been met.
Change in control provisions	Unless otherwise determined by the Board of Directors, in the event of a change in control, each option that is not converted into or substituted by an alternative award of the successor entity will be accelerated to become exercisable immediately prior to such change in control event. The Stock Option Plan contains double trigger provisions for the acceleration of vesting only in case of termination without cause or resignation for good reason within twelve (12) months after the change in control. Accordingly, each exercisable option or alternative award would remain exercisable for a period of twenty-four (24) calendar months from the date of termination or resignation for good reason (but not later than the end of the option term); and each non-exercisable option or alternative award would become exercisable upon such termination or resignation for good reason and would remain exercisable for a period of twenty-four (24) calendar months from the date of termination or resignation for good reason (but not later than the end of the option term). Any option or alternative award shall expire thereafter.
Participation	Officers, senior executives and other employees of the Bank or its subsidiaries are eligible participants, however non-employee directors do not participate in the Stock Option Plan.
Equity clawback provisions	The Stock Option Plan is subject to the Bank's clawback policy.
Assignability	Stock options are not assignable nor transferable by participants, whether voluntarily or by operation of law, except by will or by the laws of succession.
Repricing history	The Bank has no repricing history.
Cessation	Unless determined otherwise by the Board of Directors, options granted under the Stock Option Plan will expire at the earlier of the option's expiry date and: (i) ninety (90) days after the participant's resignation. Any unvested option at the time the participant ceases to be an employee of the Bank will be forfeited and cancelled; (ii) on the date the participant was informed by the Bank that his or her services are no longer required where such termination occurs for cause. Any option or unexercised part thereof will be forfeited and cancelled on such date; (iii) ninety (90) days after the participant was informed by the Bank that his or her services are no longer required where such termination occurs without cause. Any unvested option at the time the participant was so informed will be forfeited and cancelled; (iv) one (1) year after the participant's death. Any unvested option at the time of the participant's death will be forfeited and cancelled; and (v) five (5) years after a participant's retirement, including for options that become vested over such period of five (5) years, subject to relevant non-competition, non-solicitation and confidentiality provisions, as provided in Section 7.5.5 of the Stock Option Plan, annexed as Schedule B hereto. Should a participant breach any of the noncompetition, non-solicitation or confidentiality provisions, any unexercised vested options would be forfeited and the participant's unvested options would expire immediately. In the event a participant's employment is terminated by reason of injury or disability, any option granted to the participant may be exercised as the rights to exercise accrue.
Amendment provisions	Amendment provisions are aligned with market best practices and sound governance. The Board of Directors has the discretion to make amendments to the Stock Option Plan at any time without having to obtain shareholder approval, including, but not limited, to the following changes: <ul style="list-style-type: none"> • Amendments of a "housekeeping nature"; • Changes to the vesting provisions of any option; • Changing the termination provisions of an option, which does not entail an extension beyond the original expiry date, except for extensions related to a black-out period; and • Any adjustment to shares subject to outstanding options, for example in case of a subdivision, consolidation, reclassification, reorganization or other change of shares subject to the Stock Option Plan. The Stock Option Plan also provides that shareholder approval must be obtained for the following changes (in addition to any matters that may require shareholder approval under the rules and policies of TSX): <ul style="list-style-type: none"> • Any change to the maximum number of shares issuable from treasury under the Stock Option Plan; • Any reduction in the exercise price of granted shares or any cancellation of an option and substitution by a new option with a reduced price; • Any extension of the option term beyond the original expiry date, except for extensions related to a black-out period; • Extending the eligibility to the Stock Option Plan to non-employee directors; • Allowing that options granted be transferable or assignable, other than by will or by the laws of succession; • Any increase to the maximum number of shares issuable to insiders as a group or individually in a one (1) year period under the Stock Option Plan or any other proposed or established Share Compensation Arrangement, as defined in the Stock Option Plan; and • Any amendment to the amendment provisions.

The 2021 annual stock options grants were allocated as follows:

	Number of Stock Options Granted in Fiscal 2021	2021 Stock Option Value Target (% of Salary) (30% of Individual LTIP Target)	2021 Stock Option Value at Grant Date (\$) (30% of Individual LTIP Target)
Rania Llewellyn	86,242	60%	\$420,000
Yvan Deschamps (Note 1)	10,420	n.d.	\$50,744
François Laurin (Note 2)	36,517	46.8%	\$177,840
William Mason	36,517	46.8%	\$177,840
Kelsey Gunderson	32,664	45.45%	\$159,075
Yves Denommé (Note 3)	0	—%	\$0

Note 1: Mr. Deschamps was a Senior Vice President at the time of grant.

Note 2: Mr. Laurin retired on April 6, 2021.

Note 3: Mr. Denommé joined the Bank on February 22, 2021.

The following table outlines the Burn Rate, the Dilution and the Overhang for the past three years as of October 31, 2021, calculated using the TSX prescribed methodology.

	Plan	2021	2020 (Note 1)	2019
Burn Rate				
Total number of stock options granted in a fiscal year, divided by the weighted average number of shares outstanding at the time of grants for the fiscal year	Stock Option Plan	0.7%	1.3%	0.9%
	Old Stock Option Purchase Plan	—%	—%	—%
Dilution				
Total number of stock options issued but not exercised, divided by the total number of issued and outstanding shares at the end of the fiscal year	Stock Option Plan	2.1%	1.9%	0.9%
	Old Stock Option Purchase Plan	0.2%	0.2%	0.3%
Overhang				
Total number of stock options available to be issued, plus all stock options outstanding that have not yet been exercised, divided by the total number of issued and outstanding shares at the end of the fiscal year	Stock Option Plan	3.8%	3.8%	3.9%
	Old Stock Option Purchase Plan	0.3%	0.3%	0.3%

Note 1: Including Ms. Llewellyn's special sign-on award, the total number of stock options granted in the fiscal year amount to a Burn Rate of 1.3%. However, given the departure of the former CEO and other executives, resulting in the cancellation of stock options granted in 2020, the real Burn Rate is 1.0%.

The following table provides information with respect to compensation programs under which the Bank's equity securities are authorized for issuance under the old Stock Option Purchase Plan and the Stock Options Plan for the Executives of the Laurentian Bank of Canada and its Subsidiaries:

	Number of Securities to be issued upon Exercise of Outstanding Options, Warrants and Rights as at October 31, 2021 (Note 1)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights as at October 31, 2021 (\$)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding securities reflected in the first column) as at October 31, 2021	Percentage of securities available for grant relative to the number of issued and outstanding securities, as at October 31, 2021
Old Stock Option Purchase Plan for the Officers of the Laurentian Bank of Canada and its Subsidiaries	71,683	38.97	53,279	0.1%
Stock Option Plan for the Officers of the Laurentian Bank of Canada and its Subsidiaries	911,329	37.47	753,001	1.7%

Note 1: Including Ms. Llewellyn's sign-on stock options grant.

Pension Plans

Pension plans are funded and are financed by the Bank and are non-contributory for the participants.

Defined contribution pension plans (new membership as of October, 2020)

All NEOs hired on or after October 2020 participate in a basic defined contribution pension plan - the *Senior Executive Defined Contribution Basic Plan* (the "**officers' DC plan**") - and in a supplemental defined contribution pension plan - the *Senior Executive Defined Contribution Supplemental Plan* (the "**supplemental DC plan**"). Under the officers' DC plan, contributions are accumulated, up to the maximum amount permitted by law and the supplemental DC plan covers all contributions granted in excess thereof, if applicable.

Under the officers' DC plan and the supplemental DC plan (collectively, the "**DC plans**"), participants are entitled to employer contributions equal to 15% of the annual base salary with immediate vesting.

In addition, Ms. Llewellyn, as President and CEO, is entitled to an additional employer contribution equal to 10% of her annual base salary, vesting when she reaches 55 years of age or ten years of eligible service, whichever is later.

Defined benefit pension plans (closed to new membership as of October, 2020)

The NEOs who were already participating in the Defined benefit pension plans when they were closed to new entry in October 2020 continue to participate in a basic defined benefit pension plan - the *Pension Plan for the Senior Officers of the Laurentian Bank of Canada and Participating Subsidiaries* (the "**officers' DB plan**") - and in a supplemental defined benefit pension plan - the *Supplemental Pension Plan for Members of the Executive Management of the Laurentian Bank of Canada and Participating Subsidiaries* (the "**supplemental DB plan**"). Under the officers' DB plan, a pension is payable, up to the maximum amount permitted by law and the supplemental DB plan covers all pensions granted in excess thereof, if applicable.

Under the officers' DB plan and the supplemental DB plan (collectively, the "**DB plans**"), participants are entitled to receive a pension for each year of participation equal to 2% of their average compensation, being the average base salary for their most highly compensated five consecutive years of service. This pension is payable for the life of the participant and is not integrated with benefits payable by the Quebec Pension Plan and the Canada Pension Plan. Normal retirement age is set at age 65. However, participants may take an early retirement starting at age 53 with an applicable pension reduction of 5% per year before age 60.

The participants of the DB plans may also elect to participate in the flexible component of the officers' DB plan through optional ancillary contributions. These contributions enhance the benefit paid under the basic component of the officers' DB plan. Upon retirement, the officer may, among other options, use the accumulated amounts to reduce the early retirement reduction or for pension indexing. Participation is optional and the Bank does not contribute to this component.

Benefit Plans and Perquisites

The benefit program for the NEOs includes life, medical, dental and disability insurance and a healthcare spending account. In addition, NEOs are entitled to an annual medical exam and an annual cash allowance, less applicable deductions.

Minimum Share Ownership Level Requirements

To foster long-term engagement of executives, the HRCG Committee adopted minimum share ownership level requirements. These requirements are currently as follows:

Executive Level	Minimum Requirement
President and Chief Executive	5x base salary
Executive Vice Presidents	2x base salary

The President and CEO must also maintain the minimum share ownership level requirement for at least one year after termination or retirement from the Bank. The HRCG Committee believes this requirement further aligns the Bank's compensation program with long-term shareholder interests and market best practices. The share ownership level attained by each NEO is evaluated annually based on the higher of the closing price of the Bank's common shares on October 31 or on the purchase or award date. The following shares and share units are included in the share ownership calculation:

- Bank's common shares held;
- RSUs, vested and non-vested, including the award relating to the fiscal year just ended; and
- PSUs vested.

Although there is no time limit for reaching the minimum share ownership requirement, executives must participate in the deferred version of the PSU program until the requirement is met.

Risk Analysis

In adopting compensation practices and setting executive compensation, the HRCG Committee, with the help of the Risk Management Committee, evaluates the risks associated with the Bank's compensation policies and practices. The mandates of the HRCG Committee and the Risk Management Committee provide for an annual analysis of risks associated with the various compensation programs which is prepared under the supervision of the Executive Vice President and Chief Risk Officer. A risk assessment methodology, in line with the Financial Stability Board principles for Sound Compensation Practices, was developed to assess the risks associated with the Bank's compensation programs.

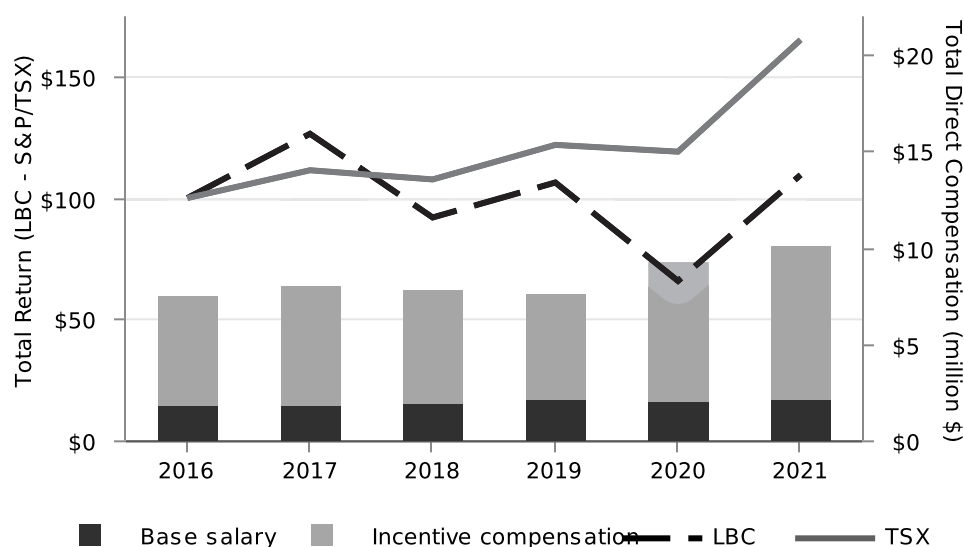
The last such analysis was conducted in December 2021. As a result of this assessment, the HRCG Committee deemed the level of risk associated with the various compensation programs to be satisfactory.

Hedging

The *Bank Act* (Canada), the Bank's Insider Trading Policy (the "**Insider Trading Policy**"), and the Bank's Code of Ethics prohibit directors, officers, employees and service providers of the Bank and its subsidiaries to directly or indirectly sell Bank securities that they do not own or that they have not fully paid up (commonly referred to as "**short selling**"), as well as to directly or indirectly buy or sell a put or call option on Bank securities. Furthermore, directors, officers, employees and service providers of the Bank and its subsidiaries are prohibited under the Insider Trading Policy from directly or indirectly entering into any type of agreement or arrangement with respect to Bank securities or Bank-related financial instruments for the purpose of hedging or offsetting a decrease in the value thereof, or otherwise altering their economic exposure to the Bank.

Performance Graph and Trend Analysis

The following graph represents the comparison between the Bank's cumulative total shareholder return for \$100 invested in the Bank's common shares on October 31, 2016, assuming reinvestment of dividends, and the cumulative total return of the Toronto Stock Exchange's S&P/TSX Composite Index for the last five fiscal years. The graph also sets out the total direct compensation paid to NEOs for the last five fiscal years.



	2016	2017	2018	2019	2020 ⁽¹⁾	2021
Base Salary (in million \$)	\$1.9	\$1.9	\$2.0	\$2.2	\$2.1	\$2.1
Incentive Compensation (in million \$)	\$5.7	\$6.2	\$5.9	\$5.5	\$7.3	\$8.1
Total Direct Compensation (in million \$)	\$7.6	\$8.1	\$7.9	\$7.7	\$9.3	\$10.2
TSR - Laurentian Bank of Canada	\$100	\$127	\$92	\$106	\$66	\$110
TSR - S&P/TSX Composite Index	\$100	\$111	\$108	\$122	\$119	\$165
Adjusted Net Income (in million \$)	\$187.0	\$230.7	\$241.6	\$193.2	\$138.2	\$211.2
Ratio Total Direct Compensation over Adjusted Net Income	4.1%	3.5%	3.3%	4.0%	6.8%	4.8%

Note 1: 2020 and 2021 Total Direct Compensation includes six NEOs.

Trend Analysis

During the period covered by the graph, the data shows that the level of Total Direct Compensation received by NEOs remained stable from 2016 to 2019 and increased in 2020 and 2021 because of the addition of a sixth NEO. In 2021, the ratio of Total Direct Compensation over Adjusted Net Income has decreased even with the additional sixth NEO due mainly to the significant improvement of the adjusted net income. Total Direct Compensation is also positively correlated with the Bank's shareholders' return (correlation = +59%) and with the Bank's adjusted net income (correlation = +55%) because the performance metrics used for the incentive programs are aligned with shareholders' return and the HRCG Committee ensures that compensation and performance are aligned.

Effectiveness of the Compensation Program Over Time

The table below shows the Bank's strong track record of aligning CEO pay with total shareholder return over the long term. The table compares the value as at December 31, 2021 of the direct compensation awarded to the Bank's CEO over the last five fiscal years with the value of annual investments in the Bank's equity over the same time periods. On average, the value of \$100 invested by a shareholder is greater than the value of \$100 awarded to the CEO. The table further indicates that, on average, the realized and realizable value of \$100 awarded to the CEO since fiscal 2017 stands below the \$100 target as of December 31, 2021.

The current value of the CEO awards as at December 31, 2021 for the fiscal years noted is the sum of:

1. Realized pay received by the CEO, which represents the sum of base salary, paid short-term incentives, paid share units and exercised stock options.
2. Potential realizable pay, which represents the sum of non-vested share units, deferred vested share units and in-the-money value of unexercised stock options.

Year	CEO	Value at December 31, 2021 (in million \$)				Value of \$100		
		Total Direct Compensation Awarded	A Realized Pay	B Realizable Pay	A+B=C Current Value	Period	To CEO (\$)	To Shareholders (\$)
2017	François Desjardins	2.86	2.47	—	2.47	10/31/2016 to 12/31/2021	86	107
2018	François Desjardins	2.94	1.90	—	1.90	10/31/2017 to 12/31/2021	65	84
2019	François Desjardins	2.82	2.23	—	2.23	10/31/2018 to 12/31/2021	79	116
2020	François Desjardins	2.20	1.50	—	1.50	10/31/2019 to 12/31/2021	100	100
2020	Rania Llewellyn	2.30	0.62	2.39	3.01	10/31/2020 to 12/31/2021	112	162
2021	Rania Llewellyn	3.68	2.28	1.85	4.12			
Five-year Average							88	114

Note: Ms. Llewellyn joined the Bank on October 30, 2020. Mr. Desjardins retired from the Bank on June 30, 2020.

Performance and Total Direct Compensation of Named Executive Officers



Rania Llewellyn

President and Chief Executive Officer

Rania Llewellyn was appointed as President and Chief Executive Officer of Laurentian Bank in 2020, the first woman to head a major Canadian chartered bank. As a transformational change leader, her top priorities are building high-performance teams, creating a culture of equality, diversity and inclusion, improving the customer experience, and driving growth and shareholder value.

Ms. Llewellyn has more than 27 years of experience in the banking industry. Previous experience includes serving as an Executive Vice President at Scotiabank, where she began her career as a part-time teller. Over the years, she held a variety of progressively senior positions across a number of different groups, building up expertise in global payments, including digital and technology, corporate banking, retail banking, and commercial banking. She also launched the Bank's multicultural banking division and served as President & CEO of Roynat Capital, a Scotiabank subsidiary which provides alternative financing for mid-sized companies through the use of senior, sub-debt, mezzanine and equity.

Ms. Llewellyn holds Bachelor of Commerce and MBA degrees from Saint Mary's University where she focused on Finance, Marketing and International Business. In 2014, Saint Mary's awarded her with an Honorary Doctor of Commerce.

2021 Individual Performance Scorecard

The HRCG Committee evaluated Rania Llewellyn's individual performance based on a pre-determined scorecard which is summarized as follows:

- Successfully beat all FY2021 financial targets, exceeding market expectations in all four quarters.
- Instituted a strong cost discipline for the Bank and identified and executed against a number of opportunities for cost savings, reducing the Bank's overall adjusted efficiency ratio by 410 bps to 68.2% for the year.
- Renewed the Bank's senior leadership team with four experienced external executives and two internal promotions.
- Developed the Bank's new three-year strategic plan, purpose and core values, following a comprehensive review of the Bank's business lines and operations.
- Implemented a customer-first approach to all activities, processes and decisions.
- Launched standardized Net Promoter Score to gain insights and receive feedback from Bank's customers with established benchmarks.
- Developed and began executing against the Bank's new digital strategy.
- Launched first employee engagement survey in nine years with record high 89% level of trust in management.
- Developed and launched new equity, diversity and inclusion (ED&I) policies and programs and implemented ED&I targets to build up and foster a workplace culture of inclusion where everyone feels like they belong.
- Implemented a Bank-wide ESG strategy and program structure, serving as the Bank's ESG Champion.

2021 Compensation

2021 Compensation Highlights			
Compensation Elements	2021 Target (\$)	2021 Actual (\$)	2020 Actual (\$)
Base Salary	700,000	700,000	2,680
Short-Term Incentive			
Paid in Cash	700,000	1,575,000	n/a
Deferred in RSUs	—	—	n/a
Long-Term Incentive			
Share-Based Awards	980,000	980,000	n/a
Option-Based Awards	420,000	420,000	n/a
Total Direct Compensation	2,800,000	3,675,000	2,680

Share Ownership Guidelines		
Share Ownership Requirement (multiple of base salary)	5x	
Components ⁽¹⁾	Ownership (#)	Ownership (\$)
Total Share Units	48,303	2,012,766
Vested Performance Share Units	—	—
Vested Restricted Share Units	—	—
Unvested Performance Share Units	—	—
Unvested Restricted Share Units	48,303	2,012,766
Common Shares	353	14,693
Total of Common Shares and Share Units ⁽²⁾	48,656	2,027,459
Share Ownership (multiple of base salary)	2.90	
Attainment ⁽³⁾	In progress	

⁽¹⁾ Includes non-vested RSUs as well as non-vested PSUs, calculated on the basis of the minimal payment provided by the program.

⁽²⁾ The share ownership level is evaluated based on the higher of the closing price of the Bank's common shares on the Toronto Stock Exchange on October 29, 2021 (\$41.67) and the price on the grant date. Includes Ms. Llewellyn's sign-on grant.

⁽³⁾ Ms. Llewellyn joined the Bank on October 30, 2020.



Yvan Deschamps

CPA, CGA

Executive Vice President,
Chief Financial Officer

Yvan Deschamps is Executive Vice President, Chief Financial Officer. In this capacity, he is responsible for activities related to finance, accounting, treasury, taxation, investor relations and corporate development.

Mr. Deschamps joined the Bank in 2016 as Vice President, Corporate Development where he was responsible for evaluating M&A projects as part of the Bank's strategic plan as well as overseeing investor relations. He then served as Senior Vice President, Finance, Accounting and Corporate Development gradually on-boarding additional responsibilities as part of a transition to his current role. Mr. Deschamps' 25+ year career spans the banking and financial sectors; media and telecommunications industries; pension funds and private equity; and aerospace and defense industries. He is recognized for his business acumen, negotiating skills and leadership in managing multi-disciplinary teams.

Mr. Deschamps holds a Bachelor of Business Administration and an M.Sc. Finance from the University of Sherbrooke. He is also a Certified Professional Accountant (CPA).

2021 Individual Performance Scorecard

The HRCG Committee evaluated Yvan Deschamps's individual performance based on a pre-determined scorecard which is summarized as follows:

- Successfully beat all FY2021 financial targets.
- Instituted a strong cost discipline for the Bank in 2021 which resulted in an improvement of the efficiency ratio by 410 bps.
- S&P Global Ratings and DBRS Morningstar revised the rating outlook on the Bank to stable from negative.
- Established a \$2.0 billion legislative covered bond program, with the issuance of an initial tranche of \$250 million.
- Closed the Bank's first offering of \$125 million of Limited Recourse Capital Notes generating more than \$2 million in annual pre-tax savings.
- Successfully completed the purchase of annuity contracts reducing the Bank's registered pension plans' benefit obligations by approximately 60 percent while recognizing a pre-tax net settlement gain of \$7.1 million.
- Successful Bank participation and transition to Payments Canada's launch of the first release of Lynx, Canada's new high-value payment system.
- Oversaw the restructuring activities of the Bank announced as part of its fourth quarter results.
- Established and led a program management structure for Task Force on Climate Related Financial Disclosures (TCFD).

2021 Compensation

2021 Compensation Highlights			
Compensation Elements	2021 Target (\$)	2021 Actual (\$)	2020 Actual (\$)
Base Salary	284,680	284,680	240,478
Short-Term Incentive			
Paid in Cash	201,500	—	36,246
Deferred in RSUs	—	453,375	36,246
Long-Term Incentive			
Share-Based Awards	118,403	191,403	90,321
Option-Based Awards	50,744	50,744	38,709
Total Direct Compensation	655,327	980,202	441,999

Share Ownership Guidelines		
Share Ownership Requirement (multiple of base salary)	2x	
Components ⁽¹⁾	Ownership (#)	Ownership (\$)
Total Share Units	28,162	1,254,138
Vested Performance Share Units	2,577	142,978
Vested Restricted Share Units	18,165	795,079
Unvested Performance Share Units	1,471	61,317
Unvested Restricted Share Units	5,949	254,764
Common Shares	1,122	46,763
Total of Common Shares and Share Units ⁽²⁾	29,284	1,300,901
Share Ownership (multiple of base salary)	4.20	
Attainment	Yes	

⁽¹⁾ Includes non-vested RSUs as well as non-vested PSUs, calculated on the basis of the minimal payment provided by the program.

⁽²⁾ The share ownership level is evaluated based on the higher of the closing price of the Bank's common shares on the Toronto Stock Exchange on October 29, 2021 (\$41.67) and the price on the grant date.



François Laurin

FCPA, FCA, CFA

Former Executive Vice
President, Finance,
Treasury and CFO

François Laurin previously served as the Bank’s EVP, Chief Financial Officer, from August 2015 to April 2021. Mr. Laurin was responsible for financial reporting and governance, treasury and capital management, mergers and acquisitions, investor relations, and taxation.

2021 Individual Performance Scorecard

Mr. Laurin managed the CFO Group until his retirement in April 2021.

2021 Compensation

2021 Compensation Highlights			
Compensation Elements	2021 Target (\$)	2021 Actual (\$)	2020 Actual (\$)
Base Salary	380,000	163,692	380,000
Short-Term Incentive			
Paid in Cash	304,000	—	45,600
Deferred in RSUs	—	—	45,600
Long-Term Incentive			
Share-Based Awards	414,960	614,960	414,960
Option-Based Awards	177,840	177,840	177,840
Total Direct Compensation	1,276,800	956,490	1,064,000



William Mason

Executive Vice President and Chief Risk Officer

William Mason is Executive Vice President, Chief Risk Officer for the Group and is responsible for risk management, credit management and legal affairs.

Prior to joining the Group, Mr. Mason held the position of Managing Director, Bank Supervision with the Office of the Superintendent of Financial Institutions (OSFI). He has also spent more than 30 years with financial institutions in various senior management roles including asset liability management, risk management, treasury and capital markets.

From 1998 to 2016, he served in various roles at CIBC including Asset Liability Management and as Head of Market Risk. Prior to that he held various roles at JP Morgan & Company (USA) in capital markets and Treasury.

Mr. Mason holds a Bachelor and a Master of Science degrees in Mathematics and Statistics from University of Toronto and an MBA in Finance and Accounting from Cornell University.

2021 Individual Performance Scorecard

The HRCG Committee evaluated William Mason's individual performance based on a pre-determined scorecard which is summarized as follows:

- Created and launched a New Internal Partner survey to measure Risk group's contribution to drive customer engagement and growth.
- Ensured that 100% of all major Banks initiatives had a risk evaluation that were deemed satisfactory by the CEO and the Board.
- Maintained focus on all AML/Compliance and Regulatory remediation issues – exceeded 80% target for the clearance of all Audit issues.
- Enhanced processes relating to Executive Committee and Board Governance
- Supported Bank-wide climate risk assessment to analyze our current state and develop a climate risk heatmap.
- Oversaw the Board Governance of the Bank's subsidiaries.
- Effectively managed the Bank's risk appetite to support the renewed strategic plan and delivered efficiencies in the underwriting and adjudication processes.

2021 Compensation

2021 Compensation Highlights			
Compensation Elements	2021 Target (\$)	2021 Actual (\$)	2020 Actual (\$)
Base Salary	380,000	380,000	380,000
Short-Term Incentive			
Paid in Cash	304,000	228,000	45,600
Deferred in RSUs	—	228,000	45,600
Long-Term Incentive			
Share-Based Awards	414,960	614,960	414,960
Option-Based Awards	177,840	177,840	177,840
Total Direct Compensation	1,276,800	1,628,800	1,064,000

Share Ownership Guidelines		
Share Ownership Requirement (multiple of base salary)	2x	
Components ⁽¹⁾	Ownership (#)	Ownership (\$)
Total Share Units	26,547	1,128,467
Vested Performance Share Units	—	—
Vested Restricted Share Units	13,418	581,414
Unvested Performance Share Units	6,896	287,341
Unvested Restricted Share Units	6,233	259,712
Common Shares	1,194	49,755
Total of Common Shares and Share Units ⁽²⁾	27,741	1,178,222
Share Ownership (multiple of base salary)	3.10	
Attainment	Yes	

⁽¹⁾ Includes non-vested RSUs as well as non-vested PSUs, calculated on the basis of the minimal payment provided by the program.

⁽²⁾ The share ownership level is evaluated based on the higher of the closing price of the Bank's common shares on the Toronto Stock Exchange on October 29, 2021 (\$41.67) and the price on the grant date.



Kelsey Gunderson

Executive Vice
President, Capital
Markets

Kelsey Gunderson is the CEO of Laurentian Bank Securities and the EVP, Capital Markets of Laurentian Bank of Canada.

From 2007 to 2019 he served in various roles at BMO Capital Markets including Global Head of Trading Products where he was responsible for the trading-related businesses for the bank. He also held the role of co-Head of Global Equity Products where he was responsible for Cash Equities and Equity Derivatives, Research and Economics.

Prior to joining BMO Capital Markets in 2007, Mr. Gunderson was at Credit Suisse Group in New York and at CIBC in Toronto. He has been a member of United Way of Toronto and York Region Major Individual Giving Cabinet and currently sits on the Board of the Bishop Strachan School Foundation as well as the Loran Scholarship Foundation, where he chairs the Investment Committee.

He holds an MBA from McMaster University and a Bachelor of Science from the University of British Columbia.

2021 Individual Performance Scorecard

The HRCG Committee evaluated Kelsey Gunderson's individual performance based on a pre-determined scorecard which is summarized as follows:

- Successfully lead the Capital Markets business team to record Financial results for the year while operating within relevant risk limits at all times.
- Accelerated Laurentian Banks' efforts in the ESG space, in particular by increasing Laurentian Bank Securities activity in the green bond market. LBS participated in the financing of over 6.3 billion in green and sustainable bonds, representing over 80% of our target issuers, to help fund key ecofriendly projects.
- Created, in partnership with the Head of Personal Banking, a new Wealth Management structure to bring together diverse expertise from Private Banking and LBS Retail Brokers to work as One team to best support customers and financial goals.
- Amplified the Laurentian Bank "One Team" approach by promoting connectivity between the Capital Markets Division and other parts of the bank, in particular Commercial.
- Led the Capital Markets division to multiple platform firsts, including the firms largest ECM transaction, the first ever external client bond new issue lead and several new Institutional / Dealer Services clients.
- Successfully passed all internal and external Audits.

2021 Compensation

2021 Compensation Highlights			
Compensation Elements	2021 Target (\$)	2021 Actual (\$)	2020 Actual (\$)
Base Salary	350,000	350,000	350,000
Short-Term Incentive			
Paid in Cash	227,500	511,875	34,125
Deferred in RSUs	—	—	34,125
Long-Term Incentive			
Share-Based Awards	371,175	571,175	371,175
Option-Based Awards	159,075	159,075	159,075
Total Direct Compensation	1,107,750	1,592,125	948,500

Share Ownership Guidelines		
Share Ownership Requirement (multiple of base salary)	2x	
Components ⁽¹⁾	Ownership (#)	Ownership (\$)
Total Share Units	7,296	304,025
Vested Performance Share Units	—	—
Vested Restricted Share Units	1,063	44,313
Unvested Performance Share Units	—	—
Unvested Restricted Share Units	6,233	259,712
Common Shares	3,883	161,819
Total of Common Shares and Share Units ⁽²⁾	11,179	465,844
Share Ownership (multiple of base salary)	1.33	
Attainment	In progress	

⁽¹⁾ Includes non-vested RSUs as well as non-vested PSUs, calculated on the basis of the minimal payment provided by the program.

⁽²⁾ The share ownership level is evaluated based on the higher of the closing price of the Bank's common shares on the Toronto Stock Exchange on October 29, 2021 (\$41.67) and the price on the grant date.



Yves Denommé

Executive Vice President,
Operations

Yves Denommé is Executive Vice President, Operations. In this capacity, Mr. Denommé is responsible for driving efficiencies across the organization, reducing complexities and improving and streamlining end-to-end processes to improve the customer experience.

Before joining the Bank, Mr. Denommé served as Senior Vice President of Registries at an international leader and pioneer in electronic land registration systems and commerce. In that role, he oversaw partnerships with government to deliver essential services, while pursuing a growth and innovation mandate in the real estate and property markets. Previously, he spent 16 years with a global Fintech leader where he held several executive positions including leadership of global operations. Mr. Denommé's experience spans financial services, operations, strategy, procurement, real estate, enterprise project management and technology.

Mr. Denommé holds a Bachelor's degree in Engineering and Management from McMaster University, and an Executive Master of Business Administration from the University of Toronto. Additionally, he holds the Chartered Director certification.

2021 Individual Performance Scorecard

The HRCG Committee evaluated Yves Denommé's individual performance based on a pre-determined scorecard which is summarized as follows:

- Delivered improvements in customer experience metrics including a 50% reduction in wait times in the contact centre.
- Lead the governance of Cost Optimization initiatives across the bank delivering \$7.8MM in savings, and established a 3-year roadmap that meets the Bank's efficiency ratio target.
- Lead the Real Estate changes required to reduce our corporate space by 50%, and actively supported the "Future of Work" initiative focused on a shift to new hybrid work models.
- Lead the renewal of the bank's project management practices incorporating alignment with strategy, change management and communications.
- Established an in-house process optimization capability, including the launch of an internal certification program.
- Reduced the carbon emissions footprint of our operations and supporting renewal energy in Canada by choosing green electricity for the Montréal and Toronto offices.

2021 Compensation

2021 Compensation Highlights			
Compensation Elements	2021 Target (\$)	2021 Actual (\$)	2020 Actual (\$)
Base Salary	375,000	259,615	n/a
Short-Term Incentive			
Paid in Cash	243,750	365,625	n/a
Deferred in RSUs	—	—	n/a
Long-Term Incentive			
Share-Based Awards ⁽¹⁾	n/a	750,000	n/a
Option-Based Awards	n/a	n/a	n/a
Total Direct Compensation	618,750	1,375,240	n/a

⁽¹⁾ A sign-on RSU grant of \$750,000 was granted to Mr. Denommé. The vesting schedule of the RSU grant is 1/3 per year, over three years in December 2021, December 2022 and December 2023. In attracting Mr. Denommé to join the Bank, the Board determined that it was appropriate to provide additional long-term incentive to replace outstanding long term compensation forfeited as a result of his departure from his prior employer.

Share Ownership Guidelines		
Share Ownership Requirement (multiple of base salary)	2x	
Components ⁽¹⁾	Ownership (#)	Ownership (\$)
Total Share Units	21,679	903,375
Vested Performance Share Units	—	—
Vested Restricted Share Units	—	—
Unvested Performance Share Units	—	—
Unvested Restricted Share Units	21,679	903,375
Common Shares	—	—
Total of Common Shares and Share Units ⁽²⁾	21,679	903,375
Share Ownership (multiple of base salary)	2.41	
Attainment	Yes	

⁽¹⁾ Includes non-vested RSUs as well as non-vested PSUs, calculated on the basis of the minimal payment provided by the program.

⁽²⁾ The share ownership level is evaluated based on the higher of the closing price of the Bank's common shares on the Toronto Stock Exchange on October 29, 2021 (\$41.67) and the price on the grant date.

SUMMARY COMPENSATION TABLE

The following table sets forth a summary of the compensation paid, made payable, awarded, granted, given or otherwise provided to the Named Executive Officers for the three last fiscal years.

Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$) (Note 1)	Option-Base Awards (\$) (Note 2)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$) (Note 4)	All Other Compensation (\$) (Note 5)	Total Compensation (\$)
					Annual Incentive Plans (Note 3)			
Rania Llewellyn President and Chief Executive Officer (Note 6)	2021	700,000	980,000	420,000	1,575,000	163,700	40,200	3,878,900
	2020	2,680	1,550,000	750,000	—	—	700,000	3,002,680
Yvan Deschamps Executive Vice President, Chief Financial Officer (Note 6)	2021	284,680	191,403	50,744	453,375	215,000	107,300	1,302,502
	2020	240,478	90,321	38,709	72,491	84,000	31,000	556,999
	2019	233,842	160,701	38,709	93,408	63,000	31,000	620,660
François Laurin Former Executive Vice President, Finance, Treasury and Chief Financial Officer (Note 6)	2021	163,692	614,960	177,840	—	62,000	22,900	1,041,392
	2020	380,000	414,960	177,840	91,200	141,000	42,395	1,247,395
	2019	386,251	414,960	177,840	216,144	105,000	48,702	1,348,897
William Mason Executive Vice President and Chief Risk Officer (Note 6)	2021	380,000	614,960	177,840	456,000	135,000	39,600	1,803,400
	2020	380,000	414,960	177,840	91,200	133,000	39,359	1,236,359
	2019	378,963	414,960	177,840	216,144	115,000	40,846	1,343,753
Kelsey Gunderson Executive Vice President, Capital Markets	2021	350,000	571,175	159,075	511,875	44,800	32,600	1,669,525
	2020	350,000	371,175	159,075	68,250	—	34,900	983,400
	2019	17,433	371,175	159,075	—	—	1,600	549,283
Yves Denommé Executive Vice President, Operations (Note 6)	2021	259,615	750,000	—	365,625	33,400	20,600	1,429,240

Note 1: These amounts represent the grant date fair value of the following awards:

- Restricted Share Units (RSUs) granted under the *Restricted Share Unit Plan for Senior Management of Laurentian Bank of Canada*. Only amounts corresponding to the employer share are included in this column; amounts corresponding to the employee share appear in the "Annual Incentive Plans" column (see Note 3 below). Starting fiscal year 2021, under the RSU program, the NEOs can voluntary convert 25%, 50%, 75% or 100% of their annual STI award into RSUs. In fiscal 2019 and 2020, the deferral of 50% of the annual bonus of the NEOs was mandatory. RSUs are part of executive compensation for 2021, 2020 and 2019, as the case may be, but were granted after the fiscal year-end.
- Performance Share Units (PSUs) are granted under the *Performance Share Unit Plan for Senior Management of Laurentian Bank of Canada*. Under the program, PSUs are granted based on a percentage of the annual base salary of the Named Executive Officer.

The grant date fair value of the RSUs and PSUs is equal to the number of units granted multiplied by the share price. The share price is the arithmetic average of the Bank's weighted average trading price on the Toronto Stock Exchange for the last ten (10) trading days preceding the opening of the window for insider trading subsequent to the publication of the annual results.

A sign-on RSU grant of \$750,000 was granted to Mr. Denommé. The vesting schedule of the RSU grant is 1/3 per year, over three years in December 2021, December 2022 and December 2023.

An additional \$200,000 was granted in RSUs for Mr. Laurin, Mr. Mason and Mr. Gunderson. An additional \$73,000 was granted in RSUs for Mr. Deschamps.

Note 2: The amounts for each named executive officer represent awards made under the Stock Option Plan using the Black-Scholes model to value stock option awards for compensation purposes. For fiscal 2021, the estimated compensation value was 14.70% of the grant price (\$33.13), using an expected 8 year term, a dividend yield of 5.40% and a volatility of 24.0%.

Note 3: Amounts of the annual STI awards paid under the Bank's Short-Term Incentive plan. In fiscal 2021, 25%, 50%, 75% or 100% of this annual STI award can voluntary be converted into RSUs (see Note 1 above), compared to fiscal year 2019 and 2020 where it was mandatory to defer 50% of this annual STI award into RSUs. These amounts were earned in 2021, 2020 and 2019, as the case may be, but paid after the fiscal year-end.

Note 4: Amounts corresponding to compensatory changes, including annual cost of retirement benefits and effect of changes of base salary, plan changes or grants of years of credited service, as detailed in the "Defined Benefit Plans Table" and in the "Defined Contribution Plans Table".

Note 5: A transition bonus of \$75,000 was paid to Mr. Deschamps in 2021.

Note 6: Ms. Llewellyn joined the Bank on October 30, 2020. Mr. Laurin retired from the Bank on April 6, 2021. Mr. Deschamps was promoted on April 6, 2021 upon Mr. Laurin's retirement. Mr. Denommé joined the Bank on February 22, 2021.

INCENTIVE PLAN AWARDS

Outstanding Option-Based Awards

The following table sets forth the option-based awards outstanding for each NEO at the end of the last fiscal year, October 31, 2021, including awards granted prior to the last completed fiscal year.

	Option-Based Awards				
	Option Grant Date	Securities Underlying Unexercised Options (#)	Option Exercise Price (\$) (Note 1)	Option Expiration Date	Value of Unexercised In-the-Money Options (\$) (Note 2)
Rania Llewellyn	2020-10-30	154,004	33.13	2030-10-30	1,315,194
	2020-12-14	86,242	33.13	2030-12-14	736,507
Yvan Deschamps	2018-12-04	7,054	38.97	2028-12-04	19,046
	2019-12-13	7,345	43.68	2029-12-13	—
	2020-12-14	10,420	33.13	2030-12-14	88,987
François Laurin	2018-10-30	12,012	38.97	2028-10-31	32,432
	2018-12-04	33,056	38.97	2028-12-04	89,251
	2019-12-13	33,746	43.68	2029-12-13	—
	2020-12-14	36,517	33.13	2030-12-14	311,855
William Mason	2018-12-04	33,056	38.97	2028-12-04	89,251
	2019-12-13	33,746	43.68	2029-12-13	—
	2020-12-14	36,517	33.13	2030-12-14	311,855
Kelsey Gunderson	2019-12-13	30,185	43.68	2029-12-13	—
	2020-12-14	32,664	33.13	2030-12-14	278,951

Note 1: Volume-weighted average price of a Share on the TSX for the five Trading Days preceding the Date of Grant.

Note 2: The value of unexercised in-the-money options equals the difference between the grant price of the options and the closing price of the Bank's common shares on the TSX on October 29, 2021 (\$41.67). This includes options that have not yet vested or cannot be exercised because they are subject to price condition hurdles that have not been reached.

Outstanding Share-Based Awards

The following table sets forth the share-based awards outstanding for each NEO at the end of the last fiscal year, October 31, 2021, including awards granted prior to the last completed fiscal year.

	Share-Based Awards (Note 1)		
	Shares or Units of Shares not Vested (#)	Market or Payout Value of Share-Based Awards not Vested (\$) (Note 2)	Market or Payout Value of Vested Share-Based Awards (Not Paid Out or Distributed) (\$) (Note 2)
Rania Llewellyn	78,842	2,012,766	0
Yvan Deschamps	14,355	247,915	367,169
William Mason	41,062	259,712	309,089
Kelsey Gunderson	26,762	259,712	44,313
Yves Denommé	21,679	903,375	0

Note 1: RSU and PSU awards including dividend equivalents. The value of these grants is calculated on the basis of the minimal payment provided by the program.

Note 2: Value based on the closing price of the Bank's common shares on the Toronto Stock Exchange on October 29, 2021 (\$41.67).

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth the value of all option-based and share-based awards for each NEO that vested during the fiscal year, as well as the amount of the annual bonuses earned during the fiscal year.

Name	Option-Based Awards - Value Vested During the Year (\$) (Note 1)	Share-Based Awards - Value Vested During the Year (\$) (Note 2)	Non-Equity Incentive Plan Compensation - Value Earned During the Year (\$)
Rania Llewellyn	0	0	1,575,000
Yvan Deschamps	0	75,412	453,375
François Laurin	8,108	103,323	0
William Mason	0	0	456,000
Kelsey Gunderson	0	0	511,875
Yves Denommé	0	0	365,625

Note 1: The value of the stock options that vested during the fiscal year is based on the difference between the grant price of the options and the closing share price on the TSX on the vesting date (\$41.67).

Note 2: These amounts represent the aggregate value realized upon vesting of RSUs (employer share only) and PSUs on the vesting date occurring during the fiscal year. The employee share of RSUs vests at the date of the award. During the fiscal year, the RSUs (employer share) and PSUs granted in December 2017 became vested. The value of these grants is calculated on the basis of the minimal payment provided by the program. The value is based on the share price at the time of vesting (\$33.12). For Mr. Laurin, the value represents the portion of his RSU grant that became vested following his retirement on April 6, 2021 (\$40.54)

PENSION PLAN BENEFITS

Defined Benefit Plans Table

The table below sets out the years of participation in the plans as at October 31, 2021 for each Named Executive Officer, annual benefits payable, and changes in the present value of defined benefit obligations from October 31, 2020 to October 31, 2021, including compensatory and non-compensatory changes concerning their participation in the plans for fiscal year 2021.

Name	Number of Years of Credited Service (#)		Annual Benefits Payable (\$)		Opening Present Value of Defined Benefit Obligation (\$) (Note 3)	Compensatory Change (\$) (Note 4)	Non-Compensatory Change (\$) (Note 5)	Closing Present Value of Defined Benefit Obligation (\$) (Note 3)
	Officers' Plan	Suppl. Plan	At Year-End (Note 1)	At Age 65 (Note 2)				
Yvan Deschamps	5.5	5.5	26,000	91,000	422,000	215,000	-60,000	577,000
François Laurin	5.7	5.7	41,000	0	709,000	62,000	-2,000	769,000
William Mason	3.4	3.4	26,000	75,000	348,000	135,000	-24,000	459,000

Note 1: These amounts represent deferred payments accumulated as at October 31, 2021 and payable under the plans assuming retirement at age 60. Mr. Laurin's end of employment was on April 6, 2021 and he was eligible for an immediate annual pension of \$41,000.

Note 2: These amounts represent projected pensions that would be payable under the plans assuming retirement at age 65.

Note 3: The present value of the defined benefit obligation represents the actualized value of the retirement benefit for the years of participation as at October 31, 2020 or October 31, 2021, as the case may be. This value was calculated using the same assumptions as for the Bank's financial statements, using a discount rate of 2.71% and 3.39% (3.27% for the supplemental pension plan) for the fiscal years ending October 31, 2020 and October 31, 2021 respectively. Furthermore, a compensation increase rate of 2.75% was used for the fiscal years ending October 31, 2020 and 2021. The assumptions used are outlined in Note 19 to the Consolidated Financial Statements found in the Annual Report.

Note 4: The variation attributable to compensation elements include the annual cost of retirement benefits and the effect of changes of base salary, plan changes or grants of years of credited service. The amount appearing in this column may also be found in the "Pension Value" column of the "Summary Compensation Table" above.

Note 5: The variation attributable to non-compensation elements includes amounts attributable to interest on the present value of the opening balance of the accrued defined benefit obligation, actuarial gains and losses (other than those associated with compensation) and changes in actuarial assumptions.

Defined Contribution Plans Table

The table below sets out the accumulated value in the plans as at October 31, 2021 for each Named Executive Officer, including compensatory changes concerning their participation in the plans for fiscal year 2021.

Name	Accumulated value at start of year (\$)	Compensatory Change (\$) (Note 1)	Accumulated value as of October 31, 2021 (\$)
Rania Llewellyn	0	165,100	163,700
Kelsey Gunderson	0	46,900	46,500
Yves Denommé	0	35,600	34,500

Note 1: Compensatory change represents the employer contribution to the DC plans on behalf of the named executive officers.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Conditions applicable in Case of Termination and Change of Control

The table below sets out the effect of certain events of termination on the different components of the Named Executive Officers' compensation.

Retirement	
Base salary	Termination of salary.
Short-term incentive compensation	The annual bonus for the current year is paid, prorated to the number of months worked in the year.
Restricted share units (RSUs) and performance share units (PSUs)	Vesting of the share units continues after retirement. Payment is made at the end of the vesting period. Vested deferred share units are payable between the retirement date and December 31 of the year following the year of retirement. The President and Chief Executive Officer is required to meet shareholding guidelines for one year after retirement.
Stock Options	All stock options vest and may be exercised until December 31 in the 3rd year following the year of retirement.
Pension plans	The rights to benefits stop accumulating. For the Defined Contributions plans, payment of the accrued value of the defined contribution plans. For the Defined Benefits plans, payment of a monthly pension or transfer of the pension value.
Benefit plans and perquisites	Termination of all benefits.
Other obligations	Conditional on non-competition, non-solicitation and confidentiality clauses as per employment agreement
Termination without cause	
Base salary	For Executive Vice-Presidents, continuation for one month per year of service with a minimum continuation of 12 months and a maximum of 24 months. The continuation for the President and Chief Executive Officer is equivalent to 24 months.
Short-term incentive compensation	The annual bonus for the current year is paid, prorated to the number of months worked in the year for all NEOs. In addition, for the President and Chief Executive Officer, there is a bonus payout for the severance period based on the performance of the past 3 years. (If less than 3 year, payout at target)
RSUs and PSUs	Vested share units are paid upon termination. Unvested share units are prorated and paid upon termination.
Stock Options	The vested stock options may be exercised up until 90 days after termination if they are vested.
Pension plans	The rights to benefits cease to accumulate. For the President and Chief Executive Officer, the additional employer contributions vest at the time of termination.
Benefit plans and perquisites	Continuation of all benefits (except disability insurance and annual perquisite allowance) for a period of 12 months or until other employment is obtained.
Other obligations	Conditional on non-competition, non-solicitation and confidentiality clauses as per employment agreement
Resignation / Termination with cause	
Base salary	Termination of salary.
Short-term incentive compensation	No annual bonus paid.
RSUs and PSUs	Vested share units are paid upon termination. Unvested share units are cancelled.
Stock Options	The vested stock options may be exercised up until 90 days after termination if they are vested.
Pension plans	The rights to benefits stop accumulating. For the Defined Contributions plans, payment of the accrued value of the defined contribution plans. For the Defined Benefits plans, payment of a monthly pension or transfer of the pension value.
Benefit plans and perquisites	Termination of all benefits.
Termination in the year following a change of control	
Base salary	For Executive Vice Presidents, continuation of salary for 18 months. The continuation for the President and Chief Executive Officer is equivalent to 24 months.
Short-term incentive compensation	Payment of the incentive compensation during the continuation period based on the average annual bonus paid in the three years preceding the termination.
RSUs and PSUs	Vested share units are paid upon termination. RSUs vest and are paid upon termination. Unvested PSUs and PSUs share units are paid based on the actual performance upon a change of control.
Stock Options	All stock options vest as at the date of change of control.
Pension plans	The right to benefits continues to accumulate until the end of indemnity period. For the President and Chief Executive Officer, the additional employer contributions vest at the time of termination.
Benefit plans and perquisites	Continuation of all benefits (except disability insurance) until the end of the indemnity period. The continuation of all benefits (except disability insurance and annual perquisite allowance) is equivalent to 12 months for the President and Chief Executive Officer.
Other obligations	Conditional on non-competition, non-solicitation and confidentiality clauses as per employment agreement.

Summary Table of the Estimated Payments in Case of Termination and Change of Control

The table below sets out additional amounts that would have been payable under each component of the compensation of the Named Executive Officers, assuming termination effective on October 31, 2021.

Name	Compensation Components	Termination Without Cause (\$)	Termination in the Year Following a Change of Control (\$) (Note 5)
Rania Llewellyn	Base salary	1,400,000	1,400,000
	Short-term incentive compensation	1,400,000	1,400,000
	RSU and PSU (Note 1)	1,449,215	3,285,353
	Stock Options	0	2,051,701
	Pension plans (Note 2)	65,485	415,485
	Benefit plans and perquisites	5,432	5,432
	Total	4,320,132	8,557,970
Yvan Deschamps	Base salary	330,000	495,000
	Short-term incentive compensation	0	0
	RSU and PSU (Note 1)	370,084	598,173
	Stock Options	0	108,033
	Pension plans (Note 3)	0	0
	Benefit plans and perquisites	0	0
	Total	700,084	1,201,206
William Mason	Base salary	380,000	570,000
	Short-term incentive compensation	0	0
	RSU and PSU (Note 1)	1,711,066	1,711,066
	Stock Options	0	401,106
	Pension plans (Note 3)	0	196,000
	Benefit plans and perquisites	5,432	81,204
	Total	2,096,498	2,959,376
Kelsey Gunderson	Base salary	350,000	525,000
	Short-term incentive compensation	0	0
	RSU and PSU (Note 1)	486,916	1,115,164
	Stock Options	0	278,951
	Pension plans (Note 3)	0	0
	Benefit plans and perquisites	5,432	5,704
	Total	842,348	1,924,819
Yves Denommé	Base salary	375,000	562,500
	Short-term incentive compensation (Note 4)	243,750	365,625
	RSU and PSU (Note 1)	455,381	903,375
	Stock Options	0	0
	Pension plans (Note 2)	0	0
	Benefit plans and perquisites	5,432	5,704
	Total	1,079,563	1,837,204

Note 1: Amounts payable with respect to non-vested rights not covered by the programs' retirement eligibility rules. For PSUs, the value is based on the target payout.

Note 2: As of October 31, 2021, this represents the incremental value of retirement benefits payable for termination without cause and termination in the year following a change of control, in addition to the accumulated value presented in the "Defined Contributions Plans Table".

Note 3: As of October 31, 2021, this represent the incremental value of retirement benefits payable for termination without cause and termination in the year following a change of control, in addition to the closing present value of defined benefit obligation presented in the "Defined Benefit Plans Table".

Note 4: In case of termination without cause, Mr. Denommé's short-term incentive compensation is paid for the notice period based on the average annual bonus paid in the three years preceding the termination, or if less than three years based on the target.

Note 5: Named Executive Officers must respect their non-solicitation obligations upon termination.

THE BANK'S APPROACH TO GOVERNANCE

A strong governance framework is essential to protecting the rights and interests of the Bank's stakeholders, empowering employees and achieving success today and into the future. The Bank's purpose forms the foundation for all that we do including shaping and informing our governance practices:

We believe we can change banking for the better. By seeing beyond numbers to bring hopes and dreams to life. Better begins when everyone feels like they belong and has the chance to thrive.

The policies, practices and relationships forming the Bank's governance framework allow it to balance stakeholder interests, effectively manage risk and conduct its business responsibly. The Board recognizes that governance practices will continue to evolve over time, in line with the changing scope of the Bank's business and operations, as well as emerging best practices. As part of its mandate, the HRCG Committee reviews and evaluates the Bank's governance practices against the standards set by OSFI and the securities regulatory authorities, as well as Canadian best practices in order to continue to meet the Board's objectives. The HRCG Committee regularly reports to the Board to ensure that important governance matters are considered and emerging best practices, where appropriate, adopted.

Governance Highlights

Key governance highlights and initiatives for the 2021 year are described in the HRCG Committee Report, below, and include the following:

- **Environmental, Social and Governance (ESG)** - The Bank formalized an internal governance model and program management structure to drive the Bank's ESG strategy and initiatives forward. ESG oversight was formalized in the mandates of the Board and each of its committees and the Bank's president, CEO and board member, Rania Lewellyn, took on the role of the Bank's ESG Champion.
- **Equity, Diversity and Inclusion (ED&I)** - The Board supported the Bank's enhanced focus on ED&I through the adoption of new Board and employee Equity, Diversity and Inclusion Policies. These policies establish a framework for fostering equity, diversity and inclusion across the organization including expanding Board targets beyond gender. These initiatives build upon an already strong foundation: in 2020, the Bank welcomed a new president, CEO and board member, Rania Llewellyn, who is the first female CEO of a major bank in Canada. 55% of the Bank's director nominees identify as women and 18% identify as members of a racialized group.
- **Stakeholder Engagement** - During the past year, engagement has continued to be a priority for the Board. The Chairs of the Board, and HRCG Committee held a number of engagement meetings to gain feedback from shareholders and other stakeholders on the Bank's renewed strategic plan, response to the COVID-19 pandemic, executive compensation, board diversity and renewal, environmental, social and governance matters and cybersecurity.
- **Executive Compensation** - The Bank's executive compensation packages have evolved and are aligned with the values of the Bank's shareholders. ED&I and ESG targets have been added to all leaders' scorecards so that we can measure and track the Bank's success in building up the Bank's diverse team and delivering on ESG objectives.
- **Renewed Strategic Direction** -The Board supported the Bank in the development of a new purpose, core values and strategic pillars.
- **COVID-19 Response** - Since the outset of the COVID-19 pandemic, the Board has prioritized the health, safety and well-being of the Bank's employees, customers and the communities in which they live and work. Board members were actively involved in the Bank's efforts to respond to the COVID-19 pandemic meeting regularly with management to discuss appropriate measures to identify, monitor and manage the pandemic response and to ensure our business would continue to operate in a safe and effective manner.

At the core of the Bank's governance framework are Board and corporate policies, guidelines, Board and committee mandates, and key position descriptions, all of which are used to further define the expectations, responsibilities and accountabilities of the Board, management and employees of the Bank. Select core governance policies and practices are described more fully below.

ABOUT THE BOARD

Role of the Board

The Board is responsible for oversight of the business and affairs of the Bank, including the Bank's strategic planning and direction, identifying the principal risks of the business and ensuring the implementation of systems to manage risk, succession planning and creating a culture of integrity throughout the organization. The Board discharges its responsibilities directly and through the committees of the Board: the Audit Committee, the Risk Management Committee, and the Human Resources and Corporate Governance Committee. The Board and each committee of the Board operates under a formal mandate which is

reviewed, and if necessary, updated on an annual or more frequent basis. In fulfilling its responsibilities, the Board delegates day-to-day authority to Management, while reserving the ability to review management decisions and exercise final judgment on any matter. The *Bank Act* (Canada) specifies important matters the Board must address, such as the approval of financial statements and declarations of dividends. In 2021, the Board amended its Board Governance Policy, which sets out the responsibility of the Board for the stewardship of the business of the Bank. The Board has also adopted a Directors Code of Conduct, the Board and committee mandates, the position descriptions, and various policies, including those relating to equity, diversity, and inclusion majority voting and membership on other boards. The Board Governance Policy provides shareholders and other stakeholders with a clear vision of the Board's governance policies and practices and can be found on the Bank's website. In addition, a copy of the Board Mandate is attached as Schedule "C" to this Circular.

Size of the Board

Pursuant to the Bank's by-laws, the Board shall consist of no fewer than 7 and no more than 13 directors. The number of nominees proposed for election at the meeting has been set at eleven (11). Directors are elected for a term of one year. Between annual shareholder meetings, the Board may appoint additional directors, within the limits allowed by the *Bank Act* (Canada) and the Bank's by-laws.

The Board believes that 11 directors is an appropriate size to generate open and engaging discussions, to make sure the committees have the right combination of skills, to allocate responsibilities appropriately and to facilitate board renewal.

The HRCG Committee reviews annually the size of the Board and recommends changes in size and composition to the Board when appropriate.

Key Position Descriptions

The Board has developed a written position description for the Chair of the Board and Committee Chairs, as well as for the President and Chief Executive Officer. The Chair of the Board is responsible for the management, development and effective performance of the Board and provides leadership in every aspect of the Board's mandate. The relationships between the Board, Management, shareholders and other stakeholders are critical to the Board's ability to fulfill its responsibilities. The Chair, as the Board's presiding member, ensures that these relationships are effective, efficient and further the best interests of the Bank. The President and Chief Executive Officer is responsible for directing and overseeing the effective management and operations of the Bank, within the authority delegated by the Board, and in compliance with applicable laws and regulations. The text of these position descriptions can be found on the Bank's website.

In addition, the Board has reviewed and updated position descriptions for other key oversight functions of the Bank, including the Chief Financial Officer, Chief Risk Officer, Chief Operating Officer, Chief Regulatory Risk Management Officer, Chief Anti-Money Laundering Officer, Chief Internal Auditor, Chief Information and Technology Officer, Chief Privacy Officer, General Counsel and Treasurer.

Director Independence

Director independence from management is essential to effective oversight of the Bank's business and affairs. It is the Board's practice to recruit independent directors, and to assess any proposed nominee's relationships with the Bank or its subsidiaries before proposing him or her as a new director. The Board determines the independence of each director by collecting and assessing, amongst other things, the following information:

- directors' responses to an annual questionnaire;
- biographical information of directors; and
- internal records on each director and entities affiliated with directors and the Bank; and
- results of background checks.

Of the eleven (11) directors nominated for election, the Board has determined that ten (10) directors are independent, as that term is defined in National Instrument 52-110 - *Audit Committees* ("**NI 52-110**"). NI 52-110 defines an "independent director" as a director who has no direct or indirect material relationship with the Bank. A "material relationship" is defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of such member's independent judgment, and certain relationships are deemed to be material. The Board has determined that all the directors are independent, other than Ms. Llewellyn, who serves as the President and Chief Executive Officer of the Bank.

The Board has also established procedures to enable it to function independently of management and to facilitate open and candid discussions among the independent directors. Its independent Chair allows the Board to operate autonomously of management and provides leadership to the independent directors. *In camera* sessions are held at all Board and committee meetings and all committees of the Board are comprised entirely of independent directors.

Outside Board Memberships and Board Interlocks

The Bank is sensitive to the number of boards of directors and committees on which its directors sit. The Bank monitors the outside boards on which the directors serve to determine if there are circumstances that would impact a director's ability to exercise independent and impartial judgment and to confirm each director has enough time to fulfill his or her commitments. Directors must devote sufficient time and energy to their role as director to effectively discharge their duties to the Bank and the Board.

The HRCG Committee, when considering nominees to sit on the Board, takes into account other commitments of the proposed directors. The Board Chair will take each director's participation and active involvement at Board and Committee meetings into account when evaluating the performance of the director.

Currently, no director sits on more than three (3) boards of public companies in addition to the Bank. The Bank limits the number of directors that may sit on the same board of another reporting issuer to two (2), unless the prior consent of the Chair of the Board is obtained. Part C - *Director Nominees* of this Circular presents a brief biography of director nominees and indicates on which reporting issuer boards they sit or have sat over the past five years. Currently, none of the director nominees sit on the same board of another reporting issuer.

Conflicts of Interest

In order to maintain sound management of the Bank and its subsidiaries, the Board is responsible for ensuring the existence of a continuous internal process that assesses the aptitudes and integrity of its members

The Board has adopted a Policy on Background Checks of Directors and Officers. The Bank conducts a background and reference check for all director nominees. It does so before they are elected and at least every five years thereafter in accordance with guidelines issued by OSFI. Periodic assessments review, amongst other things, the changes in status within professional organizations, records of criminal convictions and regulatory or civil proceedings, current or potential conflicts of interest, as well as the financial situation of each director. On an annual basis, directors agree, in writing, to comply with the Bank's conflict of interest standards. They must avoid all real, potential or apparent conflict of interest situations with the Bank. Where conflicts of interest arise, directors must, as soon as possible and in accordance with applicable legislation, disclose the nature and extent of the conflict in writing or by requesting to have it entered in the minutes of the meeting. They are required to recuse themselves from any discussions and refrain from voting on the matter relating to the conflict, barring certain exceptions provided for by applicable legislation. To ensure full disclosure, the Corporate Secretariat regularly receives confirmation from the directors as to whether or not any conflicts of interest exist.

For additional details, please see the section entitled "*Conduct and Culture*", below.

Our Commitment to Equity, Diversity and Inclusion

The Bank plays a leadership role among corporate Canada with respect to advancing diversity. It was the first institution of its kind in Canada to name a woman as Chairperson in 1997, and subsequently, Ms. Isabelle Courville served as Chair of the Board from 2013 - 2019. In 2020, the Bank welcomed a new president, CEO and board member, Rania Llewellyn, who is the first woman to serve as CEO of a major Bank in Canada. Currently, there are six (6) nominees for election to the Board who identify as women, representing 55% of the Board, and two (2) of the three (3) Board committees are chaired by women. In addition, there are two (2) directors, representing 18% of the Board, who identify as members of a racialized group. Additional details regarding each of the Bank's nominees is included in the biographies in Part C - *Director Nominees*, and under the heading "*Competencies and Expertise of Board Members*", below.

The Board recognizes that certain groups are not proportionally represented in positions of economic influence and leadership, including on corporate boards and in senior management. These groups include but are not limited to women, racialized persons, those who identify as LGBTQ2S+ (Lesbian, Gay, Bisexual, Transgender, Queer or Questioning, Two-Spirit and additional sexual orientations and gender identities), Indigenous Peoples, and persons with disabilities ("**Under-Represented Groups**").

Diversity is important to ensure that members of the Board provide the necessary range of perspectives, experience and expertise required to achieve the Bank's objectives and deliver for its stakeholders. A diverse Board, operating within an equitable and inclusive culture: drives innovation and growth; promotes the inclusion of different perspectives and ideas; mitigates against group think; and improves oversight, decision-making and governance.

In line with these values, the Board has adopted a new Equity, Diversity and Inclusion (ED&I) Policy in 2022 that articulates the Bank's commitment to ED&I and provides that, when assessing Board composition or identifying suitable candidates for appointment or election to the Board, the HRCG Committee will consider candidates using objective criteria having due regard to the benefits of diversity and the needs of the Board balanced appropriately. The Bank believes promotion of diversity is best served through careful consideration of all the knowledge, experience, skills, background, abilities and attributes of each individual candidate in view of the needs of the Board.

Without limiting the generality of the foregoing, when identifying and considering the selection of candidates for appointment or nomination for election to the Board, the HRCG Committee:

- will ensure that search protocols extend beyond the networks of existing Board members and that appropriate efforts are made to include women and other diverse candidates for consideration for Board positions;
- may engage specialized recruitment firms to identify candidates with specific competencies and attributes, including diversity criteria, and will direct any such firm to include women candidates and other diverse candidates;
- will assess the Board by considering the balance of skills, experience, independence and knowledge on the Board, the Board's cohesiveness and other factors relevant to its effectiveness;
- will consider only candidates who are highly qualified based on their experience, education, expertise, skills and qualities, including general, regional and industry-specific knowledge, having regard to the Bank's current and future plans and objectives;
- will ensure that the candidate selection process is free from any conscious or unconscious bias;
- will ensure that any special committee of the Board formed for the purposes of recruiting new director nominees, include at least one member from an Under-Represented Group;

- will select individuals based on merit, against objective criteria, having due regard for the benefits of diversity, in order to maintain an appropriate range and balance of skills, experience and background on the Board to enable the Board to discharge its duties and responsibilities effectively; and
- in the event the Committee maintains an ongoing list of potential director candidates, will ensure that such list includes diverse candidates.

In furtherance of Board Diversity, the Bank has established the following specific targets:

- to maintain a Board composition in which at least 45% of the directors are women or other people of marginalized genders (which includes transgender and cisgender women, as well as all transgender, Two-Spirit and nonbinary people);
- to achieve by the end of 2025, and thereafter maintain, a Board composition in which at least 15% of the directors self-identify as a member of an Under-Represented Group (beyond cis women); and
- In addition, the HRCG Committee will require that any list of candidates presented to the HRCG Committee in every search for new directors include diverse candidates and that diversity be strongly considered in making final nomination decisions.

On an annual basis, the Committee will: (i) review and assess the effectiveness of the Board appointment/nomination process in achieving the Bank's Diversity targets; and (ii) consider and, if determined advisable, recommend to the Board for adoption, other measurable targets for achieving diversity on the Board. At any time, the Board may seek to adjust one or more targets concerning diversity and measure progress accordingly. The Committee also seeks to achieve and maintain diversity in membership of the Board's Committees and in Board leadership roles and will consider diversity when assigning chair roles for the Board and its Committees.

The Board Equity, Diversity and Inclusion Policy is available on the Bank's website.

Employee Diversity

The Bank believes that diversity, equity and inclusion efforts contribute to a culture of performance and enhance decision making at all levels of the organization. In 2021, the Bank committed to the BlackNorth Initiative, created to encourage organizations to make specific commitments to combat anti-Black systemic racism. In 2022 the Bank adopted a new ED&I Policy for employees which provides a framework for fostering an inclusive culture and improving diversity across the organization. To ensure that ED&I is prioritized, the diversity of the Bank's workforce is included in the performance objectives of the Bank's leaders. In addition, diversity training is offered for employees across the organization to foster an equitable and inclusive work environment.

In overseeing diversity, the HRCG Committee receives regular reports from management regarding the diversity of the Bank's employees. In its recruiting and staffing efforts, the Bank seeks out diversity of gender, background, experience and perspective in order to foster diversity of thought and to build diverse teams. As of November 15, 2021, women make up 53% of the Bank's workforce, hold 46% of its management level positions (below the Vice-President level) and 36% of its Vice President and above positions. At the Executive Vice President ("EVP") level and above there are two (2) or 22% who identify as women. The Bank monitors the diversity of its workforce on an ongoing basis and when the time comes to select a candidate for a new position or as a replacement, the Bank considers the benefit of diversity in its selection criteria.

Competencies and Expertise of Board Members

In order to ensure optimal composition of the Board and to benefit from the complementarity of Board member skill set, the HRCG Committee has established a comprehensive and diversified matrix of required skills and experience with which the committee evaluates each director. The HRCG Committee takes this matrix into account for Board succession and renewal purposes, and especially to identify gaps in skills and competencies that, when filled, will enhance the Board's effectiveness. When filling a seat on the Board, the HRCG Committee determines the sought-after profile and applies certain selection criteria. Such criteria include, among others, expertise, independence, diversity, duration of tenure and membership on other boards of directors. Each proposed nominee is interviewed by the Chair, as well as a number of directors of the Bank, and meets with the President and Chief Executive Officer.

The Board succession planning and renewal efforts also involve the maintenance of a skills matrix which helps the HRCG Committee and Board to identify gaps in skills and competencies to fulfill the Bank's needs. The skills matrix is reviewed and updated on an annual basis based on a self-assessment whereby each director and nominee is asked to rate their experience and background across a range of key skills and competencies. This data is compiled into the matrix and reviewed by the HRCG Committee.

The Directors proposed by the Bank have a diverse mix of skills and experience to allow the Board to perform its oversight functions, have informed opinions on all topics relevant to the Bank and effectively advise management on important strategic decisions. All the proposed Directors have expertise in leadership from their roles as senior executives in public companies or organizations of significant size or complexity. They also have expertise in developing, implementing and delivering strategic business objectives within those organizations. In addition, the following chart shows the key areas of competency and expertise of each Director nominees related to the business of the Bank and good governance of the Board.

	Sonia Baxendale	Andrea Bolger	Michael T. Boychuk	Suzanne Gouin	Rania Llewellyn	David Morris	David Mowat	Michael Mueller	Michelle R. Savoy	Susan Wolburgh Jenah	Nicholas Zelenczuk
Environmental, Social & Governance	✓		✓	✓			✓	✓	✓	✓	✓
Accounting, Audit & Finance		✓	✓	✓	✓	✓	✓	✓	✓		✓
Risk Management & Risk Governance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Talent Management & Compensation	✓	✓		✓	✓		✓	✓	✓	✓	✓
Information Technology & Digital Strategy	✓	✓	✓	✓	✓	✓	✓		✓		✓
Legal & Regulatory		✓		✓		✓				✓	
Financial Services	✓	✓	✓		✓	✓	✓	✓		✓	✓
Retail & Consumer	✓	✓	✓		✓		✓		✓	✓	
Capital Markets, Investment Banking, M&A		✓	✓		✓	✓		✓	✓	✓	✓
Public & Government Relations	✓			✓				✓		✓	
Other Board Experience & Governance	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
Operational Excellence	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
Business Transformation	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓

Annual Evaluation

The composition, skill set and performance of the Board, its committees and Chairs is assessed on an annual basis using the Board skills matrix and through self-assessment process administered by the Chair of the HRCG Committee, in conjunction with the Chair of the Board.

The Board has a formal evaluation process which consists of the following:

- each year, Board members are asked to complete self-evaluations of performance, the performance of other Board members, including committee chairs and the Board Chair, as well as the performance of the Board as a whole and each committee, respectively;
- the Board Chair meets with all Board members to discuss their evaluation;
- and the HRCG Committee Chair reports to the HRCG Committee and to the entire Board with respect to the conclusions of the performance evaluation process and makes recommendations on Board composition and other potential improvements.

The HRCG Committee also engaged Hugessen Consulting Inc., an independent consultant, to conduct an in depth review and evaluation of the results of its 2021 self-assessment questionnaires and to compile and report on the results to the HRCG Committee.

Orientation and Ongoing Training

The Board has a formal orientation process to help new Board members quickly understand their role and the Bank's strategic orientation and positioning in the market, as well as the Board's areas of focus, which consists of the following:

- An electronic manual is provided to each new director which contains all the basic information pertaining to the Bank, such as its organizational structure, letters patent and general by-laws, the Board Governance Policy, as well as other policies and documents concerning the duties and responsibilities of Board members;
- All new directors participate in an integration program via electronic media and are invited to take part in a training session aimed at familiarizing them with the Bank and with the obligations and responsibilities of their position; and
- Meetings are organized with the Board Chair, the Bank's President and Chief Executive Officer and various executive officers.

In addition, Board committee documentation is made available to all directors, who are invited to participate in meetings of committees which they do not sit on. These initiatives serve to promote the development of their knowledge of the Bank's affairs.

During regularly scheduled meetings throughout the year, directors receive various presentations to enhance their understanding of key aspects of the Bank's business as well as risks and opportunities affecting the industry. All members of the Board participated in a full-day training session on June 3, 2021 on topics relating to Environmental, Social and Governance matters; the Future of Work; Cyber Security and Digitization. In addition to the Board's dedicated training session, all independent members of the Board completed virtual training entitled "Protecting Against Ransomware" (completed between March - April of 2021) and "Mitigating Compromised Devices" (completed June 2021).

As part of its annual training session directors evaluate the quality of the presentations and provide written feedback for developing future programs. This approach provides the Board with the opportunity to proactively address any knowledge gaps and allows the Bank to provide more focused and valuable sessions.

Directors are encouraged to participate in relevant courses, seminars and other continuing education programs offered by external providers including the Institute of Corporate Directors ("ICD") and the Global Risk Institute (GRI). The Bank and all of its directors are members of the ICD and the Bank pays the cost of this subscription. During the year, directors participated in continuing education activities offered by the ICD, GRI and other organizations, on topics such as strategy, governance, COVID-19, climate risk and other matters.

SERVING AS A DIRECTOR

Composition of the Board and Selection of Director Nominees

This year eleven (11) directors are nominated for election, and the Board believes that this is an appropriate size to generate open and engaging discussions, to make sure the committees have the right combination of skills, to allocate responsibilities appropriately and to facilitate board renewal. Directors are elected for a term of one year. Between annual shareholder meetings, the Board may appoint additional directors. In selecting director nominees, the HRCG Committee decides what skills and competencies the Board requires and assesses the skills of current Board members to identify and recommend suitable candidates. Additional information about Board competencies is described under the heading "*Competencies and Expertise of Board Members*", above.

Individual Elections and Majority Voting Policy

Voting for the election of the directors is conducted on an individual, and not slate, basis. The Bank has adopted a Majority Voting Policy for the election of directors. Accordingly, if a director standing for election or re-election in an uncontested election does not receive the vote of at least a majority of the votes cast at any meeting for the election of directors at which a quorum is present, the director will promptly tender his or her resignation to the Board. Within 90 days after the election results, the Board will decide whether to accept or reject the resignation and the Board's decision will be publicly disclosed.

Nomination by Shareholders

Any shareholder who wishes to recommend a candidate to be considered by the HRCG Committee may submit the candidate's name and biographical information, including background, qualifications and experience to the Chair of the HRCG Committee. In addition, the *Bank Act* (Canada) provides a formal process for shareholders, holding in aggregate 5% of the Bank's shares, to nominate director candidates in the Bank's Circular.

Director Tenure and Term Limits

Tenure

The tenure of directors standing for election at the 2022 meeting can be summarized as follows:



The Board of Directors takes a balanced approach to Board renewal based on skills and experience in relation to the needs of the Bank, the contribution of each director and the Board's evaluation process. The presence of more experienced directors and their related institutional expertise on the Board adds value that benefits both the Bank and its shareholders, while new directors bring a fresh perspective to Board deliberations.

Term Limits

To achieve an appropriate balance and allow the Board to properly conduct succession planning, independent directors may serve on the Board for a term not to exceed 12 years. The tenure of the Chair of a Committee of the Board, in such a role, shall not exceed 8 years. The Board does not formally prescribe the age of retirement of directors.

The HRCG Committee reviews annually the number of directors on the Board and the duration of their tenure, to strike the right balance between experience, continuity and fresh perspectives and to ensure a renewal rate that is in line with the Bank's needs.

Succession Planning

Developing leaders is at the core of the Bank's talent review process and the HRCG Committee facilitates conversations about strengths, opportunities for improvement, and career advancement for key leadership positions. The HRCG Committee also addresses gaps and risks to ensure successors have a high quality and measurable short- and long-term development plan, with critical experiences identified, to close development gaps and support advancement.

The HRCG Committee oversees the Bank's succession planning process for key leadership positions while the Board approves, based on recommendation by the HRCG Committee, the succession planning process for the President and Chief Executive Officer.

As part of this process, the HRCG Committee, through an annual readiness assessment, identifies individuals who can be appointed in case of emergency, who are ready immediately or who will be ready in a short period of time, ranging from 1-2 years and up to 5 years. Furthermore, diversity is an important factor considered in order to foster innovation and drive performance.

In 2021, the Board also focused on Board succession planning as a component of its Board renewal initiatives. See "*Composition of the Board and Selection of Director Nominees*" above. For certain key roles the Board may also form a special committee to conduct recruitment efforts.

Director Attendance

Board members are expected to attend all board meetings and meetings of committees of the Board on which they serve. Each director's attendance at, and preparation for, Board and committee meetings is considered by the HRCG Committee when recommending director nominees. The attendance record of each of the director for the 2021 fiscal year is presented in Part C - Director Nominees of this Circular. The Board held nine (9) regular meetings and four (4) special meetings during the 2021 fiscal year. During each regular meeting, the directors met in the absence of management.

Compensation

Through its HRCG Committee, the Board ensures that director compensation is adequate and competitive. Information regarding compensation of directors is available in Part D - *Compensation of Directors* of this Circular.

ENGAGING WITH SHAREHOLDERS AND OTHER STAKEHOLDERS

The Board and management recognize the importance of timely and meaningful feedback from shareholders and other stakeholders. Accordingly, we facilitate open and constructive communication and regularly review the Bank's engagement strategies for alignment with best practices. The Bank communicates externally through various channels, including the Bank's annual report, management proxy circular, annual information form, ESG Report, news releases, website, and meetings. The Bank's quarterly earnings call is open to all and is broadcast live. In addition, the Bank's website provides extensive information about the Board, its mandate, the Board committees and their charters, as well as information about the Bank's directors.

Feedback from institutional shareholders comes from one-on-one or group meetings, and by email or telephone from retail shareholders, in addition to regular informal interactions on specific questions between the Bank's Investor Relations Department and shareholders. During the past year, engagement has been a priority for the Board. The chairs of the Board and HRCG Committee held a number of shareholder engagement meetings to gain feedback from shareholders on the Bank's governance practices and ways to improve them. The Bank's outreach initiatives helped the Bank to understand common areas of concern, the majority of which have been addressed through enhanced disclosure. In particular, we have provided improved transparency and additional information with respect to the Bank's short-term and long-term incentives, as set out in Part E - *Executive Compensation* of this Circular.

The Board is committed to being responsive to shareholder concerns and taking meaningful and appropriate actions in response. We believe the Bank's approach reflects best practices in shareholder engagement. To communicate directly with the Board, we encourage shareholders to contact the Bank by email to the Bank's Corporate Secretary at corporate_secretariat@lbcfg.ca, directly to the Chair of the Board at mike.mueller@lbcfg.ca, or by mail at 1360 René-Lévesque Boulevard West, Suite 600, Montréal, Québec, H3G 0E5.

Advisory Vote on Name Executive Officer Compensation

Shareholders are asked to vote annually on a resolution concerning the Bank's approach to named executive officers' compensation. This resolution is on an advisory basis only and does not bind the Board. However, the Board takes the results of the vote into account during its deliberations on further modifications to policies, procedures and decisions concerning the compensation of named executive officers. If a significant number of shareholders vote against the resolution, the Board will consult shareholders in order to gain a better understanding of their concerns and positions.

We were pleased that in 2021, 92.42% of shareholder votes were in favour of the Bank's approach to compensation.

Disclosure Policy

During the year the Board reviewed and amended the Bank's Disclosure Policy (the "**Disclosure Policy**") that is designed to formalize the Bank's policies and procedures relating to the dissemination of material information. The Disclosure Policy designates certain employees as authorized spokespersons of the Bank and establishes disclosure guidelines for determining whether information is material and how it is to be disclosed. The Disclosure Policy also includes procedures designed to avoid selective disclosure and to ensure that timely and accurate information is provided by the consolidated subsidiaries of the Bank to senior management of the Bank for inclusion in the Bank's statutory disclosure documents. The Board and, as applicable, the Audit Committee and HRCG Committee, approve the statutory disclosure documents prior to their distribution to shareholders.

CONDUCT AND CULTURE

The Board champions the highest standards of ethical conduct to ensure that the Bank operates with integrity and in full compliance with all applicable laws and regulations and to maintain the trust of the Bank's clients, investors, colleagues and the community. Together with Management, the Board sets the tone at the top and is responsible for fostering an open and transparent culture that is aligned with the Bank's values.

Accordingly, the Board has adopted a Directors' Code of Conduct as well as a Code of Ethics that applies at all levels of the Bank. Both the Directors' Code and the Code of Ethics were reviewed and updated during the year to ensure they remain rooted in the Bank's values, appropriately outline the Bank's expectations for ethical behaviour and are aligned with evolving best practices. In addition to mandatory officer and employee training every year, all officers, employees and directors must confirm that they have received, complied and will continue to comply with the Code.

The Board acts in accordance with the Directors' Code of Conduct, which incorporates by reference the Code, both of which are overseen by the HRCG Committee. To ensure ethical and independent decision-making by the Board, the Directors' Code of Conduct provides general guidelines on conflicts of interest and related obligations in the event that a conflict should arise. Directors with a material interest in a matter are not present for any related discussion or vote coming before the Board.

The full text of the Bank's Code of Ethics and the Directors' Code of Conduct is available on SEDAR at www.sedar.com.

Trading in the Bank's Securities

As a "reporting issuer" in Canada, the Bank and its directors, officers and employees are governed by the rules set forth by the various securities regulatory authorities relating to the treatment of undisclosed material information. In 2021, the Board amended its Insider Trading Policy with respect to trading of the Bank's securities. The objectives of this policy are to inform the Bank's insiders and employees of their obligations and responsibilities with respect to transactions involving the Bank's securities as well as to establish certain internal rules regarding such transactions and the use of material undisclosed information with respect to the Bank. The policy includes provisions with respect to insider reporting requirements and the use of undisclosed material information, and rules governing transactions and prohibited transactions.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

While individual Environmental, Social and Governance ("**ESG**") factors influence the work of each of the Board's committees, ultimate accountability for ESG strategy resides with the full Board and is codified in its mandate. We understand that ESG initiatives are interconnected with the Bank's business performance and are relevant to the Bank's diverse stakeholders.

In 2021, the Bank made good progress on its ESG strategy and program, with ESG becoming increasingly integrated into the Bank's purpose, core values, decision-making process and actions. The Bank added ESG targets to all its leaders' scorecards to ensure that the Bank is making sustainable business decisions, supporting a low-carbon economy and investing in the well-being of its communities. The Bank has launched a preliminary bank-wide climate risk assessment as well as an ESG materiality assessment, the results of which are disclosed in the Bank's 2021 ESG Report, which is available on the Bank's website.

The ESG Report provides an overview of the Bank's practices and 2021 accomplishments with respect to ESG matters, including those relating to governance, ethical and responsible business conduct, employee development and engagement, community involvement and environmental sustainability. In addition to these key achievements, in 2022, the Bank adopted new Equity, Diversity & Inclusion Policies which provide a framework for improving diversity at all levels of the organization, including the establishment of targets at the Board level for certain Under-Represented Groups. Key ESG highlights for the 2021 fiscal year are described below:

Environmental

- Continued to deliver on the Bank's Taskforce for Climate-related Financial Disclosures (TCFD) roadmap, and provided the Bank's first annual disclosure against the TCFD recommendations, included in the 2021 ESG Report.
- Established a program management structure for TCFD, with the Bank's CFO serving as the internal task force lead.
- Calculated and disclosed Scope 1 and 2 GHG emissions for the Bank's operations, included in the 2021 ESG Report
- Increased the Bank's role in the green bond market and expanded the Bank's ESG product offering to meet growing customer demands.
- Continued to support renewable energy in Canada by choosing green electricity for the Montréal and Toronto offices through the Bank's partnership with Bullfrog Power, Spark Power's sustainability division.

Social

- Introduced new initiatives to create safe space for diverse team members to share stories and learn from each other, including Courageous Conversations, three new Employee Resource Groups, and unconscious bias training that was rolled out bank-wide.
- Delivered on the Bank's BlackNorth pledges, including hiring well over 5% of the Bank's student workforce from the Black community, and making a \$25,000 corporate donation to Groupe 3737 – a Montréal-based incubator for entrepreneurs from all cultural backgrounds.
- Invested in listening to the Bank's employees and customers through the Bank's first employee engagement survey in 9 years and enhancements to the Bank's Net Promoter Score (NPS) engagement survey to gain insights from customers.
- Launched Laurentian Bank in the Community, which empowered employees in the Bank's retail branches and business centres to decide which local not-for-profit or charitable organization to donate to – almost \$70,000 was donated to 67 local organizations.
- Continued to invest in the health and well-being of the Bank's employees through improvements to employee benefits and a continued focus on employee safety during the COVID-19 pandemic.

Governance

- Formalized an internal governance model and program management structure to drive the Bank's ESG strategy and initiatives forward, details of which are included in the 2021 ESG Report.
- Oversight of the Bank continues to be represented equally by gender among the Bank's independent Board members.
- ED&I and ESG targets have been added to all leaders' scorecards.
- Provided public summaries of key ESG related policies, which can be found in the Your Bank section of Laurentian Bank's website.
- Reviewed and updated key governance policies including the Directors' Code of Conduct, Employee Code of Ethics and Disclosure Policy

Further information on the Bank's corporate governance practices can be found in the "Corporate Governance" section of the Bank's Annual Report.

Director Expertise

A number of the Bank's directors have occupied, or presently occupy, positions within governmental, para-governmental and commercial organizations or have other relevant experience that enables them to evaluate and discern issues related to corporate social responsibility, sustainability and ESG issues. Environmental, Social and Governance expertise has been included in the Bank's matrix of competencies and expertise to ensure that this area is properly accounted for amongst current and prospective directors.

Refer to the biographies in Part C - *Director Nominees*, and the matrix under the heading "*Competencies and Expertise of Board Members*", above.

ADDITIONAL INFORMATION

Further information on the Bank's corporate governance practices can be found in the "*Corporate Governance*" section of the Bank's Annual Report.

BOARD COMMITTEES

The Bank's Board has three committees - the HRCG Committee, the Audit Committee and the Risk Management Committee, each composed exclusively of independent directors. Members meet regularly in the absence of management, as indicated in the table below. Members also meet regularly in private with the officers in charge of oversight functions (Chief Human Resources Officer, Chief Financial Officer and Chief Risk Officer, among others). The Board may create special committees in performing its duties, and delegate responsibilities to them as it deems appropriate.

Under the *Bank Act* (Canada), the Bank's Board of Directors is required to have an Audit Committee and a Conduct Review Committee. The mandate of the Board's Risk Management Committee includes the responsibilities that must be discharged by the Conduct Review Committee.

Committee Members

The table below presents the members of each committee of the Board as at the date of this Circular.

Name	Independent	Human Resources and Corporate Governance	Audit	Risk Management
Sonia Baxendale	Yes	√		Chair
Andrea Bolger	Yes	√		√
Michael T. Boychuk	Yes		Chair	√
Suzanne Gouin	Yes			√
Rania Llewellyn	No			
David Morris	Yes		√	
David Mowat	Yes	√	√	
Michael Mueller	Yes			
Michelle R. Savoy	Yes	Chair		
Susan Wolburgh Jenah	Yes	√	√	
Nicholas Zelenczuk	Yes		√	√

Further information regarding the Audit Committee can be found in section 12 of the Bank's Annual Information Form. The mandates of the three Board Committees are available on the Bank's website and an overview of each committee is outlined below.

Audit Committee

The Audit Committee is comprised of five (5) independent directors and is mandated to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting. Each of the members of the Audit Committee is financially literate within the meaning of NI 52-110. An individual is financially literate if he or she is able to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Bank's financial statements. As set out in the Audit Committee mandate, the Audit Committee is responsible for overseeing, among other matters, the work of the Bank's internal and external auditor, the integrity of the Bank's financial statements and financial reporting process, the climate-change related disclosure as part of the Bank's financial reporting of ESG matters, the qualifications and independence of the external auditor and the work of the Bank's financial management and external auditor in these areas. The Audit Committee reviews and recommends to the Board for approval, the Bank's annual and interim consolidated financial statements and related management's discussion and analysis and selected disclosure documents, including information pertaining to the Audit Committee contained in the Bank's annual information form and any other financial information required by regulatory authorities, in each case, before they are released to the public or filed with the appropriate regulators. The Audit Committee reviews its charter at least annually and recommends changes to the Board with respect to its charter, as necessary. In addition, in accordance with NI 52-110, the Audit Committee ensures that there are procedures in place for the receipt, retention and treatment of complaints received by the Bank regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters. In this regard, the Bank has established a Whistleblower Policy outlining such confidential reporting process.

See below for a summary of Audit Committee activities in 2021.

2020 MANAGEMENT PROXY CIRCULAR

Human Resources and Corporate Governance Committee

The HRCG Committee is comprised of five (5) members, each of whom is an independent director. The HRCG Committee is responsible for developing the Bank's approach to corporate governance issues and is charged with enhancing the Bank's governance through an ongoing assessment of the Bank's approach to corporate governance. As well, the HRCG Committee oversees the administration of the Bank's equity compensation plans, assists in the discharge of the Board's responsibilities relating to the compensation of certain of the Bank's executives, reviews and makes recommendations on director and executive compensation, including the compensation package of the chief executive officer, and is responsible for approving the Bank's report on executive compensation, as required by applicable securities laws. The HRCG Committee oversees key culture and human resources strategies, including employee engagement, employee health and well-being, equity, and diversity and inclusion. It also ensures that the Bank's strategies and organizational culture integrate environmental, social and governance principles. The mandate of the HRCG Committee also includes reviewing the size and overall composition of the Board with a view to assisting the Board in determining whether it is appropriate to undertake a program to increase or decrease the number of directors of the Bank, reviewing proposed new nominees to the Board and reviewing and assessing, on a periodic basis, the performance and contribution of the directors of the Bank. In fulfilling its responsibilities, the HRCG Committee has the authority to retain a compensation consultant for assistance, if required, in the evaluation of employee, officer and director compensation.

See below for a summary of HRCG Committee activities in 2021.

Risk Management Committee

The Risk Management Committee is comprised of five (5) independent directors and is mandated to assist the Board in fulfilling its oversight responsibilities with respect to risk management. In fulfilling its mandate, the Risk Management Committee is responsible for identifying the Bank's principal risks and ensuring the implementation of systems capable of managing them appropriately. It approves material frameworks, plans and policies and ensures the integrity and effectiveness of internal controls and systems. In particular, the Risk Management Committee oversees regulatory risk management and ensures the Bank's Management has established appropriate mechanisms for compliance with various laws and regulations including requirements under the *Bank Act* (Canada). In addition, the Risk Management Committee approves the Bank's Risk Appetite and Risk Management Framework and oversees the Bank's risk-taking activities and performance against its established risk appetite. As part of its oversight of enterprise-wide risk, the Risk Management Committee is also responsible for overseeing the identification of new and emerging risks including those associated with environmental and social issues. In addition, the Risk Management Committee is responsible for oversight of transactions with related parties, which refers to transactions between the Bank and its directors and senior officers as defined under the *Bank Act* (Canada). The Risk Management Committee has established procedures to ensure that any related party transactions are conducted under terms and conditions that are at least as favourable to the Bank as market terms and conditions and otherwise carried out in accordance with requirements under the *Bank Act*.

See below for a summary of Risk Management Committee activities in 2021.

Committee Reports

The purpose of the reports presented below is to provide shareholders with a better understanding of the work of the Board's three committees during the last completed fiscal year.

Report of the Human Resources and Corporate Governance Committee	
Members as at the date of Circular	Michelle R. Savoy, Chair Sonia Baxendale Andrea Bolger David Mowat Susan Wolburgh Jenah
Independence	➤ The Committee is composed entirely of independent directors.
Mandate Review	➤ The Human Resources and Corporate Governance Committee is responsible for overseeing the Bank's human resources and compensation program and practices (total rewards including salary, incentive plans, pension plans and benefits and the Bank's executive compensation program specifically), leadership succession and the performance management of the executive team. It also serves as the Board's nominating committee and oversees the Board assessment process. It informs the Board on its approach to shareholder engagement and reviews how the Board may enhance its governance standards, consistent with changing regulations and emerging best practices.

The members of the Committee met on a quarterly basis with the officers charged with oversight functions (President and Chief Executive Officer, and Chief Human Resources Officer) to discuss all aspects of their respective mandates and related issues. The members of the Committee also met privately in the absence of management at all meetings.

The main accomplishments of the Human Resources and Corporate Governance Committee (the "**Committee**") during the most recently completed fiscal year are as follows:

Human Resources	<ul style="list-style-type: none"> ➤ Received regular reports on the health and safety of employees, and the measures implemented by management in connection with the COVID-19 pandemic to protect and monitor employee physical health, mental health and well-being and accommodate and support employees in the transition to the work from home environment. ➤ Reviewed and approved the Bank's Compensation Policy, executive compensation practices and program design to continue to retain and attract talent, the main provisions of which are presented in Part E - <i>Executive Compensation</i> of this Circular. ➤ Reviewed and determined, in conjunction with the Risk Management Committee, that the Bank's current compensation programs continue to be aligned with the Bank's Risk Appetite Framework, the Financial Stability Board's Principles for Sound Compensation Practices, and OSFI's requirements. ➤ Reviewed and recommended changes to the organizational structure of the Bank to the Board for approval. ➤ Reviewed and approved the mandates for key executive roles including control function heads. ➤ Reviewed the compensation of each member of Executive Management, received the reports of an independent compensation consultant to the Committee, and made recommendations to the Board for approval. ➤ Reviewed annual performance information and reported to the Board its conclusions on variable pay compensation for Executive Management, including individual performance and retention awards. A detailed report on these subjects can be found in Part E - <i>Executive Compensation</i> of this Circular. ➤ Reviewed and made recommendations to the Board for approval of the short term incentive awards in respect of fiscal 2021, as described in greater detail in Part E - <i>Executive Compensation</i> of this Circular. ➤ Reviewed and made recommendations to the Board of the Directors for approval of long term incentive awards, including option and restricted share units pursuant to the Bank's long term incentive plans. ➤ Approved the employee salary budget for 2022. ➤ Reviewed together with the Board the talent management report and succession plan. ➤ Recommended the appointment of the Chief Human Resources Officer. ➤ Recommended enhancements to the Bank's disclosure in the Part E - <i>Executive Compensation</i> of this Circular in accordance with industry and corporate governance best practices.
Pension Plan	<ul style="list-style-type: none"> ➤ Administered and reviewed the Bank's pension plans, including performance of such plans, and made recommendations to the Board for approval of the closure of the defined benefit plan for new employees and the adoption of the defined contribution plan. ➤ Reviewed and approved to engage in the process of annuity purchases for all pension plans (retirees part) for a maximum capital cost of 15bps
Corporate Governance	<ul style="list-style-type: none"> ➤ The Chair met with shareholders, shareholder advocacy groups and advisors to discuss the Bank's compensation program and practices. The Committee received reports on shareholder engagement activities and outreach. ➤ Reviewed the compliance reports on background checks on directors and senior management, as required by OSFI's E-17 Guideline. ➤ Oversaw the Board self-assessment process administered by an external advisor, to evaluate effectiveness of the Board of Directors, the committees and their members. Further information on this process can be found under "Annual Evaluation" in Part F - <i>Corporate Governance</i> of this Circular. ➤ Monitored the preparation of this Circular.

- Reviewed the composition of the Board of Directors and each of its Committees, taking into consideration the current strengths, skills and experience on the Board, the planned retirement of Board members and the strategic direction of the Bank, and in consultation with the Chair of the Board, made recommendations relating to Board and Committee renewal, including the selection of director nominees, as is more fully described under section "Composition of the Board and Selection of Director Nominees" in Part F - Corporate Governance of this Circular.
 - Reviewed the updates made to recent regulatory and governance changes and recommended to the Board changes to the Bank's governance practices.
 - Reviewed and recommended to the Board of Directors the approval of the employee Code of Ethics.
 - Reviewed and recommended to the Board of Directors the approval of the Directors Code of Conduct.
 - Reviewed and recommended to the Board of Directors for approval the Board Governance Policy, Board and Employee Diversity Policies, Oil & Gas Public Statements and the Responsible Marketing Policy.
 - Reviewed and recommended to the Board of Directors the approval of the new Environmental, Social and Governance Report.
 - Reviewed and recommended to the Board of Directors the approval of Board and Committees mandates, including the addition of environmental and social responsibility.
 - Reviewed and recommended to the Board of Directors the approval of the Board Chair, President and Chief Executive Officer, General Counsel and Chief Human Resource Officer position descriptions.
 - Reviewed and recommended to the Board of Directors the approval of the Board conflict management process.
 - Recommended to the Board changes to the Bank's governance practices
 - Reviewed and recommended to the Board of Directors the approval of the revised director compensation program.
-



Michelle R. Savoy, Chair

Report of the Audit Committee	
Members as at the date of Circular	Michael T. Boychuk, Chair David Mowat David Morris Susan Wolburgh Jenah Nicholas Zelenczuk
Independence	➤ The Committee is composed entirely of independent directors.
Mandate Review	➤ The Audit Committee is primarily responsible for overseeing the integrity of the Bank's financial reporting, compliance, standards for ethical behaviour, internal control functions and has a direct relationship with the external and internal auditors.

The members of the Committee met on a quarterly basis with the officers with oversight functions (Internal Audit and Chief Financial Officer) and with the External Auditor in the absence of management to discuss all aspects of their respective mandates and related issues. The members of the Committee also met privately in the absence of management at all meetings.

The main accomplishments of the Audit Committee (the "Committee") during the most recently completed fiscal year are as follows:

With Respect to the External Auditor	<ul style="list-style-type: none"> ➤ Monitored the Bank's external auditor's engagement throughout the year. ➤ Reviewed and approved the 2021 Audit Plan as well as detailed information regarding key audit and accounting issues pertaining to the annual audit, and their quarterly reports pertaining to the review engagements. ➤ Performed the annual assessment of the external auditor, including audit quality considerations, auditor independence, fees, objectivity and professional skepticism; quality of the engagement team provided by the external auditor; and the Canadian Public Accountability Board inspection findings. Based on its evaluation, the Committee recommended to the Board of Directors the appointment of the external auditor. ➤ Reviewed the Policy on Approval of Services Provided by External Auditors. Further details on the auditor's fees for the last fiscal year can be found under the heading "Appointment of the Auditor" in Part B - Business of the Meeting of this Circular. ➤ Met on a quarterly basis with the external auditor in the absence of management.
With Respect to the Internal Audit Function	<ul style="list-style-type: none"> ➤ Reviewed and approved the mandate and audit plan of the Internal Audit function and ensured the sufficiency of its resources. It also examined the main findings, recommendations and follow-ups related to the audit Plan, as well as the internal auditor's opinion on internal controls. ➤ Met on a quarterly basis with the Bank's internal auditor in the absence of management to discuss all aspects of its mandate and any related issues. ➤ Reviewed the independence and performance of the Chief Internal Auditor and the Internal Audit function for 2021 and the Internal Audit function's budget for fiscal 2022, including staffing complement. ➤ Reviewed and approved the 2022 Internal Audit Charter.
With Respect to Financial Information	<ul style="list-style-type: none"> ➤ In accordance with its mandate and the Bank's Financial Information Disclosure Policy, the Committee reviewed, and recommended for approval by the Board of Directors, the Bank's Consolidated Financial Statements prepared in accordance with International Financial Reporting Standards and related Management's Discussion and Analysis, financial releases, and the Annual Information Form. ➤ Reviewed and approved the mandate of the Chief Financial Officer and assessed the role's effectiveness. ➤ Reviewed the mandate and position description of the Corporate Treasurer. ➤ Reviewed, and recommended for approval by the Board of Directors, earnings releases on quarterly and annual results. ➤ Reviewed the annual financial statements of the subsidiaries regulated by the Office of the Superintendent of Financial Institutions (Canada). ➤ Reviewed and approved the financial statements of the Bank's various pension plans. ➤ Reviewed the loans which exceeds ½ of 1% of the regulatory capital of the Bank, where a loss to the Bank has occurred. ➤ Reviewed and recommended for approval by the Board of Directors an increase of the quarterly dividend on the common shares, the new Covered Bond Program, the Limited Recourse Capital Notes issuance and the payment of coupons on the Limited Recourse Capital Notes. ➤ Reviewed and approval of the Committee's revised mandate, including the addition of environmental and social responsibility. ➤ Reviewed and recommended to the Board of Directors the approval of the Bank's revised Disclosure Policy.
With Respect to Internal Controls	<ul style="list-style-type: none"> ➤ Ensured that management had implemented and maintained appropriate internal control procedures, including internal control over financial reporting. During the year, the Committee reviewed management's progress toward its assessment that internal control over financial reporting was effective and received management's report each quarter and for the year ended October 31, 2021. ➤ Reviewed a letter of certification from management covering all of the Bank's operations for the fiscal year ended October 31, 2021 and for each of the quarters of fiscal 2021.

With Respect to Regulatory Authorities	<ul style="list-style-type: none">➤ On an ongoing basis, the Committee ensured that proper consideration was given to the recommendations and questions raised by the regulatory authorities, including reports on significant legislative and regulatory developments, significant litigation, compliance with banking law and regulatory matters, material transactions with related parties, and the Bank's whistleblowing regime.➤ Reviewed reports from management regarding the Bank's regulatory capital ratios.➤ Reviewed reports from the Chief Internal Auditor on the handling of complaints, investigations and comments about suspicious accounting and audit-related activities.➤ The Committee, along with the other members of the Board, met with representatives of OSFI in the absence of management.
---	---



Michael T. Boychuk, Chair

Report of the Risk Management Committee

Members as at the date of Circular	Sonia Baxendale, Chair Andrea Bolger Michael T. Boychuk Suzanne Gouin Nicholas Zelenczuk
Independence	➤ The Committee is composed entirely of independent directors.
Mandate Review	➤ The Risk Management Committee is primarily responsible for risk oversight and advising executive management on highly sensitive matters and strategic issues as they relate to the Bank's risk appetite framework.

The members of the Committee met on a quarterly basis with the officers charged with oversight functions (Internal Audit, Risk Management and Regulatory Risk Management) in the absence of management to discuss all aspects of their respective mandates and related issues. The members of the Committee also met privately in the absence of management at all meetings.

The main accomplishments of the Risk Management Committee (the "**Committee**") during the most recently completed fiscal year are as follows:

Risk Oversight	<ul style="list-style-type: none"> ➤ Oversaw the Bank's response to the Covid-19 pandemic and received regular updates from management on the pandemic, and closely monitored changes in the Bank's loan portfolio, in particular, impaired loans and watch list loans, as well as the status of loan losses and the adequacy of loan loss provisions. ➤ Oversaw market risk exposures including risks arising from the structural interest rate and foreign exchange risks as well as risks arising from the Bank's capital markets business. ➤ Oversaw aggregate credit profile and appetite as well as review of loan provisions in light of past year pandemic impacts. ➤ Reviewed and approved the Bank's significant financial and non-financial risks from an enterprise wide perspective. ➤ Reviewed and approved significant industry, market and portfolio risks and limits. ➤ Reviewed quarterly enterprise risk reports on the Bank's risk profile, and discussed the top and emerging risks facing the Bank. ➤ Dedicated significant time to review of technology, cyber-security, climate change and operational risks. ➤ Met with executives to discuss risk considerations, exposures and commercial initiatives relative to their strategies and plans. ➤ Received regular updates on the regulation regarding capital and liquidity risk governance, including the implementation of the new capital rules (Basel III). ➤ Monitored the implementation of the advanced internal rating-based approach. ➤ Received the Ombudsman's annual report. ➤ Reviewed the Bank's resolution and recovery plans and received reporting on recovery plan testing. ➤ Reviewed changes to the insurance program. ➤ Received reports on litigation matters. ➤ Reviewed the Capital Adequacy report (ICAAP). ➤ Oversaw the implementation of Bill C-86 governance framework. ➤ Reviewed and approval of the Committee's mandate, including the addition of environmental and social responsibility. ➤ Approved position mandates for the Chief Risk Officer, Chief Regulatory Risk Management Officer, Chief Privacy Officer, Chief Anti Money Laundering Officer, Chief Information Technology Officer and Head of Operations.
Risk Appetite Framework	<ul style="list-style-type: none"> ➤ Reviewed the enterprise risk appetite framework and its alignment with the Bank's strategic plan, and recommended this, along with enterprise-wide risk management framework, to the Board for approval. ➤ Reviewed significant risk management frameworks. ➤ Reviewed and approved the Bank's recovery plan. ➤ Reviewed the IT Governance Framework and the IT Security Plan. ➤ Received reports from the Chief Privacy Officer and the Chief Internal Audit as well as reports on related party transactions. ➤ Reviewed and recommended to the full Board target operating levels for Capital Ratios consistent with the business strategy and risk appetite. ➤ Reviewed and approved the assumptions used for capital stress-testing scenarios
Risk Culture	<ul style="list-style-type: none"> ➤ Received updates on evolving regulatory expectations surrounding risk culture. ➤ Reviewed the Bank's risk culture initiatives including strengthening business compliance capability, oversight of reputational risk, third party supplier risk, and evolving the Bank's culture. ➤ Reviewed regular reports about the Bank's regulatory compliance program prior to this responsibility being transferred to the Audit Committee. ➤ Received reports on OSFI's findings and recommendations.
Compensation Risk	<ul style="list-style-type: none"> ➤ Coordinated with the Human Resources and Corporate Governance Committee in the review of: key elements of the Bank's executives compensation program, including plan design, targets, metrics and potential payouts; risks associated with executive compensation, incentive plans, business performance factors and incentive awards. Concluded an assessment with the Chief Risk Officer that no adjustment was required given that risks were within the Bank's appetite.

Oversight of Risk and Anti-Money Laundering Functions	<ul style="list-style-type: none">➤ Reviewed regular reports about anti-money laundering and anti-terrorist financing programs.➤ Reviewed the mandates of the Chief Risk Officer, the Chief Anti-Money Laundering Officer and the Chief Regulatory Risk Management Officer and assessed each officer's effectiveness and performance.
Conduct Review	<ul style="list-style-type: none">➤ Reviewed the decisions of the Bank's Self-Dealing Review Committee to ensure that they were reasonable.



Sonia Baxendale, Chair

PART G – OTHER INFORMATION

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth the aggregate indebtedness to the Bank or its subsidiaries of all existing and former executive officers, directors and employees of the Bank or its subsidiaries as at January 31, 2022. The amounts exclude routine indebtedness as described in note 2 below.

Purpose	To the Bank or its Subsidiaries
Share Purchase	\$—
Other	\$248,918,425

Indebtedness of Directors and Executive Officers under Securities Purchase Programs and Other Programs

The following table sets forth the indebtedness towards the Bank or its subsidiaries of each individual who is, or at any time during the Bank's most recently completed fiscal year was, a director or executive officer of the Bank, each proposed nominee for election as a director of the Bank and each associate of any such person, except for routine indebtedness as defined in securities legislation and indebtedness that has been entirely repaid at the date of this Circular. The amounts exclude routine indebtedness as described in note 3 below.

Name and Principal Position	Involvement of the Bank or Subsidiary	Largest Amount Outstanding during Most Recently Completed Fiscal Year (\$)	Amount Outstanding as at January 31, 2022 (\$)
Yvan Deschamps Executive Vice President and Chief Financial Officer	Bank (lender)	202,862 (Note 1)	—
Éric Provost Executive Vice President, Head of Commercial Banking and President, Quebec Markets	Bank (lender)	679,401 (Note 2)	671,467

Note 1: Mortgage loan on principal residence at an interest rate of 0.69%.

Note 2: Mortgage loan and credit line on principal residence with a mix of fixed and variable rates.

Note 3: Routine indebtedness includes:

- loans to any director or nominated director, executive officer, together with his or her associates, made on terms no more favourable than loans to employees generally, where the amount remaining unpaid has not exceeded \$50,000 at any time in the last completed financial year;
- loans to full-time employees, fully secured against their residence and not exceeding their annual salary
- loans to those other than full-time employees, made on substantially the same terms available to other customers with comparable credit (including terms for interest rates and security rates), and involving no more than the usual risk of collectability
- loans for purchases on usual trade terms, or for ordinary travel or expense advances, or
- similar reasons, with repayment arrangements according to the usual commercial practice.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Since the beginning of the last completed fiscal year, the Bank did not make any transaction which materially affected it or one of its subsidiaries in which a proposed nominee for election as director, a director or officer of the Bank or one of its subsidiaries or their respective associates or affiliates, had a direct or indirect interest.

NORMAL COURSE ISSUER BID

In December 2021, the TSX accepted a notice of the Bank's intention to commence a normal course issuer bid for its common shares, which permits the Bank to repurchase for cancellation up to 875,000 of its common shares, being approximately 2% of the total number of shares outstanding on December 1, 2021. Repurchases under the normal course issuer bid were authorized to commence on December 15, 2021 and the normal course issuer bid will terminate upon 875,000 common shares being purchased pursuant to the normal course issuer bid, or upon the Bank providing an earlier notice of termination. If not previously terminated, the normal course issuer bid will terminate on December 14, 2022. Purchases will be made on the open market by the Bank through the facilities of the TSX, as well as alternative Canadian trading systems. Under the rules of the TSX, the Bank is entitled to repurchase, during each day, up to 41,208 common shares (excluding purchases made pursuant to the block purchase exception), being 25% of the average daily trading volume of 164,834 common shares during the six calendar months prior to the commencement of the normal course issuer bid. The price which the Bank will pay for any common shares will be the prevailing market price at the time of acquisition. The number of common shares which may be purchased pursuant to the normal course issuer bid will be determined by the Bank. All common shares will be purchased for cancellation. For the year ended October 31, 2021, the Bank made no repurchases under the normal course issuer bid. A copy of the Notice of Intention for the

normal course issuer bid may be obtained without charge by contacting Bank's Corporate Secretariat's Office at corporate_secretariat@lbcfg.ca.

CODE OF PROCEDURE

A code of procedure is used at annual meetings of shareholders in order to specify shareholder rights and facilitate deliberations at the meeting. Schedule B of this Circular contains the text of this code.

MINUTES

A copy of the minutes of the Bank's last annual meeting of shareholders held on April 6, 2021 is available on the Bank's Website.

REMOTE VIEWING OF THE ANNUAL MEETING

The video of the 2022 Annual Meeting of Shareholders will be available in the "*Investor Centre*" section of the Laurentian Bank Financial Group's Website (lbcfg.ca) under the "*Presentations and Events*" tab following the meeting.

DIRECTORS' APPROVAL

The Bank's Board of Directors has approved the content of this Circular and the distribution thereof to each shareholder entitled to receive the Notice of Meeting, each director, the Bank's auditor and the appropriate regulatory authorities.

A handwritten signature in black ink, appearing to read 'Sivan Fox', is positioned above the printed name and title.

Sivan Fox
Senior Vice President, Legal Affairs and Corporate Secretary

February 4, 2022

SCHEDULE A

SHAREHOLDER PROPOSALS

The Bank received eleven proposals from the Mouvement d'éducation et de défense des actionnaires ("**MÉDAC**") whose offices are located at 82 Sherbrooke Street West, Montréal, Québec, H2X 1X3.

After discussions with the Bank, MÉDAC has agreed not to submit proposal 2, proposal 4, proposal 5, proposal 6 and proposal 8 to a vote. The Bank has agreed with MÉDAC to include these proposals for informational purposes only. They are not part of the formal business of the meeting.

PROPOSAL 1 - Formal Participation of Employees in Strategic Decision-making (translation)

It is proposed that the Board of Directors assess ways to increase employee participation in board decision-making. It is suggested to report on this consideration at the 2023 annual meeting.

Arguments

The health and economic crisis reminded us of the importance of employee health and well-being in organizations. Some of the advantages are well known: higher job satisfaction, increased sense of belonging, higher commitment, increased productivity, lower absenteeism, and lower insurance costs and occupational injuries and diseases. Over the next few years, boards of directors will be faced with several challenges relating to talent management and development.

In recent years, boards of directors have made it their duty to increase the quality of board decision-making by drawing on different experiences and skills and involving as much as possible people of all genders, ages, ethnic backgrounds and religions. Although mainly constituted with independent directors, boards of directors lack the vision of employees who could bring a perspective not based on operational or strategic issues, improve oversight of senior management decisions, and further balance short-term considerations with long-term perspectives, employees tending to favour the long term¹.

The most recent edition (2018) of the UK Corporate Governance Code²[2] considers different initiatives to increase employee participation in highly strategic decisions of organizations, including the creation of a statutory workforce advisory committee and the designation of a board member to liaise with workers, or the appointment on the board of directors of at least one employee other than the CEO.

While submitting this proposal, we are fully convinced of the tremendous value the direct and formal contributions of employees would have on strategic decision-making, in particular for talent management and development, and we are confident that the Bank will propose, at the 2023 annual meeting, different means to gain employee insights and ensure employee participation.

The Bank's Position

The Bank recognizes the importance of employee participation in key decisions made by the Bank. Working together as "One Team" is one of the Bank's core values and is critical to fostering an environment where everyone belongs and thrives. Over the year we've implemented various initiatives to foster employee participation and engagement including the Bank's Future of Work consultation, which received input from over 1,000 employees. As a result of their feedback, the Bank announced in August that it would be adopting an employee-centric strategy and a hybrid work model, where working from home is the Bank's first approach for all tasks that can be performed remotely. As a result, the Bank has reassessed its needs when it comes to physical corporate office space, and has made the decision to reduce its leased space by 50% in its corporate office locations in Toronto, Montréal and Burlington (the branch footprint across Quebec is not impacted).

The Bank actively engages with employees and measures its performance as an employer through annual engagement surveys. In 2021, 74% of employees reported as supporting the Bank's plan. The last such poll was conducted in 2012 and received a result of 57%. In addition, the rate of trust in management has reached a rate of 89%, which is not only 19% higher than in 2012, but also a strong result relative to other organizations based on industry benchmarking. In addition, the staff turnover rate has also decreased by 10% as compared to 2019, a pre-pandemic year.

Employees are also stakeholders in Environmental, Social and Governance initiatives, and the Bank has multiple Employee Resource Groups to ensure that the voice of employees is heard. Each group is led and made up of employees who share a characteristic or identify as allies, whether it be gender, ethnicity, sexual orientation or gender identity as examples. The groups exist to provide support and to create a safe space where employees can bring their whole selves and have open dialogue on topics that are important to them.

Further, employees are shareholders through participation in the Bank's Employee Share Purchase Plan, which is subsidized by the Bank and gives employees a voice as shareholders. The Bank's pay-for-performance approach aims to align employees' actions with their interests as shareholders.

¹ Andreas K OKKINIS and Konstantinos S ERGAKIS, "A flexible model for efficient employee participation in UK companies", (2020) 20-2 *J. Corp. Law Stud.* 453 - 493, DOI: 10.1080/14735970.2020.1735161.

² Financial Reporting Council - 2018 - The UK Corporate Governance Code <https://www.frc.org.uk/getattachment/88bd8c45-50ea-4841-95b0-d2f4f48069a2/2018-UK-Corporate-Governance-Code-FINAL.PDF>.

The Board of Directors has a fiduciary duty to act in the best interests of the Bank, which includes consideration of diverse stakeholder interests including employees, shareholders and others. The Human Resource and Corporate Governance Committee of the Board is updated regularly on employee engagement and action plans resulting from employee feedback. The independent directors bring a wealth of external experience and knowledge to strategic discussions, while the CEO, as the only non-independent director, brings the day-to-day operational perspective to Board deliberations. This is consistent with corporate governance best practices, and promotes good quality Board decision-making.

Consequently, the Board of Directors considers that it is neither advisable nor desirable to adopt this proposal, and recommends voting AGAINST the proposal.

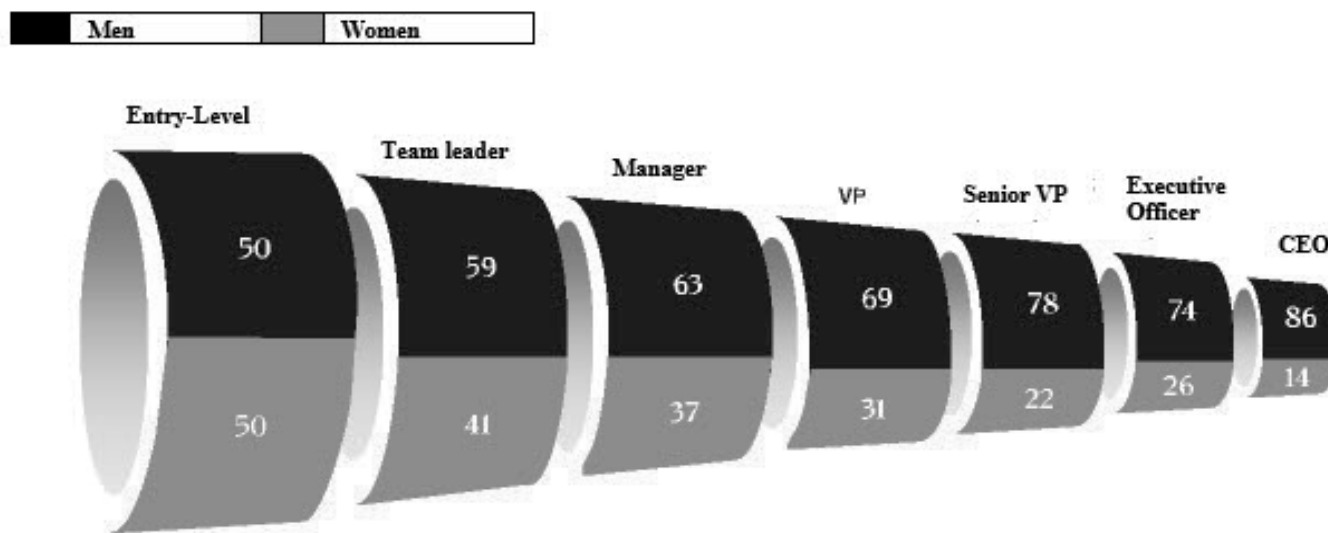
PROPOSAL 2 - Women in Management: Promotions, Advancement, and Level Growth (translation)

It is proposed that the bank publish, in the form it deems appropriate, an annual report on the representation of women in management positions, from first to last hierarchy levels under the President level.

Arguments

The pandemic completely disrupted our economy and workplaces. The crisis particularly affected women, as millions of them have had to quit their jobs, opt for part-time employment or were laid off, depending on the nature of their work or the economic sector in which they were working. Businesses thus find themselves with far fewer women in management positions or in the process of becoming managers. This only accentuated a situation that already existed. According to a study by McKenzie³[1], while women make up 50% of entry-level employees in the organizations surveyed, they only hold 31% of vice-president positions and 14% of CEO positions, as illustrated in the following graphic representation.

Gender Representation Across the Talent Pipeline



Different measures exist to “mitigate the impact of unpaid parental leave and part-time employment on the career and income of female employees”⁴ [1], women being today still more likely than men to experience such professional situations, which are obstacles to their advancement.

Businesses cannot risk losing more women in management positions. This report would provide a picture of the situation in the different management position levels, encourage senior managers to set gender diversity objectives for each level, and inform all stakeholders on the strategies that will be implemented to ensure a vigorous recovery of activities, in particular after the health crisis.

The Bank’s Position

As of November 15, 2021, women make up 53% of the Bank’s workforce, hold 46% of its management level positions (below the Vice-President level) and 36% of its Vice President and above positions. At the Executive Vice President (“EVP”) level and above there are two (2) or 22% who identify as women. The Bank continues to work on its collection of data about women in its workforce and will continue to enhance its reporting. Last year, the Bank proudly became the first major bank in Canada to appoint a woman

³ Women and Work in Canada: From Now to Tomorrow, <https://www.mckinsey.com/featured-insights/gender-equality/the-present-and-future-of-women-at-work-in-canada>.

⁴ *Ibid.*, See the Shared Care program of the Australian company Aurizon, among other examples.

as CEO and in 1998 was the first Canadian Bank to appoint a woman as Chair. The Bank continues to focus on improving its understanding of structural barriers to the advancement of women in the industry and within the organization and has implemented a number of measures to address gaps. This includes focus on increasing gender diversity in leadership through formal and informal, corporate and grassroots initiatives anchored around attraction, retention and development. These goals are supported through:

- Embedding diversity targets (including for women in Assistant Vice-President and above roles) in the Bank's leaders' scorecards;
- Building internal and external diversity talent pipelines;
- Inclusion hiring training for recruiters and hiring managers; and
- Accelerating career growth opportunities for diverse talent.

Employees at the Bank have access to benefits programs including industry-leading maternity leave benefits, gradual return to work program and access to free 24/7 health and well-being services for employees and their family. Further, the Bank provides all employees membership in the Canadian Centre for Diversity and Inclusion, which provides access to webinars, research and reports to build equity literacy. The Bank is also a sponsor of Women in Capital Markets, and organization that provides top talent with programs to support their career development.

In 2021, the Bank launched an Employee Resource Group for Women and Allies, called StrongHer, whose mission is to empower the women of Laurentian Bank to rise to their full potential and contribute to the Bank's success as it continues its journey of celebrating diversity and inclusion in the workplace. This included the launch of a mentorship program and a Courageous Conversations Initiative which allow team members to share, listen, learn and understand how to better support each other. In 2022, the Bank adopted new Equity, Diversity and Inclusion Policies, at both the employee and board levels, which provide a framework for improving diversity at all levels of the organization, including the establishment of targets at the Board level for certain Under-Represented Groups.

As agreed with MÉDAC, this proposal is not being submitted to a shareholder vote.

PROPOSAL 3 - Becoming a Benefit Company (translation)

It is proposed that the Bank assess the possibility of becoming a benefit company and report on this consideration at the next annual meeting.

Arguments

Since 2002, banks have been disclosing information about their contributions to society not only in terms of economic performance, but also social and environmental performance. Twenty years in, banks must now take further their commitment to inclusive, environmentally sustainable prosperity by assessing, like the Business Development Bank of Canada (BDC) is already doing, the possibility of adjusting their by-laws to become benefit companies. "Introduced in the State of Maryland in 2010, and now adopted in 36 U.S. states"⁵ and in British Columbia⁶, and enacted by bill 797⁷, the benefit company is characterized by the following elements, among others⁸:

1. The purpose of the Company shall include [...] the creation of a positive impact on society and the environment, taken as a whole, from the business and operations of the Company [...]
2. The Directors shall, when deciding what is in the best interests of the corporation, consider the short-term and the long-term interests of the corporation and the interests of the corporation's shareholders, employees, suppliers, creditors and consumers, as well as the government, the environment, and the community and society in which the corporation operates [...], to inform their decisions.
3. In discharging his or her duties, and in determining what is in the best interests of the corporation, each director shall consider all of the Stakeholders [...] but shall not be required to regard the interests of any particular Stakeholder as determinative. [...4...5.]

McGill University Management Studies Professor Henry Mintzberg says: "Successful corporate social responsibility initiatives will never match or remedy the effects of corporate social irresponsibility."⁹

Benefit companies make it possible to incorporate, in the banks' by-laws, their commitment to work in the general interest of the public and to account for the impact of their actions on all stakeholders.

⁵ "BC's New Legislation on Benefit Companies", *Osler, Hoskin & Harcourt LLP* (June 17, 2020) <https://www.osler.com/en/resources/regulations/2020/b-c-s-new-legislation-on-benefit-companies>.

⁶ Bill M 209 – 2019: Business Corporations Amendment Act (No. 2), 2019 (May 15, 2019) <https://www.bclaws.gov.bc.ca/civix/document/id/bills/billsprevious/4th41st:m209-3>.

⁷ Bill 797, An Act to amend the Business Corporations Act to include benefit corporations – National Assembly" <http://assnat.qc.ca/en/travaux-parlementaires/projets-loi/projet-loi-797-42-1.html>.

⁸ Canada - Corporation - No | Certified B Corporation <https://bcorporation.net/canada-corporation-no>.

⁹ Craig Ryan, "The future is here: How B Corps are transforming corporate social responsibility", *BDC.ca* (September 13, 2020) <https://www.bdc.ca/en/articles-tools/blog/future-is-here-how-b-corps-transforming-corporate-social-responsibility>.

The Bank's Position

In December 2021, the Bank unveiled a new strategic plan that, among other things, defines the Bank's purpose, manifesto and values and outlines five strategic pillars. Aligned with the Bank's new strategic plan, the Bank is committed to living up to its values and integrating environmental, social, and governance best practices into everything it does.

The benefit company model in Canada is new and untested and the Bank does not believe that such a change in organizational form is appropriate for a Schedule 1 bank. Even if such a change were possible under the *Bank Act* (Canada), it would require significant legal and regulatory review, which would be costly, and subject the Bank to numerous uncertainties and risks.

Pursuant to its mandate, the Board sets the tone with respect to the culture of integrity and ethical behaviour across the Bank and is responsible for defining the corporate purpose of the Bank. In establishing objectives and making other decisions, the Board carefully considers and balances various elements including the interests of investors, employees, customers and other stakeholders; environmental and community impacts; and the long-term interests of the Bank. Given the lack of precedents for benefit companies in Canada, there is significant uncertainty regarding decision-making in a benefit company when encountering a situation where the interests of shareholders and other stakeholders and the public benefit diverge.

We believe that the Bank's existing corporate governance structure provides the Board and management team with appropriate flexibility to promote the interests of the Bank's various stakeholders while managing important public benefit issues, in line with the Bank's new strategic plan, without incurring the costs and generating the uncertainties and risks involved with converting to a benefit company.

Consequently, the Board of Directors considers that it is neither advisable nor desirable to adopt this proposal, and recommends voting AGAINST the proposal.

PROPOSAL 4 - Decarbonization (translation)

It is proposed that the Bank adopt a plan to substantially reduce its financing of fossil fuel and polluting industries by setting – and quantifying over time – ambitious intermediate targets with the view of achieving net-zero greenhouse gas emissions.

Arguments

Banks are central to our economy. Their investment and financing choices shape entire societies. Our banks bring financial support to companies and projects. They are responsible for greenhouse gas emissions.

RBC, TD, Scotia, BMO and CIBC are all among the top 25 fossil fuel industry funders in the world¹⁰.

Since the Paris Agreement, these five banks have continued to support the development of polluting companies. The government, for its part, undertakes "to reduce greenhouse gas emissions [...] from 40% to 45% by 2030, compared to the 2005 level."¹¹ To achieve net-zero greenhouse gas emissions in 2050, other players suggest short-term intermediate targets that are higher in the beginning than in the end, i.e., up to 25% for 2025 and 50% for 2050¹², or even more¹³ The International Energy Agency (IEA) even enjoins to "stop investing in fossil fuels."¹⁴ In all cases, it is important to set science-based targets. To this end, standards exist, in particular that of the Science Based Targets initiative (SBTi)¹⁵.

The country is responsible for 2% of global emissions¹⁶ (with less than 0.5% of the population) and according to current projections, its oil and gas production is expected to exhaust about 16% of the world's carbon budget¹⁷. The IPCC¹⁸ recently sounded the alarm again, and Antonio Guterres declared that greenhouse gases "are suffocating our planet."¹⁹

A concrete transition plan on climate change is urgently needed. It must be submitted to shareholders in the most appropriate annual publication.

¹⁰ Banking on Climate Chaos, Fossil Fuel Finance Report 2021, *Rainforest Action Network* <https://www.bankingonclimatechaos.org/>.

¹¹ Alexander S HIELD and Marie V ASTEL, "Trudeau promet de réduire les GES du Canada "de 40 % à 45 %" d'ici 2030", *Le Devoir*, 2021-04-23 <https://www.ledevoir.com/societe/environnement/599319/trudeau-promet-de-reduire-les-ges-du-canada-de-40-a-45-d-ici-2030>.

¹² "FACT SHEET: President Biden Sets 2030 Greenhouse Gas Pollution Reduction Target Aimed at Creating Good-Paying Union Jobs and Securing US Leadership on Clean Energy Technologies ", *The White House*, 2021-04-22, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/04/22/fact-sheet-president-biden-sets-2030-greenhouse-gas-pollution-reduction-target-aimed-at-creating-good-paying-union-jobs-and-securing-u-s-leadership-on-clean-energy-technologies/>.

¹³ "2030 Climate and Energy Framework", *Climate Action - European Commission*, 2016-11-23, https://ec.europa.eu/clima/eu-action/climate-strategies-targets/2030-climate-energy-framework_en.

¹⁴ Frank Jordans, "L'AIE suggère de ne plus investir dans les combustibles fossiles ", *La Presse*, sect. Economy 2021-05-18, <https://www.lapresse.ca/affaires/economie/2021-05-18/l-aie-suggere-de-ne-plus-investir-dans-les-combustibles-fossiles.php>.

¹⁵ <https://sciencebasedtargets.org/>

¹⁶ "Greenhouse gas emissions", Environment and Climate Change Canada, 2007-01-09, <https://www.canada.ca/en/environment-climate-change/services/environmental-indicators/greenhouse-gas-emissions.html>.

¹⁷ *Carter et Dordi - Correcting Canada's "one eye shut" climate policy.pdf* <https://cascadeinstitute.org/wp-content/uploads/2021/04/Carter-Dordi-Canadas-one-eye-shut-climate-policy-1.1-April-16.pdf>

¹⁸ <https://www.ipcc.ch/report/sixth-assessment-report-cycle/>

¹⁹ <https://news.un.org/fr/story/2021/08/1101392>

The Bank's Position

The Bank supports the principles and goals of the Paris agreement and recognizes the role that financial institutions can play in the transition to a low carbon future. In line with this, going forward the Bank will not directly finance the exploration, production or development of coal or oil and gas. The Bank will continue to participate in green bond issuances and expand product offerings with an ESG focus such as the Bank's Canadian Sustainability ActionGIC.

Further, in 2021, Laurentian established a taskforce to deliver on the Bank's TCFD roadmap, starting with a holistic assessment of the climate risks across the Bank. This taskforce is chaired by the Bank's CFO. Calculating the Bank's financed emissions is the first step towards setting credible mid- and long-term targets. In addition, the Bank has joined the Partnership for Carbon Accounting Financials (PCAF), a collaboration between financial institutions worldwide to enable standardized assessments and disclosures of greenhouse gas emissions financed by loans and investments. Leveraging the PCAF methodology, we will begin to calculate our baseline Scope 3 financed emissions in 2022. We will assess options for setting targets for Scope 3 financed emissions once we have a better understanding of our baseline emissions and data quality.

The Bank recognizes the critical importance of climate issues and has established an ESG steering committee with the CEO as executive sponsor. ESG considerations have also been included in all Board committee charters, and an ESG materiality assessment and strategic framework development are underway.

As agreed with MÉDAC, this proposal is not being submitted to a shareholder vote.

PROPOSAL 5 - Advisory Vote on Environmental Policy (translation)

It is proposed that the Bank adopt an annual advisory voting policy with regard to its objectives and its environmental and climate action plan.

Arguments

During the 2018 annual meetings of shareholders of the banks, we submitted a shareholder proposal inviting the banks to publish, on an annual basis, a short report that would allow shareholders to assess their exposure to climate risk and their contribution to the transition to a low carbon economy. Reading your sustainable development and social responsibility reports testifies to the actions taken or envisioned to enable a clean economy in Canada over the coming years.

A report published in December 2020 by the Rainforest Action Network²⁰ led us to wonder about the relevance of the proposed objectives and action plans. According to this report, RBC, TD and Scotia were among the top 10 companies in the world with respect to fossil fuel financing, providing more than \$89 billion to oil companies in 2019. BMO and CIBC ranked 16th and 21st respectively, totalling nearly \$42 billion.

This financing and its sustained level over the past few years are incompatible with the desired behaviour in response to the alarming findings presented by the Intergovernmental Panel on Climate Change's (IPCC) in its June 2021 draft report. In this report – which is much more alarmist than the 2014 final report – the IPCC estimates that, whatever the reduction rate of greenhouse gas emissions may be, the devastating consequences of global warming on nature and humanity will accelerate and become painfully palpable long before 2050²¹. "Life on Earth can recover from a major climate change by evolving into new species and creating new ecosystems. Humanity cannot," the panel notes.

We're adding to this data the concern of Tiff Macklem, Governor of the Bank of Canada, who in a speech in November 2020 called for faster action in Canada to tackle climate change and avoid any economic ripple effects on households and businesses. In his speech, the Governor invited financial institutions to improve their assessments of the risks they are confronted to in this area²².

For all these reasons, it is proposed that the Bank adopt an advisory voting policy with regard to its objectives and action plan on environmental and climate-related matters, in order to see if they agree with the expectations of shareholders and stakeholders.

The Bank's Position

The Bank believes that accountability for environmental and climate action objectives and action plan should remain with the Board and management. These objectives need to be considered as a part of the Bank's broader strategy rather than as an isolated plan.

Environment and climate topics are not equally material to all financial institutions, and the size and scope of a bank needs to be considered as a part of the assessment of an action plan. There is not a single unified set of guidelines to determine what should be included in an environmental and climate action plan, and if that plan is appropriate for a given bank. As Laurentian is a smaller institution, and has committed to not directly finance the exploration, production or development of coal or oil and gas, the Bank's environment and climate plans may look very different than the Bank's peers.

We have recently updated the mandates for each of the Board, Audit Committee, Risk Management Committee and the Human Resources and Corporate Governance Committee to provide specific oversight for various environmental and climate change

²⁰ <https://www.ran.org/bankingonclimatechange2020/>

²¹ <https://www.lesechos.fr/monde/enjeux-internationaux/rapport-du-giec-sur-le-climat-une-fuite-qui-change-la-donne-avant-la-cop-26-1326324>

²² <https://www.finance-investissement.com/nouvelles/economie-et-recherche/changements-climatiques-la-banque-du-canada-veut-presser-le-pas/>

issues affecting the Bank, in addition to environmental, social and governance (ESG) developments. The Bank's Executive Committee also acts as its ESG Steering Committee, with a mandate to provide strategic guidance on priorities and investments and make key decisions on ESG pillars. In addition, each Executive Committee member has ESG targets as a part of their scorecard. This aligns with best practice for a successful ESG action plan and ensures these objectives are fully integrated into the strategies of each of the Bank's business lines.

This is the Bank's first year publishing an ESG report, including TCFD aligned disclosures, that will be published annually prior to the AGM, giving investors more information on the Bank's approach and progress. In 2021, Laurentian Bank reported Scope 1 emissions of 1,633 tonnes CO₂e, and Scope 2 (Location based) emissions of 293 tonnes CO₂e. Additional information about the Bank's calculation approach and assumptions is available in the Bank's 2021 ESG Report. We have also signed on to the Partnership for Carbon Accounting Financials (PCAF) and will leverage the PCAF standards to measure and disclose the emissions associated with our financing activities within a period of three years. This is a complex process, especially for a smaller financial institution, and data quality and availability will be a challenge. The PCAF methodology will allow us to establish a baseline for our financed emissions and identify priority areas for climate action planning.

The Bank engages with a wide variety of stakeholders, including shareholders, on climate and ESG and values their input on these topics. The tools and methods that the Bank uses to engage with its stakeholders can be found in the Bank's Social Responsibility and ESG reports. In particular, as a part of the Bank's ESG materiality analysis, the Bank engaged directly with multiple shareholders and other stakeholders to provide them with an opportunity to share their perspective on ESG priorities for the Bank. As part of our ongoing commitment to climate progress, once we have established our financed emissions baseline arising from our financing activities we will implement further means of engaging shareholders, such as a non-binding advisory vote.

As agreed with MÉDAC, this proposal is not being submitted to a shareholder vote.

PROPOSAL 6 - Board-level Committee to Oversee Environmental and Climate Risks (translation)

It is proposed that the board of directors create a committee to oversee environmental and climate issues.

Arguments

In a recent interview²³, Mark Carney, former Governor of the Bank of Canada and the Bank of England, now UN Special Envoy on Climate Action and Finance²⁴, called on organizations to have a board-level committee specifically responsible for overseeing climate risks associated with the transition to a low-carbon economy, adding that it would be appropriate for boards to add expertise in the area given the complexity of climate scenarios.

In a recent report, the Bank of Canada²⁵ pointed out that the transition to a lower-carbon economy would be complicated and costly for some. The transition will likely lead to complex structural adjustments for carbon-intensive sectors, such as oil and gas, and could further expose insurance companies, banks and asset managers to risk.

The creation of such a committee would reassure shareholders and stakeholders as to the ability [of the Bank] to properly manage the risks and opportunities that will arise as a result of climate change and that will have an ongoing impact on the economy and the financial system.

The Bank's Position

Our Board is committed to enhancing its approach with respect to the management and disclosure of climate-related risks and opportunities. Consistent with Mr. Carney's support for board-level oversight of climate risk, we have recently updated the mandates for each of the Board, Audit Committee, Risk Management Committee and Human Resources and Corporate Governance Committee to provide specific oversight for various environmental and climate change issues affecting the Bank. During the year, we also established a new CEO-led governance structure for ESG and climate topics at the Bank.

As reflected in its updated mandate, the Board has overall responsibility for Bank strategy and the management of risks, including risks related to environment, social and governance developments (ESG), which includes climate change. The Audit Committee has oversight of financial information in environmental, social and governance disclosure, including climate-related financial disclosure. The Risk Management Committee is responsible for overseeing the integration of the Bank's environmental, social and governance principles with the Bank's risk appetite framework and risk management framework, including its application to stress testing and credit risk. The Human Resources and Corporate Governance Committee ensures that the Bank's strategies and organizational culture encourage and contribute to the safety, health and well-being of its employees and integrate environmental, social and governance principles.

Management also plays a key role in the Bank's ESG approach: led by the CEO, the Bank's ESG Steering Committee includes all Executive Committee members. Its primary mandate is to provide strategic guidance on priorities and investments and make key

²³ Jakob von B AEYER, "Mark Carney on a values-led economy", *strategy + business* <https://www.strategy-business.com/article/Mark-Carney-on-a-values-led-economy>.

²⁴ "Mr. Mark Joseph Carney of Canada - Special Envoy on Climate Action and Finance | Secretary General of the United Nations", <https://www.un.org/sg/en/content/sg/personnel-appointments/2019-12-01/mr-mark-joseph-carney-of-canada-special-envoy-climate-action-and-finance>.

²⁵ <https://changingclimate.ca/national-issues/>

decisions on ESG pillars. In 2021, the ESG Steering Committee ensured that ESG principles were integrated into the refresh of the bank's strategy and participated in the ESG materiality assessment process. In addition, the Bank has formed an ESG Working Group which is a cross-functional operating committee responsible for identifying key priority areas to support the Bank's broader ESG strategy. Finally, the Bank's TCFG Taskforce, led by our CFO, makes key decisions related to our Task Force on Climate-related Financial Disclosures framework. The Board is updated quarterly on the work of these committees.

We believe that oversight of environmental and climate change issues is effectively conducted by the Bank's Board and Committees in accordance with their mandates and within the Bank's broader ESG governance framework.

Considering our responses to Proposals 4 and 5, MÉDAC has agreed not to submit this proposal to a shareholder vote.

PROPOSAL 7 - French, Official Language (translation)

It is proposed that the language of the Bank, in particular the language of work in Québec, including the language of annual meetings, be the French language. The official status of the French language must be formally recognized, in writing, in the by-laws of the organization.

Arguments

The head office of the Bank is located in Québec, a French-speaking State.

The State of Québec has existed for over 400 years. Also, the official language of Québec is the French language.

The State of Québec is the only French-speaking State in America.

The language of a people is its most fundamental attribute, an existential attribute.

The diversity of the world cannot in any way be reduced to questions strictly relating to the biological nature of natural persons or to the arbitration of individual privileges.

The diversity of the world is first and foremost a collective issue based essentially on the culture of peoples.

The people of Québec, via its territorial State and public institutions, in particular its National Assembly, its constitution and its charters, contribute to global linguistic diversity by rigorously protecting the collective and public character of its language. The spirit of the law is clear²⁶, and so is that of the reform of federal²⁷ and Québec²⁸ laws.

Respecting and promoting global diversity is, among other things, a question of social responsibility for all companies.

It is in the interest of all stakeholders, starting with the entire community, from all origins.

Sustainable development and long-term performance cannot be envisioned otherwise.

It is the duty of society to act in scrupulous respect for these sacred principles.

Also, it is perfectly possible to do business anywhere in the world with a head office that operates in the language of the State where it is located²⁹.

For example, the annual general meeting of shareholders of Samsung³⁰ (Suwon) takes place in Korean language, Heineken³¹ (Amsterdam) in Dutch language, Nissan³² (Yokohama) in Japanese, Foxconn³³ (Taiwan) in Mandarin, Volkswagen³⁴ (Wolfsburg) in German, and L'Oréal³⁵ (Clichy), Danone³⁶ (Paris), Christian Dior³⁷ (Paris), and LVMH³⁸[9] (Paris) in French. The content is translated into other languages. The principle is clear and simple.

The French language is not a choice. It is the common instrument of communication. Moreover, it can be translated into foreign languages, simultaneously or not.

French is everyone's language.

This is a collective issue of equity, justice and dignity. A national issue.

²⁶ La Charte de la langue française : une entrave [...] <http://hdl.handle.net/11143/10216>

²⁷ Bill C-32 <https://parl.ca/DocumentViewer/en/43-2/bill/C-32/first-reading>; *English and French: Towards a substantive equality* [...] <https://www.canada.ca/en/canadian-heritage/corporate/publications/general-publications/equality-official-languages.html>.

²⁸ Bill 96 <http://assnat.qc.ca/en/travaux-parlementaires/projets-loi/projet-loi-96-42-1.html>.

²⁹ *Comment se conclut un "deal" en français?* [...] <https://numerique.banq.qc.ca/patrimoine/details/52327/1832243>.

³⁰ AAA 2021 Samsung <https://www.youtube.com/watch?v=v8l9i00v58A>

³¹ AAA 2021 Heineken <https://www.theheinekencompany.com/sites/theheinekencompany/files/Downloads/PDF/AGM%202021/20210609%20Heineken%20N.V.%20Notulen%20AvA.pdf>

³² AAA 2021 Nissan <https://www.youtube.com/watch?v=OS9Sm3Rgt9k>

³³ AAA 2021 Foxconn <https://www.youtube.com/watch?v=pPNJ37Rt3Q0>

³⁴ AAA 2021 Volkswagen <https://www.volkswagenag.com/de/InvestorRelations/annual-general-meeting.html>

³⁵ AAA 2021 L'OREAL <https://www.loreal-finance.com/fr/assemblee-generale-2021>

³⁶ AAA 2021 DANONE <https://www.danone.com/fr/investor-relations/shareholders/shareholders-meeting.html>

³⁷ AAA 2021 Christian DIOR https://voda.akamaized.net/dior/1520614_605ded3e38389/

³⁸ AAA 2021 LVMH <https://www.lvmh.fr/actionnaires/agenda/assemblee-generale-2021/>

The Bank's Position

As a Quebec-based organization governed by a federal charter, the Bank is proud to voluntarily comply with the Charter of the French Language and other regulations applicable in Quebec, including those that pertain to language in the workplace and in our communications with our customers and shareholders.

On a day-to-day basis the Bank ensures that it preserves and promotes the use of the French language both among the Bank's employees and within operations across Canada. All of the Bank's employees are encouraged to work in the language of their choice. In addition, the Bank holds a francization certificate and has established a francization committee which is made up of seven members, the majority of whom represent employees. The committee reviews and approves the triennial report that is submitted to the Office québécois de la langue française and holds meetings on various topics related to francization. In addition, on April 1, 2021, the Bank created the position of President, Quebec Market who acts as the CEO's key lieutenant in the Quebec market and provides advice on ways to further grow the Bank's presence and market share in Quebec. This new role was created in recognition of Laurentian Bank's historical roots in Quebec and the importance of Quebec to the Bank's future.

In an effort to promote meaningful dialogue with all of our shareholders, our annual meeting will be conducted equally in each of French and English. Any portion of our meeting conducted in English is simultaneously translated into French, and vice versa, and our meetings can easily and freely be listened to, in their entirety, in the participant's language of choice. All meeting material is available in French and English and all shareholders at our meetings are encouraged to ask questions and vote in the language of their choice.

We are committed to utilizing and promoting the French language in Quebec by ensuring that our employees, customers and shareholders can communicate with us, receive services or communications, and work, in French.

The Bank is proud of its deep 175 year old roots in Quebec and believes it has an important role to play in protecting and promoting the French language, which is a crucial element of its identity.

Consequently, the Board of Directors considers that it is neither advisable nor desirable to adopt this proposal, and recommends voting AGAINST the proposal.

PROPOSAL 8 - Materiality Matrix (translation)

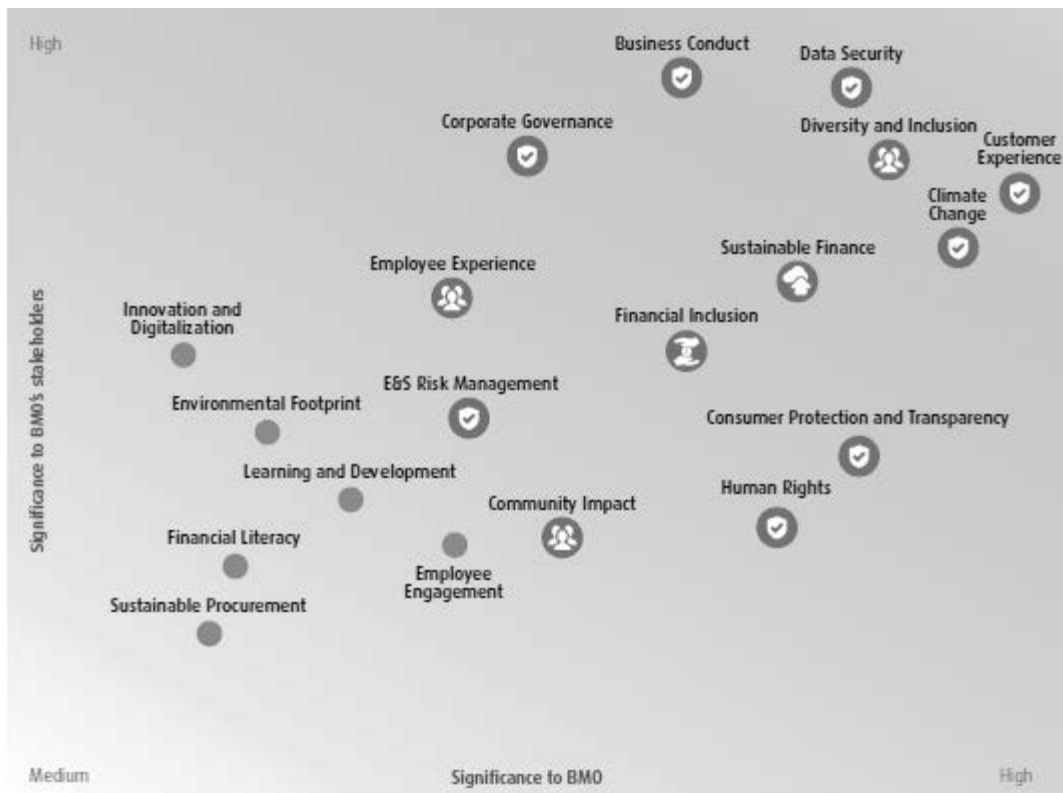
It is proposed that the Bank include, in its annual social responsibility report, a materiality matrix to better understand the sustainability topics of the Bank in relation to the priorities of the institution and the expectations of its stakeholders.

Arguments

Your response to our 2021 proposal about the Bank's purpose (that received a 11.95% support rate among shareholders) allows us to be certain that you will include the Bank's purpose and mission oversight responsibility in the charter of the board of directors. Your response also leads us to believe that you are seeking input from shareholders and investor groups throughout the year on a variety of topics, including the Bank's approach to corporate governance, your approach and strategies relating to the environment, diversity and inclusion, as well as financial performance and strategy. It would be appropriate for all stakeholders to be informed of the results of this consultation about their interests and the alignment of those interests with the priorities of the Bank.

In this regard, we are clarifying our request by asking you to further expand on your [sustainability] topics with the addition, in your social responsibility report, of a matrix about the materiality of your topics in relation to their significance to the Bank and to the stakeholders (see BMO Sustainability Report, page 13³⁹) (in accordance with the approach prescribed by the Global Reporting Initiative (GRI)).

³⁹ <https://our-impact.bmo.com/wp-content/uploads/2021/03/BMO-2020-ESG-PAS-accessible-1-1.pdf>.



The Bank's Position

Laurentian is moving from a Social Responsibility Report to an ESG Report for 2021. ESG reporting will build on the Bank's past Social Responsibility Reporting to provide additional transparency on the Bank's ESG activities and metrics, including select metrics from the SASB standards that apply to the Bank's business lines. It is important for the Bank's ESG reporting to reflect the ESG topics that are relevant to the Bank's stakeholders; therefore the Bank initiated an ESG materiality assessment process in October, which involved internal and external stakeholder engagement. This materiality assessment aligns with the Global Reporting Initiative (GRI) sustainability standards. The Bank will publish the materiality matrix in the Bank's ESG report in March, and materiality assessment will be a part of the Bank's standard ESG reporting progress going forward.

As agreed with MÉDAC, this proposal is not being submitted to a shareholder vote.

PROPOSAL 9 - Circular Economy (translation)

Since this proposal was supported by over 12% of the Bank's shareholders, we are submitting it again: It is proposed that the Bank reports on the loans it granted in the last few years in support of the circular economy.

Arguments

We have noted your environmental initiatives. However, our proposal aims to inform all stakeholders on the loans granted in support of the circular economy.

For several years, the United Nations Environment Program⁴⁰ (UNEP) has been calling for an urgent decoupling of natural resource use and environmental impacts from economic growth, stressing the unprecedented degradation of ecosystems and the ever-increasing greenhouse gas (GHG) emissions. It should also be reminded that on a global scale, not even 9% of extracted resources⁴¹ are being reintegrated in the economy after an initial cycle of use.

We therefore feel strongly about the disclosure of this information. It will enable the Bank to set circular economy financing objectives and report on the achievement of these objectives in its annual reports.

The Bank's Position

As discussed in greater detail in the Bank's ESG Report, the ongoing integration of ESG factors into strategic, risk management and other practices is a key area of focus for the Bank. In particular, the Bank recognizes that finding opportunities to reduce

⁴⁰ <https://www.resourcepanel.org/reports/decoupling-natural-resource-use-and-environmental-impacts-economic-growth>.

⁴¹ <https://www.circularity-gap.world/2020>.

waste and greenhouse gas emissions begins with establishing a corporate culture that supports environmental and social consciousness at all levels of the organization. In this regard, the Board and management play an important role in establishing the 'tone from the top' that drives desired behaviours and attitudes.

The Bank is proud to participate in the green bond market to help finance key eco-friendly projects. In 2021, Laurentian Bank Securities participated in the financing of over \$6.3 billion in green and sustainable bonds to help fund key eco-friendly projects. We proudly support our Laurentian Bank Securities and Commercial Banking customers who are committed to building sustainable businesses. Members of our team actively manage a renewable energy portfolio that primarily provides financing to solar energy projects. In contrast, less than 0.5% of our total loan portfolio is related to mining, quarrying and oil and gas. In 2021, we expanded the ESG product offering to meet growing customer demands for environmentally responsible investments: launched two ESG-related Mackenzie Funds, distributed by LBC Financial Services Inc. and launched a new ESG equity-linked Guaranteed Investment Certificate (GIC) called the Canadian Sustainability ActionGIC.

Our corporate offices in Toronto and Montréal are in LEED-certified buildings (Gold and Silver, respectively). The eco-friendly features and smart design elements of these buildings enable the Bank to increase its energy efficiency and thus have a significant impact on the achievement of global environmental objectives. Further, since 2015, we've been reducing the carbon emissions footprint of our operations and supporting renewable energy in Canada by choosing green electricity for the Montreal and Toronto corporate offices through our partnership with Bullfrog Power, Spark Power's sustainability division.

In addition, the Bank has adopted a mindset of reducing, reusing and recycling. We ensure existing paper supplies are managed in a way that maximizes recycling efforts and minimizes waste. We encourage all team members to use re-usable bottles and cups to reduce their dependency on plastic bottles. We have installed sorting stations for garbage, recycling and green waste to ensure optimal management. We also promote green ways to get to work. The Bank's corporate offices are easily accessible to public transit and include areas to park hybrid vehicles and have abundant space for bicycles. Further, the Bank is pivoting to a work-from-home first hybrid model with the effect of reducing employees' commute to the office.

Last year, the Bank adopted notice-and-access to provide electronic versions of meeting materials online, rather than mailing paper copies of these materials to shareholders. The notice-and-access mechanism provides quicker access to the meeting materials while contributing to environmental protection by reducing tree, water and energy consumption.

We believe that the foregoing demonstrates the Bank's commitment to the circular economy. However, it is difficult to track the Bank's lending and financing to specific outcomes, including contributions to the circular economy. We understand that clear definitions of the circular economy and what this represents in the real economy are still being developed. Accordingly, the Bank is currently unable to accurately report and quantify the loans that it has granted in support of the circular economy beyond what is set forth above and in the Bank's ESG Report. The Bank's disclosure will continue to evolve as new material topics, such as the circular economy, emerge.

For additional information, please consult the Bank's ESG Report, which is published on the Bank's website.

Consequently, the Board of Directors considers that it is neither advisable nor desirable to adopt this proposal, and recommends voting AGAINST the proposal.

PROPOSAL 10 - Withhold Votes Against Directors (translation)

It is proposed that the Bank disclose the measures it adopted to restore shareholder confidence in its capacity to increase performance.

Arguments

During the last annual meeting, over 11% of votes were withheld against five directors out of eleven. This is a cause of concern. While the compensation policy might explain to a certain extent the shareholder dissatisfaction with these directors, another plausible explanation is that shareholders are expressing serious concern about the transformation plan initiated by the former CEO, which led to branch closures and mergers, the transition from over-the-counter services to advisory services and digital offerings, and difficult labour relations.

It is therefore important that the Bank, at the 2022 annual meeting, submit a plan that will restore shareholder confidence in the possibility of better results in the coming years.

The Bank's Position

At the Bank's 2021 AGM, each of the Bank's nominees for director received more than 88% of the votes in favour of their election to the Board. While the Board considers this to reflect a strong level of shareholder support it is committed to understanding any concerns and taking meaningful and appropriate actions in response.

Continuous dialogue with shareholders and other stakeholders is a key priority. Accordingly, the Board facilitates open and constructive communication and regularly reviews its engagement strategies for alignment with best practices. Feedback from institutional shareholders and other stakeholders comes from one-on-one or group meetings, and by email or telephone from retail shareholders, in addition to regular informal interactions on specific questions between the Bank's Investor Relations Department and shareholders. In addition, the Board has retained Kingsdale Advisors to review voting results, gain further insight into any potential areas of concern and to ensure the Bank remains aligned with evolving best practices.

During the year, the chairs of the Board and Human Resources and Corporate Governance Committee held a number of shareholder engagement meetings to gain feedback from shareholders on the Bank's governance practices and ways to improve them. These meetings included discussions on diverse issues including the Bank's renewed strategic plan, response to the COVID-19 pandemic, executive compensation, board diversity and renewal, environmental, social and governance matters and cybersecurity. Together with management the Board has worked over the year to be responsive to shareholder concerns and to improve the Bank's executive compensation approach, governance practices and disclosure.

As described elsewhere in this management information circular, each director is subject to a formal annual evaluation process. In addition, this year the HRCG Committee also engaged Hugessen Consulting Inc., an independent consultant, to conduct an in depth review and evaluation of the results of the Board's 2021 self-assessment questionnaires and to compile and report on the results to the HRCG Committee.

In addition, the Bank has adopted a Majority Voting Policy for the election of directors. Pursuant to the Majority Voting Policy, if a director standing for election or re-election in an uncontested election does not receive the vote of at least a majority of the votes cast at any meeting for the election of directors at which a quorum is present, the director will promptly tender his or her resignation to the Board. Within 90 days after the election results, the Board will decide whether to accept or reject the resignation and the Board's decision will be publicly disclosed.

Consequently, the Board of Directors considers that it is neither advisable nor desirable to adopt this proposal, and recommends voting AGAINST the proposal.

PROPOSAL 11 - Purpose (translation)

It is proposed that the Bank's Board of Directors and Management clarify the purpose of the Laurentian Bank as an organization, and that one of the Board's committee be mandated to monitor the implementation of the policies, commitments and initiatives developed to give effect to this new strategic orientation, particularly as it relates to health, environment, human resources, and relations with stakeholders.

Arguments

Since this proposal was supported by 11.95% of shareholders last year, we are submitting it again. As mentioned in your answer: "...the ultimate oversight and responsibility for the Bank's purpose and mission resides with the Board..." However, in order for such a notion of purpose to transition from marketing slogan to reality, it needs to be tangibly articulated in the governance practices of the institution.

Hence the objective of this proposal is that the purpose be mentioned in the charter of each relevant committee to guide the execution of committee duties.

The Bank's Position

The Board is responsible for guiding and overseeing the Bank's strategy and mission, and for holding management accountable for the execution and achievement of key priorities. Pursuant to its recently updated mandate, the Board sets the tone with respect to the culture of integrity and ethical behaviour across the Bank and is responsible for defining the corporate purpose of the Bank.

In 2021, management and the Board worked together to reset and rebuild the Bank's culture, reinforced by a new purpose and core values to help guide the Bank's employees. In December 2021, the Board approved a renewed strategic plan that positions the Bank for long-term growth and drives investor confidence in the Bank's path forward. The Bank's company culture is the driving force behind the Bank's strategic plan and helps define its value proposition in the market by bringing a differentiated approach to customers.

Our new strategic plan outlines the Bank's purpose, manifesto and values, which are the foundation of its culture:

- **Purpose (Why we Exist):** We believe we can change banking for the better. By seeing beyond numbers to bring hopes and dreams to life. Better begins when everyone feels like they belong and have the chance to thrive.
- **Manifesto (What We Believe):** We believe: Everyone deserves a chance - to be listened to, inspired and cheered for; We can change banking for the better; That we're stronger when everyone's stronger.
- **Values (How we Behave):** We place the Customer First. We work as One Team. We act Courageously. We are Results Driven. We believe Everyone Belongs.

Our new strategic plan has 5 pillars:

1. **Make Size Our Advantage:** Leverage the Bank's size to create a competitive advantage in specialized markets and remain agile in assessing new opportunities.
2. **Build One Winning Team:** Work across boundaries, putting the Bank ahead of individual or team interests, in an environment where everyone belongs and thrives.
3. **Think Customer First:** Create a culture with a relentless focus on the customer.
4. **Simplify:** Streamline internal operations and enhance efficiencies..

5. **Make the Better Choice:** From the businesses we're in, to the people we hire, and the suppliers we use, we will live up to the Bank's values and integrate environmental, social, and governance best practices.

These strategic pillars are not merely marketing slogans, they will guide everything that the Bank does. The Bank will continue to report on the implementation of the its strategic plan in the future through the Bank's various reports, including the Bank's annual reports, management information circulars and ESG Report.

We believe that the Bank's purpose and priorities, as outlined in the Bank's new strategic plan, together with the Bank's Board and committee mandates and other governance policies and practices, fully addresses the concerns raised in the proposal.

Consequently, the Board of Directors considers that it is neither advisable nor desirable to adopt this proposal, and recommends voting AGAINST the proposal.

SCHEDULE B

ANNUAL MEETING OF SHAREHOLDERS

CODE OF PROCEDURE
(the "Code")

1. Application

This Code shall govern the conduct of the annual meetings of shareholders ("**Meeting**") of Laurentian Bank of Canada (the "**Bank**"). It is a complement to the provisions of the *Bank Act* (Canada), including the regulations or guidelines thereunder ("**Act**"), and to the Bank's General By-Laws ("**By-Laws**"). In case of conflict, the Act shall prevail.

In order to facilitate a fair and productive Meeting, the Bank asks your cooperation in observing the following procedures:

2. Business of the Meeting

The business to be conducted at the Meeting is set forth in the Notice of Meeting and Management Proxy Circular (the "**Circular**"). We will strictly follow the agenda of Meeting as set out in the Circular.

3. Registered Shareholders and Beneficial (Non-Registered) Shareholders

Only persons shown on the register of shareholders at the close of business on February 4, 2022 and duly appointed proxyholders (including beneficial or non-registered shareholders who have duly appointed themselves as proxyholders), will be entitled to vote at the Meeting. Please follow the instructions provided in the Circular to participate at the Meeting. If you have voted your shares prior to the start of the Meeting, and your vote has been received by the Bank's scrutineers, then there is no need to vote those shares during the Meeting, unless you wish to revoke or change your vote.

Shareholders and duly appointed proxyholders entitled to vote at the Meeting may vote by proxy in advance of the Meeting. Beneficial or non-registered shareholders who have not duly appointed themselves as proxyholders will be able to attend the Meeting as guests. Guests are able to attend the Meeting but are not able to submit questions or vote their shares (if any).

4. Questions

Shareholders and duly appointed proxyholders may submit questions during the Meeting in person when a question period is opened or if attending virtually, by using the "Ask a Question" field provided in the web portal or in advance of the Meeting by contacting : corporate_secretariat@lbcfg.ca. Questions may be submitted at any point in advance of, or during, the Meeting but must be submitted prior to the commencement of voting on the matter to which they relate. Subject to this Code, all questions relating to a matter subject to a vote at the Meeting will be addressed prior to the closing of voting on such matter.

Following termination of the formal business of the Meeting, the Bank will address any appropriate general questions received from shareholders and duly appointed proxyholders regarding the Bank.

5. Pertinence and Good Order

In order to facilitate a respectful and effective Meeting, only questions of general interest to all shareholders will be answered. If your question is related to an individual matter, please contact the Bank's Investor Relations department by sending an e-mail to: investor_relations@lbcfg.ca.

Any questions pertinent to the Meeting that cannot be answered during the Meeting will be posted online and answered at <https://lbcfg.ca/investors-centre/>.

6. Recording

A recording of the webcast will be available on Bank's website for approximately one year from the date of the Meeting. Any other recording of the Meeting is prohibited.

7. Language of Choice

The Meeting will be conducted equally in each of French and English. Any portion of the Meeting conducted in English is simultaneously translated into French, and vice versa, and the Meeting can easily and freely be listened to, in its entirety, in the participant's language of choice. All Meeting material is available in French and English and all shareholders at the Meeting are encouraged to ask questions and vote in the language of their choice.

SCHEDULE C

MANDATE OF THE BOARD OF DIRECTORS

This mandate provides terms of reference for the Board of Directors (the “**Board**”) of the Laurentian Bank of Canada (the “**Bank**”).

In accordance with the *Bank Act* (Canada) (the “**Bank Act**”), the Board supervises the management of the business and affairs of the Bank to ensure its profitability and development. The Board delegates the day-to-day management of the Bank’s activities to management, under the direction and oversight of the President and Chief Executive Officer.

The Board sets the tone with respect to the culture of integrity and ethical behaviour across the Bank, and is responsible for defining the corporate purpose of the Bank. The Board oversees Bank strategy and the management of risk, including risks related to environment, social and governance developments (“ESG”).

This mandate is reviewed as required, and in any event no less than annually.

As part of its general responsibility for supervising the management of the Bank, and in addition to carrying out its statutory obligations, the Board exercises the following functions directly or through its committees:

1. Strategic Planning

- 1.1 Overseeing the Bank’s strategic planning process, and annually approving the strategic plan, capital plan and financial plan and monitoring performance against such plans proposed by the Bank’s management, taking opportunities and risks into account as well as emerging trends and the competitive environment in the industry.
- 1.2 Approving the annual budget, including the budget and resources in business plans and for oversight functions, and following up on their implementation.
- 1.3 Reviewing, approving and monitoring performance against the Bank’s financial objectives, including significant capital allocations and expenditures.
- 1.4 Approving the declaration and payment of dividends as required.
- 1.5 Approving important transactions outside the ordinary course of business and significant changes in orientation or strategy.

2. Risk Management and Internal Controls

- 2.1 Confirming the Bank’s principal risks and the implementation of systems capable of managing them appropriately.
- 2.2 Approving material risk frameworks, plans and policies, including the Bank’s risk appetite framework, risk management framework and regulatory risk management policy.
- 2.3 Overseeing the integrity and effectiveness of internal control and management information systems.
- 2.4 Recommending the appointment of the external auditor to shareholders, approving the external auditor’s mission and compensation, and reviewing its competence, independence, and the adequacy of its resources.
- 2.5 Approving the selection of officers in charge of internal oversight functions (including internal audit, risk management and regulatory risk management) and reviewing their competence, independence, and the adequacy of their resources.
- 2.6 Overseeing the Bank’s crisis management and recovery plans in accordance with applicable law and regulations.
- 2.7 Approving the delegation of general authority (including signing authority) for and to Bank officers and employees as required.

3. Organizational Structure

- 3.1 Periodically reviewing the overall organizational structure of the Bank.
- 3.2 Appointing or dismissing the President and Chief Executive Officer if required.
- 3.3 Developing a clear job description for the President and Chief Executive Officer, establishing objectives and employment terms and conditions, evaluating performance and determining compensation for the role.
- 3.4 Approving senior executive and officer appointments, setting their objectives, evaluating their performance and determining their compensation.
- 3.5 Approving an overall compensation framework (including, among other things, incentive compensation and pension plans) for all officers and employees.
- 3.6 Establishing a succession plan for senior executives and officers, particularly for the President and Chief Executive Officer.
- 3.7 Ensuring the President and Chief Executive Officer and other senior executives and officers demonstrate and create a culture of integrity throughout the Bank.

4. Corporate Governance

- 4.1 Adopting applicable corporate governance rules, including appropriate structures and procedures to allow the Board to function independently of management.
- 4.2 Reviewing the Board’s membership, compensation and size.
- 4.3 Establishing Board committees to assist the Board in carrying out its duties and responsibilities and approving committee mandates and membership.
- 4.4 Leading the recruitment, orientation, integration and ongoing education of Board members submitted to the Bank’s shareholders for election.
- 4.5 Adopting a Board and Board committee assessment process to evaluate the effectiveness of Board members’ performance.
- 4.6 Developing clear job descriptions for the chair of the Board and the chair of each Board committee.
- 4.7 Establishing rules concerning membership on other boards so that no more than two directors sit on the Board of the same public issuer unless authorized by the chair of the Board.
- 4.8 Adopting a Code of Conduct for Board members and ensuring compliance with its provisions.
- 4.9 Overseeing Board structure and governance activities of the Bank’s subsidiaries.

5. Communication and Public Disclosure

- 5.1 Reviewing and approving, at a minimum, the following disclosure documents:
 - the annual and interim financial statements, results and related press releases and management discussion and analysis (or such other reports as may be required under relevant law from time to time);
 - relevant portions of the annual information form and other public disclosure documents; and
 - shareholder communications that require Board approval prior to publication by the Bank.
- 5.2 Ensuring the relevant documents include measures by which shareholders and other stakeholders can communicate with the Bank.
- 5.3 Approving the disclosure policy and ensuring the integrity of the disclosure documents prepared in accordance with the policy.
- 5.4 Meeting with regulatory authorities to discuss their findings and recommendations, and overseeing implementation by management.

6. Meetings

- 6.1 The Board shall meet no less than four times each year as required by the Bank Act.
- 6.2 The procedures for calling and conducting Board meetings shall be followed as set out in the Bank's bylaws as amended from time to time. The Board may invite to any Board meeting any officer or employee of the Bank or such other person as it deems appropriate in order to carry out its responsibilities, and may also exclude from any Board meeting any person it deems appropriate in order to carry out its responsibilities.

7. Policies

- 7.1 The Board will review policies periodically in accordance with the Bank's Policy on Corporate Documents as amended from time to time.
- 7.2 This mandate should be read together with other Bank policies and internal documents to ensure (i) an understanding of the Bank's overall governance framework and (ii) a consistent application of procedural requirements.

