LAURENTIAN BANK
OF CANADA

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Notice is hereby given that the annual meeting of the shareholders of Laurentian Bank of Canada (the "Bank") will be held at the Mount Royal Centre, 2200 Mansfield Street, in Montreal, Quebec, on Thursday, March 20, 2003 at 9:00 a.m. for the following purposes:

1) to receive the consolidated financial statements of the Bank for the year ended October 31, 2002 and the auditor's report thereon;

2) to elect directors for the ensuing year;

3) to appoint the auditor;

4) to consider and if deemed fit adopt a special resolution confirming the amendment to By-law XII of the Bank's General By-laws relating to the aggregate annual remuneration of the directors of the Bank (the text of this special resolution is reproduced as Schedule A to the attached Management Proxy Circular);

5) to consider and if deemed fit adopt a shareholder's proposals (the text of these proposals is reproduced as Schedule B to the attached Management Proxy Circular);

6) to transact such other business as may properly be brought before the meeting.

As of February 5, 2003, the number of eligible votes that may be cast at the meeting in respect of each separate vote to be held at the meeting is 23,412,313, except for the election of directors, where the number of eligible votes that may be cast by cumulative voting is 351,184,695.

Proxies to be used at the meeting must be received by the Bank's transfer agent, Computershare Trust Company of Canada, Stock Transfer Services, 1500 University Street, Suite 700, Montreal, Quebec H3A 3S8, prior to the close of business on March 19, 2003, or hand-delivered at the registration table on the day of the meeting prior to the commencement of the meeting.

By order of the Board of Directors,

Suzanne Masson
Secretary

Montreal, Quebec, January 21, 2003

If you are a registered shareholder of the Bank and do not expect to be present in person at the meeting, please complete, date, sign and return the enclosed form of proxy in the accompanying postage prepaid envelope. Your shares will be voted in accordance with your instructions as indicated on the proxy.

IMPORTANT INSTRUCTIONS REGARDING VOTING AND PROXIES

INSTRUCTIONS FOR REGISTERED SHAREHOLDERS

Voting through a proxyholder proposed on the enclosed proxy form — If you do not expect to be present in person at the meeting and wish to appoint the persons proposed as proxyholders on the enclosed proxy form to represent you at the meeting, simply complete, date, sign and return the enclosed form of proxy in the accompanying postage prepaid envelope within the delays indicated on the Notice of Meeting (or deliver it at the registration table on the day of the meeting prior to the commencement of the meeting). Your shares will be voted in accordance with your instructions as indicated on the proxy.

Voting in person — If you wish to vote in person at the meeting, you must present yourself at the registration table at least one hour prior to the commencement of the meeting in order to obtain your ballot cards. You must have with you the enclosed invitation and personal identification.

Voting through a proxyholder other than a proxyholder proposed on the enclosed proxy form — If you do not expect to be present in person at the meeting and wish to appoint a person other than the persons proposed as proxyholders on the enclosed proxy form to represent you at the meeting, please strike out the two names appearing on the proxy form and enter the name of the desired representative in the blank space provided, complete, date, sign and return the enclosed form of proxy in the accompanying postage prepaid envelope within the delays indicated on the Notice of Meeting (or deliver it at the registration table on the day of the meeting prior to the commencement of the meeting). Your proxyholder must present himself or herself at the registration table at least one hour prior to the commencement of the meeting in order to obtain his or her ballot cards. Your proxyholder must have with him or her the enclosed invitation, personal identification and the original of your proxy (unless it was already provided to Computershare Trust Company of Canada within the delays indicated on the Notice of Meeting).

INSTRUCTIONS FOR UNREGISTERED* SHAREHOLDERS

Voting through a proxyholder proposed on the instruction form or proxy form — If you do not expect to be present in person at the meeting and wish to appoint the persons proposed as proxyholders on the instruction form or proxy form that your intermediary sent to you to represent you at the meeting, please complete the instruction form or proxy form and return it to your intermediary in accordance with the specific instructions provided to you by your intermediary. Your shares will be voted in accordance with your instructions as indicated on the instruction form or proxy form.

Voting in person — If you wish to vote in person at the meeting, please enter your name in the appropriate space on the instruction form or proxy form that your intermediary sent to you and return it to your intermediary in accordance with the specific instructions provided to you by your intermediary. You must present yourself at the registration table at least one hour prior to the commencement of the meeting in order to obtain your ballot cards. You must have with you the enclosed invitation and personal identification.

Voting through a proxyholder other than a proxyholder proposed on the instruction form or proxy form — If you do not expect to be present in person at the meeting and wish to appoint a person other than the persons proposed as proxyholders on the instruction form or proxy form that your intermediary sent to you to represent you at the meeting, please enter the name of the desired representative in the appropriate space on the instruction form or proxy form and return it to your intermediary in accordance with the specific instructions provided to you by your intermediary. Your proxyholder must present himself or herself at the registration table at least one hour prior to the commencement of the meeting in order to obtain his or her ballot cards. Your proxyholder must have with him or her the enclosed invitation and personal identification.

* If your shares are held through an intermediary (such as a securities broker, a clearing agency, a financial institution, a trustee, a custodian, etc.) you are considered an **unregistered** shareholder.

Please also refer to the Notice of Annual Meeting of Shareholders and to the sections of the Management Proxy Circular captioned "Appointment of Proxyholders and Revocation of Proxies", "Voting of Proxyholders" and "Voting Rights, Voting Shares and Principal Holders" which contain further instructions on how to appoint a proxyholder or revoke a proxy. Should you have any questions regarding voting and proxies, you may contact Computershare Trust Company of Canada by telephone at (514) 982-7270 or at 1-800-564-6253 or by e-mail at the following address: caregistryinfo@computershare.com.

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MANAGEMENT PROXY CIRCULAR

SOLICITATION OF PROXIES

This Management Proxy Circular (the "Circular") is provided in connection with the solicitation by the management of Laurentian Bank of Canada (the "Bank") of proxies to be used at the annual meeting of the shareholders of the Bank, which will be held at the date, time and place and for the purposes set forth in the accompanying Notice of Meeting, and at any adjournment thereof. Solicitation of proxies will be made by mail as well as by telephone or other personal contact by employees. The Bank may also use the services of a solicitation agent, ADP Investor Communications, to solicit proxies at a cost estimated to be $2,000; all costs thereof will be borne by the Bank. The head office of the Bank is located at 1981 McGill College Avenue, Montreal, Quebec H3A 3K3.

APPOINTMENT OF PROXYHOLDERS AND REVOCATION OF PROXIES

The persons proposed as proxyholders on the attached proxy form are directors of the Bank. Subject to the restrictions mentioned under "Voting Rights, Voting Shares and Principal Holders", **a registered shareholder who wishes to appoint another person to represent him at the meeting may do so by striking out the two names appearing on the proxy form and entering the name of the desired representative in the blank space provided.** A person is not required to be a shareholder of the Bank in order to act as a proxyholder.

The instrument appointing a proxyholder must be in writing and must be signed by the shareholder or by an attorney authorized in writing. A shareholder who has given a proxy may revoke it by signing, in person or through an attorney authorized in writing, a written instrument and by depositing such instrument with the Secretary of the Bank at 1981 McGill College Avenue, 20th Floor, Montreal, Quebec H3A 3K3, at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof, or with the Chairman of the meeting on the day of the meeting, or any adjournment thereof, prior to the commencement of the meeting, or in any other manner permitted by law.

VOTING OF PROXYHOLDERS

All valid proxies received by the Bank, through Computershare Trust Company of Canada at the place set forth in the accompanying Notice of Meeting, prior to the close of business on March 19, 2003 will be used for purposes of voting at the meeting or any adjournment thereof in accordance with the terms of the proxy or the wishes of the shareholder as specified thereon.

The enclosed form of proxy, when duly signed, confers discretionary authority on the persons named as proxyholders on the enclosed proxy form with respect to any matter on which no choice is specified, to all amendments or variations to matters stated in the Notice of Meeting and to 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 AGAINST the shareholder's proposals and FOR all other matters stated on the Notice of Meeting.

The directors and officers of the Bank are not aware of any matter, other than those stated in the Notice of Meeting or this Circular, which might be submitted to the meeting.

VOTING RIGHTS, VOTING SHARES AND PRINCIPAL HOLDERS

As of the date of this Circular, 23,412,313 common shares of the Bank were outstanding.

Except for the election of directors, each common share entitles the registered holder thereof to one vote on each ballot taken at any general meeting of the shareholders of the Bank. As for the election of directors, cumulative voting as described in the section "Election of Directors", is used. The votes may on any ballot be cast in person or by proxy.

The holders of common shares may either vote for or withhold from voting in 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 properly be brought before the meeting.

Only holders of shares registered on the registers of the Bank at the close of business on February 5, 2003, or their duly appointed proxyholders, will be entitled to attend or to vote at the meeting, unless shares are transferred after that date and the transferee establishes that he owns the shares and demands, at least 10 days before the meeting, that the transferee's name be included on the list of shareholders entitled to vote.

To the knowledge of the directors and officers of the Bank, no shareholder beneficially owns, directly or indirectly, or exercises control or direction over, 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 shares of the Bank.

METHOD OF VOTING

Under section 8 of By-law III of the General By-laws of the Bank, voting at shareholders' meetings is by show of hands unless the Chairman of the meeting or any shareholder or proxyholder entitled to vote requests a vote by ballot. Such a request may be made before or after the vote by show of hands.

RULES OF ORDER

A code of procedure was used at the last five annual meetings in order to specify shareholders' rights and facilitate deliberations at the meeting. The code will be used again this year. Schedule D of this Circular contains the text of this code.

PRESENTATION OF FINANCIAL STATEMENTS

The shareholders present at the meeting will receive the Bank's consolidated financial statements for the year ended October 31, 2002 (the “Financial Statements”) and the auditor's report thereon. The Financial Statements were prepared in accordance with Canadian generally accepted accounting principles, including the accounting requirements specified by the Office of the Superintendent of Financial Institutions (Canada).

ELECTION OF DIRECTORS

The holders of common shares will elect 15 directors to hold office until the close of the next annual meeting of the shareholders or until the election or appointment of their successors.

Under section 8.1 of By-law III of the General By-laws of the Bank, the directors must be elected by cumulative voting of shareholders entitled to vote. For cumulative voting, the shareholders have the right to cast a number of votes equal to the number of votes attached to their shares, multiplied by the number of directors to be elected, and the votes may be distributed among one or several of the candidates in any manner. A shareholder who has voted for more than one candidate, without any further instruction, is deemed to have distributed the votes equally among the candidates. The shareholders present at the meeting may, unanimously, adopt a resolution permitting to hold the election of directors by a single vote.

The persons named on the following list, in the opinion of management, are qualified to direct the Bank's activities for the ensuing year. All nominees have formally established their eligibility and willingness to serve on the Board of Directors of the Bank.

It is the intention of the persons proposed as proxyholders on the enclosed proxy form to vote for the election of the nominees named herein unless specifically instructed on the proxy form to withhold such vote on such question or with respect to one or several of such nominees.

The following table presents, on the date hereof, the name and municipality of residence of the nominees for election as director, together with their principal occupation and business, their position within the Bank, the date on which they became directors of the Bank, the number of common shares and stock options of the Bank and its subsidiaries beneficially owned, directly or indirectly, or over which they exercise control or direction and the number of deferred stock units of the Bank credited.

Name and municipality of residence	Principal occupation and business	Director since	Number of common shares / stock options / deferred stock units
Jean Bazin Verdun, Qc	Partner Fraser Milner Casgrain (Lawyers)	September 1st, 2002	(a) 3,245 (b) 0 (c) 0 (d) 2,000 (e) 3,500
Richard Bélanger Lac-Beauport, Qc	President and Chief Executive Officer Daaquam Lumber Inc. (Forestry industry)	---	(a) 800 (b) 0 (c) 0 (d) 0 (e) 0
Ève-Lyne Biron Candiac, Qc	President and General Manager Laboratoire Médical Biron Inc. (Medical laboratory)	---	(a) 0 (b) 0 (c) 0 (d) 0 (e) 0
Ronald Corey Westmount, Qc	President Ronald Corey Groupe Conseil ltée (Consulting and management company)	June 1st, 1994	(a) 2,380 (b) 0 (c) 3,237 (d) 500 (e) 3,500
L. Denis Desautels Ottawa, Ont.	Executive Director, Centre on Governance University of Ottawa (University) Chairman of the Board Laurentian Bank of Canada (as of March 17, 2003)	December 4, 2001	(a) 742 (b) 0 (c) 0 (d) 0 (e) 0
Jean-Guy Desjardins Westmount, Qc	President and Chief Executive Officer Fiera Capital Inc. (Holding corporation)	August 1st, 2002	(a) 35,000 (b) 0 (c) 302 (d) 0 (e) 0
Réjean Gagné Laval-sur-le-Lac, Qc	Chairman of the Board and Chief Executive Officer Famcorp Inc. (Management company)	June 26, 1980	(a) 80,000 (b) 0 (c) 0 (d) 0 (e) 3,500
Christiane Germain Montreal, Qc	President Germain Group Inc. (Hotel services)	February 8, 2001	(a) 996 (b) 0 (c) 0 (d) 500 (e) 3,500
Georges Hébert Town of Mount-Royal, Qc	Business consultant	June 5, 1990	(a) 5,000 (b) 0 (c) 0 (d) 5,000 (e) 3,500

Name and municipality of residence	Principal occupation and business	Director since	Number of common shares / stock options / deferred stock units
Veronica S. Maidman Toronto, Ont.	Chair, Advisory Council Equifax Canada Inc. (Credit information management company)	February 8, 2001	(a) 996 (b) 0 (c) 0 (d) 1,000 (e) 3,500
Raymond McManus Baie d'Urfé, Qc	President and Chief Executive Officer Laurentian Bank of Canada	April 25, 1988	(a) 2,080 (b) 100,000 (c) 1,734 (d) 2,000 (e) 53,500
Pierre Michaud Montreal, Qc	Co-Chairman of the Board Réno-Dépôt Inc. (Retailer of building supplies) Chairman of the Board Provigo Inc. (Distributor of food products) Vice-Chairman of the Board Laurentian Bank of Canada	January 26, 1990	(a) 15,585 (b) 0 (c) 4,629 (d) 0 (e) 3,500
Gordon Ritchie Ottawa, Ont.	Chairman, Public Affairs Hill and Knowlton Canada Ltd. (Public policy consulting firm)	---	(a) 0 (b) 0 (c) 0 (d) 0 (e) 0
Dominic J. Taddeo Kirkland, Qc	President and Chief Executive Officer Montreal Port Authority (Port authority)	January 22, 1998	(a) 3,128 (b) 0 (c) 0 (d) 500 (e) 3,500
Jonathan I. Wener Hampstead, Qc	Chairman of the Board Canderel Management Inc. (Commercial real estate)	January 22, 1998	(a) 4,221 (b) 0 (c) 0 (d) 14,000 (e) 3,500

(a) Common shares of the Bank
(b) Stock options of the Bank
(c) Deferred stock units of the Bank
(d) Common shares of B2B Trust
(e) Stock options of B2B Trust

According to paragraph 157 (2) (a) of the *Bank Act* (Canada), the Board of Directors of the Bank is required to have an Audit Committee. At the date hereof, the members of such committee are Mr. L. Denis Desautels (chair), Mrs. Jill Bodkin, Mr. Jon K. Grant, Mrs. Margot Northey and Mr. Dominic J. Taddeo. The Executive Committee of the Board of Directors of the Bank was abolished on November 7, 2002.

All directors have held the positions shown or held management responsibilities in the same or related companies in the last five years, with the exception of Mr. Ronald Corey who, before May 2001, was Corporate Director and before August 1999, was President of Club de Hockey Canadien and the Molson Centre; Mr. L. Denis Desautels who, before March 2001, was Auditor General of Canada; Mr. Jean-Guy Desjardins who, before April 2002, was advisor to the management of TAL Global Asset Management Inc. and, before October 2001, was Chairman of the Board, President and Chief Executive Officer of TAL Global Asset Management Inc.; Mr. Georges Hébert who, before October 1998, was President of J. A. Provost Inc.; Mr. Raymond McManus who, before August 2002, was Chairman of the Board and Chief Executive Officer of Cafa Financial Corporation; and Mr. Gordon Ritchie who, before July 1999, was President and Chief Executive Officer of Strategico Inc.

The term of the mandate of each candidate, if elected, will extend to the end of the next annual shareholders' meeting.

Information concerning the number of securities held was provided by each candidate.

COMPENSATION OF DIRECTORS

During the last financial year, each director was entitled to receive $20,000 per annum for his services as a director, and, where applicable, $6,000 per annum for his services as chairman of a committee of the Board. The chairman of the Board received, as chairman, an additional remuneration of $75,000. In all cases, the directors were entitled to an attendance fee of $1,200 per meeting (or $200 per meeting held by telephone conference) as well as the reimbursement of their hotel and travel expenses.

However, directors who are officers of the Bank were not entitled to any compensation or attendance fee as members of the Board or of its committees.

Directors may elect to receive annually all or part of their compensation in the form of issued common shares of the Bank. This form of compensation is mandatory for the payment of a director's fixed compensation, until such time as the director holds at least 2,000 common shares of the Bank. The value of the shares is determined on the basis of the market price at the time of payment to the director.

Directors who hold at least 2,000 common shares may also elect to receive all or part of their compensation in the form of deferred stock units of the Bank. To receive deferred stock units, directors must so elect annually, at least one month before the commencement of the Bank's financial year. A deferred stock unit is a unit whose value is equivalent to the value of a common share of the Bank and takes into account other events affecting the stock (stock split, exchange of shares, spin-off, etc.). The units cannot be converted until a director leaves the Board and are paid at that time in cash or in shares. The number of units granted is established by dividing the amount payable to the director by the average price of a share of the Bank during the five trading days preceding the grant of units. The units also entitle their holders to an amount equal to dividend payments, which amount is paid in the form of additional deferred stock units. This plan is in force since February 1st, 2000.

Additional compensation may be paid to a director undertaking any special services beyond those ordinarily required of a director by the Bank. In the last financial year, only Messrs. Jon K. Grant and Alex K. Paterson received such compensation, namely $1,000 each for participation in an external meeting.

EXECUTIVE OFFICERS COMPENSATION

The aggregate compensation paid by the Bank and its subsidiaries to the executive officers of the Bank and its subsidiaries during the last completed financial year was $16.3 million, including the costs of severance or retirement allowances and of exercised stock appreciation rights ("SARs").

1. Variable Compensation

(a) *Short-term Incentive Compensation*

(i) Laurentian Bank Short-term Incentive Compensation

The short-term incentive compensation program for the Bank's senior management for the 2002 financial year takes into account both the Bank's performance and the performance of each member of senior management.

A bonus is payable under this program only if the Bank's return on common shareholders' equity ("RCSE") for the financial year in question reaches 10%. If this is attained, then bonuses are calculated according to the following formula:

Bonus	=	*Target Bonus* (23% to 60% of officer's base annual salary)	x	*Financial Performance Factor* (between 0.00 and 1.30)	x	*Individual Factor* (between 0.00 and 1.15)

The *Target Bonus* is established according to the hierarchical level and level of responsibility of each officer and varies from 23% of base annual salary for a vice-president to 60% in the case of the President and Chief Executive Officer of the Bank.

The *Financial Performance Factor* is based on the Bank's net income available to shareholders. For 2002, the threshold, target and maximum levels of net income available to shareholders with the corresponding factors were established as follows:

	(in thousands)	
Below threshold:	below $63,318	(factor of 0.00)
Threshold:	$63,318	(factor of 0.60)
Target:	$87,410	(factor of 1.00)
Maximum:	$105,479 and higher	(factor of 1.30)

The *Individual Factor* applicable to each member of senior management is determined based on the degree of attainment of his or her objectives, as presented in Section 7 "*Report of the Human Resources and Corporate Governance Committee*", up to a maximum factor of 1.15.

For the financial year ending October 31, 2002, the RCSE trigger was not attained. Consequently, no bonuses were paid under the program.

However, under the terms of their employment contracts, a bonus was guaranteed to Mr. Jacques Daoust and Mr. Charles Murphy for the year 2002. As for Mr. Bernard Piché, he is subject to B2B Trust's short-term incentive compensation program described below. Bonuses paid to the Named Officers in the last financial year are shown in Table 2 "*Summary Compensation Table of the Named Officers*".

(ii) B2B Trust Short-term Incentive Compensation

The executive officers of B2B Trust (a subsidiary of the Bank) are subject to B2B Trust's short-term incentive compensation program. For the 2002 financial year, this program takes into account B2B Trust's performance and the performance of each executive officer according to the following formula:

Bonus	=	*Target Bonus* (23% to 45% of officer's base annual salary)	x	*Financial Performance Factor* (between 0.00 and 1.30)	x	*Individual Factor* (between 0.00 and 1.15)

The *Target Bonus* is established according to the hierarchical level and level of responsibility of each officer and varies from 23% of base annual salary for a vice-president to 45% in the case of the President and Chief Executive Officer of B2B Trust.

The *Financial Performance Factor* is based on B2B Trust's net income. For 2002, the threshold, target and maximum levels of net income with the corresponding factors were established as follows:

	(in thousands)	
Below threshold:	below $17,526	(factor of 0.00)
Threshold:	$17,526	(factor of 0.60)
Target:	$24,726	(factor of 1.00)
Maximum:	$30,126 and higher	(factor of 1.30)

The *Individual Factor* applicable to each executive officer is determined based on the degree of attainment of his or her objectives, up to a maximum factor of 1.15.

For the financial year ending October 31, 2002, B2B Trust's net income reached $20.7 million, allowing bonuses to be calculated with a Financial Performance Factor of 0.77.

However, under this program, if the Bank's RCSE does not reach 10%, as was the case in the 2002 financial year, bonuses calculated as above are reduced by 50%.

(b) *Long-term Incentive Compensation*

(i) Laurentian Bank Phantom Share Plan (Stock Appreciation Rights Plan)

In 1995, the Human Resources Committee approved the establishment of a long-term incentive plan for officers who are members of the Planning Committee and other officers designated by the Committee. This is the Phantom Share Plan.

The Phantom Share Plan allows eligible officers to benefit from the appreciation of common shares of the Bank. Such SARs are granted on the basis of the market value of a common share of the Bank at the time of grant, being the arithmetic average of the weighted average trading prices of the shares negotiated at the Toronto Stock Exchange on the five days preceding the grant on which shares were negotiated. The appreciation is calculated on the basis of the market price of the Bank's share on the day preceding the exercise. The SARs become vested in 25% instalments beginning on the second anniversary of the date of granting, and may be held for a maximum of 10 years. The plan provides for the full vesting of all SARs following a change of control of the Bank. The appreciation is paid in cash. The holders of SARs have no shareholder rights. Certain other terms and conditions apply.

The Phantom Share Plan is administered by the Human Resources and Corporate Governance Committee.

During the 2002 financial year, 53,000 SARs were attributed to 37 participants. No grants were made to Named Officers. Detailed information concerning SAR exercises by the Named Officers is shown in Table 4 "*Aggregated Option and SAR Exercises during the Last Completed Financial Year (Named Officers)*".

Mr. Henri-Paul Rousseau was President and Chief Executive Officer of the Bank until July 31, 2002, at which time he ceased to be an officer of the Bank. He remained employed as special advisor to the new President and Chief Executive Officer until August 31, 2002. Considering Mr. Rousseau's nomination to the Caisse de dépôt et placement du Québec and the best interest of the Bank, the Board of Directors of the Bank approved the vesting of all his SARs as at the date of his departure from the Bank. Under the terms of this special arrangement, Mr. Rousseau was entitled to exercise all of his SARs between September 3 and 20, 2002 inclusively, after which time any outstanding SARs would be cancelled. As of September 20, 2002, Mr. Rousseau held no SARs of the Bank.

(ii) Laurentian Bank Stock Option Purchase Plan

The creation of this plan was approved by the shareholders at the annual meeting held on January 24, 1992. It is also administered by the Human Resources and Corporate Governance Committee.

The Committee grants options to purchase common shares to designated members of the Bank's senior management. Options are granted at the Committee's discretion.

The options allow the purchase of common shares at a price equal to the market value of the shares at the time of the grant, being the arithmetic average of the weighted average trading prices of the shares negotiated at the Toronto Stock Exchange on the five days preceding the grant on which shares were negotiated.

The options have a 10-year term but may only be exercised after a waiting period: no option may be exercised in the year following the grant, 25% may be exercised beginning on the first anniversary of the grant, 50% beginning on the second, 75% beginning on the third and the entirety beginning on the fourth. The plan provides for the full vesting of all options following a change of control of the Bank. Certain other terms and conditions apply.

During the last financial year, a grant of 100,000 options was made to Mr. Raymond McManus. The detail of this option grant is shown in Table 3 "*Option and SAR Grants during the Last Completed Financial Year (Named Officers)*". Detailed information concerning option exercises by the Named Officers is shown in Table 4 "*Aggregated Option and SAR Exercises during the Last Completed Financial Year (Named Officers)*".

Mr. Henri-Paul Rousseau was President and Chief Executive Officer of the Bank until July 31, 2002, at which time he ceased to be an officer of the Bank. He remained employed as special advisor to the new President and Chief Executive Officer until August 31, 2002. Considering Mr. Rousseau's nomination to the Caisse de dépôt et placement du Québec and the best interest of the Bank, the Board of Directors of the Bank approved the vesting of all his options as at the date of his departure from the Bank. Under the terms of this special arrangement, Mr. Rousseau was entitled to exercise all of his options between September 3 and 20, 2002 inclusively, after which time any outstanding options would be cancelled, and he had to divest himself of all his shares of the Bank at the latest on September 20, 2002. As of September 20, 2002, Mr. Rousseau held no shares or options of the Bank.

(iii) B2B Trust Stock Option Plan

On May 25, 2001, the Human Resources and Corporate Governance Committee of B2B Trust approved a long-term incentive plan for executive officers and directors of B2B Trust. This plan also applies to certain providers of services to B2B Trust, namely employees and directors of the Bank designated by the Committee (except that such directors only obtained one grant of options at the time of the initial public offering, to be exercised at a price equal to the offering price of B2B Trust common shares under the initial public offering).

The maximum number of common shares of B2B Trust reserved for purposes of issuance under the plan is 1,845,035, representing 10% of all issued and outstanding shares as at May 25, 2001.

Options are granted at the discretion of the Committee. Options allow the purchase of common shares of B2B Trust at a price being no less than the shares' market value at the time of grant, defined as being either of (i) the arithmetic average of the weighted average trading prices of the shares negotiated at the Toronto Stock Exchange on the five days preceding the grant on which shares were negotiated or (ii) in the case of initial grants, the offering price of the shares under the initial public offering, being $9.00.

The options have a 10-year term but may only be exercised after a waiting period: no option may be exercised in the two years following the grant, 33 1/3% may be exercised beginning on the second anniversary of the grant, 66 2/3% beginning on the third, and the entirety beginning on the fourth. The plan provides for the full vesting of all options following a change of control of the Bank or of B2B Trust. Certain other terms and conditions apply.

During the last financial year, the Committee granted a total of 60,000 options to two officers, including Mr. Raymond McManus. The detail of the option grant to Mr. McManus is shown in Table 3 "*Option and SAR Grants during the Last Completed Financial Year (Named Officers)*". Detailed information concerning option exercises by the Named Officers is shown in Table 4 "*Aggregated Option and SAR Exercises during the Last Completed Financial Year (Named Officers)*".

Mr. Henri-Paul Rousseau was President and Chief Executive Officer of B2B Trust until July 31, 2002, at which time he ceased to be an officer of B2B Trust. He remained employed as special advisor to the new President and Chief Executive Officer until August 31, 2002. Considering Mr. Rousseau's nomination to the Caisse de dépôt et placement du Québec and the best interest of B2B Trust, the Board of Directors of B2B Trust approved the vesting of all his options as at the date of his departure from B2B Trust. Under the terms of this special arrangement, Mr. Rousseau was entitled to exercise all of his options between September 3 and 20, 2002 inclusively, after which time any outstanding options would be cancelled, and he had to divest himself of all his shares of B2B Trust at the latest on September 20, 2002. None of the options under B2B Trust's Stock Option Plan were exercised and therefore such options were cancelled on September 20, 2002. As of September 20, 2002, Mr. Rousseau held no shares or options of B2B Trust.

(iv) BLC-Edmond de Rothschild Asset Management ("BLCER") Stock Appreciation Rights Plan

The Human Resources Committee of the Board of Directors of BLCER (a subsidiary of the Bank) approved the creation of a long-term incentive plan for the officers of BLCER. This plan came into force on January 1st, 2002. No SARs may be granted under this plan after December 31, 2004.

The Committee may grant SARs only up to an amount representing in the aggregate at any given time 15% of the number of issued and outstanding shares of BLCER. The number of SARs and the time of their granting are at the Committee's discretion. SARs allow a participant to receive a cash amount equal to the appreciation of the same number of common shares of BLCER. The value of a SAR is equal to the value of a common share of BLCER as at the date of the evaluation of the net value of BLCER's assets which immediately precedes the date of granting of the SARs. In the case of the initial grant, the value of SARs was set at $8.10. The appreciation is equal to the amount by which the value of a common share on the day preceding the exercise of a SAR, as determined in accordance with the terms of the plan, exceeds the value of a common share at the time such SAR was granted. The SARs become vested in one third installments beginning on the first anniversary of the date of granting. The plan provides for the full vesting of all SARs following a change of control of BLCER or of a shareholder holding more than 50% of issued and outstanding shares of BLCER. The holders of SARs have no shareholder rights. Certain other terms and conditions apply.

During the last financial year, the Committee made an initial grant of 336,700 SARs (representing 9.4% of the issued and outstanding common shares of BLCER) to 18 officers of BLCER, including its President and Chief Executive Officer, Mr. Jacques Daoust. Detailed information concerning this grant is shown in Table 3 "*Option and SAR Grants during the Last Completed Financial Year (Named Officers)*". Detailed information concerning SAR exercises by the Named Officers is shown in Table 4 "*Aggregated Option and SAR Exercises during the Last Completed Financial Year (Named Officers)*".

(v) Laurentian Bank Securities ("LBS") Long-term Incentive Plan

The Human Resources Committee of the Board of Directors of LBS (a subsidiary of the Bank), approved the creation of a long-term incentive plan for the members of LBS' Management Committee and any other designated employee of LBS. This plan came into force on July 5, 2001.

The plan allows eligible officers to benefit from the appreciation of common shares of the Bank. Such SARs are granted at the Committee's discretion on the basis of the market value of a common share of the Bank at the time of granting, being the arithmetic average of the weighted average trading prices of the shares negotiated at the Toronto Stock Exchange on the five days preceding the grant on which shares were negotiated. The appreciation is calculated on the basis of the market price of the Bank's share on the day preceding the exercise. The SARs become vested in 25% instalments beginning on the second anniversary of the date of granting, and may be held for a maximum of 10 years. The plan provides for the full vesting of all SARs following a change of control of the Bank or of LBS. The appreciation is paid in cash. The holders of SARs have no shareholder rights. Certain other terms and conditions apply.

During the 2002 financial year, 12,500 SARs were attributed to four participants, including the President and Chief Executive Officer of LBS, Mr. Charles Murphy. Detailed information concerning this grant is shown in Table 3 "*Option and SAR Grants during the Last Completed Financial Year (Named Officers)*". Detailed information concerning SAR exercises by the Named Officers is shown in Table 4 "*Aggregated Option and SAR Exercises during the Last Completed Financial Year (Named Officers)*".

2. Summary Compensation of the Named Officers

The following table sets forth information concerning the total compensation during the last three financial years of the persons having occupied the position of President and Chief Executive Officer of the Bank during the last financial year and of the four other named executive officers who received, during the last financial year, the highest total annual salary and short term bonus (referred to as "Named Officers").

Summary Compensation Table of the Named Officers

Name and Principal Position	Year	Annual Compensation: Salary ($)	Annual Compensation: Bonus ($) (Note 4)	Annual Compensation: Other Annual Compensation ($) (Note 5)	Long-Term Compensation: Awards: Securities Under Options/ SARs Granted (#) (Note 6)	Long-Term Compensation: Awards: Restricted Shares or Restricted Share Units ($)	Long-Term Compensation: Long Term Incentive Plan Payout ($)	All Other Compensation ($) (Note 7)
Henri-Paul Rousseau President and Chief Executive Officer (Note 1)	2002 2001 2000	458,333 550,000 525,000	0 650,000 485,000	68,990 0 0	0 83,000/0 0	0 0 0	0 0 0	6,659 25,532 12,305
Raymond McManus President and Chief Executive Officer (Note 2)	2002	125,000	0	75,900	150,000/0	0	0	950
Richard Guay Senior Executive Vice-President, Retail and Commercial Financial Services	2002 2001 2000	310,000 250,800 235,000	0 150,000 125,000	0 0 0	0 49,200/0 3,000/2,000	0 0 0	0 0 0	5,295 6,075 10,660
Jacques Daoust Senior Executive Vice-President, Wealth Management and Brokerage	2002 2001 2000	275,000 239,150 220,000	125,000 150,000 100,000	50,000 0 0	0/125,000 20,000/0 1,000/2,000	0 0 0	0 0 0	7,476 9,308 6,650
Bernard Piché President and Chief Executive Officer B2B Trust (Note 3)	2002 2001 2000	237,500 225,000 225,000	30,100 115,000 70,000	60,000 60,000 80,000	0 55,000/0 1,000/2,000	0 0 0	0 0 0	7,900 6,499 0
Charles Murphy President and Chief Executive Officer Laurentian Bank Securities Inc.	2002 2001 2000	233,333 220,833 170,833	259,237 125,000 205,467	0 0 0	0/5,000 13,500/30,000 0	0 0 0	0 0 0	5,771 3,911 2,442

Note 1: Mr. Rousseau was President and Chief Executive Officer of the Bank until July 31, 2002, at which time he ceased to be an officer of the Bank. He remained employed as special advisor to the new President and Chief Executive Officer until August 31, 2002.

Note 2: Mr. McManus became President and Chief Executive Officer of the Bank on August 1st, 2002.

Note 3: Mr. Piché was Co-Chief Operating Officer and Chief Financial Officer of B2B Trust until August 31, 2002.

Note 4: Under the terms of a special arrangement entered into at the time of his nomination at his current position, a minimum bonus of $125,000 was guaranteed to Mr. Daoust for the 2002 financial year. Under the terms of a special arrangement, Mr. Murphy's bonus for the 2001 and 2002 financial years is established at 10% of LBS' net earnings before taxes.

Note 5: Except in the case of Mr. Rousseau, the total value of benefits (or perks) and interest rebate did not exceed $50,000 or 10% of salary and bonus. In the case of Mr. Rousseau, this amount includes a lump sum of $44,000 for incidental expenses and $24,990 representing benefits related to an automobile. In the case of Mr. McManus, this amount represents compensation related to time spent taking cognizance of Bank affairs prior to his commencing employment with the Bank and compensation as director of the Bank prior to his nomination as President and Chief Executive Officer. In the case of Mr. Daoust, this amount represents lump sums guaranteed under a special arrangement entered into at the time of his nomination at his current position, namely $25,000 for his participation on the board of directors of LCF Rothschild Asset Management, an affiliate of the minority shareholder of BLCER (paid by such minority shareholder) and $25,000 for his role as chairman of the board of directors of LBS (paid by LBS). In the case of Mr. Piché, these amounts represent relocation expenses.

Note 6: In the case of Mr. Rousseau, options granted under B2B Trust's Stock Option Plan. In the case of Mr. McManus, 100,000 options granted under the Bank's Stock Option Purchase Plan and 50,000 options granted under B2B Trust's Stock Option Plan. In the case of Mr. Guay, 35,000 options granted under B2B Trust's Stock Option Plan and 14,200 options granted under the Bank's Stock Option Purchase Plan in 2001; options and SARs granted under the Bank's Stock Option Purchase Plan and Phantom Share Plan in 2000. In the case of Mr. Daoust, SARs granted under BLCER's Stock Appreciation Rights Plan in 2002; options granted under B2B Trust's Stock Option Plan in 2001; options and SARs granted under the Bank's Stock Option Purchase Plan and Phantom Share Plan in 2000. In the case of Mr. Piché, options granted under B2B Trust's Stock Option Plan in 2001; options and SARs granted under the Bank's Stock Option Purchase Plan and Phantom Share Plan in 2000. In the case of Mr. Murphy, SARs granted under LBS' Long-term Incentive Plan in 2002; 30,000 SARs granted under LBS' Long-term Incentive Plan, 10,000 options granted under the Bank's Stock Option Purchase Plan and 3,500 options granted under B2B Trust's Stock Option Plan in 2001.

Note 7: These amounts are mainly related to group insurance premiums.

3. Option and SAR Grants during the Last Completed Financial Year (Named Officers)

Name	Date of Grant	Securities Under Options/ SARs Granted (#)	% of Total Options/SARs Granted to Employees in Financial Year (%)	Exercise or Base Price ($/Security)	Market Value of Securities Underlying Options/SARs on the Date of the Grant ($/Security)	Expiration Date
Bank Options						
Henri-Paul Rousseau	---	---	---	---	---	---
Raymond McManus	August 1st, 2002	100,000	65.4	28.218	28.218	July 31, 2012
Richard Guay	---	---	---	---	---	---
Jacques Daoust	---	---	---	---	---	---
Bernard Piché	---	---	---	---	---	---
Charles Murphy	---	---	---	---	---	---
B2B Trust Options						
Henri-Paul Rousseau	---	---	---	---	---	---
Raymond McManus	August 1st, 2002	50,000	83.3	9.761	9.761	July 31, 2012
Richard Guay	---	---	---	---	---	---
Jacques Daoust	---	---	---	---	---	---
Bernard Piché	---	---	---	---	---	---
Charles Murphy	---	---	---	---	---	---
BLCER SARs						
Jacques Daoust	January 1st, 2002	125,000	37.1	8.100	8.100	January 1st, 2009
LBS SARs						
Charles Murphy	November 28, 2001	5,000	40.0	30.141	30.141	November 27, 2011

4. Aggregated Option and SAR Exercises during the Last Completed Financial Year (Named Officers)

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized ($)	Unexercised Options/SARs at FY-End (#) Exercisable/ Unexercisable	Value of Unexercised in-the-Money Options/ SARs at FY-End ($) Exercisable/Unexercisable (Note 3)
Bank Options and SARs				
Henri-Paul Rousseau (Note 1)	602,339	3,880,465	0/0	0/0
Raymond McManus	0	0	0/100,000	0/0
Richard Guay	35,895	534,968	62,858/31,226	124,870/85,001
Jacques Daoust	0	0	55,143/21,107	135,467/105,344
Bernard Piché	24,198	355,568	43,625/34,190	39,189/76,058
Charles Murphy	10,000	82,350	2,500/7,500	0/0
B2B Trust Options				
Henri-Paul Rousseau (Note 1)	0	0	0/0	0/0
Raymond McManus (Note 2)	0	0	0/53,500	0/0
Richard Guay	0	0	0/35,000	0/0
Jacques Daoust	0	0	0/20,000	0/0
Bernard Piché	0	0	0/55,000	0/0
Charles Murphy	0	0	0/3,500	0/0
BLCER SARs				
Jacques Daoust	0	0	0/125,000	0/0
LBS SARs				
Charles Murphy	0	0	0/35,000	0/0

Note 1: Mr. Rousseau was President and Chief Executive Officer of the Bank and B2B Trust until July 31, 2002, at which time he ceased to be an officer of the Bank and B2B Trust. He remained employed as special advisor to the new President and Chief Executive Officer until August 31, 2002. Considering Mr. Rousseau's nomination to the Caisse de dépôt et placement du Québec and the best interest of the Bank and B2B Trust, the boards of directors of the Bank and of B2B Trust approved the vesting of all his options and SARs as at the date of his departure from the Bank and B2B Trust. Under the terms of this special arrangement, Mr. Rousseau was entitled to exercise all of his options and SARs between September 3 and 20, 2002 inclusively, after which time any outstanding options and SARs would be cancelled, and he had to divest himself of all his shares of the Bank and B2B Trust at the latest on September 20, 2002. As of September 20, 2002, Mr. Rousseau held no shares, options or SARs of the Bank or B2B Trust.

Note 2: Mr. McManus received 3,500 options under the B2B Trust Stock Option Plan in 2001 as director of the Bank prior to his nomination as President and Chief Executive Officer.

Note 3: Bank options and SARs: the amounts indicated are based on a price of $28.08 on October 31, 2002. B2B Trust options: the amounts indicated are based on a price of $7.80 on October 31, 2002. BLCER SARs: the amount indicated is based on a price of $8.10 at the time of granting. LBS SARs: the amount indicated is based on a price of $28.08 on October 31, 2002.

5. Pension Fund (Named Officers)

Mr. Henri-Paul Rousseau left his position as President and Chief Executive Officer of the Bank on July 31, 2002 and ceased to be employed by the Bank on August 31, 2002. Under the Bank's Senior Officers' Pension Plan (the "Officers' Plan"), his retirement date will be the first day of the month following the day on which he will ask for the payment of his pension. This pension will then be equal to $16,261 per year until the age of 65 and $14,659 per year thereafter, namely the maximum pension of $1,722 under the *Income Tax Act* (Canada) for each year of participation in the plan. These amounts are reduced according to the provisions of the Officers' Plan if Mr. Rousseau asks for the payment of his pension before his normal retirement date, namely the date on which he will reach the age of 60. Furthermore, under his retirement agreement, Mr. Rousseau is eligible to a deferred pension at age 60, which represents 50% of his last three year final average salary, less amounts paid under the Officers' Plan. This pension is reduced by 5/12% for every month between his retirement date and his normal retirement date, namely the date on which he will reach the age of 60. The payment of Mr. Rousseau's pension under the agreement may begin at the earliest on the first day of the month following his 55th birthday. The aggregate pension varies between $202,000 at age 55 and $269,000 at age 60, depending on the retirement date chosen by Mr. Rousseau. Mr. Rousseau will reach normal retirement age in June 2008.

Mr. Raymond McManus was named President and Chief Executive Officer on August 1st, 2002. He participates in the Officers' Plan. Furthermore, he entered into a special retirement agreement at the time of his hire. Under this agreement, Mr. McManus' normal retirement age is 65 and his normal retirement pension is equal to $200,000 per year, less amounts paid under the Officers' Plan. An early retirement pension may be paid without penalty starting at age 63. If Mr. McManus retires before he reaches age 63, the early retirement pension will be equal to $150,000 per year, less amounts paid under the Officers' Plan. Special provisions apply in the event of termination following a change of control. Mr. McManus will reach normal retirement age in January 2007.

The other Named Officers, except Mr. Charles Murphy, are members of the Officers' Plan and the Supplemental Pension Plan for Members of the Executive Management of the Bank (the "Supplemental Plan"). Under these plans, they are entitled to receive, for each year of service, a pension of 2% of their average base salary for their best five consecutive years of service. Normal retirement age is set at age 65. The beneficiaries may retire without penalty at age 60 and may take early retirement beginning at age 53 with a penalty ranging from 35% at age 53 to 0% at age 60.

The following table applies to the other Named Officers, except Mr. Charles Murphy.

Pension Plan Table
Officers' Plan and Supplemental Plan

	Years of service				
Average base salary ($)	15	20	25	30	35
150,000	45,000	60,000	75,000	90,000	105,000
175,000	52,500	70,000	87,500	105,000	122,500
200,000	60,000	80,000	100,000	120,000	140,000
225,000	67,500	90,000	112,500	135,000	157,500
250,000	75,000	100,000	125,000	150,000	175,000
275,000	82,500	110,000	137,500	165,000	192,500
300,000	90,000	120,000	150,000	180,000	210,000
325,000	97,500	130,000	162,500	195,000	227,500
350,000	105,000	140,000	175,000	210,000	245,000
375,000	112,500	150,000	187,500	225,000	262,500

At the age of 60, Mr. Richard Guay shall have cumulated 28.5 years of service, Mr. Jacques Daoust, 19.7 years and Mr. Bernard Piché, 30.5 years.

Mr. Charles Murphy does not participate in any retirement plan of the Bank or of any of its subsidiaries.

6. Employment Contracts and Termination of Employment

The Named Officers entered into written employment agreements with the Bank or a subsidiary of the Bank. These agreements came into force on the date of the beginning of employment of each Named Officer with the Bank or a subsidiary of the Bank, namely February 7, 1994 in the case of Mr. Rousseau, August 1st, 2002 in the case of Mr. McManus, November 27, 1991 in the case of Mr. Guay, April 13, 1998 in the case of Mr. Daoust, May 4, 1994 in the case of Mr. Piché and February 13, 1995 in the case of Mr. Murphy, and have been amended when necessary. All agreements are for an indefinite term. Material information concerning the compensation of the Named Officers is shown in Table 2 "*Summary Compensation Table of the Named Officers*". The agreements of Messrs. Rousseau and McManus provide for an indemnity of two years' base salary if their employment is terminated for reasons other than serious fault. Specific provisions dealing with the effect of termination on bonuses, options and SARs, retirement payments and other benefits are included in Mr. McManus' agreement.

Messrs. Guay, Daoust, Piché and Murphy are subject to an indemnity plan under which they are entitled to an indemnity of 18 months' base salary if their employment is terminated in the year following a change of control of the Bank or the Bank's subsidiary for which they work.

Furthermore, in the event of a change of control of the Bank or the Bank's subsidiary for which they work, all options and SARs theretofore granted to the Named Officers would immediately become vested.

All of the Named Officers are subject to confidentiality obligations which are not limited in time.

7. Report of the Human Resources and Corporate Governance Committee

The members of the Bank's Human Resources and Corporate Governance Committee are Mr. Pierre Michaud (chair), Mr. Ronald Corey, Mr. Réjean Gagné, Mrs. Christiane Germain and Mr. Jon K. Grant. During the last financial year, the Committee (and its predecessors, the Human Resources Committee and the Nominating and Governance Committee) held 17 meetings.

The President and Chief Executive Officer of the Bank is invited to the Committee's meetings but he does not take part in the Committee's deliberations when his situation is under consideration.

The Human Resources and Corporate Governance Committee evaluates the performance and establishes the compensation of the Bank's President and Chief Executive Officer (in consultation with the Board of Directors) and of executive officers and advises the board of directors of certain Bank subsidiaries on matters of compensation policy. The Committee reports to the Board of Directors of the Bank. In the case of members of senior management who manage a subsidiary of the Bank, their compensation is ultimately approved by the human resources committee of such subsidiary, the composition of which is indicated below.

In discharging its responsibilities, the Committee has adopted a policy of global compensation, with the following components:

a) a base salary sufficient to attract candidates of first rank;

b) a short-term bonus plan constituting a substantial proportion of salary, linked to achievement of specified annual objectives;

c) a long-term incentive plan favoring retention of key officers for a number of years;

d) personal benefits, a group insurance plan and a pension plan comparable to market;

e) a protection plan in case of change of control.

To ensure that the compensation of the Bank's senior management team compares adequately to the reference market, including other Canadian financial institutions, the Committee periodically asks an external consulting firm to conduct a comparative study of market conditions. Furthermore, internal advisory services conduct an annual analysis of market data.

Base Salary

The Committee annually reviews the base salary of the Bank's executive officers, taking into consideration their responsibilities and performance.

Short-term Incentive Compensation

In applying its compensation policy, the Committee favours a spirit of teamwork in the management of the Bank. In recent years, the Bank has assembled a group of high-calibre executive officers who have learned to work together and who complement each other well. With a view to foster such cooperation, one of the purposes of the annual program of short-term incentive compensation for senior management is to incite synergy among the various business sectors of the Bank. The Bank's profitability is measured against the results of the large Canadian banks when establishing the Financial Performance Factor of the short-term incentive compensation program, thus encouraging executive officers to have a global view of the business. To establish the Individual Factor, each member of senior management agrees at the beginning of the year with the President and Chief Executive Officer on objectives for his or her area. At year end, the degree of attainment of these objectives is reported to the President and Chief Executive Officer, who then submits a written evaluation of the officer's performance to the Committee. The recommendations of the President and Chief Executive Officer regarding the officer's compensation are then discussed and a decision is made by the Committee. The Committee ensures that short-term incentive compensation is applied on the basis of established criteria. The Committee does, however, have authority to adjust compensation if warranted by particular circumstances. Further details on the Bank's short-term incentive compensation program can be found in Section 1 "*Variable Compensation*" .

Long-term Incentive Compensation

The purpose of long-term incentive compensation is to link compensation with the increase in value of the Bank's shares and thereby associate the interests of senior management to those of the shareholders. This part of global compensation is therefore directly related to the Bank's financial results. Subject to the terms and conditions of the plan, the granting of stock options or SARs are at the Committee's discretion, generally taking into account the financial situation of the Bank at the time of the grant. The amount and terms of outstanding options and SARs are also taken into account when deciding whether and how many new grants are to be made. Further details on the Bank's long-term incentive compensation program can be found in Section 1 "*Variable Compensation*" .

Total Compensation

The Committee ensures that short-term and long-term incentive compensation programs are balanced with a view to furthering the objectives described above. The total compensation policy calls for an increased emphasis on short-term incentive compensation (from 17% of total compensation in the case of a vice-president to 25% for members of the Management Committee) and on long-term incentive compensation (from 9% of total compensation in the case of a vice-president to 25% for members of the Management Committee). It is therefore noteworthy that up to 50% of the total compensation of members of the Management Committee is directly related to the financial results of the Bank.

Compensation of the President and Chief Executive Officer

The Committee gives particular attention to the compensation of the Bank's President and Chief Executive Officer. Market studies are examined each year and the Committee ensures that the President and Chief Executive Officer is adequately compensated in comparison with the chief executive officers of other Canadian financial institutions, with due consideration for the relative size of the Bank. The Committee also ensures that his short-term incentive compensation is based on specific criteria defined in advance, as it is for all officers of the Bank. At the end of each financial year, the President and Chief Executive Officer reports to the Committee on his achievements, and the Committee evaluates in consultation with the Board of Directors his global performance based on the attainment of his objectives. Based on this evaluation and the market studies, the Committee establishes the President's base salary and variable compensation.

For the financial year 2002, given the short period of time where he occupied the position of President and Chief Executive Officer, only a summary evaluation of Mr. Raymond McManus was conducted. Under the terms of his employment contract, Mr. McManus was not eligible for a bonus as President and Chief Executive Officer of the Bank for the financial year 2002. At the time of his hire as President and Chief Executive Officer, Mr. McManus received stock options for 100,000 common shares of the Bank and 50,000 common shares of B2B Trust; his base salary was set at $ 500,000. This is below the average compensation in the reference market, comprising mostly other Canadian financial institutions.

Since Mr. Henri-Paul Rousseau's base salary had already been increased for the 2001 financial year to be in line with the reference market, it was not increased again for the 2002 financial year. This is nevertheless below the average compensation in the reference market, comprising mostly other Canadian financial institutions. Considering the amount and terms of options and SARs already granted to Mr. Rousseau, no options nor SARs were granted to Mr. Rousseau for the 2002 financial year. Furthermore, no bonus was approved for Mr. Rousseau at the time of his departure in August 2002.

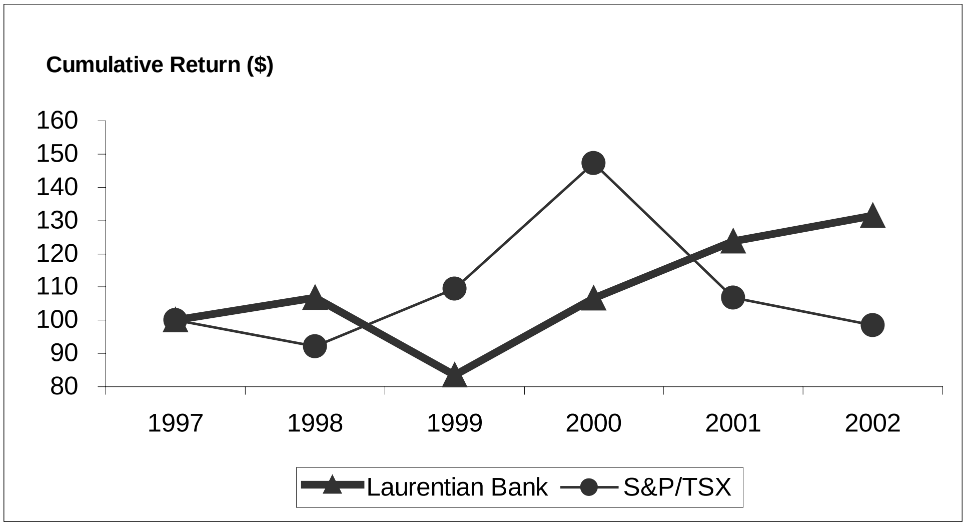
The members of the Human Resources and Corporate Governance Committee of B2B Trust are Mrs. Margot Northey (chair), Mr. Georges Hébert, Mrs. Veronica S. Maidman, Mrs. Suzanne Masson, Mr. Raymond McManus and Mr. Jonathan I. Wener; the members of the Human Resources Committee of BLC-Edmond de Rothschild Asset Management are Messrs. Michel Cicurel and Raymond McManus; the members of the Human Resources Committee of Laurentian Bank Securities are Mrs. Suzanne Masson and Mr. Jacques Daoust.

SUBMITTED BY:

Pierre Michaud, Chair
Ronald Corey
Réjean Gagné
Christiane Germain
Jon K. Grant

STOCK PERFORMANCE

The following graph compares the total cumulative shareholder return for $100 invested in common shares of the Bank on October 31, 1997, assuming reinvestment of dividends, with the cumulative total return of the S&P/TSX Composite Index from the Toronto Stock Exchange for the last five financial years.



	1997	1998	1999	2000	2001	2002
S&P/TSX	$100.00	$92.22	$109.51	$147.19	$106.77	$98.57
Laurentian Bank	$100.00	$106.79	$83.54	$106.64	$123.74	$131.53

LOANS TO EXECUTIVE OFFICERS

1. Loans pursuant to a Securities Purchase Program

As at January 10, 2003, the total of loans granted by the Bank and its subsidiaries to the directors, executive officers and employees of the Bank and its subsidiaries under a Securities Purchase Program amounted to $810,160. These loans do not bear interest but constitute a taxable benefit for the borrower. The shares bought through this plan are purchased at market price and the loan must be repaid within three years. Such loans are routine indebtedness as defined hereinafter.

2. Loans other than pursuant to a Securities Purchase Program

As at January 10, 2003, the total of loans granted by the Bank and its subsidiaries to the directors, executive officers and employees of the Bank and its subsidiaries, other than to buy shares of the Bank or its subsidiaries under a Securities Purchase Program, amounted to $95,015,036.

The following table represents the outstanding amounts that directors, executive officers and their associates borrowed from the Bank or its subsidiaries for reasons other than to buy shares of the Bank or its subsidiaries under a Securities Purchase Program.

Table of Indebtedness of Directors and Executive Officers other than under a Securities Purchase Program
(See note thereafter)

Name and Principal Position	Involvement of Issuer or Subsidiary	Largest Amount Outstanding during FY ended October 31, 2002 ($)	Amount Outstanding as at January 10, 2003 ($)
Jill Bodkin Director (1)	Loan made by the Bank	150,000	150,000
Robert Cardinal Senior Executive Vice-President and Chief Financial Officer (2)	Loan made by the Bank	259,093	199,909
François Desjardins Vice-President, Call Centre and e-Banking Services (3)	Loan made by the Bank	180,000	178,000
Jean-François Doyon Vice-President, Audit and Security (4)	Loan made by the Bank	45,000	30,379
Richard Fabre Vice-President, Retail Financial Services, Downtown and South-West Montreal Region (5)	Loan made by the Bank	198,337	196,789
Marco Fortier Senior Vice-President, e-initiatives (6)	Loan made by the Bank	302,808	293,762
William A. Galbraith Vice-President, Corporate Banking, Ontario and Western Canada Region (7)	Loan made by the Bank	142,800	138,525
Luc Gingras Vice-President, Retail Financial Services, Southern Quebec Region (8)	Loan made by the Bank	50,649	49,525
Richard Guay Senior Executive Vice-President, Retail and Commercial Financial Services (9)	Loan made by the Bank	598,493	244,598
Marlène Otis Vice-President, Commercial Financial Services, Partners Relationships (10)	Loan made by the Bank	139,540	99,158
Michel Pelletier Executive Vice-President, Agency Banking (11)	Loan made by the Bank	74,109	43,770
Claude Sasseville Vice-President, Retail Financial Services, East of Montreal and Mauricie Region (12)	Loan made by the Bank	26,800	23,790
Marie-Josée Sigouin Vice-President, Labour Relations and Human Resources, Head Office (13)	Loan made by the Bank	160,000	147,782
Robert Teasdale Senior Vice-President, Retail Financial Services, Ontario and Western Canada (14)	Loan made by the Bank	123,159	121,694
Rollie Zellmer Vice-President, Retail Financial Services, Western Canada (15)	Loan made by the Bank	361,624	360,108
Alicia Zemanek Vice-President, Risk Integration and Operational Risk Management (16)	Loan made by the Bank	274,676	264,695

(1) Line of credit, interest rate at 6.5%
(2) Line of credit for investment at prime rate + 0.5%
(3) Mortgage loan on residence, interest rate at 5.30%
(4) Personal loan, interest rate at 6.84%
(5) Mortgage loan on residence, interest rate at 6.85%
(6) Mortgage loan on residence, interest rate at 6.905%; personal loan, interest rate at 7%; line of credit, interest rate at 6.5%; credit card balance, interest rate at 15.9%
(7) Mortgage loan on residence, interest rate at 4.97%
(8) Lines of credit at prime rate + 1% and + 1.5%; interest free loan for the purchase of a computer
(9) Lines of credit at prime rate + 0.5% and + 2%; personal loan, interest rate at 10%; term loan at prime rate + 0.5%
(10) Mortgage loan on residence, interest rate at 6.89%
(11) Line of credit at prime rate + 2%
(12) Personal loan, interest rate at 6.375%; line of credit at prime rate + 1%
(13) Mortgage on residence, interest rate at 5.6%
(14) Lines of credit at prime rate + 1%
(15) Line of credit secured by a mortgage at prime rate; line of credit at prime rate; interest free loan for the purchase of a computer
(16) Mortgage loan on residence, average interest rate of 5.65%; consumer loan, interest rate at 8.5%

Note : The amounts do not include routine indebtedness as defined by Canadian securities legislation. Routine indebtedness includes (i) loans to employees, and loans of up to $25,000 to directors and executive officers, made on terms no more favourable than those made to employees generally; (ii) loans to directors and executive officers who are full-time employees, if these loans are fully secured by their residence and are not greater than their annual salary; and (iii) loans to people or companies other than full-time employees if they are made on substantially the same terms as available to other customers with comparable credit ratings and involve no more than usual risks of collectibility.

APPOINTMENT OF THE AUDITOR

The *Bank Act* (Canada) provides that the accounts of a bank must be audited and that this audit may be performed by one or two firms of accountants. The auditor is to be appointed by vote of the holders of common shares at the annual meeting to serve as auditor of the Bank until the close of the next annual meeting of shareholders.

The Board of Directors, on the advice of the Audit Committee, recommends that the accounts of the Bank be audited by the firm of accountants Ernst & Young LLP.

This firm of accountants was appointed as auditor of the Bank during the past five years. Ernst & Young LLP has acted as auditor of the Bank, either alone or in conjunction with another firm, continuously since 1990.

In order to be passed, the appointment of the auditor must be approved by a majority of votes cast by the holders of common shares present or represented by proxy and able to vote at the meeting.

During the financial year ended October 31, 2002, the fees paid by the Bank to the firm of accountants Ernst & Young LLP for the audit services rendered to the Bank and its subsidiaries amounted to $1,116,672. The fees paid to this same accounting firm for audit-related services, such as those relating to financial, accounting or taxation compliance, amounted to $2,003,655.

AGGREGATE ANNUAL REMUNERATION OF THE DIRECTORS OF THE BANK (BY-LAW XII)

At its meeting held on August 29, 2002, the Board of Directors of the Bank approved an increase in the maximum aggregate directors' remuneration, which had not been modified since 1998. The purpose of this increase is to ensure that the Bank is in a position to recruit and retain competent directors who are capable of contributing to its progress. The increase is also due to greater corporate governance regulatory requirements, which necessitate more directors' meetings.

By-law XII of the Bank's General By-laws concerning the aggregate annual remuneration of the directors of the Bank was therefore amended to increase the maximum aggregate amount of the remuneration which may be paid to all the directors of the Bank as directors during each financial year of the Bank from $750,000 to $1,200,000.

The special resolution confirming the amendment to By-law XII of the Bank's General By-laws requires approval by a two thirds majority of the votes cast by the holders of common shares. The text of this special resolution is reproduced as Schedule A to this Circular.

SHAREHOLDER'S PROPOSALS

The Secretary of the Bank has received from a shareholder entitled to vote at the meeting a notice of its intent to present four proposals before the meeting. The shareholder is The Association for the Protection of Quebec Savers and Investors Inc. (APEIQ), of 425 de Maisonneuve Blvd. West, Suite 1002, Montreal, Quebec H3A 3G5.

Schedule B hereto contains the text of these proposals, the related declarations by the shareholder and the recommendations of the Board of Directors of the Bank.

If these proposals come before the meeting, the proxyholders proposed on the enclosed proxy form will vote AGAINST the four proposals, except where other instructions are indicated on the proxy forms, in which case the proxyholders will vote as instructed.

Shareholders wishing to have a proposal included in the next Management Proxy Circular of the Bank must provide the text of such proposal to the Secretary of the Bank at the latest on December 19, 2003.

SUMMARY OF BOARD AND COMMITTEE MEETINGS HELD

Schedule E hereto presents a summary of the record of attendance of directors at meetings of the Board of Directors of the Bank and committees of the Board for the financial year ended on October 31, 2002. There were 14 meetings of the Board of Directors held during said period.

TORONTO STOCK EXCHANGE GUIDELINES FOR EFFECTIVE GOVERNANCE

Under the rules of the Toronto Stock Exchange, the Bank is required to disclose information relating to its system of corporate governance. The Bank's disclosure is set out in Schedule C to this Circular.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

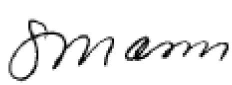
The Bank subscribes for liability insurance for the benefit of its directors and officers and those of its subsidiaries, as a group. The limit of such insurance, which expires on December 1st, 2003, is $100,000,000. The deductible is $1,000,000 per event. The yearly premium is $682,392.

INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS

In the last financial year, the Bank did not make any transaction which materially affected the Bank or one of its subsidiaries with a director, a proposed nominee for election as director, an officer, a corporation controlled by a director or an officer or a person related to a director, officer or corporation controlled by a director or officer.

DIRECTORS' APPROVAL

The Board of Directors of the Bank approved the contents of this Circular and the sending of it to each shareholder entitled to receive notice of the annual meeting, to each director, to the auditor of the Bank and to the appropriate regulatory authorities.



Suzanne Masson
Secretary

Montreal, Quebec, January 21, 2003

SCHEDULE A

Special Resolution

BE IT RESOLVED AS A SPECIAL RESOLUTION that By-law XII of the Bank's General By-laws be amended and replaced by the following:

"BY LAW XII
AGGREGATE ANNUAL REMUNERATION OF THE DIRECTORS OF THE BANK

The aggregate amount of the remuneration which may be paid to all the directors of the Bank as directors during each financial year of the Bank shall not exceed the aggregate amount of $1,200,000."

SCHEDULE B

Shareholder's Proposals

The Association for the Protection of Quebec Savers and Investors Inc. of 425 de Maisonneuve Blvd. West, suite 1002, Montreal, Quebec H3A 3G5, has presented four proposals. The proposals were submitted in French and translated by the Bank.

PROPOSAL No. 1: Abolition of stock option purchase plans

It is proposed that the corporation abolish stock option plans for purposes of compensation of executive officers and directors.

Compensation strategies of North American corporations have evolved since the mid-nineties towards an increased use of stock option plans in the compensation of their executive officers and their directors. This practice has generally resulted in excessive, illegitimate and indefensible compensation levels in light of the performance of the great majority of corporations and the market returns offered to shareholders. These abuses have greatly contributed to the dramatic loss of confidence of investors and the public in the quality of public corporation governance and in the integrity of financial markets. Executive officer compensation has become completely disconnected with the achievement of the long term objectives set for management and has become an incentive to manage corporations with a view to the immediate stock price. Massive use of stock option plans in the compensation system is the main cause of these distortions and many believe it may be the root of numerous cases of fraud in which officers, in complicity with their auditors, have transgressed ethics and the law to tamper with information on the true financial situation of their corporation. An increasing number of observers and specialists acknowledge the failure of the stock option plan goal of aligning officers' interest with the interest of shareholders. In fact, stock option plans have favoured misappropriation of shareholders' wealth by executive officers of their corporations. On September 26, 2002, the Canadian Council of Chief Executives (CCCE, *Governance, Values and Competitiveness - A Commitment to Leadership*, September 2002, page 13) also arrived to this conclusion by admitting understanding the frustration felt by investors "when senior executives are rewarded handsomely for past performance that proves to be short-lived". It is imperative to eliminate this method of compensation and to find alternate formulas, such as the granting of shares to which are attached an obligation to hold them for a minimum period, in order that the interests of officers and those of shareholders coincide. Laurentian Bank is therefore asked not to renew its stock option plans for executive officers and directors once current obligations will have been fulfilled.

Recommendation of the Board of Directors:

Laurentian Bank's Stock Option Purchase Plan is practically expired as only 60,000 shares remain available on a reserve of 1,600,000 shares.

The current plan cannot be abolished without creating a situation of acquired rights and its reactivation or replacement by a new plan cannot be made without the approval of shareholders. Shareholder's proposal no. 1 is therefore inapplicable and without object, as no proposal to that effect is made to the shareholders.

Consequently, the Board of Directors does not believe it to be appropriate nor advisable to adopt this proposal and recommends voting AGAINST the proposal.

PROPOSAL No. 2: Verbal reports

It is proposed that the Chairman of the Board of Directors as well as all chairs of committees of the Board of Directors present a verbal report and answer shareholders' questions at the corporation's annual meeting.

Annual shareholders' meetings must discuss business operations and internal affairs of the corporation. An internal affair that ought to be at the heart of debates at the annual meeting of shareholders is the quality of its governance. Poor corporate governance has resulted in billions of dollars in losses to investors in the course of the last years following the bankruptcies and misappropriations which have had direct consequences not only for the shareholders of these corporations but also for the financial community as a whole. Corporate governance is not only an ideal, a theoretical concept or a question of ethics, it is also a question of return for shareholders. The Board of Directors is a fundamental element of the governance system of public corporations and plays a central role in decisions on this matter. It is at the centre of the chain of delegation that runs from the shareholders to the executive officers. Its main responsibilities are to supervise the company's management in the name of the shareholders who have given it this mandate, make certain decisions (such as hiring and compensation of senior management) and, generally, identify conflicts of interest between executive officers and shareholders and resolve them to the benefit of the latter. In fulfilling its mandate and discharging its responsibilities, the Board of Directors delegates certain important questions to committees. It is by virtue of such delegation of responsibilities and of its surveillance mandate that management must report to the Board of Directors. It is by virtue of this same chain of delegation of responsibilities that the Board of Directors must report to the shareholders on the way that is has fulfilled its duties in their name. The purposes of this proposal are to reinforce the links between the Board, its committees and the shareholders and to enable the shareholders to assess the quality of governance within the corporation. Its adoption will enable shareholders to obtain additional information on certain questions regarding the fulfillment of the Board's mandate and to increase transparency in their favour.

Recommendation of the Board of Directors:

The annual report and the Circular contain all relevant information to enable shareholders to ask questions. In particular, the Circular contains an analysis of the norms and practices adopted by the Bank with respect to each guideline issued by the Toronto Stock Exchange in matters of effective governance. Furthermore, the agenda of every shareholders' meeting provides for a period during which any shareholder may ask questions, including any question concerning corporate governance. The Bank does not consider it useful to add verbal reports.

Consequently, the Board of Directors does not believe it to be appropriate nor advisable to adopt this proposal and recommends voting AGAINST the proposal.

PROPOSAL No. 3: Abolition of reduced-interest loans

It is proposed that the corporation no longer grant any personal loan to directors and executive officers other than in the normal course of business and at the normal interest rate.

These reduced-interest loans are granted for personal reasons (consumer purchases, investment and others) and are not always repaid. Companies have no reason to grant such advantages to executive officers and directors who are already handsomely compensated. This practice of using personal loans to speculate on the shares of their own corporation combined with the granting of large quantities of stock options has favoured abuses by officers, contributed to recent financial scandals, to the accelerated drop in market prices as well as to the erosion of investor confidence. Several corporations have already announced the abolition of these programs which are in no way beneficial to shareholders.

Recommendation of the Board of Directors:

Under a loan program which applies to all its employees, the Bank offers reduced-rate loans. Interest-free loans are made to encourage employees to acquire shares of either the Bank or B2B Trust, so that employees share the same interests as shareholders. The advantages of these programs are part of the employees' compensation and allow additional flexibility in the recruitment and retention of competent and motivated resources. Furthermore, the *Bank Act* has provided for many years specific rules regarding loans to officers including a limit to the amount of loans that a bank may make to an officer. The Circular also contains information enabling the evaluation of the impact of officer indebtedness.

Consequently, the Board of Directors does not believe it to be appropriate nor advisable to adopt this proposal and recommends voting AGAINST the proposal.

PROPOSAL No. 4: Creation of an ethics committee

It is proposed that the Board of Directors create an ethics committee responsible for ensuring that the corporation takes all necessary means to favour a business culture based on the highest ethics standards.

The events of the last years have shed light on the moral decay of a significant fringe of the business world. Society and shareholders require their companies to adhere to the principles of ethics and demonstrate a high level of social conscience. It is not enough for a company to have adopted a code of ethics for the conduct of its affairs if it is not supported by mechanisms favouring adhesion of its personnel and by control and sanction measures for those who do not comply. Furthermore, this code must be regularly revised to reflect new social and business realities. Shareholders are sounding the alarm, letting their corporation know that it must practice zero tolerance in matters of integrity and want this message to be strong. To do so, they request that the Board of Directors create a committee specifically dedicated to questions of ethics. This committee will be responsible for ensuring that the corporation's management takes the means to reaffirm a business culture based on ethics. It will be responsible for ensuring that a strict code of ethics be circulated at all levels of the company, regularly revised and that efficient mechanisms ensure the control of its application. Ethics and integrity are not only theoretical concepts, they are criteria upon which are increasingly based the business decisions of clients, suppliers, creditors and investors. Consequently, this proposal concerns both the company's conduct and shareholder return.

Recommendation of the Board of Directors:

Laurentian Bank has recognized for many years the importance of ethics and integrity in all of its operations. That is why the Bank has created a risk management committee whose mandate is to ensure that policies exist for maintaining an acceptable level of risk and obtain periodical reports on the application of these policies; to ensure that the mechanisms provided under the *Bank Act* in matters of self-dealing are respected (including the adoption and revision of a code of ethics applicable to all employees); and finally to review certain agreements which may trigger conflict of interest situations. The work of this committee is not only theoretical, it is linked to the supervision of the Bank's operations and promotes a business culture based on ethics.

Consequently, the Board of Directors does not believe it to be appropriate nor advisable to adopt this proposal and recommends voting AGAINST the proposal.

SCHEDULE C

Toronto Stock Exchange Guidelines for Effective Governance

TSX Corporate Governance Best Practice Guidelines	**Bank compliance**	**Corporate Governance Standards and Practices in effect at Laurentian Bank**
1. The board of directors of every corporation should explicitly assume responsibility for the stewardship of the corporation and, as part of the overall stewardship responsibility, should assume responsibility for the following matters:	Yes	In the general interest of shareholders, business partners, customers and employees, the Board of Directors supervises the commercial activity of the Bank, directly or through committees acting in accordance with their written charters.
a) adoption of a strategic planning process;	Yes	The Board follows an elaborate strategic planning process. It regularly participates in the Bank's strategic planning process, both at scheduled meetings and at ad hoc directors' meetings with the President and Chief Executive Officer. It also attends strategic planning meetings twice a year with Management. Furthermore, it approves the three-year plan and the annual budget.
b) identification of the principal risks of the corporation's business and ensuring the implementation of appropriate systems to manage these risks;	Yes	The Board spent considerable time and energy identifying risks and management processes which lead to the approval of the integrated risk management framework. This framework allows firstly for the identification and evaluation, on a ongoing basis, of the major risks that the Bank faces along with their possible repercussions, secondly for the establishment of sound and prudent risk limits and risk management policies and finally allows for the establishment and application of efficient internal controls for the prudent control of these risks. The responsibilities regarding the supervision of risk management is shared between the Risk Management Committee, which annually reviews various policies intended to control management of these risks, the Audit Committee, which receives a report from the internal auditor at the end of each fiscal quarter as well as a certification from senior management regarding financial statements, and the Human Resources and Corporate Governance Committee, which is involved in the nomination, remuneration and evaluation of senior management. The Board receives periodically verbal and written reports from all the committees regarding the work accomplished and, each year, a report from external auditors regarding the reliability of financial statements and the review of internal controls. Among the policies approved by the Board on recommendation by the committees are the following: Outsourcing Policy Information Disclosure Policy Information Security Management Policy Crime and Terrorists Financing Compliance Policy Personal Information Protection Policy Integrated Risk Management Framework Policy Credit Policy Professional Responsibility Risk Management Policy General Allowances for Credit Risk Policy Market Risk Management Policies These policies are reviewed yearly.

TSX Corporate Governance Best Practice Guidelines	Bank compliance	Corporate Governance Standards and Practices in effect at Laurentian Bank
c) succession planning, including appointing, training and monitoring senior management;	Yes	The Human Resources and Corporate Governance Committee supervises succession planning and the training plan development process. The Human Resources and Corporate Governance Committee approves the appointments of Vice-Presidents, in the Planning level and higher, along with their compensation and other working conditions. The Committee also reviews the annual assessments of the performance of executive officers. In conjunction with the Board members, it assesses the performance of the President and Chief Executive Officer and establishes his compensation. The Committee also approved function descriptions for the President and Chief Executive Officer, the Chairman, the committees chairpersons as well as a code of conduct applicable to all directors. Furthermore, the Risk Management Committee, in accordance with its charter, has approved the code of conduct applicable to all of the Bank's employees.
d) a communications policy for the corporation;	Yes	In order to assert its openness in matters of communication, the Bank applies the Information Disclosure Policy. This policy, reviewed in 2002, was established to ensure a fair treatment of all of the Bank's shareholders regarding disclosure of information considered to be material. The Board, directly or through a committee, also approves, in addition to financial statements, all press releases containing financial information, along with management's discussion and analysis of financial condition and results of operations included in quarterly and annual public reports. The Board also pays close attention to the manner in which the Bank communicates with its shareholders and the public.
e) the integrity of the corporation's internal control and management information systems.	Yes	The Bank has adopted a series of mechanisms that enable it to quickly communicate information to shareholders, customers, employees and the general public on a regular basis. These mechanisms include the publication of the Annual Report and the quarterly reports, the dissemination of press releases via the newswires and their posting on the Bank's Internet site, www.laurentianbank.com, conference calls with analysts concerning quarterly financial results, in which shareholders, journalists and the general public can participate directly by phone or via the Internet, and by subsequently accessing the Bank's website. This site provides customers, shareholders and the general public with a means of communicating with the Bank or of consulting information regarding the organization and its lines of business, products and services, etc. Communications with shareholders are quickly processed by the Bank, either by the Secretariat, the Investor Relations department or by the transfer agent and registrar. After the annual general meeting, the minutes are sent both to registered and unregistered shareholders. Several committees ensure, as part of their specific mandate, the integrity of internal control systems and management information systems. Internal audit managers as well as senior management also report to the Audit Committee on the integrity of the internal control systems.

TSX Corporate Governance Best Practice Guidelines	Bank compliance	Corporate Governance Standards and Practices in effect at Laurentian Bank
2. The board of directors of every corporation should be constituted with a majority of individuals who qualify as unrelated directors. An unrelated director is a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act with a view to the best interests of the corporation, other than interests and relationships arising from shareholding. A related director is a director who is not an unrelated director. If the corporation has a significant shareholder, in addition to a majority of unrelated directors, the board should include a number of directors who do not have interests in or relationships with either the corporation or the significant shareholder and which fairly reflects the investment in the corporation by shareholders other than the significant shareholder. A significant shareholder is a shareholder with the ability to exercise a majority of the votes for the election of the board of directors.	Yes	The Board is comprised of directors not related to the Bank, with the exception of the President and Chief Executive Officer.
3. The application of the definition of "unrelated director" to the circumstances of each individual director should be the responsibility of the board which will be required to disclose on an annual basis whether the board has a majority of unrelated directors or, in the case of a corporation with a significant shareholder, whether the board is constituted with the appropriate number of directors which are not related to either the corporation or the significant shareholder. Management directors are related directors. The board will also be required to disclose on an annual basis the analysis of the application of the principles supporting this conclusion.	Yes	No director other than the President and Chief Executive Officer is related. No director is considered an affiliated person under the *Bank Act*, that is someone who is personally, or through a company, a significant borrower. Under the *Bank Act*, the Bank cannot have a shareholder that can exercise a majority of the votes for the election of the Board of Directors, or a director that possesses a substantial investment in the Bank.
4. The board of directors of every corporation should appoint a committee of directors composed exclusively of outside, i.e., non-management, directors, a majority of whom are unrelated directors, with the responsibility for proposing to the board new nominees to the board and for assessing directors on an ongoing basis.	Yes	The Board has mandated the Human Resources and Corporate Governance Committee, comprised exclusively of outside and unrelated directors, to assess directors and propose new nominees to the Board.
5. Every board of directors should implement a process to be carried out by the nominating committee or other appropriate committee for assessing the effectiveness of the board as a whole, the committees of the board and the contribution of individual directors.	Yes	The Board has adopted a process intended to assess its efficiency along with the contribution of directors. The Human Resources and Corporate Governance Committee has been charged with applying this process. During the annual review of the composition of the Board, the Committee evaluates the contribution of the directors to the work of the board and its committees.

TSX Corporate Governance Best Practice Guidelines	Bank compliance	Corporate Governance Standards and Practices in effect at Laurentian Bank
6. Every corporation, as an integral element of the process for appointing new directors, should provide an orientation and education program for new recruits to the board.	Yes	Every new director is mentored by a more experienced Board member and is matched up with a member of Management to ensure that all directors have access to all the information they may require. Meetings with the Chairman of the Board and with the President and Chief Executive Officer are also organized. Furthermore, an information manual is provided to each director and is regularly updated. A formal education program has also been set up. Most Board meetings include presentations on topics of interest to the directors. Directors are also invited to attend seminars, at the Bank's expense.
7. Every board of directors should examine its size and, with a view to determining the impact of the number upon effectiveness, undertake where appropriate, a program to reduce the number of directors to a number which facilitates more effective decision-making.	Yes	The Board annually reviews its size. This number was reduced in 1997 and again in 2001. The new size reflects the scope of its desired experience and competence, along with the geographical representation and economic sectors in which the Bank pursues its activities. The Board also reviewed the number and responsibilities of its committees to facilitate director participation.
8. The board of directors should review the adequacy and form of the compensation of directors and ensure that the compensation realistically reflects the responsibilities and risk involved in being an effective director.	Yes	The Board periodically requests a market analysis to ensure that directors' remuneration is adequate and competitive. The most recent review, followed by a modification, was performed in November 2001. In 2000, a deferred stock unit plan was introduced; directors can thus choose this plan instead of compensation in cash or in shares, once they hold a minimum of 2,000 shares of the Bank.
9. Committees of the board of directors should generally be composed of outside directors, a majority of whom are unrelated directors, although some board committees, such as the executive committee, may include one or more inside directors.	Yes	All of the committees are formed exclusively of outside and unrelated directors as only the President and Chief Executive Officer is both a director and a member of Management.
10. Every board of directors should expressly assume responsibility for, or assign to a committee of directors the general responsibility for, developing the corporation's approach to governance issues. This committee would, amongst other things, be responsible for the corporation's response to these governance guidelines.	Yes	The Board has delegated to the Human Resources and Corporate Governance Committee the responsibility for implementing various elements of corporate governance. The Committee is also in charge of following up the TSX guidelines in this area. It therefore puts in place and monitors corporate governance rules and makes recommendations to the Board for improvements, as required.
11. The board of directors, together with the CEO, should develop position descriptions for the board and for the CEO, involving the definition of the limits to management's responsibilities. In addition, the board should approve or develop the corporate objectives which the CEO is responsible for meeting	Yes	The Board has defined its responsibilities, including that of setting the general objectives of the Bank together with those of the President and Chief Executive Officer. It also assesses these responsibilities. Position descriptions have been developed for both the Board of Directors and the positions of Chairman of the Board and President and Chief Executive Officer. The Human Resources and Corporate Governance Committee, in conjunction with Board members, determines the objectives of the President and Chief Executive Officer.

TSX Corporate Governance Best Practice Guidelines	Bank compliance	Corporate Governance Standards and Practices in effect at Laurentian Bank
12. Every board of directors should have in place appropriate structures and procedures to ensure that the board can function independently of management. An appropriate structure would be to (i) appoint a chair of the board who is not a member of management with responsibility to ensure the board discharges its responsibilities or (ii) adopt alternate means such as assigning this responsibility to a committee of the board or to a director, sometimes referred to as the "lead director". Appropriate procedures may involve the board meeting on a regular basis without management present or may involve expressly assigning the responsibility for administering the board's relationship to management to a committee of the board.	Yes	Appropriate measures are in place to ensure the autonomy of the Board with regard to Management. The Chairman of the Board is not a member of Management and the only related director is the President and Chief Executive Officer. The Board regularly meets in the absence of the President and Chief Executive Officer and of senior management.
13. The audit committee of every board of directors should be composed only of outside directors. The roles and responsibilities of the audit committee should be specifically defined so as to provide appropriate guidance to audit committee members as to their duties. The audit committee should have direct communication channels with the internal and external auditors to discuss and review specific issues as appropriate. The audit committee duties should include oversight responsibility for management reporting on internal control. While it is management's responsibility to design and implement an effective system of internal control, it is the responsibility of the audit committee to ensure that management has done so.	Yes	The Audit Committee is comprised only of outside and unrelated directors. In regular direct communication with auditors appointed by the shareholders and with internal auditors, this committee monitors the internal control system put in place by Management. In discharging their responsibilities, the Committee members meet, together or separately, with the officers and the external auditors to discuss the financial matters within their mandate. They also meet each year with the Superintendent of Financial Institutions or his representative.
14. The board of directors should implement a system which enables an individual director to engage an outside advisor at the expense of the corporation in appropriate circumstances. The engagement of the outside advisor should be subject to the approval of an appropriate committee of the board.	Yes	In appropriate circumstances and in accordance with the Policy on the use of External Advisors, the Board may allow a director to hire an outside advisor at the Bank's expense.

SCHEDULE D

Code of Procedure

1. Application

This code shall govern the conduct of annual and special meetings of shareholders of Laurentian Bank of Canada.

It is a complement to the provisions of the *Bank Act* (the "Act"), of the regulations or guidelines thereunder and of the Bank's General By-laws. In case of conflict, the Act, regulations or by-laws shall prevail.

2. Role of Chairman

The chair of the meeting shall preside over its deliberations and ensure its orderly conduct.

The chair has all powers necessary to ensure that the meeting is able to effectively conduct the business for which it was called.

To this end, the chair shall interpret this code and his or her decisions shall be without appeal.

Everyone attending the meeting, whether or not a shareholder, must comply with the chair's instructions.

3. Expression of resolution

Except in cases where a special resolution is required, the meeting shall proceed by way of resolution approved by a majority of the votes cast. These proposals must be moved by a shareholder and seconded, except for a proposal set out in the Circular.

4. Right to speak

Every shareholder has the right to address the meeting.

A shareholder wishing to exercise this right shall ask the chair for the floor.

5. Speaking time

Except as provided otherwise in this code, no shareholder may speak for more than five minutes at a time.

However, the chair may allow a longer speaking time in exceptional circumstances.

6. Pertinence and good order

A shareholder who has the floor must speak to the matter before the meeting.

Shareholders addressing the meeting must speak soberly and avoid language that is violent, insulting or injurious to anyone.

The chair may direct a shareholder to keep to the matter under discussion or to comply with this standard of conduct. Failing compliance, the chair may deprive the shareholder of the floor.

7. Shareholder proposals

The shareholder who under the Act submitted notice of a proposal set out in the Circular is entitled to speak first when the proposal comes before the meeting.

This shareholder must formally move the adoption of the proposal at the beginning or end of his or her presentation and may speak for a maximum of 10 minutes.

At the end of the debate, the mover has a three-minute right of reply.

8. Debate on a shareholder proposal

Every shareholder is entitled to speak to a motion, but only once.

The representative of management may speak as often as he or she deems appropriate, but for no more than 10 minutes for his or her main speaking time and no more than two minutes for other remarks.

9. Amendment of a shareholder proposal

A shareholder proposal may not be amended except with the consent of the mover and the permission of the chair.

10. General matters

In the period open to shareholder questions, any shareholder may ask a question to management, state an opinion or raise a matter of general interest to the Bank.

Such a question or remark may be the object of a supplementary question or brief reply but may not give rise to a debate.

SCHEDULE E

Summary of attendance for the financial year ended on October 31, 2002

Name	Municipality of residence	Board Meetings Attended	Committee Meetings Attended
Jean Bazin (3) *(since September 1st, 2002)*	Verdun, Qc	1/1	1/1
Jill Bodkin (2) (3)	Vancouver, B. C.	14/14	7/8
Ronald Corey (3) (4) (6)	Westmount, Qc	11/14	14/15
L. Denis Desautels (1) (2) *(since December 4, 2001)*	Ottawa, Ont.	11/12	4/5
Jean-Guy Desjardins (3) *(since August 1st, 2002)*	Westmount, Qc	2/2	1/2
Réjean Gagné (1) (4) (5) (6)	Laval-sur-le-Lac, Qc	13/14	18/18
Christiane Germain (2) (4) (6)	Montreal, Qc	13/14	11/13
Jon K. Grant (1) (2) (4) (5) (6)	Peterborough, Ont.	14/14	23/23
Georges Hébert (1) (3) (4) (5)	Town of Mount-Royal, Qc	14/14	13/13
Veronica S. Maidman (2) (3)	Toronto, Ont.	14/14	7/7
Raymond McManus (1) (3) (4) (5)	Baie d'Urfé, Qc	11/14*	16/16
Pierre Michaud (1) (4) (5) (6)	Montreal, Qc	13/14	18/18
Margot Northey (2)	Kingston, Ont.	12/14	5/5
Alex K. Paterson (3) (4) (5) *(until July 31, 2002)*	Westmount, Qc	10/12	15/15
Henri-Paul Rousseau (1) *(until July 31, 2002)*	Outremont, Qc	11/12	2/2
Dominic J. Taddeo (2)	Kirkland, Qc	13/14	5/5
Jonathan I. Wener (1) (3)	Hampstead, Qc	14/14	11/11

Summary of Board and Committee Meetings Held

Board of Directors	14
(1) Executive Committee (abolished on Nov. 7, 2002)	2
(2) Audit Committee	5
(3) Risk Management Committee	10
(4) Human Resources Committee	8
(5) Nominating and Governance Committee	3
(6) Human Resources and Corporate Governance Committee (resulting from the amalgamation on May 29, 2002 of the Human Resources Committee and the Nominating and Corporate Governance Committee)	6

* Mr. McManus did not attend three board meetings where his situation was considered.