

Notice of Annual and Special Meeting of Shareholders

April 6, 2016

Management Proxy Circular





Notice of Annual and Special Meeting of Shareholders

Notice is hereby given that the annual and special meeting of the holders of common shares ("shareholders") of Laurentian Bank of Canada (the "Bank") will be held at the TMX Broadcast Centre Gallery, 130 King Street West, Toronto, Ontario, on Wednesday, April 6, 2016 at 9:30 a.m. for the following purposes:

- 1) to receive the consolidated financial statements of the Bank for the year ended October 31, 2015 and the auditor's report thereon;
- 2) to consider and, if deemed fit, adopt special resolutions confirming the following amendments to the Bank's General By-Laws to

Cumulative Voting

- a. repeal subsection 8.1 of By-Law III of the Bank's General By-Laws and the requirement for cumulative voting to elect the directors;

Number of Directors

- b. repeal the requirement in section 1 of By-Law IV of the Bank's General By-Laws to elect a fixed number of 13 directors to replace it with a variable number of directors of 7 to 13;

Other Changes

- c. repeal subsections 2.7, 2.8, 2.9, 2.10 and 2.11 of By-Law XIII of the Bank's General By-Laws to revoke the rights, privileges, restrictions and conditions attached to series 1, 2, 3, 4 and 5 of the Class A Preferred Shares and make correlated changes to other sections of the Bank's General By-laws;
- d. amend the first paragraph of section 6 of By-Law III of the Bank's General By-Laws to set the quorum requirement at a meeting of shareholders to 2 persons holding at least 25% of the eligible vote; and
- e. amend section 2 of By-Law IV of the Bank's General By-Laws to clarify that in all cases directors hold office until the close of the first meeting of shareholders following their election or appointment or until the election or appointment of their successors;

(the text of the resolutions is set out in Schedule A to the attached Management Proxy Circular);

- 3) to elect directors;
- 4) to appoint the auditor;
- 5) to consider and, if deemed fit, adopt a resolution, on an advisory basis, regarding the approach to named executive officers compensation disclosed in the attached Management Proxy Circular (the text of which is set out in Schedule B to the attached Management Proxy Circular);
- 6) to consider, and if deemed fit, adopt the shareholder proposals (the text of which is set out in Schedule C to the attached Management Proxy Circular); and
- 7) to consider such other business as may properly be brought before the meeting.

As at March 2, 2016, the number of eligible votes that may be cast in respect of each separate vote to be held at the meeting is 30,319,398.

Proxies to be used at the meeting must be received by the Bank's transfer agent, Computershare Investor Services Inc., Stock Transfer Services, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, prior to the close of business on April 5, 2016.

By order of the Board of Directors,

Christiane Vachon
Secretary

Montreal, Quebec, February 17, 2016

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 or send it by facsimile TOLL FREE from Canada or the United States to 1-866-249-7775, and from any other country to (416) 263-9524. Your shares will be voted in accordance with your instructions as indicated on the form of proxy.

Important Instructions Regarding Voting and Proxies

INSTRUCTIONS FOR REGISTERED SHAREHOLDERS

Voting in person — If you wish to vote in person at the meeting, you must present yourself at the registration table at least thirty minutes 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 proposed on the enclosed form of proxy — If you do not expect to be present at the meeting and wish to appoint the persons proposed as proxyholders on the enclosed form of proxy to represent you at the meeting, simply complete, date, sign and return the enclosed form of proxy in the accompanying postage prepaid envelope or transmit it by facsimile TOLL FREE from Canada or the United States at 1-866-249-7775 and from any other country at (416) 263-9524, within the time limits indicated in the notice of meeting. Your shares will be voted in accordance with your instructions as indicated on the form of proxy.

Voting through a proxyholder other than a proxyholder proposed on the enclosed form of proxy — 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 form of proxy to represent you at the meeting, please enter the name of the desired representative in the blank space provided and complete, date, sign and return the enclosed form of proxy in the accompanying postage prepaid envelope or transmit it by facsimile TOLL FREE from Canada or the United States at 1-866-249-7775 and from any other country at (416) 263-9524, within the time limits indicated in the Notice of Meeting. Your proxyholder must present himself or herself at the registration table at least thirty minutes 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.

INSTRUCTIONS FOR NON-REGISTERED* SHAREHOLDERS

Voting in person — If you wish to vote in person at the meeting, please enter your own name in the appropriate space on the voting instruction form that your intermediary sent you and return it to your intermediary, prior to the close of business on April 5, 2016 in accordance with the instructions provided by your intermediary or the Bank's transfer agent. You must present yourself at the registration table at least thirty minutes 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 proposed on the voting instruction form — If you do not expect to be present at the meeting and wish to appoint the persons proposed as proxyholders on the voting instruction form that your intermediary sent you to represent you at the meeting, please complete the voting instruction form and return it to your intermediary, in accordance with the instructions provided. Your shares will be voted in accordance with your instructions as indicated on the voting instruction form.

Voting through a proxyholder other than a proxyholder proposed on the voting instruction form — If you do not expect to be present at the meeting and wish to appoint a person other than the persons proposed as proxyholders on the voting instruction form that your intermediary sent you to represent you at the meeting, please enter the name of the desired representative in the appropriate space on the voting instruction form and return it to your intermediary, in accordance with the instructions provided. Your proxyholder must present himself or herself at the registration table at least thirty minutes 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 a securities broker, clearing agency, financial institution, trustee or custodian, you are considered a **non-registered** shareholder.

Please also refer to the Notice of Annual and Special Meeting of Shareholders and to Part A of the Management Proxy Circular 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 Investor Services Inc. by telephone at 1-800-564-6253 or by e-mail at the following address: service@computershare.com.

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Management Proxy Circular

INTRODUCTION

This Management Proxy Circular (the “Circular”) of Laurentian Bank of Canada (the “Bank”) is dated February 17, 2016.

With this Circular, the Bank intends to make clear and full disclosure of its corporate governance practices. At the Bank’s Annual and Special Meeting of Shareholders, shareholders will be asked to approve certain amendments to the Bank’s General By-Laws. Such changes are proposed in the context of further enhancing the Bank’s already solid corporate governance.

Good governance has always been at the forefront at the Bank. Over the years, the Board of Directors has taken steps to ensure that the best practices be proactively implemented.

On the gender diversity front, the Bank has been a leader in its field. Its numbers speak for themselves. Presided by a Chairwoman for the second time in its history, female representation on the Board is high and has been so for a number of years. The Board also recently approved a Board Diversity Policy to more clearly set out its approach to diversity and the criteria for directors’ nomination. The Board reviews its effectiveness and the contribution of its members and an assessment is performed annually to review skills and competence and identify gaps. Over the past 10 years, the Bank has appointed 10 new independent members, thus demonstrating continuous renewal and the effectiveness of its review practices. As of this date, the only non-independent director is the President and Chief Executive Officer and the process for nominating directors is driven by the Human Resources and Corporate Governance Committee and is independent from management. To smoothly integrate new members, new directors are mentored by more experienced Board members as well as by management so as to ensure they fully understand the Bank’s activities. Ongoing training is held for all directors so that they remain up to date on emerging issues. The Bank’s General By-Laws state that a director must attend at least 60% of meetings of the Board of Directors during the two complete financial years preceding the annual meeting at which his re-election is proposed to be eligible for re-election.

The Board recently amended its majority voting policy to impose a more stringent criteria of exceptional circumstances to refuse the resignation of a director who did not receive the required number of votes for his election. The Bank also adopted the advisory vote on executive compensation early on in the trend.

These are only a few examples and reference is made to governance guidelines that are more detailed under Part G – Corporate Governance.

In this document, references to the Bank’s Annual Information Form are references to the Bank’s Annual Information Form dated December 9, 2015, and references to the Bank’s Annual Report are references to the 2015 Annual Report, both of which are available on the SEDAR website at www.sedar.com.

PART A – INFORMATION ON VOTING

PERSONS MAKING THE SOLICITATION

The Circular is provided in connection with the solicitation by Bank management of proxies to be used at the Bank’s Annual and Special Meeting of Shareholders, which will be held at the date, time and place and for the purposes set forth in the accompanying Notice of Meeting (the “Meeting”), and at any adjournment thereof. Solicitation of proxies is made primarily by mail, as well as by telephone or other personal contact by employees. The Bank has also retained D.F. King Canada, a division of CST Investor Services Inc., to assist in soliciting proxies at a cost of approximately \$30,000, plus out-of-pocket expenses. All solicitation costs will be borne by the Bank, and the Bank intends to pay for an intermediary to deliver the proxy-related materials to objecting beneficial owners (within the meaning attributed to such term in securities regulations).

PROXY INSTRUCTIONS

The persons proposed as proxyholders on the attached form of proxy are directors of the Bank. Subject to the restrictions mentioned under the heading "Voting Securities and Principal Holders of Voting Securities" hereinafter, **a registered shareholder who wishes to appoint another person to represent him or her at the Meeting may do so by entering the name of the desired representative in the blank space provided.** A proxyholder is not required to be a Bank shareholder 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.

All valid proxies received by the Bank through Computershare Investor Services Inc. at the address set forth in the accompanying Notice of Meeting prior to the close of business on April 5, 2016 will be used for the purposes of voting at the Meeting or any adjournment thereof in accordance with the terms of the proxy or the instructions of the shareholder as specified thereon.

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

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

FOR:

- **all amendments to the Bank's General By-Laws;**
- **the election of directors;**
- **the appointment of the auditor;**
- **the adoption of a resolution on an advisory basis on the approach to named executive officer compensation disclosed in the Circular; and**

AGAINST:

- **the shareholder's proposals.**

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

REVOCABILITY OF PROXY

A shareholder who has given a proxy may revoke it in person or through an attorney authorized in writing by signing 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 Chair 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 SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

On March 2, 2016, 30,319,398 common shares of the Bank were outstanding.

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

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

Only holders of common shares registered on the Bank's registers at the close of business on March 2, 2016 or their duly appointed proxyholders will be entitled to attend and vote at the Meeting.

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

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

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

However, if the number of votes in favor of the amendment to subsection 8.1 of By-Law III of the Bank's General By-Laws to remove the requirement for cumulative voting is less than 66 ⅔% of the votes cast by the holders of common shares present or represented by proxy and eligible to vote at the Meeting in respect of that resolution, cumulative voting, as described under Part B – Business of the Meeting, will be used for the election of directors.

The votes may be cast in person or by proxy.

PART B – BUSINESS OF THE MEETING

FINANCIAL STATEMENTS

The Bank's consolidated financial statements for the fiscal year ended October 31, 2015 and the auditor's report thereon are included in the 2015 Annual Report mailed to shareholders on January 13, 2016. The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), including the accounting requirements specified by the Office of the Superintendent of Financial Institutions (Canada).

AMENDMENTS TO THE BANK'S GENERAL BY-LAWS

For the reasons mentioned in the Introduction, it is proposed to amend the General By-Laws as follows.

Cumulative Voting

In 1993, the Bank's General By-Laws were amended to provide for cumulative voting. That change was a direct result of a change to the *Bank Act* the previous year that imposed cumulative voting where the aggregate of the voting shares were held by one entity carrying more than 10% of the voting rights attached to all outstanding voting shares of a bank. At that time, Desjardins-Laurentian Financial Corporation held 57.5% of the voting shares of the Bank. As a result, there is no longer any shareholder holding more than 10% of the outstanding voting shares of the Bank. Therefore the cumulative voting provision is a legacy of a situation that no longer exists. In Canada, cumulative voting is rarely used. In practice, it is difficult to apply when the issuer has adopted a majority voting policy. In case of cumulative voting, the shareholders have the right to cast a number of votes equal to the number of votes attached to the shares held by the shareholder multiplied by the number of directors to be elected and the votes may be distributed among the candidates in any manner.

On February 17, 2016, the directors passed a resolution repealing subsection 8.1 of By-Law III of the Bank's General By-Laws and the requirement for cumulative voting to elect the directors. Shareholders will vote to confirm the amendment repealing subsection 8.1.

The amendment to subsection 8.1 of By-Law III of the Bank's General By-Laws requires at least 66 ⅔% of the votes cast by the holders of common shares present or represented by proxy and eligible to vote at the Meeting of the votes cast in respect of that resolution.

If the number of votes in favor of the amendment to subsection 8.1 of By-Law III of the Bank's General By-Laws to remove the requirement for cumulative voting is less than 66 ⅔% of the votes cast by the holders of common shares present or represented by proxy and eligible to vote at the Meeting in respect of that resolution, cumulative voting, as described above, will be used for the election of directors. The number of eligible votes that may be cast for the election of 11 directors should there be a cumulative vote is 333,513,378.

Number of directors

In the context of its modernization and transformation, the Board of Directors has concluded that flexibility was needed in determining the number of directors. In line with the situation that exists at other financial institutions, the Board of Directors decided to propose a variable number of directors, with the exact number of directors to be elected each year to be determined by a resolution of the Board of Directors.

Under section 1 of By-Law IV of the Bank's General By-Laws the number of directors to be elected is fixed at 13. On February 17, 2016, the Board of Directors passed a resolution repealing section 1 and replacing it with a variable number of directors being a minimum number of 7 and a maximum number of 13. On the same date, the Board determined that the number of directors to be elected at the Meeting is 11.

The amendment to section 1 of By-Law IV of the Bank's General By-Laws requires at least 66 ⅔% of the votes cast by the holders of common shares present or represented by proxy and eligible to vote at the Meeting of the votes cast in respect of that resolution.

Other Changes to the General By-Laws

Repeal of Class A Preferred Shares, Series 1 to 5

Class A Preferred Shares, Series 1, 2, 3, 4 and 5 of the Bank have all been redeemed and the Board of Directors considered that it was appropriate for good governance purposes to repeal those series.

On February 17, 2016, the Board of Directors passed a resolution repealing subsections 2.7, 2.8, 2.9, 2.10 and 2.11 of By-Law XIII of the General By-Laws to revoke the rights, privileges, restrictions and conditions attaching to Class A shares, series 1 to 5 and to make correlated changes to other sections of the General By-Laws.

On February 17, 2016, the Board of Directors also passed a resolution amending the Bank's General By-Laws as described below.

Quorum at shareholders' meetings

The first paragraph of section 6 of By-Law III of the Bank's General By-Laws was amended to provide that the quorum at a shareholders meeting will be two persons holding at least 25% of the eligible vote.

Term of office of directors

Section 2 of By-Law IV of the Bank's General By-Laws was amended to clarify that in all cases directors hold office until the close of the first meeting of shareholders following their election or appointment or until the election or appointment of their successors.

The resolution confirming all other changes to the Bank's General By-Laws requires at least 66 ⅔% of the votes cast by the holders of common shares present or represented by proxy and eligible to vote at the Meeting in respect of that resolution.

The text of the resolutions confirming the amendments to the Bank's General By-Laws is attached in Schedule A. The text of the General By-Laws, as amended, subject to confirmation by shareholders, can be found on SEDAR website (www.sedar.com).

ELECTION OF DIRECTORS

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

The Board of Directors adopted a majority voting policy in 2008 under which a nominee for election as director who does not receive the required minimum number of votes at the annual meeting of shareholders is deemed not to have received the support of shareholders (even though he/she was elected in accordance with the Bank's General By-Laws) and will be required to immediately tender his/her resignation. Within 90 days of the shareholders' meeting, the Board must examine the resignation submitted at a meeting in which the director in question will not participate and publicly announce the resignation of the director or the reasons for not accepting the resignation. On February 17, 2016, the Board of Directors amended the majority voting policy to specify that a resignation would only be refused under exceptional circumstances.

The director nominees are presented in Part C - Director Nominees.

APPOINTMENT OF THE AUDITOR

On the advice of the Audit Committee, the Board of Directors recommends that the accounts of the Bank be audited by the accounting firm Ernst & Young LLP. Ernst & Young has continuously acted as auditor of the Bank either alone or in conjunction with another firm since 1990. In accordance with its mandate, the Audit Committee ensures that there is a periodic rotation of the auditor's partner in charge of the Bank's account.

The auditor is to be appointed by vote of the holders of common shares at the Meeting to serve as auditor of the Bank until the close of the next annual meeting of shareholders. 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 eligible to vote at the Meeting.

Evaluation of the Auditor

In accordance with the practice in effect, the Audit Committee proceeded with the evaluation of the external auditor for the past fiscal year. This evaluation takes into consideration the guidance on audit quality issued by the Canadian Public Accountability Board and the Chartered Professional Accountants of Canada.

The evaluation of the external auditor conducted by the Audit Committee is based primarily on the following criteria:

- i. the external auditor's expertise;
- ii. the quality of the audit work carried out;
- iii. the quality of the information transmitted;
- iv. the independence, objectivity and integrity demonstrated;
- v. the complexity / cost / value-added ratio of the services rendered; and
- vi. an overall assessment of the quality of the services.

Based on the aforementioned criteria, the Audit Committee was satisfied with the external auditor's services and, therefore, advised the Board of Directors to renew Ernst & Young's mandate for the fiscal year ending October 31, 2016.

Auditor's Fees

The table below presents the fees by category billed by the auditing firm Ernst & Young for fiscal year 2015 and 2014.

Fee Category	2015 (\$)	2014 (\$)
Audit	2,017,000	2,141,000
Audit-related services	792,000	408,000
Tax services	111,000	96,000
Other fees	12,000	117,000
Total	2,932,000	2,762,000

Further details on the auditor's category of fees are provided in Section 12.5 of the Bank's Annual Information Form.

During fiscal year 2015, the Audit Committee reviewed the policy regarding services that may be rendered by the Bank's external auditor. This policy is presented in Section 12.4 of the Bank's Annual Information Form.

ADVISORY VOTE ON NAMED EXECUTIVE OFFICER COMPENSATION

As resolved at the Bank's annual shareholders' meeting held on March 10, 2009, shareholders will be asked to vote again this year on a resolution concerning the Bank's approach to named executive officer compensation. This resolution is on an advisory basis only and cannot bind the Bank's Board of Directors. The Board will take the results of the vote into account during its deliberations on further modifications to policies, procedures or decisions concerning the compensation of named executive officers. If a significant number of shareholders vote against the resolution, the Board of Directors will consult shareholders in order to gain a better understanding of their concerns and positions.

The result of the vote on this resolution will be announced at the end of the Meeting at the same time as the voting results on all other items on the agenda. The text of the resolution is set out in Schedule B of this Circular.

SHAREHOLDER PROPOSALS

The Bank received five proposals from the Mouvement d'éducation et de défense des actionnaires (MÉDAC), a Bank's shareholder whose offices are located at 82 Sherbrooke Street West, Montreal (Quebec) H2X 1X3. After discussions held with Bank's management, MÉDAC agreed that the fifth proposal, entitled Diversity Policy Best Practice not be submitted for a vote by shareholders and be included in the Circular for information purposes only.

The text of the MÉDAC proposals and the Board's recommendations are included in Schedule C. If the proposals are brought before the meeting of shareholders, the proxyholders proposed on the attached form of proxy intend to vote **AGAINST** the proposals, unless other instructions are indicated on the forms of proxy. The text of the fifth proposal that is not to be submitted to a vote is included in Schedule C.

Shareholders wishing to have a proposal included in the Bank's next management proxy circular must send the text of such proposal to the Secretary of the Bank no later than November 19, 2016.

PART C – DIRECTOR NOMINEES


The number of directors to be elected is 11. Two members of the Board of Directors are stepping down and their positions are not being filled.


The Board of Directors would like to thank Messrs. Jean Bazin and Pierre Genest for their dedicated years of service as directors of the Bank.

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

For each proposed nominee for election as director, the following tables present:

- his/her name, age and municipality of residence;
- the date on which he/she became a director of the Bank;
- the fact that he/she is independent or not within the meaning of *Regulation 58-101 Respecting Disclosure of Corporate Governance Practices* and based on the criteria adopted by the Bank's Board of Directors (such determination being made as at the date of this Circular);
- his/her main fields of expertise;
- his/her principal occupation and business, principal qualifications and relevant experience to serve on the Board of Directors;
- the other reporting issuers for which he/she serves or has served as director and, as the case may be, his/her role on the Board or committees of the Board during the last five years;
- the Bank's Board committees on which he/she serves, as well as his/her record of attendance at Board and committee meetings during the 2015 fiscal year;
- the number and value of Bank common shares beneficially owned directly or indirectly, or over which he/she exercises control or direction as at the date of this Circular and as at the date of the previous Management Proxy Circular (February 11, 2015); the share value as at February 17, 2016 and February 11, 2015 is the closing price of the Bank's common share on the Toronto Stock Exchange on such dates, which was \$47.79 and \$49.51 respectively (information concerning the number of shares held was provided by each proposed nominee);
- the number and value of the Bank's deferred share units (DSUs) credited to him/her as at the date of this Circular and as at the date of the previous Management Proxy Circular (February 11, 2015); the unit value as at February 17, 2016 and February 11, 2015 is based on the closing price of the Bank's common share on the Toronto Stock Exchange on such dates, which was \$47.79 and \$49.51 respectively;
- whether he/she complies or not with the minimum shareholding requirements for directors (such requirements being described in Part D - Compensation of directors); and
- the value of total compensation received during fiscal year 2015 as a director of the Bank.

LISE BASTARACHE		SUMMARY OF PROFESSIONAL EXPERIENCE								
		<p>Lise Bastarache is an economist and a corporate director.</p> <p>Ms. Bastarache holds a master's degree and has pursued doctoral studies in Economics. From 2001 to 2005, she was Quebec Regional Vice-President, Private Banking at RBC Financial Group. From 2004 to 2007, Ms. Bastarache sat on NB Power's Board of Directors. She was also a member of the Board of Governors of Université de Moncton and Chair of its Finance Committee from 2004 to 2013. She sits on the Board of Directors of Université de Moncton Développement Inc.</p>								
		<p>Age: 52 Candiac, Quebec, Canada</p> <p>Director since March 7, 2006</p> <p>Independent</p> <p>Major fields of expertise:</p> <ul style="list-style-type: none"> - Financial Expertise - Risk Management - Human Resources / Compensation - Financial and Banking Services - Financial Markets / Treasury 								
		REPORTING ISSUER DURING THE LAST FIVE YEARS	CURRENT ROLE ON BOARDS AND COMMITTEES							
		The Jean Coutu Group (PJC) Inc. (2003 to date)	Member of the Audit Committee Member of the Governance and Nominating Committee Member of the Human Resources and Compensation Committee							
		Chartwell Retirement Residences (2005 to date)	Member of the Board of Trustees Member of the Audit Committee Member of the Investment Committee							
		MEMBER OF BOARD/COMMITTEES	ATTENDANCE							
		Board of Directors	11 out of 11 (100%)							
		Audit Committee	2 out of 3 (67%)							
		Risk Management Committee	3 out of 3 (100%)							
		ATTENDANCE (TOTAL)								
		16 out of 17 (94%)								
		SECURITIES HELD								
	Date	Total common shares	Total DSUs	Total common shares and DSUs	Share value (\$)	Total value of common shares and DSUs (\$)	Minimum requirements shares/DSUs	Complies with minimum shareholding requirements for directors		
	Feb. 17, 2016	4,132	3,546	7,678	47.79	366,932	5,000	154%	Yes	
	Feb. 11, 2015	4,132	2,989	7,121	49.51	352,561	5,000	142%	Yes	
		VALUE OF TOTAL COMPENSATION RECEIVED DURING THE 2015 FISCAL YEAR								
		\$95,000								

RICHARD BÉLANGER, FCPA, FCA		SUMMARY OF PROFESSIONAL EXPERIENCE								
		<p>Richard Bélanger is the President of Toryvel Group Inc., a holding company with investments mostly in the natural resources sector.</p> <p>A professional chartered accountant since 1980, Richard Bélanger was awarded the designation "Fellow" and the Prix Émérite by the Ordre des comptables professionnels agréés du Québec in 2004. He is Director and President of Toryvel Group Inc. and Doryfor Inc., a transportation company, Director and President of Quebec City Executive Terminal Inc., and the general partner of Terminal 611 LP, a company operating an airport terminal. He is also a Director and member of the Audit Committee of Optosecurity Inc., a development and marketing corporation specializing in software solutions for the protection of physical infrastructures.</p>								
		<p>Age: 58 Lac-Beauport, Quebec, Canada</p> <p>Director since March 20, 2003</p> <p>Independent</p> <p>Major fields of expertise:</p> <ul style="list-style-type: none"> - Financial Expertise - Risk Management - Corporate Social Responsibility and Sustainability - Human Resources / Compensation - Financial Markets / Treasury 								
		REPORTING ISSUER DURING THE LAST FIVE YEARS	CURRENT ROLE ON BOARDS AND COMMITTEES							
		WSP Global Group Inc. (2007 to date)	Lead Independent Director Member of the Audit Committee Member of the Governance, Ethics and Compensation Committee							
		Stella Jones Inc. (1997 to 2012)								
		MEMBER OF BOARD/COMMITTEES	ATTENDANCE							
		Board of Directors	11 out of 11 (100%)							
		Audit Committee (Chair)	7 out of 7 (100%)							
		Risk Management Committee	5 out of 5 (100%)							
		ATTENDANCE (TOTAL)								
		23 out of 23 (100%)								
		SECURITIES HELD								
	Date	Total common shares	Total DSUs	Total common shares and DSUs	Share value (\$)	Total value of common shares and DSUs (\$)	Minimum requirements shares/DSUs	Complies with minimum shareholding requirements for directors		
	Feb. 17, 2016	5,000	1,224	6,224	47.79	297,445	5,000	124%	Yes	
	Feb. 11, 2015	5,000	768	5,768	49.51	285,574	5,000	115%	Yes	
		VALUE OF TOTAL COMPENSATION RECEIVED DURING THE 2015 FISCAL YEAR								
		\$120,000								



Michael T. Boychuk is a Corporate Director. From July 2009 until his retirement in June 2015, he was President of Bimcor Inc., the pension fund investment manager for the BCE Inc./Bell Canada group of companies.

A professional chartered accountant since 1979, Mr. Boychuk became a Fellow of the Ordre des comptables professionnels agréés du Québec in 2012. From 1999 to 2009, he was Senior Vice-President and Treasurer of BCE Inc./Bell Canada, responsible for all treasury, corporate security as well as environment and sustainability activities, and for the BCE Group of companies' pension plans. Mr. Boychuk is a member of the Board of Governors and Chair of McGill University's Audit Committee. He also serves on the International Advisory Committee of McGill University's Faculty of Management. Mr. Boychuk is a member of the Board and of the Audit Committee of Telesat Canada and other parent companies since July 2015. He is also a member of the Advisory Board of Nunavut Trust and sits on the J.W. McConnell Family Foundation's Investment Committee.

Age: 60
Baie d'Urfé, Quebec, Canada

Director since
August 30, 2013

Independent

Major fields of expertise:

- Corporate Governance / Public Policy
- Financial Expertise
- Risk Management
- Financial and Banking Services
- Financial Markets / Treasury

REPORTING ISSUER DURING THE LAST FIVE YEARS

CURRENT ROLE ON BOARDS AND COMMITTEES

Telesat Canada (U.S. S.E.C.)	(July 2015 to date)	Member of the Audit Committee
GDI Integrated Facility Services inc.	(May 2015 to date)	Chair of the Audit Committee

Yellow Media Inc. (Note 1)	(2003 to 2012)
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MEMBER OF BOARD/COMMITTEES	ATTENDANCE	ATTENDANCE (TOTAL)
Board of Directors	10 out of 11 (90%)	17 out of 18 (94%)
Audit Committee	7 out of 7 (100%)	

SECURITIES HELD

Date	Total common shares	Total DSUs	Total common shares and DSUs	Share value (\$)	Total value of common shares and DSUs (\$)	Minimum requirements shares/DSUs	Complies with minimum shareholding requirements for directors	
Feb. 17, 2016	1,130	4,359	5,489	47.79	262,319	5,000	110%	Yes
Feb. 11, 2015	530	2,631	3,161	49.51	156,501	5,000	63%	No

VALUE OF TOTAL COMPENSATION RECEIVED DURING THE 2015 FISCAL YEAR

\$95,000



Isabelle Courville is a corporate director. She was President of Hydro-Québec Distribution, the division of Hydro-Québec in charge of electricity distribution operations, until January 2013.

Isabelle Courville is an engineer and attorney by training. From 2003 to 2006, she was President of Bell Canada's Enterprise business segment and President and Chief Executive Officer of Bell Nordiq Group (Télébec NorthernTel) from 2001 to 2003. She was recipient in 2005, 2006 and 2008 of the Women's Executive Network Canada's Most Powerful Women: Top 100 Award, and she received the McGill Management Achievement Award in 2007 for her contribution to the business world and community involvement. Ms. Courville is a Director and member of the Executive Committee of the Montreal Heart Institute Foundation, Director and member of the Audit Committee of the Institute of Corporate Directors, as well as Director of the Board of Trade of Metropolitan Montreal Foundation and the Institute of Corporate Directors - Quebec Chapter. Ms. Courville was appointed in March 2015 as a non-voting member of the Board of Directors of Veolia Environnement (Paris), a company helping cities and industries to manage, optimize and make the most of their resources.

Age: 53
Rosemère, Quebec, Canada

Director since
March 6, 2007

Independent

Major fields of expertise:

- Financial Expertise
- Corporate Social Responsibility and Sustainability
- Human Resources / Compensation
- Technology / Real Estate / Project Management
- Legal and Regulatory Affairs

REPORTING ISSUER DURING THE LAST FIVE YEARS

CURRENT ROLE ON BOARDS AND COMMITTEES

TVA Group Inc.	(2013 to date)	Member of the Compensation Committee
Canadian Pacific Railway Limited	(2013 to date)	Member of the Audit Committee

Miranda Technologies inc.	(2006 to 2012)	Chair of the Management Resources and Compensation Committee
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MEMBER OF BOARD/COMMITTEES	ATTENDANCE	ATTENDANCE (TOTAL)
Board of Directors (Chair of the Board)	11 out of 11 (100%)	27 out of 27 (100%)
Audit Committee	7 out of 7 (100%)	
Human Resources and Corporate Governance Committee	9 out of 9 (100%)	

SECURITIES HELD

Date	Total common shares	Total DSUs	Total common shares and DSUs	Share value (\$)	Total value of common shares and DSUs (\$)	Minimum requirements shares/DSUs	Complies with minimum shareholding requirements for directors	
Feb. 17, 2016	7,896	6,819	14,715	47.79	703,230	5,000	294%	Yes
Feb. 11, 2015	7,896	6,120	14,016	49.51	693,932	5,000	280%	Yes

VALUE OF TOTAL COMPENSATION RECEIVED DURING THE 2015 FISCAL YEAR

\$220,000

FRANÇOIS DESJARDINS **SUMMARY OF PROFESSIONAL EXPERIENCE**



François Desjardins is President and Chief Executive Officer of the Bank.
 Member of the Management Committee since 2007 and with the Bank since 1991. Mr. Desjardins holds a Bachelor's degree in Business Administration. He has held several positions with Retail Services and B2B Bank throughout his career. As President and Chief Executive Officer of B2B Bank, Mr. Desjardins was responsible for financial services offered through independent financial advisors and mortgage brokers throughout Canada. As Executive Vice-President, Retail Services, he was responsible for the Retail Services sector. He was named Chief Operating Officer of the Bank on February 28, 2015 and became President and Chief Executive Officer on November 1, 2015.

Age: 45
 Toronto, Ontario, Canada
 Director since
 November 1st, 2015
 Not independent
 (Member of Management)
 Major fields of expertise:
 - Corporate Governance / Public Policy
 - Risk Management
 - Human Resources / Compensation
 - Technology / Real Estate / Project Management
 - Financial and Banking Services

REPORTING ISSUER DURING THE LAST FIVE YEARS				CURRENT ROLE ON BOARDS AND COMMITTEES				
None								
MEMBER OF BOARD/COMMITTEES		ATTENDANCE		ATTENDANCE (TOTAL)				
N/A		N/A		N/A				
SECURITIES HELD								
Date	Total common shares	Total DSUs	Total common shares and DSUs	Share value (\$)	Total value of common shares and DSUs (\$)	Minimum requirements shares/DSUs	Complies with minimum shareholding requirements for directors	
Feb. 17, 2016	4,700	0	4,700	47.79	224,613	(Note 2)	(Note 2)	(Note 2)
VALUE OF TOTAL COMPENSATION RECEIVED DURING THE 2015 FISCAL YEAR								
Mr. Desjardins does not receive any compensation as director.								

MICHEL LABONTÉ **SUMMARY OF PROFESSIONAL EXPERIENCE**



Michel Labonté is a corporate director.
 Mr. Labonté was involved for over 13 years with National Bank of Canada, including as Senior Vice-President, Finance and Control (1993-2002). In 2002, he was appointed Senior Vice-President, Finance and Technology and named to the Executive Committee. In 2003, he was promoted to Senior Vice-President, Finance, Technology and Corporate Affairs, a position he held until 2005. From 2005 to his retirement in 2006, Mr. Labonté served as an executive advisor, and from March 2007 until November 2008, he acted as a financial consultant. Mr. Labonté holds the ICD.D designation of the Institute of Corporate Directors. He serves on the Board of Otéra Capital, a subsidiary of the Caisse de dépôt et placement du Québec, chairs its Audit Committee and is a member of its Risk Management Committee. He is also a Director of the Canadian International Organ Competition.

Age: 70
 Montreal, Quebec, Canada
 Director since
 March 10, 2009
 Independent
 Major fields of expertise:
 - Corporate Governance / Public Policy
 - Financial Expertise
 - Risk Management
 - Technology / Real Estate / Project Management
 - Financial and Banking Services

REPORTING ISSUER DURING THE LAST FIVE YEARS				CURRENT ROLE ON BOARDS AND COMMITTEES				
Metro Inc.		(2006 to date)		Chair of the Audit Committee Member of the Human Resources Committee				
Manac Inc.		(2013 to 2015)						
MEMBER OF BOARD/COMMITTEES		ATTENDANCE		ATTENDANCE (TOTAL)				
Board of Directors		10 out of 11 (90%)		15 out of 16 (94%)				
Risk Management Committee (Chair)		5 out of 5 (100%)						
SECURITIES HELD								
Date	Total common shares	Total DSUs	Total common shares and DSUs	Share value (\$)	Total value of common shares and DSUs (\$)	Minimum requirements shares/DSUs	Complies with minimum shareholding requirements for directors	
Feb. 17, 2016	681	6,452	7,133	47.79	340,886	5,000	143%	Yes
Feb. 11, 2015	681	4,845	5,526	49.51	273,592	5,000	110%	Yes
VALUE OF TOTAL COMPENSATION RECEIVED DURING THE 2015 FISCAL YEAR								
\$110,000								

A. MICHEL LAVIGNE, FCPA, FCA

SUMMARY OF PROFESSIONAL EXPERIENCE



A. Michel Lavigne is a corporate director.
 Fellow of the Ordre des comptables professionnels agréés du Québec and member of the Canadian Institute of Chartered Accountants, Mr. Lavigne was partner from 1986 to 2005 at Raymond Chabot Grant Thornton, of which he was President and Chief Executive Officer from 2001 to 2005. Mr. Lavigne serves on the following Boards of Directors: Québecor Media Inc. (member of the Audit Committee and Chair of the Compensation Committee), Videotron Ltd (member of the Audit Committee) and Canada Post Corporation (Chair of the Pension Committee and member of the Audit Committee). Mr. Lavigne also served on the Board of Directors and was a member of the Audit Committee of the Caisse de dépôt et placement du Québec from 2005 to 2013 and Chair of said committee from 2009 to 2013; he was also a member of the Caisse's Risk Management Committee from 2009 to 2013.

Age: 65
 Laval, Quebec, Canada

Director since
 March 19, 2013

Independent

Major fields of expertise:

- Corporate Governance / Public Policy
- Financial Expertise
- Risk Management
- Human Resources / Compensation
- Financial and Banking Services

REPORTING ISSUER DURING THE LAST FIVE YEARS **CURRENT ROLE ON BOARDS AND COMMITTEES**

TVA Group Inc.	(2005 to date)	Member of the Audit Committee Member of the Compensation Committee
Québecor Inc.	(2013 to date)	Member of the Audit Committee Chair of the Compensation Committee

Primary Energy Recycling Corporation (2005 to 2014)

MEMBER OF BOARD/COMMITTEES	ATTENDANCE	ATTENDANCE (TOTAL)
Board of Directors	11 out of 11 (100%)	16 out of 17 (94%)
Audit Committee	3 out of 4 (75%)	
Risk Management Committee	2 out of 2 (100%)	

SECURITIES HELD

Date	Total common shares	Total DSUs	Total common shares and DSUs	Share value (\$)	Total value of common shares and DSUs (\$)	Minimum requirements shares/DSUs	Complies with minimum shareholding requirements for directors	
Feb. 17, 2016	5,000	884	5,884	47.79	281,196	5,000	118%	Yes
Feb. 11, 2015	5,000	443	5,443	49.51	269,483	5,000	109%	Yes

VALUE OF TOTAL COMPENSATION RECEIVED DURING THE 2015 FISCAL YEAR

\$95,000

JACQUELINE C. ORANGE

SUMMARY OF PROFESSIONAL EXPERIENCE



Jacqueline C. Orange is a corporate director.
 In her 20-year career as a financial services executive, Ms. Orange held a variety of senior positions in the banking, trust and life insurance industries. From 1996 to 2005, she was President and Chief Executive Officer of Canada Investment and Savings, a special operating agency of the Government of Canada's Department of Finance. Ms. Orange has been a member of the Independent Review Committee of First Trust Portfolios Canada since 2007. Actively involved in her community, she has served on the Boards of various health care, cultural and educational organizations. She was a Governor of the University of Toronto from 1999 to 2008 and Chair of its Business Board from 2003 to 2007 and was an independent member of the Public Accountants Council of Ontario from 2010 to 2015. Ms. Orange holds a Master's degree in Business Administration (MBA) and the ICD.D designation of the Institute of Corporate Directors.

Age: 71
 Toronto, Ontario, Canada

Director since
 March 11, 2008

Independent

Major fields of expertise:

- Corporate Governance / Public Policy
- Financial Expertise
- Corporate Social Responsibility and Sustainability
- Human Resources / Compensation
- Financial and Banking Services

REPORTING ISSUER DURING THE LAST FIVE YEARS **CURRENT ROLE ON BOARDS AND COMMITTEES**

None

MEMBER OF BOARD/COMMITTEES	ATTENDANCE	ATTENDANCE (TOTAL)
Board of Directors	11 out of 11 (100%)	18 out of 18 (100%)
Audit Committee	7 out of 7 (100%)	

SECURITIES HELD

Date	Total common shares	Total DSUs	Total common shares and DSUs	Share value (\$)	Total value of common shares and DSUs (\$)	Minimum requirements shares/DSUs	Complies with minimum shareholding requirements for directors	
Feb. 17, 2016	5,282	1,224	6,506	47.79	310,922	5,000	130%	Yes
Feb. 11, 2015	5,282	768	6,050	49.51	299,536	5,000	121%	Yes

VALUE OF TOTAL COMPENSATION RECEIVED DURING THE 2015 FISCAL YEAR

\$95,000



Michelle R. Savoy is a corporate director.

With over 25 years of experience in the investment industry including investment management and capital markets, Ms. Savoy has held senior corporate leadership roles. From 2003 until her retirement in 2011, she was the President of Capital Guardian (Canada) Inc., where she led the Canadian institutional marketing and distribution arm of Capital Guardian Trust Company in addition to being Co-Head, North America, of Institutional Client Relations and Marketing from 2005 to 2010. Her prior experience includes just under two years as a senior consultant with Spencer Stuart and Associates, Inc. and over a decade with CIBC World Markets where she ultimately served as Managing Director, Global Head of Fixed Income Sales. Ms. Savoy is director and member of the Investment Committee of the Canadian Scholarship Trust Foundation since 2010. She is also director of Nav Canada (member of the Pension Committee and member of the Corporate Governance Committee) since December 2015 and the Ontario Pension Board (member of the Audit Committee and of the Investment Committee) since January 2016. Ms. Savoy holds an ICD.D designation granted by the Institute of Corporate Directors. (Note 3)

Age: 56
Toronto, Ontario, Canada

Director since
March 20, 2012

Independent

Major fields of expertise:

- Corporate Governance / Public Policy
- Risk Management
- Human Resources / Compensation
- Financial and Banking Services
- Financial Markets / Treasury

REPORTING ISSUER DURING THE LAST FIVE YEARS

CURRENT ROLE ON BOARDS AND COMMITTEES

Pizza Pizza Royalty Corporation (Nov. 2015 to date)

MEMBER OF BOARD/COMMITTEES ATTENDANCE ATTENDANCE (TOTAL)

Board of Directors 11 out of 11 (100%) 20 out of 20 (100%)

Human Resources and Corporate Governance Committee 9 out of 9 (100%)

SECURITIES HELD

Date	Total common shares	Total DSUs	Total common shares and DSUs	Share value (\$)	Total value of common shares and DSUs (\$)	Minimum requirements shares/DSUs	Complies with minimum shareholding requirements for directors	
Feb. 17, 2016	4,133	2,688	6,821	47.79	325,976	5,000	136%	Yes
Feb. 11, 2015	3,232	1,716	4,948	49.51	244,975	5,000	99%	No

VALUE OF TOTAL COMPENSATION RECEIVED DURING THE 2015 FISCAL YEAR

\$95,000



Jonathan I. Wener is Chairman of the Board and Chief Executive Officer of Canderel Holdings Inc., a commercial and residential real estate investment and management company.

Member of the Order of Canada, Jonathan Wener, a renowned real estate expert, has vast experience in the commercial, industrial, residential, recreational and hotel sectors. Associated for 40 years with the success of Canderel, Mr. Wener contributes to the well-being of his community through his involvement in numerous professional associations and charitable organizations. In October 2014, Concordia University named Mr. Wener chancellor in recognition of his involvement within the Board of Directors as Chair from 1995 to 2012 and Mr. Wener's prominent role in the community. He is also member of the Boards of Directors of Silanis Technologies Inc. and Silanis International Limited (a private company since 2013), both specialized in software research and development, and of Thrasos Therapeutics, a company focused on kidney disease research. Mr. Wener also serves on several Boards, including those of The Montreal Museum of Fine Arts Foundation, the Fraser Institute, the Goodman Cancer Research Center, The Jewish General Hospital and the Festival des Arts de Saint-Sauveur.

Age: 65
Westmount, Quebec, Canada

Director since
January 22, 1998

Independent

Major fields of expertise:

- Corporate Governance / Public Policy
- Financial Expertise
- Risk Management
- Corporate Social Responsibility and Sustainability
- Technology / Real Estate / Project Management

REPORTING ISSUER DURING THE LAST FIVE YEARS

CURRENT ROLE ON BOARDS AND COMMITTEES

Silanis International Limited (2007 to 2013)
(AIM Exchange [London])

MEMBER OF BOARD/COMMITTEES ATTENDANCE ATTENDANCE (TOTAL)

Board of Directors 10 out of 11 (90%) 14 out of 16 (88%)

Risk Management Committee 4 out of 5 (80%)

SECURITIES HELD

Date	Total common shares	Total DSUs	Total common shares and DSUs	Share value (\$)	Total value of common shares and DSUs (\$)	Minimum requirements shares/DSUs	Complies with minimum shareholding requirements for directors	
Feb. 17, 2016	14,598	1,224	15,822	47.79	756,133	5,000	316%	Yes
Feb. 11, 2015	8,149	768	8,917	49.51	441,481	5,000	178%	Yes

VALUE OF TOTAL COMPENSATION RECEIVED DURING THE 2015 FISCAL YEAR

\$95,000



Susan Wolburgh Jenah is a corporate director and attorney by training. She brings over 30 years of domestic and international regulatory experience and capital markets and financial services industry knowledge. She was recognized with the Osgoode Hall Alumni Award for Achievement in 2011 and received her ICD.D designation from the Institute of Corporate Directors in 2004.

Until October 2014, Ms. Wolburgh Jenah served as the inaugural President and CEO of the Investment Industry Regulatory Organization of Canada (IIROC), the national self-regulatory body that regulates all investment dealers and oversees trading on the Canadian debt and equity markets. She joined the Investment Dealers Association (IDA) in early 2007 as President and CEO and successfully merged the IDA and Market Regulation Services Inc. to create IIROC in 2008. Prior to this, she had an accomplished career with the Ontario Securities Commission from 1983 to 2007. Ms. Wolburgh Jenah is a member of the Board of Governors and Regulatory Policy Committee of the U.S. Financial Industry Regulatory Authority (FINRA); Chair of the Board, Chair of the Nomination and Governance Committee and member of the Regulatory Oversight Committee of Aequitas Neo Exchange and member of the Aequitas Innovations parent company Board; and member of the Board of the Global Risk Institute. She was recently appointed Chair of the initial Board of the Ontario Retirement Pension Plan Administration Corporation (ORPPAC). Ms. Wolburgh Jenah serves on the Humber River Hospital Board and is a member of the C.D. Howe National Advisory Council and the Dean's Advisory Council at Ryerson University (TRSM).

Age: 60
Toronto, Ontario, Canada

Director since
December 9, 2014

Independent

Major fields of expertise:

- Corporate Governance / Public Policy
- Risk Management
- Human Resources / Compensation
- Legal and Regulatory Affairs
- Financial Markets / Treasury

REPORTING ISSUER DURING THE LAST FIVE YEARS

CURRENT ROLE ON BOARDS AND COMMITTEES

None

MEMBER OF BOARD/COMMITTEES ATTENDANCE ATTENDANCE (TOTAL)

Board of Directors	10 out of 10 (100%)	14 out of 14 (100%)
Risk Management Committee	4 out of 4 (100%)	

SECURITIES HELD

Date	Total common shares	Total DSUs	Total common shares and DSUs	Share value (\$)	Total value of common shares and DSUs (\$)	Minimum requirements shares/DSUs	Complies with minimum shareholding requirements for directors	
Feb. 17, 2016	535	1,157	1,692	47.79	80,861	5,000	34%	No
Feb. 11, 2015	0	111	111	49.51	5,496	5,000	2%	No

VALUE OF TOTAL COMPENSATION RECEIVED DURING THE 2015 FISCAL YEAR

\$87,880

Note 1: Mr. Boychuk was a director of Yellow Media Inc. when the corporation announced a recapitalization on July 23, 2012. The recapitalization was implemented and became effective on December 20, 2012 and was implemented in accordance with a court-approved plan of arrangement under the *Canada Business Corporations Act*.

Note 2: Mr. Desjardins is not eligible for DSUs. The minimum shareholding requirements for Mr. Desjardins are those that apply to executive officers as more fully described in the "Minimum Shareholding Requirements" section on page 24 of the Circular.

Note 3: Ms. Savoy was serving as a director, President and Secretary of 2172079 Ontario Inc., a private company operating a franchise restaurant, when the company assigned all of its property for the benefit of its creditors in accordance with section 49 of the *Bankruptcy and Insolvency Act* (Canada) on December 3, 2013.

PART D – COMPENSATION OF DIRECTORS

COMPENSATION STRUCTURE

The compensation structure for the Bank's directors is as follows:

	Annual compensation
Per annum fixed compensation for all directors	\$95,000 (including \$20,000 in the form of deferred share units)
Per annum fixed compensation for the Chair of the Board	\$125,000
Per annum fixed compensation for the Chair of a permanent committee	\$15,000
Per annum fixed compensation for a director sitting on more than one committee, with the exception of the Chair of the Board	\$10,000

Directors receive no other fee for attending Board or committee meetings. Directors who are required to participate on behalf of the Bank in special committees, internal or external working groups or training sessions offered by the Bank receive an additional compensation of \$1,200 per meeting or training session. During the last fiscal year, no director received compensation of this nature. Directors are entitled to the reimbursement of their hotel and travel expenses upon presentation of supporting documentation.

Directors who are officers of the Bank are not entitled to any compensation as directors.

Director compensation is paid in each quarter out of the amounts set out in By-Law XII of the Bank's General By-Laws.

COMPENSATION IN THE FORM OF SHARES OR DSUs

Since May 1, 2012, each director receives a portion of his or her annual compensation in deferred share units (DSUs). This annual grant is made following the publication of the third quarter results.

Furthermore, a director may elect each year to receive all or part of his/her compensation in the form of issued Bank common shares and/or DSUs. This election may be changed at any time and takes effect on the next quarterly compensation payment date. At its discretion, the Human Resources and Corporate Governance Committee may also allow directors to adhere to the DSU plan at other times during the year.

The value of the shares is determined on the basis of the market price at the time of payment to the director.

A DSU 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 security (stock split, exchange of shares, etc.). DSUs cannot be converted until a director leaves the Board and are paid in cash or in shares at the latest on December 31 of the year following the year of his/her departure. The number of DSUs awarded is established by dividing the amount payable to the director by the average market price of the Bank's common share during the period defined in the DSU plan. DSUs also entitle their holders to an amount equal to dividend payments, which amount is paid in the form of additional DSUs. This plan has been in force since February 1, 2000.

HOLDING OF SHARES AND DSUs

Each director must hold at least 5,000 Bank's common shares and/or DSUs. Until this threshold is reached, at least 50% of the director's compensation is used to acquire shares and/or DSUs. As at February 17, 2016, all directors exceeded the target ownership level of 5,000 common shares and/or DSUs, except for Ms. Wolburgh Jenah (34% of the objective). The number of shares and DSUs held by each proposed nominee for election as director is indicated in Part C – Director Nominees. Mr. Desjardins is subject to minimum shareholding requirements as President and Chief Executive Officer of the Bank, as described in Part E – Executive Compensation.

Members of the Bank's Board of Directors (with the exception of the President and Chief Executive Officer) are not eligible for the *Stock Option Purchase Plan for the Officers of the Laurentian Bank of Canada and its Subsidiaries*, which is the only stock option plan in place at the Bank, nor for any other incentive compensation programs.

DIRECTOR COMPENSATION TABLE

The following table presents a summary of the compensation provided during the last fiscal year to each director of the Bank.

Name	Cash (\$)	Shares/DSU (\$)	Total Fees (\$)
Lise Bastarache	75,000	20,000	95,000
Jean Bazin	90,000	20,000	110,000
Richard Bélanger	100,000	20,000	120,000
Michael T. Boychuk	18,750	76,250	95,000
Isabelle Courville	200,000	20,000	220,000
Pierre Genest	75,000	20,000	95,000
Michel Labonté	42,750	67,250	110,000
A. Michel Lavigne	75,000	20,000	95,000
Jacqueline C. Orange	75,000	20,000	95,000
Réjean Robitaille (Note 1)	0	0	0
Michelle R. Savoy	7,145	87,855	95,000
Jonathan I. Wener	3,246	91,754	95,000
Susan Wolburgh Jenah	10,943	76,937	87,880

Note 1: Mr. Robitaille did not receive any compensation as director of the Bank.

PART E – EXECUTIVE COMPENSATION

For purposes of this Part, “Executive Officers” designates the Bank’s President and Chief Executive Officer and the persons in charge of a principal business unit or performing a policy-making function within the Bank. “Named Executive Officers” include the President and Chief Executive Officer, the Chief Financial Officer, and the three (3) other most highly compensated executive officers of the Bank (including any of its subsidiaries) at the end of the last fiscal year, as prescribed in *Regulation 51-102 Respecting Continuous Disclosure Obligations*. “Executives” designates the executive officers, as well as all the other Vice-Presidents of the Bank.

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis describes and explains all elements of compensation paid, made payable, awarded, granted, given or otherwise provided to the Named Executive Officers for the 2015 fiscal year, as well as the decision-making process relating to compensation. It includes an overview of the manner in which the Bank’s financial results impacted executive compensation. The objectives of the various executive compensation plans, a description of the different components of executive compensation, and certain other applicable terms and conditions are also explained.

Review of Fiscal Year 2015

For the fiscal year ended October 31, 2015, the Bank’s adjusted net income totalled \$172.2 million or \$5.62 diluted per share, respectively up 5% and 6%, compared with \$163.6 million or \$5.31 diluted per share for the year ended October 31, 2014. Adjusted return on common shareholders’ equity was 12.0% for the year ended October 31, 2015, compared with 11.9% in 2014. In fiscal 2015, the Bank delivered strong core earnings growth throughout the year and met its profitability objectives. In addition, the Bank’s focus on its priority activities has generated tangible returns, with the B2B Bank mortgage loan portfolio increasing by 34% and loans to businesses increasing by 18%.

The excellent credit quality of its portfolios also contributed to the good financial performance for 2015. Furthermore, the Bank maintained a solid financial position in 2015 and managed its capital with prudence over the course of the year, as evidenced by capital ratios under the standardized approach well above minimum requirements. As a result, the Bank was able to increase its quarterly dividend by 7% to \$0.58 per share.

On a reported basis, net income was \$102.5 million or \$3.21 diluted per share for the year ended October 31, 2015, compared with \$140.4 million or \$4.50 diluted per share in 2014. Reported results for 2015 and 2014 took into account adjusting items, including, in 2015, an impairment charge related to the Retail activities ensuing from a comprehensive strategic review completed at the end of the year.

The table below presents the management’s financial objectives and the Bank’s performance in 2015. These financial objectives were based on the assumptions outlined on page 23 of the 2014 Annual Report under the heading Key assumptions supporting the Bank’s objectives.

2015 Performance Indicators

The Bank met its profitability and capital objectives for the year 2015. Good volume growth in loan portfolios, higher mutual fund commissions and continued strong credit quality were the key drivers of the Bank’s financial performance. However, continued pressure on net interest income ensuing from the very low interest rate environment, as well as sustained regulatory and technology cost pressure contributed to the Bank slightly missing its annual efficiency ratio and operating leverage objectives.

	2015 OBJECTIVES	2015 RESULTS
Adjusted diluted earnings per share (Note 1)	5% to 8% growth	6%
Adjusted efficiency ratio (Note 1)	<71.0%	71.3%
Adjusted operational leverage (Note 1)	Positive	(0.4)%
Adjusted return on common shareholders’ equity (Note 1)	≥ 12.0%	12.0%
Common Equity Tier 1 capital ratio — All-in basis	> 7.0%	7.6%

Note 1: Refer to the non-GAAP financial measures section on page 14 of the Annual Report.

To establish the Bank’s short-term financial objective for the purposes of the Short-Term Incentive Compensation program, the Human Resources and Corporate Governance Committee (the “HR Committee”) decided to use adjusted net income after taxes and before dividends (“adjusted net income”). As such, the net income taken into account for bonus purposes is \$172.2 million.

More details concerning the Bank's financial performance in fiscal year 2015 can be found in the *Management's Discussion and Analysis* section of the Annual Report. More details about the Bank's Short-Term Incentive Compensation program are provided in the *Components of Overall Executive Compensation* section hereinafter.

Executive Compensation Policy

The Bank adopted an executive compensation policy (the "Policy") in 2009. The Policy addresses the subjects of governance, reference group, external advisors, components of overall executive compensation, balance between variable and fixed compensation, clawback procedure and minimum shareholding requirements. These elements are further discussed in the following sections.

The Policy's objectives are to:

- continuously promote the alignment of the executives' interests with those of shareholders through compensation plans;
- foster transparency with respect to executive compensation management;
- attract and retain competent and motivated executives;
- establish competitive compensation linked to the Bank's performance; and
- respect the principles of sound compensation practices in terms of internal and external equity and of prudent risk management.

The Policy aims to position the target compensation for each element of executive compensation at the reference group's median and also requires a balance between variable and fixed compensation, as more fully described below.

The Policy is reviewed annually by the HR Committee. In order to improve the alignment of targets with the reference group, an amendment was made to the short-term incentive compensation for the year 2015.

Governance

The HR Committee is responsible for supervising all aspects of the Bank's human resources management, including all elements related to compensation. With respect to compensation, the HR Committee approves the Policy, compensation plans, salary increases for executives, grants under the stock option plan, stock appreciation right and share unit plans, as well as bonuses paid under the Short-Term Incentive Compensation program. Jointly with the Risk Management Committee, the HR Committee also examines the risk analysis of the compensation programs. In addition, the HR Committee discusses the performance evaluations of those who report directly to the Bank's President and Chief Executive Officer on an annual basis. In the case of the President and Chief Executive Officer, the Board of Directors discusses his performance evaluation and, upon the recommendation of the HR Committee, determines his salary, grants under the stock option plans, stock appreciation rights and share unit plans, and the bonus paid under the Short-Term Incentive Compensation program.

The HR Committee's role is described in greater detail in some of the following sections. The HR Committee's mandate and its report for the 2015 fiscal year can be found respectively in the "Corporate Governance" section of the Bank's website and in Part F – Corporate Governance.

The members of the HR Committee are Jean Bazin (Chair), Isabelle Courville, Pierre Genest and Michelle R. Savoy (since December 9, 2014). All members are independent within the meaning of *Regulation 52-110 Respecting Audit Committees*.

Each HR Committee member has direct experience that is relevant to his/her responsibilities in executive compensation, as described below.

Jean Bazin (Chair):

- Member of the Québec Bar since 1965, with a practice specialized in labour law;
- Member of the Human Resources Committee of Petro-Canada from 1984 to 1986;
- Member of the Compensation and Human Resources Committee of Bradley Air Services Inc. (First Air) from 1991 to 2007;
- Member of the Human Resources Committee and the Ethics and Governance Committee of Société générale de financement du Québec from 2004 to 2010;
- Member of the Human Resources and Corporate Governance Committee of Miranda Technologies Inc. from 2004 to 2012; and
- Member of the Bank's HR Committee since March 2011 and Chair since March 2013.

Isabelle Courville:

- President of Hydro-Québec Distribution, a division of Hydro-Québec with approximately 7,500 employees, from March 2011 to January 2013;
- President of Hydro-Québec TransÉnergie, a division of Hydro-Québec with approximately 3,500 employees, from 2007 to 2011;
- President of Bell Canada's Enterprise Group, a division of Bell Canada with approximately 5,000 employees, from 2003 to 2006;
- Chair of the Human Resources Committee and Corporate Governance of Miranda Technologies Inc. from 2006 to 2012;
- Member of the Compensation Committee of TVA Group Inc. since May 2013;
- Chair of the Management Resources and Compensation Committee of Canadian Pacific Railway Limited since January 2016; and
- Member of the Bank's HR Committee since 2008 and Chair of that Committee from March 2009 to March 2013.

Pierre Genest:

- Fellow of the Canadian Institute of Actuaries since 1973, Fellow of the Society of Actuaries (U.S.A.) since 1973 and member of the American Academy of Actuaries since 1977;
- Chairman of the Board of SSQ Financial Group since 2006;
- President and Chief Executive Officer of the Fonds de solidarité des travailleurs du Québec (F.T.Q.) from 2002 to 2006;
- Held several executive positions at SSQ Financial Group between 1986 and 2001, including the position of President and Chief Executive Officer from 1994 to 2001;
- Chair of the Human Resources Committee of PFT Management Inc. since June 2010; and
- Member of the Bank's HR Committee since August 2013.

Michelle R. Savoy:

- Held numerous management and executive positions with the Capital Guardian (Canada) Inc. from 2003 to 2011;
- Extensive expertise in pension fund management and in capital markets;
- Extensive training in the securities field;
- Partner recruiter with an international executive recruiting firm from 1997 to 1998;
- Member of the Bank's Risk Management Committee from August 2013 to December 2014
- Member of the Pension Committee and member of the Corporate Governance Committee of Nav Canada since December 2015; and
- Member of the HR Committee since December 2014.

Based on the foregoing, the Board believes that, overall, the members of the HR Committee have the skills and experience that enable them to make informed decisions on the suitability of the Bank's compensation policies and practices.

REFERENCE GROUP

The companies that make up the reference group are selected with a view to represent the Bank's primary comparison market as well as its recruitment pool. The following selection criteria are used:

- companies in the banking and financial services sectors;
- publicly-traded;
- comparable clientele;
- comparable business activities; and
- comparable employee profile.

A single reference group is used to assess market value of overall executive compensation. The reference group is comprised of the following 25 organizations:

ATB Financial	Franklin Templeton Investments	Manulife Financial
Autorité des marchés financiers	HSBC Bank of Canada	National Bank Financial Group
BMO Financial Group	IA Clarington Investments Inc.	Royal Bank of Canada
Business Development Bank of Canada	Industrial Alliance Pacific, Insurance and	The Bank of Nova Scotia
Canadian Western Bank	Financial Services Inc.	The Standard Life Assurance Company
Canadian Imperial Bank of Commerce	ING Bank of Canada (Tangerine)	Sun Life Financial
Dundee Wealth Inc.	Investors Group Inc.	TD Bank Financial Group
Fédération des caisses Desjardins du Québec	La Capitale General Insurance Inc.	Vancity Savings Credit Union
Fidelity Investments Canada	Mackenzie Financial Corporation	

Prior to conducting any study on executive compensation, the HR Committee reviews the list of selection criteria and organizations to be surveyed as the reference group. The HR Committee believes that the criteria used are relevant as the reference group includes the majority of the most important financial services organizations in Canada but is not limited to banks, thus reflecting the diversity and the size of the Bank's business model.

In addition, for the purposes of measuring performance under the Performance Share Unit plan, a reference group is used — namely the XFN -S&P/TSX Capped Financials Index Fund — which comprises Canadian financial sector issuers listed on the Toronto Stock Exchange. Further information is provided below in the section entitled "Performance Share Units (PSU)".

External Advisors

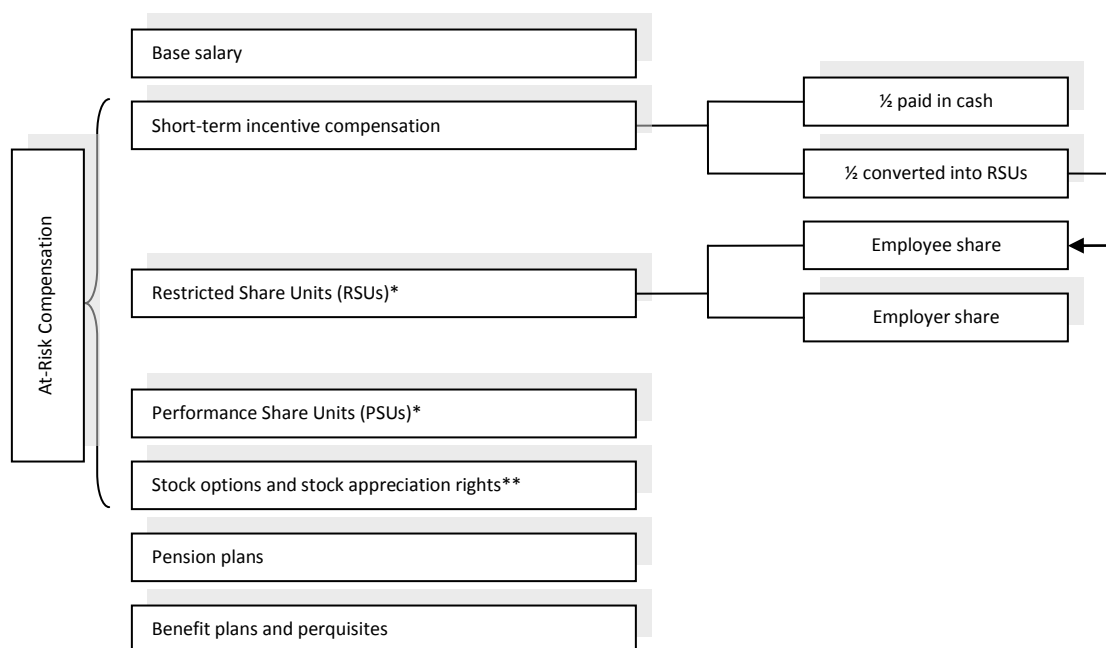
The Policy provides that external advisors be mandated to analyze and compare the target total compensation of the Bank's executives with that paid within the reference group. In this analysis, the external advisors make appropriate adjustments in accordance with their methodology to take the Bank's relative size into consideration, as well as differences in responsibility levels among executives of companies and organizations that form part of the reference group.

In accordance with the Bank's practice of assessing the positioning of its total direct executive compensation every two years, a study was requested from the Hay Group in 2014. The Bank did not receive advice by external advisors during the fiscal year 2015.

Advisor	Executive Compensation-Related Fees (\$)		All Other Fees (\$)	
	2015	2014	2015	2014
Hay Group	--	75,020	--	16,096

COMPONENTS OF OVERALL EXECUTIVE COMPENSATION

The Policy sets out seven components of overall executive compensation, which are illustrated below.



* RSUs and PSUs may be deferred, as explained below.

** Granted on an ad hoc basis only.

The following table presents each of the components of overall executive compensation in greater detail.

Compensation Component	Frequency	Elements of Analysis
Base salary	Reviewed annually	<ul style="list-style-type: none"> • Comparison with external market • General contribution • Internal equity
Short-term incentive compensation*	Awarded annually	<ul style="list-style-type: none"> • Comparison with external market to establish target bonuses • Individual and corporate performance • Cash bonuses (50% of the bonus is converted into Restricted Share Units)
Restricted Share Units (RSUs)*	Awarded annually only if a bonus is paid under the Short-Term Incentive Compensation program When RSUs are granted, the participant can elect to defer redemption of the units until the end of employment	<ul style="list-style-type: none"> • Comparison with external market for the target value • Individual and corporate performance
Performance Share Units (PSUs)*	Awarded annually When PSUs are granted, the participant can elect to defer redemption of the units until the end of employment	<ul style="list-style-type: none"> • Comparison with external market for the target value • Individual and corporate performance
Stock options and stock appreciation rights (SARs)	Granted on an ad hoc basis at the discretion of the HR Committee. No stock options, nor SARs, were granted to Executives in 2015, 2014 and 2013	
Pension plans : <ul style="list-style-type: none"> • Defined benefit (Second level of Vice-president and above)* • Defined contribution or hybrid (First level of Vice-President) 	Payable when the executive retires or leaves the Bank	<ul style="list-style-type: none"> • Comparison with external market for the final expected value • Calculated on base salary only • Years of service
Benefit plans and perquisites*	On a continuous basis	<ul style="list-style-type: none"> • Comparison with external market • Executive, depending of their level, may benefit from certain additional advantages, such as supplementary life insurance, additional health account, indemnity in the event of change of control, car allowance, parking and annual medical

* Specific provisions apply to the President and Chief Executive Officer of Laurentian Bank Securities Inc. (LBS), as more fully described further along in this section.

Each component of overall executive compensation is described in the following sections.

Base Salary

The base salary paid to executives is determined on the basis of the following criteria:

- the position's market value;
- the executive's qualifications;
- the executive's performance;
- the executive's contribution to the Bank (as evaluated by his or her immediate superior); and
- the available salary budget.

The HR Committee reviews the base salary of executives annually.

Short-Term Incentive Compensation

The main purpose of the Short-Term Incentive Compensation Program is to recognize the attainment of the following objectives for the Executive:

- short-term objectives of the Bank; and
- sector-based annual objectives.

The bonus under the program is calculated as follows:

$$\left[\text{Target Bonus} \right] \times \left[\text{Global Performance Factor} \right] = \left[\text{Short-Term Incentive Compensation Paid} \right]$$

The **Target Bonus** represents the annual base salary multiplied by a percentage established according to the hierarchical level of each executive, which varies from 55% to 80% in the case of an Executive Vice-President and is 100% in the case of the President and Chief Executive Officer.

The **Global Performance Factor** includes components to reflect the attainment of the Bank's short-term financial results while maintaining a balance with sector-based and individual results, such as client development, project execution and the strategic plan, maintenance of sound governance, risk management and human capital management. The components of the Global Performance Factor are described below.

$$\left[\begin{array}{l} \text{Bank Short-Term} \\ \text{Financial Factor} \\ \text{and Line of Business} \\ \text{Financial Factor, if} \\ \text{applicable} \end{array} \right] \times \left[\begin{array}{l} \text{Sector-Based} \\ \text{Financial} \\ \text{Results} \end{array} + \begin{array}{l} \text{Client} \\ \text{Development} \end{array} + \begin{array}{l} \text{Projects} \\ \text{and} \\ \text{Strategic} \\ \text{Plan} \end{array} + \begin{array}{l} \text{Governance} \\ \text{and Risk} \\ \text{Management} \end{array} + \begin{array}{l} \text{Human Capital} \\ \text{Management} \end{array} \right]$$

0 – 150% 0 – 150%

Bank Short-Term Financial Factor and Line of Business Financial Factor, if applicable	Dependent on the Bank's annual performance based on its net income after taxes and before dividends (adjusted net income). The Financial Factor is derived from a target established by the Board of Directors at the beginning of the year to encourage management to take all of the Bank's operations into account. For some Executives, the line of business' Financial Factor is taken into account. The factor applicable for the Executive Vice-Presidents and the President and Chief Executive Officer is the Bank Financial Factor.
Sector-Based Financial Results	The financial results of each business line or segment. For the President and Chief Executive Officer, these results include the Bank's financial objectives, excluding net income after taxes and before dividends (adjusted net income), which is part of the Bank Short-Term Financial Factor.
Client Development	Client-related objectives, such as business volume growth and other elements related to the client base.
Projects and Strategic Plan	Objectives related to the execution of projects and strategies with short-, medium- and long-term impacts.
Governance and Risk Management	Objectives intended to drive sound governance and balanced management of the organization's overall risks.
Human Capital Management	Objectives related to the behaviour of each executive, as well as human capital performance, talent, succession and organizational climate management.

The Global Performance Factor may vary from 0% to 225%. As mentioned above, it is composed of two groups of factors — namely the Bank Short-Term Financial Factor and the group of individual factors named above (each group's results may vary from 0% to 150%). The HR Committee may include any other element it deems appropriate in this factor.

The percentage applicable to the group of individual factors is determined according to the following scale:

Short-, Medium- and Long-Term Factors		
Above expectations	Meets expectations	Clearly below expectations
150%	50% - 120%	0%

Throughout the year, the degree of attainment of these objectives is reported by the executive to the President and Chief Executive Officer, who submits a written evaluation at the end of the year of the executive's performance to the HR Committee. The recommendations of the President and Chief Executive Officer regarding the executive's evaluation and the setting of his/her objectives for the ensuing year are then discussed and a decision is taken by the HR Committee. The HR Committee based its assessment of the performance of the Named Executive Officers for fiscal year 2015 (other than the President and Chief Executive Officer) on the level of attainment of the objectives specific to each executive. The HR Committee also takes into account special elements which occurred during the year, if any. The performance of Named Executive Officers for fiscal year 2015 is disclosed under the heading "Performance and Total Compensation of Named Executive Officers" hereinafter.

The setting of the objectives and the evaluation of the President and Chief Executive Officer are undertaken by the Board of Directors upon the recommendation of the HR Committee. In setting the Global Performance Factor for the President and Chief Executive Officer for fiscal year 2015, the Board of Directors considered the attainment of his objectives set at the beginning of the year, as well as other special elements which occurred during the year, as more fully described under the heading “Performance and Total Compensation of Named Executive Officers”.

The annual bonus paid to Executives under the Short-Term Incentive Compensation program may vary from 0% to 225% of the target bonus, except in circumstances where no annual bonus is payable — namely, for 2015, if adjusted net income had been less than \$135.9 million. The HR Committee has authority to adjust bonus amounts if warranted by particular circumstances. For fiscal year 2015, bonuses paid to Named Executive Officers were established according to the above criteria. In addition, a transition bonus was awarded to Mr. François Desjardins for the transition into the President and Chief Executive role. The bonuses paid to Named Executive Officers for fiscal year 2015 were approved by the HR Committee on December 8, 2015, and for the President and Chief Executive Officer by the Board of Directors on December 17, 2015. The amounts are disclosed under the heading “Performance and Total Compensation of Named Executive Officers”.

Executives must convert 50% of their annual bonus into restricted share units (RSUs), as explained below.

With respect to the bonus for the President and Chief Executive Officer of Laurentian Bank Securities Inc. (LBS), it was determined as a percentage of income before income taxes of LBS and of the Bank’s Capital Markets sector.

Long- and Medium-Term Incentive Compensation

The share unit plans described in this section were introduced to meet the following common objectives:

- Align the interests of executives with those of shareholders, for example:
 - Share units simulate the share price. Thus, the executive benefits from an increase and is affected by any decline, just as shareholders are.
 - The conversion of 50% of the annual bonus into RSUs allows for the bonus to be staggered over time while exposing it to the same risk as the shareholder.
- Ensure the Bank’s sustained and long-term performance, for example:
 - The minimum holding period for share units is three years and can even be deferred until the executive’s departure.
 - The holding period applies beyond active participation by including the retirement period, if applicable, subject to the limits prescribed by tax rules.
- Create a direct link between the Bank’s success and the bonuses offered to its principal executives, for example:
 - No annual bonus will be paid to executives if the Bank does not achieve its minimum performance objective, as stipulated in the Short-Term Incentive Compensation program. Therefore, no RSUs will be awarded.
 - In the event that a bonus is paid out during a given year, the RSU plan provides for the conversion of 50% of the annual bonus into share units, whose value is linked to the share price.
 - The PSU plan provides vesting rules that take target performance into account over three years for all units awarded.
- Avoid dilution for shareholders, for example:
 - The share units cannot be converted into shares issued by the Bank.

Restricted Share Units (RSUs)

The HR Committee adopted the *Restricted Share Unit Plan for Senior Management of Laurentian Bank of Canada* in 2005, under the terms of which executives must convert 50% of their annual bonus into RSUs. The Bank contributes an additional amount equal to 30% of the annual bonus, which is also converted into RSUs. The number of RSUs awarded is based on the share price of the Bank on the date of the award (as more fully described in the “Summary Compensation Table”). At the beginning of the fiscal year, each participant must elect whether he/she wishes to participate in the standard version of the plan (under which accumulated amounts are paid at the expiration of a three-year vesting period from the date of award) or the deferred version of the plan (under which accumulated amounts are paid at the time the executive leaves the Bank). The plan also provides for the reinvestment of dividend equivalents on all units granted until their redemption. Exceptions apart, no RSUs are awarded to an executive in the event that he/she is not entitled to an annual bonus under the Short-Term Incentive Compensation program.

The amount of RSUs awarded for fiscal year 2015 to the Named Executive Officers and the number of RSUs held by them for the purposes of minimum shareholding requirements are disclosed under the heading “Performance and Total Compensation of Named Executive Officers”.

For his part, the President and Chief Executive Officer of LBS participates in a distinct deferred compensation plan — the Capital Markets sector Deferred Compensation plan. Under this plan, 30% of the annual bonus paid to him (between \$75,000 and \$500,000), as well as 40% of any amount in excess thereof, is converted into RSUs. This plan does not provide for any employer contribution, and a third of the RSUs are redeemed on each of the three first anniversary dates of the grant. This program promotes sound risk management and alignment with the interests of shareholders.

Performance Share Units (PSUs)

In order to ensure that the Bank remains competitive with respect to medium-term incentive compensation, the HR Committee adopted an incentive compensation plan in May 2007 entitled *Performance Share Unit Plan for Senior Management of Laurentian Bank of Canada*.

The PSU plan was amended in 2011 and 2012 in order to be better aligned with market practices and to integrate proposals made by shareholders. The main changes brought by these amendments are the use of total shareholder return instead of return on common shareholders' equity to determine the performance objective, and the increase of award targets as percentages of base salary. The amended PSU plan applies to awards made for the 2012 fiscal year and thereafter.

PSUs are awarded at the HR Committee's discretion and are generally granted annually. PSUs are granted as a percentage of base salary — the target grant %. The number of PSUs awarded is determined on the basis of the maximum grant % as calculated below:

$$\frac{\text{Executive's annual base salary} \times \text{Target \%}^* \times \text{Maximum performance factor \%}^{**}}{\text{Share price}^{***}}$$

- * For fiscal year 2015, the target % varies from 93.5% to 132% in the case of an Executive Vice-President, is 60% for the President and Chief Executive Officer of LBS, and is 270% for the President and Chief Executive Officer of the Bank.
- ** The maximum performance factor is 125%. Because PSUs are subject to public disclosure obligations, the maximum performance % is used instead of a target performance % in order to assure full and appropriate disclosure.
- *** Share price on the date of the award (as more fully described in the "Summary Compensation Table" hereinafter).

With the number of PSUs awarded on the basis of maximum grant %, the number of units vested will be adjusted based on the real performance obtained. The number of units vested will vary between 75% and 125% of the number of target units in accordance with the following performance formula:

$$\left[\frac{\text{Bank average three-year annual total shareholder return}^* \text{ minus } \text{Comparator group}^{**} \text{ average three-year annual total shareholder return}^*}{100\%} \right] \times 3 + 100\%$$

- * The annual total shareholder return is equal to the share price at the end of the period minus the share price at the beginning of the period plus paid dividends, the whole divided by the share price at the beginning of the period.
- ** The comparator group is defined as the XFN - S&P/TSX Capped Financials Index Fund, which is comprised of Canadian financial sector issuers listed on the Toronto Stock Exchange.

The units that do not vest are cancelled.

At the beginning of the fiscal year, each participant must elect whether he/she wishes to participate in the standard version of the plan (under which accumulated amounts are paid at the expiration of a three-year period from the date of award) or the deferred version of the plan (under which accumulated amounts are paid at the time the executive leaves the Bank). The participant must elect the deferred version of the plan until he/she reaches the minimum shareholding requirements, as disclosed under the heading "Minimum Shareholding Requirements" hereinafter. The plan also provides for the reinvestment of dividend equivalents on all share units until their redemption.

The number of PSUs awarded to the Named Executive Officers for fiscal year 2015 and the number of PSUs held by them for purposes of the minimum shareholding requirements are disclosed under the heading "Performance and Total Compensation of Named Executive Officers".

Stock Options and Stock Appreciation Rights (SARs)

Although these plans are part of existing overall executive compensation, they are used on an exceptional basis and any grant is at the HR Committee's discretion, taking previous grants into consideration. During fiscal year 2015, no options or SARs were granted to the Named Executive Officers. The number of stock options and SARs held by them is disclosed in the "Outstanding Share-Based Awards and Option-Based Awards" table under the heading "Incentive Plan Awards".

The Bank has a *Stock Option Purchase Plan for the Officers of the Laurentian Bank of Canada and its Subsidiaries* (the creation of which was approved by shareholders at the annual meeting held on January 24, 1992), as well as a *Phantom Shares Plan for the Officers of the Laurentian Bank of Canada and its Subsidiaries*, which was adopted in 1995.

The relative importance of these plans continues to decrease in favour of the RSU and PSU plans. Subject to certain exceptions (for example, when hiring a candidate or in the event of an exceptional financial situation), the HR Committee does not grant stock options and SARs to Executives. Although the HR Committee periodically reviews overall incentive compensation programs applicable to executives, it has no plans at this time to introduce any further share-based or option-based award plans.

The principal terms and conditions of the Bank's Stock Option plan can be found in Schedule D.

The SAR plan allows eligible participants to benefit from the appreciation of the Bank's common shares. Under the plan, SARs are granted on the basis of the market value of a Bank's common share at the time of grant, such value being established as the arithmetic average of the weighted average trading prices of the shares on the Toronto Stock Exchange for the five trading days preceding the grant. The appreciation is calculated on the basis of the closing price of the Bank's share on the day preceding the exercise. SARs become vested in 25% instalments beginning on the second anniversary of the date of grant and may be held for a maximum of 10 years. The appreciation is paid in cash and the holders of SARs have no shareholder rights. Certain other terms and conditions apply.

Securities Authorized for Issuance under Equity Compensation Plans

The following table provides information with respect to compensation plans under which the Bank's equity securities are authorized for issuance.

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights as at October 31, 2015	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights as at October 31, 2015 (\$)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding securities reflected in the first column) as at October 31, 2015
Equity compensation plans approved by security holders (Note 1)	8,000	29.47	124,962 (Note 2)
Equity compensation plans not approved by security holders	–	–	–

Note 1: Stock Option Purchase Plan for the Executives of the Laurentian Bank of Canada and its Subsidiaries

Note 2: The dilution level of options remaining available as a percentage of shares outstanding is 0.432% (based on 28,956,619 common shares outstanding as at October 31, 2015).

Pension Plans

The pension plans applicable to executive (second level of Vice-Presidents and above) are described under the heading "Pension Plan Benefits". The President and Chief Executive Officer of LBS does not participate in a pension plan.

Benefit Plans and Perquisites

In addition to the benefits applicable to all Bank employees, executives are entitled to life insurance of up to four times their salary (up to a maximum of \$1.2 million). Executive Vice-Presidents and the President and Chief Executive Officer also benefit from a health account worth \$5,000 annually. The amounts allocated to the health account are valid for a two-year period, after which any unused amount is forfeited. In addition, Executives are entitled to receive an annual medical, the costs of which are covered by the Bank. Senior Vice-Presidents, Executive Vice-Presidents and the President and Chief Executive Officer also benefit from a monthly car allowance and are reimbursed for their parking. The President and Chief Executive Officer of LBS does not benefit from any particular advantage, except for a car allowance and the reimbursement of his parking.

Moreover, Executive Vice-Presidents and the President and Chief Executive Officer benefit from an indemnity plan in the event of change of control, the terms and conditions of which are described under the heading "Termination and Change of Control Benefits" hereinafter.

Balance Between Variable and Fixed Compensation

The proportion between fixed and variable executive compensation varies with the hierarchical level and the global performance factor of each executive and aims to align the executives' interests with those of the shareholders, thus reflecting the influence the executive has on the Bank's overall business results.

Each year, the HR Committee assures a balance between fixed compensation (base salary) and variable compensation (annual bonus, RSUs and PSUs), as well as between short-, medium- and long-term components of executive compensation. In so doing, the HR Committee's intention is to maintain the right balance and consistency between the expected return, prudent risk management and the compensation being offered. The "Performance and Total Compensation of Named Executive Officers" section indicates the proportion of fixed and variable compensation of each Named Executive Officer for fiscal year 2015.

Clawback Procedure

The clawback policy provides that if the Bank's financial statements for a previous year were to be restated due to fraud or a serious irregularity, the HR Committee could decide to adjust annual bonuses, share units, SARs or stock options awarded based on financial performance in accordance with the restated financial results. In view of the importance of rules respecting investment decisions, of LBS and Capital Markets, the clawback policy also provides for a clawback for non-compliance of applicable internal policies and procedures.

Minimum Shareholding Requirements

In order to foster long-term mobilization of executives, the HR Committee adopted minimum holding requirements of the Bank's shares in 2007. These requirements were increased in 2011 and are currently as follows:

Level	Minimum Requirement
President and Chief Executive Officer	5 x base salary
Executive Vice-President	3 x base salary
Senior Vice-President	2 x base salary
Vice-President	1 x base salary

The shareholding level attained by each executive is evaluated annually based on the higher of the closing price of the Bank's common share on October 31 or on the purchase or award date. The following shares and share units are included in the calculation of shareholding:

- Bank's common shares held;
- RSUs, including the award relating to the fiscal year just ended; and
- PSUs vested, as well as non-vested PSUs, calculated on the basis of the minimal payment provided by the plan.

Although there is no time limit for reaching the minimum shareholding requirements, executives must participate in the deferred version of the PSU plan until the requirements are met. Simulations carried out by the Bank show that, by using the deferred version of such plan, the minimum shareholding requirements can be met within three years.

The "Performance and Total Compensation of Named Executive Officers" section indicates the shareholding levels of Named Executive Officers as at October 31, 2015.

Risk Analysis

In adopting compensation practices and setting executive compensation, the HR Committee, with the help of the Risk Management Committee, considers the implications of the risks associated with the Bank's compensation policies and practices. The mandates of the HR Committee and of the Risk Management Committee were amended in 2010 to enable them to undertake an analysis of risks associated with the various compensation programs. Also in 2010, an analysis grid was developed to assess the risk associated with each of the Bank's compensation programs. The grid covers five categories of criteria — conception of the program, process for determining results, approval of results, risk-taking and synchronization of bonuses and losses.

Since 2010, the HR and Risk Management Committees conduct an annual examination of the risk analysis of the compensation programs prepared by the Executive Vice-President, Chief Risk Officer and Corporate Affairs based on the analysis grid. The last such analysis was conducted in December 2015. As a result of this assessment, the HR Committee deemed the level of risk associated with the various compensation programs to be satisfactory.

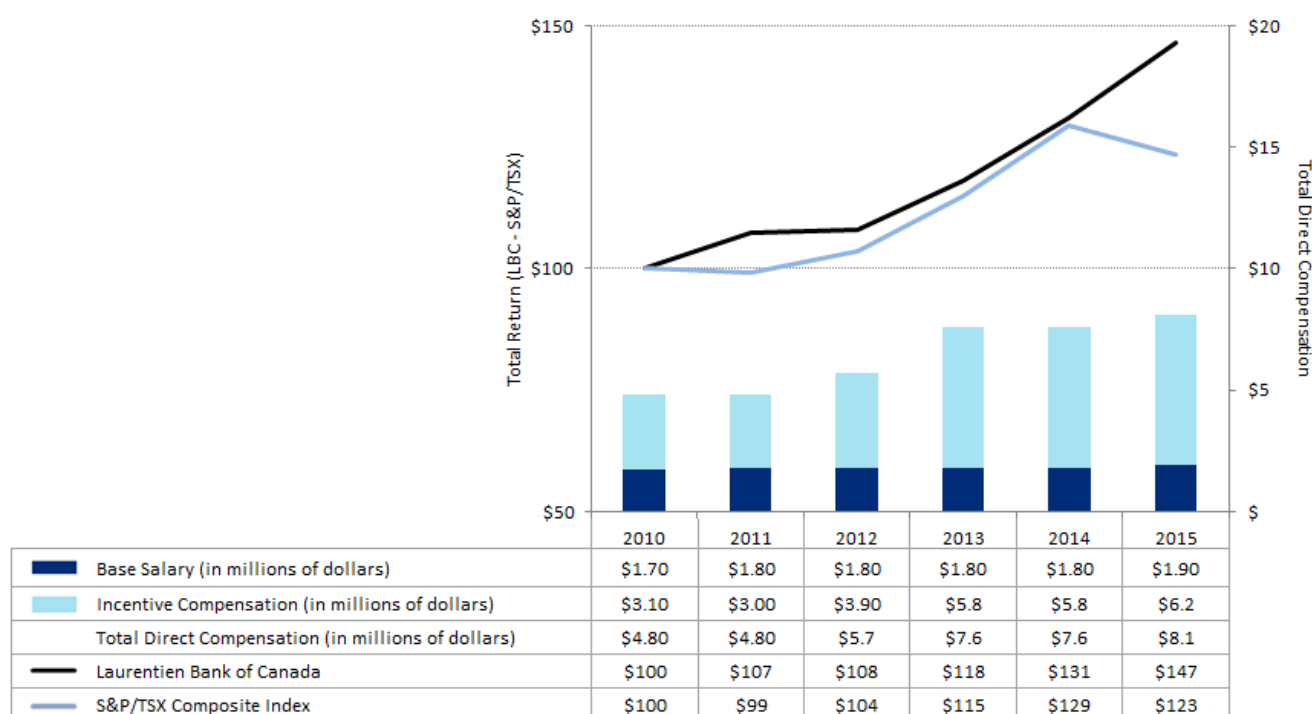
Hedging

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

Performance Graph

The following graph represents the comparison between the cumulative total return for \$100 invested in the Bank's common shares on October 31, 2010, assuming reinvestment of dividends, and the cumulative total return of the Toronto Stock Exchange's S&P/TSX Composite Index for the last five fiscal years.

The graph also sets out the total direct compensation paid to Named Executive Officers in terms of base salary and incentive compensation (including short-term incentive compensation and the granting of RSUs, PSUs, options and SARs) for the last five fiscal years.



Trend Analysis

For the period covered by the graph, the Bank succeeded in significantly improving its core financial indicators as follows:

- Adjusted net income increased by 40% — from \$122.9 million in 2010 to \$172.2 million in 2015. On a reported basis, net income decreased by 17% from \$122.9 million in 2010 to \$102.5 million in 2015 in part due to a special impairment and restructuring charge of \$78.4 million recorded in 2015.
- Adjusted diluted earnings per share grew over the past five years from \$4.63 to \$5.62 — an increase of 21%. On a reported basis, diluted earnings per share decreased by 31% during the same period, due, in part, to the special impairment and restructuring charge mentioned above;
- Loans and bankers' acceptances increased by 47% over the past five years — up from \$20.5 billion to \$30.1 billion;
- Credit quality remained excellent, with a loan loss provision expressed as a percentage of average loans of 0.12% in 2015 and no direct exposure to the oil and gas industry.
- Deposits increased by 36% over the past five years — up from \$19.6 billion to \$26.6 billion; and
- The quarterly dividend grew from \$0.39 to \$0.58 per share over five years, representing an increase of 49%.

The increases in total direct compensation of 2012 and 2013 came subsequent to a comprehensive review of executive compensation programs conducted in 2011 and 2012.

During the period covered by the graph, the data shows that the level of total direct compensation received by Named Executive Officers varies in accordance with the total return trend of the Bank's common shares.

Employment, Retention and Transition Agreement

On January 21, 2015, the Bank and Mr. Réjean Robitaille agreed to modify his employment contract dated June 2006 and entered into an employment, retention and transition agreement (the "Agreement"). The agreement recognized Mr. Robitaille's contribution to the Bank's success and ensured an efficient transition while respecting the material terms of his employment contract. Mr. Robitaille has stepped down as President and Chief Executive Officer and Board member effective November 1, 2015.

Over the Duration of the Agreement

- Mr. Robitaille's compensation for 2015 was in accordance with the short-term incentive compensation, share unit and employee benefit plans applicable to all executives, with the exception of the following elements:
 - Short-Term Incentive Compensation – Mr. Robitaille's target continued to be 100% of base salary. For the 12-month period ending October 31, 2015, the annual bonus paid could not have been less than \$600,000 and was subject to terms and conditions with respect to the efficiency of the transition.
 - Performance Share Unit Program – The performance share units already issued will be handled in accordance with the terms and conditions of the program. However, for the 12-month period ending October 31, 2015, compensation equivalent to an annual target grant — 270% of base salary, amounting to \$1,620,000 — was paid on October 31, 2015.

Upon Expiry of the Agreement

- Non-Competition and Non-Solicitation – Mr. Robitaille is subject to non-competition and non-solicitation obligations with respect to clients and employees for a period of 24 months.
- Indemnity – Indemnity of \$2,780,000, equivalent to 24 months of base salary and of short-term incentive compensation, was paid (incentive compensation being calculated based on the average short-term bonuses paid during the last three years preceding the cessation of employment).
- Benefits – Mr. Robitaille is eligible for employee benefits (except for disability insurance) until the earlier of 24 months following his departure or his obtaining other employment. The cost of these benefits for the Bank is \$80,989.
- Pension Plan – An additional period of 36 months was taken into account in the calculation of Mr. Robitaille's benefits under the Executive plan and the Supplemental Plan. The Bank's cost as at October 31, 2015 was \$2,075,000.

Other events

- On February 26, 2015, the Board of Directors announced that Mr. Francois Desjardins would succeed Mr. Robitaille as President and Chief Executive Officer, effective November 1, 2015.
- On July 31, 2015, Mr. Michel C. Lauzon, Executive Vice-President and Chief Financial Officer, retired. To ensure Mr. Lauzon's retention until the arrival of the subsequent Chief Financial Officer, he received a Performance Share Units grant which will vest in December 2018.
- On August 10, 2015, Mr. Francois Laurin was appointed Executive Vice-President and Chief Financial Officer.

Performance and Total Compensation of Named Executive Officers



Réjean Robitaille
President and Chief
Executive Officer

With the Bank since 1988, Mr. Robitaille has held several positions both within support sectors and business lines, has served as President and Chief Executive Officer of the Bank from 2006 until 2015. He holds a Bachelor's degree in Business Administration, and he is a professional chartered accountant and Fellow of the Ordre des comptables professionnels agréés du Québec. On January 21, 2015, the Bank announced Mr. Robitaille's retirement. Mr. Robitaille remained in office until November 1, 2015, thereby ensuring support throughout the year as Mr. Desjardins assumed the President and Chief Executive Officer role on November 1, 2015.

Performance

2015 Performance Indicators	Attainment of Results	2015 Achievements
Sector-Based Financial Results		
Adjusted diluted earnings per share	√	<ul style="list-style-type: none"> The Bank generated adjusted net income of \$172.2 million*, up by 5% from the previous year. For their part, diluted earnings per share amounted to \$5.62, up 6% from previous year. Reported net income of \$102.5 million or \$3.21 per share, respectively down 27% and 29% year-over-year including special impairment and restructuring charges of \$78.4 million.
Adjusted efficiency ratio	X	<ul style="list-style-type: none"> The Bank's adjusted efficiency ratio was 71.3% in 2015, as compared to 71.0% in the previous year.
Adjusted operating leverage	X	<ul style="list-style-type: none"> The Bank's operating leverage for 2015 was -0.4%.
Adjusted return on common shareholders' equity	√	<ul style="list-style-type: none"> Adjusted return on common shareholders' equity totalled 12.0% in fiscal year, as compared to 11.9% in 2014.
Common Equity Tier 1 capital ratio	√	<ul style="list-style-type: none"> The ratio was 7.6% as of October 31, 2015.
Client Development		
Growth of loans	X	<ul style="list-style-type: none"> Strong loan growth of \$2.7 billion year-over-year with excellent credit quality.
Growth of deposits	X	<ul style="list-style-type: none"> Totalling \$26.6 billion, the deposit portfolio registered an increase of \$2.1 billion, or 8.6% over the previous year.
Projects and Strategic Plan		
Transition to succeeding Chief Executive Officer	√	<ul style="list-style-type: none"> Mr. Robitaille worked alongside Mr. Desjardins providing coaching and gradually transferring responsibilities as evidenced by Mr. Desjardins taking leadership of the Management Committee in June of 2015.
Governance and Risk Management		
Optimization of credit management in a challenging economic environment	√	<ul style="list-style-type: none"> The prudent and proactive approach to credit activities over the past years resulted in a historically low loss level, with loan losses in 2015 totalling \$34.9 million, or 0.12% of the average loan and bankers' acceptances portfolio, reflecting the excellent condition of the loan portfolio.
Governance and regulatory requirements	√	<ul style="list-style-type: none"> The programs related to governance and regulatory requirements were carefully monitored.
Human Capital Management		
Be the Bank's prime representative among employees, clients, shareholders and other stakeholders	√	<ul style="list-style-type: none"> Mr. Robitaille has always made a point of meeting the vast majority of employees to discuss the business plan and his expectations, as well as to answer their questions. Furthermore, numerous meetings were held with clients, shareholders and the business community to explain the Bank's strategy and strengths. In particular this year, much emphasis was put on communication so as to ensure a smooth transition to the new Chief Executive Officer.

* Adjusted measures (the adjusting items are described on page 14 of the 2015 Annual Report).

The HR Committee considered Mr. Robitaille's overall performance in 2015 to have met expectations in regards to an efficient transition of the President and Chief Executive Officer role.

Compensation

The following table presents the compensation paid, made payable, awarded, granted, given or otherwise provided to Mr. Robitaille for the last three fiscal years. The amounts indicated were calculated in accordance with the provisions of each program as described in this Circular.

	2015 (\$)	2014 (\$)	2013 (\$)
Short-term compensation			
Base salary	598,361	598,361	609,868
Short-term incentive compensation not converted into RSUs	300,000	339,114	396,058
Medium and long-term incentive compensation plans			
RSUs: Annual bonus converted into RSUs	300,000	339,114	396,058
Employer share converted into RSUs	180,000	203,469	237,635
PSUs	1,620,000	1,620,000	1,620,000
Stock options	0	0	0
SARs	0	0	0
Total direct compensation	2,998,361	3,100,058	3,259,619
Pension plans			
Annual cost of retirement benefits	207,000	1,243,000	6,000
Benefit plans and perquisites			
Car allowance and related expenses	42,054	41,949	41,784
Group insurance and other perquisites	15,664	6,065	2,842
Indemnity	2,780,000	0	0
2016 Performance share unit equivalent	1,620,000	0	0
Pension plan	2,075,000	0	0
Total compensation	9,738,079	4,391,072	3,310,245

Mr. Robitaille's short-term incentive target for fiscal 2015 was 100% of his base salary.

Fixed vs Variable Compensation

The table below indicates the proportion of Mr. Robitaille's fixed and variable compensation for fiscal year 2015.

Fixed Compensation	Variable Compensation	
Base Salary	Annual Bonus	RSUs and PSUs
\$598,361	\$300,000	\$2,100,000
20%	10%	70%
	80%	

Shareholding

Mr. Robitaille retired from the Bank on November 1, 2015.



Michel C. Lauzon

Former Executive Vice-President and Chief Financial Officer

Member of the Management Committee since 2009, Mr. Lauzon also held several positions with the Bank from 1988 to 1998. He was until July 31, 2015 at which date he retired, responsible for finance and corporate treasury. He holds a Bachelor's degree in Economics and a Masters of Business Administration.

Performance

2015 Performance Indicators	Attainment of Results	2015 Achievements
Sector-Based Financial Results		
Adherence to the budget	√	<ul style="list-style-type: none"> All sectors under the responsibility of the Chief Financial Officer were managed effectively. In addition, Mr. Lauzon contributed to the overall Bank's cost control effectiveness.
Client Development		
Realization of the financing and capital management plan	√	<ul style="list-style-type: none"> Management of the Capital level in accordance to the internal and external limits. Diversification of funding capabilities and sources. Sound liquidity management. Delivery of the platform to comply with the new liquidity disclosure requirements (Liquidity Coverage Ratio and Net Cumulative Cash Flow).
Development of performance indicators	√	<ul style="list-style-type: none"> Contribution of the sector to the development of the new indicators as part of the Transformation Plan for 2019/2021
Projects and Strategic Plan		
Definition of the Strategic Plan	√	<ul style="list-style-type: none"> Strong involvement of the sector in the development of the financial plan related to the new Transformation Plan
Implementation of new regulatory requirements in the area of liquidities and taxation	√	<ul style="list-style-type: none"> The project focused on compliance with the new American taxation requirements for U.S. residents (FATCA) was effectively completed at the beginning of the year.
Governance and Risk Management		
Management of regulatory risk	√	<ul style="list-style-type: none"> The program was well monitored and executed.
Human Capital Management		
Performance management program and employee development	√	<ul style="list-style-type: none"> Objectives were established, and mid-year and annual reviews were completed.
Improvement of the organizational climate	√	<ul style="list-style-type: none"> Numerous actions were undertaken during the year to promote the Bank's organizational climate in a changing environment.

The HR Committee considered Mr. Lauzon's overall performance in 2015 to have met expectations.

Compensation

The following table presents the compensation paid, made payable, awarded, granted, given or otherwise provided to Mr. Lauzon for the last three fiscal years. The amounts indicated were calculated in accordance with the provisions of each program as described in this Circular.

	2015 (\$)	2014 (\$)	2013 (\$)
Short-term compensation			
Base salary	254,765	333,886	337,461
Short-term incentive compensation not converted into RSUs	81,778	136,527	109,576
Medium and long-term incentive compensation plans			
RSUs: Annual bonus converted into RSUs	81,778	136,527	109,576
Employer share converted into RSUs	0	81,916	65,746
PSUs	442,860	438,240	488,240
Stock options	0	0	0
SARs	0	0	0
Total direct compensation	861,181	1,127,096	1,110,599
Pension plans			
Annual cost of retirement benefits	81,000	91,000	66,000
Benefit plans and perquisites			
Car allowance and related expenses	27,036	35,949	35,784
Group insurance and other perquisites	342,262	1,414	3,870
Total compensation	1,311,479	1,255,459	1,216,253

Mr. Lauzon's short-term incentive target for fiscal 2015 was 65% of his base salary.

Mr. Lauzon received a special PSU grant of \$332,145 as part of his retention agreement to cover the period until the arrival of the new Chief Financial Officer. The grant, which is included in the "Other perquisites" section of the above table will vest in December 2018.

Fixed vs Variable Compensation

The table below indicates the proportion of Mr. Lauzon's fixed and variable compensation for fiscal year 2015.

Fixed Compensation	Variable Compensation	
	Annual Bonus	RSUs and PSUs
Base Salary		
\$254,765	\$81,778	\$524,638
30%	9%	61%
	70%	

Shareholding

Mr. Lauzon retired from the Bank on July 31, 2015.



François Laurin
Executive Vice-President
and Chief Financial Officer

Member of the Management Committee since August of 2015. He is responsible for Finance, Audit, Corporate treasury and Acquisitions. He holds a Bachelor's degree in Business Administration and a Master's degree in Public Accounting.
Mr. Laurin joined the Bank on August 10, 2015.

Performance

2015 Performance Indicators	Attainment of Results	2015 Achievements
Sector-Based Financial Results		
Adherence to the budget	√	<ul style="list-style-type: none"> All sectors under the responsibility of the Chief Financial Officer were managed effectively.
Financial plan	√	<ul style="list-style-type: none"> Mr. Laurin successfully led the establishment of the 2016 financial targets.
Client Development		
Realization of the financing and capital management plan	√	<ul style="list-style-type: none"> Mr. Laurin initiated contacts and established relationships with external stakeholders.
Projects and Strategic Plan		
Development of strategic plan	√	<ul style="list-style-type: none"> Upon Mr. Laurin's arrival, he became familiar with the new strategic plan and provided strong support for the development of its final phases.
Human Capital Management		
Performance management program and employee development	√	<ul style="list-style-type: none"> All sectors under the responsibility of the Chief Financial Officer were taken in charge by Mr. Laurin, including Investor Relations and Audit. Mr. Laurin completed a competency gap analysis of his team in order to determine the talent pool that will be required in the future to support the strategic initiatives.

The HR Committee considered Mr. Laurin's overall performance in 2015 to have met expectations.

Compensation

The following table presents the compensation paid, made payable, awarded, granted, given or otherwise provided to Mr. Laurin for the last three fiscal years. The amounts indicated were calculated in accordance with the provisions of each program as described in this Circular.

	2015 (\$)	2014 (\$)	2013 (\$)
Short-term compensation			
Base salary	57,535	-	-
Short-term incentive compensation not converted into RSUs	23,693	-	-
Medium and long-term incentive compensation plans			
RSUs: Annual bonus converted into RSUs	23,693	-	-
Employer share converted into RSUs	14,216	-	-
PSUs	0	-	-
Stock options	0	-	-
SARs	0	-	-
Total direct compensation	119,136	-	-
Pension plans			
Annual cost of retirement benefits	15,000	-	-
Benefit plans and perquisites			
Car allowance and related expenses	6,774	-	-
Group insurance and other perquisites	0	-	-
Total compensation	140,910	-	-

Mr. Laurin joined the Bank on August 10, 2015.

Mr. Laurin's short-term incentive target for fiscal 2015 was 65% of his base salary, prorated for the time worked.

Fixed vs Variable Compensation

The table below indicates the proportion of Mr. Laurin's fixed and variable compensation for fiscal year 2015.

Fixed Compensation	Variable Compensation	
	Annual Bonus	RSUs and PSUs
Base Salary		
\$57,535	\$23,693	\$37,908
48%	20%	32%
	52%	

Shareholding

As defined in the "Minimum Shareholding Requirements" section above, Mr. Laurin's level of shareholding as at October 31, 2015 is indicated below.

Shareholding Requirement (x salary)	Base Salary Set at the Beginning of Fiscal year 2016	Shares (#)	Share Units (#)	Total Value (Note 1)	Attainment Level
3	\$300,000	20	690	\$37,628	4%

Note 1: The value as at October 31, 2015 is based on the closing price of the Bank's common share on the Toronto Stock Exchange on that date (\$52.97).



François Desjardins
Executive Vice-President
and Chief Operating Officer

Member of the Management Committee since 2007 and with the Bank since 1991. He holds a Bachelor's degree in Business Administration. Mr. Desjardins has held several positions with Retail Services and B2B Bank throughout his career. As President and Chief Executive Officer of B2B Bank, Mr. Desjardins was responsible for financial services offered through independent financial advisors and mortgage brokers throughout Canada. As Executive Vice-President, Retail Services, he was responsible for the Retail Services sector. Mr. Desjardins was named Chief Operating Officer of the Bank on February 28, 2015 and became President and Chief Executive Officer on November 1, 2015.

Performance

2015 Performance Indicators	Attainment of Results	2015 Achievements
Sector-Based Financial Results		
Achievement of budgetary objectives in terms of the sector's profitability and efficiency	√	<ul style="list-style-type: none"> B2B Bank: with adjusted* net income of \$56.6 million and an efficiency ratio of 59.2%, profitability and expenses were in line with objectives. Retail Services: Adjusted net income of \$27.3 million and an adjusted efficiency ratio of 86.1% allowed the business segment to meet its objectives.
Client Development		
Growth of loans and deposits	X	<ul style="list-style-type: none"> B2B Bank: Loan growth largely exceeded objectives fuelled by mortgage sales exceeding objectives by 300%. As for deposits, sales exceeded targets in order to meet the Bank's funding requirements. Retail Services: Results were below expectations in a tight credit risk environment.
Projects and Strategic Plan		
Transition as Chief Executive Officer	√	<ul style="list-style-type: none"> Mr. Desjardins partnered efficiently with Mr. Robitaille in ensuring a smooth transition of Chief Executive Officer responsibilities. He showed strong leadership and initiative as evidenced by the handoff of the Management Committee in June of 2015.
Development of Strategic Plan	√	<ul style="list-style-type: none"> Mr. Desjardins exceeded expectations by developing ahead of his becoming Chief Executive Officer a new strategic plan for the organisation. The new plan is transformational and will guide efforts over the short, medium and long term.
Governance and Risk Management		
Management of credit quality	√	<ul style="list-style-type: none"> Lower than expected loan losses within both business segments.
Governance and regulatory requirements	√	<ul style="list-style-type: none"> New regulatory requirements surrounding "client disclosure" were quickly and efficiently addressed and completed, entailing important changes to systems and processes.
Human Capital Management		
Performance management program and employee development	√	<ul style="list-style-type: none"> A new executive team for the Bank was put in place.
Improvement of the organizational climate	√	<ul style="list-style-type: none"> Several town hall sessions were held to improve the organizational climate, ensure a smooth transition of leadership and direct efforts towards the new strategic plan.

* Adjusted measures (the adjusting items are described on page 14 of the 2015 Annual Report).

The HR Committee considered Mr. Desjardins' overall performance in 2015 to have exceeded expectations.

Compensation

The following table presents the compensation paid, made payable, awarded, granted, given or otherwise provided to Mr. Desjardins for the last three fiscal years. Except as noted, the amounts indicated were calculated in accordance with the provisions of each program as described in this Circular.

	2015 (\$)	2014 (\$)	2013 (\$)
Short-term compensation			
Base salary	373,976	336,377	336,579
Short-term incentive compensation not converted into RSUs	350,000	190,752	160,899
Medium and long-term incentive compensation plans			
RSUs: Annual bonus converted into RSUs	350,000	190,752	160,899
Employer share converted into RSUs	210,000	114,451	96,539
PSUs	495,000	579,000	629,000
Stock options	0	0	0
SARs	0	0	0
Total direct compensation	1,778,976	1,411,332	1,383,916
Pension plans			
Annual cost of retirement benefits	1,097,000	71,000	27,000
Benefit plans and perquisites			
Car allowance and related expenses	43,214	38,137	37,868
Group insurance and other perquisites (Note 1)	204,973	208,132	204,199
Total compensation	3,124,163	1,728,601	1,652,983

Note 1: Mr. Desjardins received a monthly allowance of \$16,667 (\$200,000 annually) for his accommodation in Toronto and his travels between Montreal and Toronto. This allowance has ceased on November 1, 2015

Mr. Desjardins' short-term incentive target for fiscal 2015 was 80% of his base salary. An additional bonus of \$225,000 was awarded to Mr. Desjardins for the transition into the President and Chief Executive Officer role.

Fixed vs Variable Compensation

The table below indicates the proportion of Mr. Desjardins' fixed and variable compensation for fiscal year 2015.

Fixed Compensation	Variable Compensation	
Base Salary	Annual Bonus	RSUs and PSUs
\$373,976	\$350,000	\$1,055,000
21%	20%	59%
	79%	

Shareholding

As defined in the "Minimum Shareholding Requirements" section above, Mr. Desjardins' level of shareholding as at October 31, 2015 is indicated below.

Shareholding Requirement (x salary)	Base Salary Set at the Beginning of Fiscal year 2016	Shares (#)	Share Units (#)	Total Value (Note 1)	Attainment Level
5	\$550,000	4,544	102,681	\$5,679,691	207%

Note 1: The value as at October 31, 2015 is based on the closing price of the Bank's common share on the Toronto Stock Exchange on that date (\$52.97).



Stéphane Therrien

Executive Vice-President,
Personal & Commercial
Banking

With the Bank and member of the Management Committee since January 2012, Mr. Therrien is responsible for the Business Services segment. He assumed Retail Services sector responsibilities on June 4, 2015. Prior to joining the Bank, he held a number of senior executive positions at a company specialized in corporate finance. Mr. Therrien holds a Bachelor's degree in Business Administration.

Performance

2015 Performance Indicators	Attainment of Results	2015 Achievements
Sector-Based Financial Results		
Realization of budgetary objectives in terms of improved profitability and efficiency	√	<ul style="list-style-type: none"> • Business Services results surpassed all annual objectives including profitability and growth. • Excellent efficiency ratio for the Business Services sector testifying to the effective management of resources.
Client Development		
Growth of loans, deposits and other revenues	√	<ul style="list-style-type: none"> • Commercial loans and bankers' acceptances increased up by 20% and commercial real estate loans increased by 15%, while deposits grew by 24%. • Business Services posted loan growth of more than \$1 billion for fiscal year 2015, significantly exceeding objectives.
Projects and Strategic Plan		
Development of strategic plan	√	<ul style="list-style-type: none"> • Various initiatives were undertaken to support the important growth of the Business Services segment while maintaining the efficiency ratio. • New dashboards and improvements to systems and processes were completed to ensure better management data. • Enhancements to systems and processes were also put in place in order to improve risk management. • Mr. Therrien played an active part in developing the new strategic plan of the Bank.
Governance and Risk Management		
Management of credit risk	√	<ul style="list-style-type: none"> • The Business Services sector pursued its rigorous efforts and incurred historically low loan losses exceeding objectives significantly.
Governance and regulatory requirements	√	<ul style="list-style-type: none"> • The regulatory risk management program was well monitored and executed, with several improvements having been made during the course of the year.
Human Capital Management		
Performance management program and employee development	√	<ul style="list-style-type: none"> • Objectives were established, mid-year and annual reviews were completed.
Improvement of the organizational climate	√	<ul style="list-style-type: none"> • The employee engagement level in the Business Services sector improved by 9% over the 2012 levels. • Several meetings were held with the Retail Services sector so as to established leadership under the new strategic plan.

The HR Committee considered Mr. Therrien's overall performance in 2015 to have exceeded expectations.

Compensation

The following table presents the compensation paid, made payable, awarded, granted, given or otherwise provided to Mr. Therrien for the last three completed fiscal years. The amounts indicated were calculated in accordance with the provisions of each program as described in this Circular.

	2015 (\$)	2014 (\$)	2013 (\$)
Short-term compensation			
Base salary	348,814	301,175	294,770
Short-term incentive compensation not converted into RSUs	252,720	155,145	114,857
Medium and long-term incentive compensation plans			
RSUs: Annual bonus converted into RSUs	252,720	155,145	114,857
Employer share converted into RSUs	151,632	93,087	68,914
PSUs	402,600	457,800	382,800
Stock options	0	0	0
SARs	0	0	0
Total direct compensation	1,408,486	1,162,352	976,198
Pension plans			
Annual cost of retirement benefits	172,000	76,000	65,000
Benefit plans and perquisites			
Car allowance and related expenses	36,999	35,949	35,784
Group insurance and other perquisites	2,842	775	0
Total compensation	1,620,327	1,275,076	1,076,982

Mr. Therrien's short-term incentive target for fiscal 2015 was 80% of his base salary

Fixed vs Variable Compensation

The table below indicates the proportion of Mr. Therrien's fixed and variable compensation for fiscal year 2015.

Fixed Compensation	Variable Compensation	
	Annual Bonus	RSUs and PSUs
Base Salary		
\$348,814	\$252,720	\$806,952
25%	18%	57%
	75%	

Shareholding

As defined in the "Minimum Shareholding Requirements" section above, Mr. Therrien's level of shareholding as at October 31, 2015 is indicated below.

Shareholding Requirement (x salary)	Base Salary Set at the Beginning of Fiscal year 2016	Shares (#)	Share Units (#)	Total Value (Note 1)	Attainment Level
3	\$400,000	948	47,123	\$2,546,317	212%

Note 1: The value as at October 31, 2015 is based on the closing price of the Bank's common share on the Toronto Stock Exchange on that date (\$52.97).



Michel C. Trudeau
Executive Vice-President,
Capital Markets of
Laurentian Bank and
President and Chief
Executive Officer
of Laurentian Bank
Securities Inc.

With the Bank since 1999, Mr. Trudeau has been responsible for brokerage and capital markets activities since 2010. He has held various positions with Laurentian Bank Securities, including that of President and Chief Executive Officer since 2003. Mr. Trudeau holds a Bachelor's degree in Commerce and a Masters of Business Administration.

Performance

2015 Performance Indicators	Attainment of Results	2015 Achievements
Sector-Based Financial Results		
Realization of budgetary objectives in terms of improved profitability and efficiency	X	<ul style="list-style-type: none"> In an environment where the industries profitability has decreased, net income equalled \$12.1 million (excluding a change in taxes), representing an increase of 14% from the previous year but below objectives. Efficiency ratio of 78.7%.
Client Development		
Diversification and optimization of revenues	√	<ul style="list-style-type: none"> Despite slight delays, most initiatives are starting to produce tangible results.
Projects and Strategic Plan		
Expansion of the distribution network	X	<ul style="list-style-type: none"> 14% growth, representing an increase of \$300 million versus last year.
Governance and Risk Management		
Governance and management of market, operational and regulatory risk	√	<ul style="list-style-type: none"> In spite of a difficult environment, overall market and operational risk management activities were effective throughout the year. Numerous improvements were made to the regulatory risk management program. Market risks are now more diversified versus last year (operational risk management remained solid).
Human Capital Management		
Performance management program and employee development	√	<ul style="list-style-type: none"> Objectives were set, higher standards were established and several changes were made to the team.
Improvement of the organizational climate	√	<ul style="list-style-type: none"> Subsequent to the engagement survey, several initiatives have been put in place in order to increase training and recognition.

The HR Committee considered Mr. Trudeau's overall performance in 2015 to have met expectations.

Compensation

The following table presents the compensation paid, made payable, awarded, granted, given or otherwise provided to Mr. Trudeau for the last three fiscal years. The amounts indicated were calculated in accordance with the provisions of each program as described in this Circular.

	2015 (\$)	2014 (\$)	2013 (\$)
Short-term compensation			
Base salary	266,384	263,539	261,000
Short-term incentive compensation not converted into RSUs	374,921	343,785	369,752
Medium and long-term incentive compensation plans			
RSUs: Annual bonus converted into RSUs	129,114	115,193	126,323
Employer share converted into RSUs	0	0	0
PSUs	157,800	156,000	156,000
Stock options	0	0	0
SARs	0	0	0
Total direct compensation	928,219	878,517	913,075
Pension plans			
Annual cost of retirement benefits	0	0	0
Benefit plans and perquisites			
Car allowance and related expenses	35,575	36,009	35,784
Group insurance and other perquisites	2,429	1,528	1,017
Total compensation	966,223	916,054	949,876

Mr. Trudeau's short-term incentive is a percentage of income before taxes of LBS and of the Bank's Capital Markets sector.

Fixed vs Variable Compensation

The table below indicates the proportion of Mr. Trudeau's fixed and variable compensation for fiscal year 2015.

Fixed Compensation	Variable Compensation	
Base Salary	Annual Bonus	RSUs and PSUs
\$266,384	\$374,921	\$286,914
29%	40%	31%
	71%	

Shareholding

As defined in the "Minimum Shareholding Requirements" section above, Mr. Trudeau's level of shareholding as at October 31, 2015 is indicated below.

Shareholding Requirement (x salary)	Base Salary Set at the Beginning of Fiscal year 2016	Shares (#)	Share Units (#)	Total Value (Note 1)	Attainment Level
3	\$270,000	2,339	21,582	\$1,267,095	156%

Note 1: The value as at October 31, 2015 is based on the closing price of the Bank's common share on the Toronto Stock Exchange on that date (\$52.97).

SUMMARY COMPENSATION TABLE

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

Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$) (Note 1)	Option-Based Awards (\$) (Note 2)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$) (Note 4)	All Other Compensation (\$) (Note 5)	Total Compensation (\$)
					Annual Incentive Plans (Note 3)	Long-term Incentive Plans			
Réjean Robitaille President and Chief Executive Officer	2015	598,361	1,800,000	0	600,000	0	207,000	6,532,718	9,738,079
	2014	598,361	1,823,469	0	678,228	0	1,243,000	48,014	4,391,072
	2013	609,868	1,857,635	0	792,116	0	6,000	44,626	3,310,245
Michel C. Lauzon Former Executive Vice-President and Chief Financial Officer	2015	254,765	442,860	0	163,556	0	81,000	369,298	1,311,479
	2014	333,886	520,156	0	273,054	0	91,000	37,363	1,255,461
	2013	337,461	553,986	0	219,152	0	66,000	39,654	1,216,253
François Laurin Executive Vice-President and Chief Financial Officer	2015	57,535	14,216	0	47,385	0	15,000	6,774	140,910
François Desjardins Executive Vice-President and Chief Operating Officer	2015	373,976	705,000	0	700,000	0	1,097,000	248,187	3,124,163
	2014	336,377	693,451	0	381,504	0	71,000	246,269	1,728,601
	2013	336,579	725,539	0	321,798	0	27,000	242,067	1,652,983
Stéphane Therrien Executive Vice-President, Personal & Commercial Banking	2015	348,814	554,232	0	505,440	0	172,000	39,841	1,620,327
	2014	301,175	550,887	0	310,290	0	76,000	36,724	1,275,076
	2013	294,770	451,714	0	229,714	0	65,000	35,784	1,076,982
Michel C. Trudeau Executive Vice-President, Capital Markets, Laurentian Bank and President and Chief Executive Officer, Laurentian Bank Securities	2015	266,384	157,800	0	504,035	0	0	38,004	966,223
	2014	263,539	156,000	0	458,978	0	0	37,537	916,053
	2013	261,000	156,000	0	496,075	0	0	36,801	949,876

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

- Restricted Share Units (RSUs) granted under the *Restricted Share Unit Plan for Senior Management of Laurentian Bank of Canada*. Only amounts corresponding to the employer share are included in this column; amounts corresponding to the employee share appear in the "Annual Incentive Plans" column (see Note 3 below). Under the RSU plan, the Named Executive Officers (except Mr. Trudeau) must convert 50% of their annual bonus into RSUs. The employer contributes an additional amount equal to 30% of the annual bonus, which is also converted into RSUs (Mr. Trudeau must convert 30% of the annual bonus paid to him into RSUs — between \$75,000 and \$500,000 — as well as 40% of any amount in excess thereof, and the employer does not contribute an additional amount). The number of RSUs is based on the share price, which is the arithmetic average of the weighted average closing price of the Bank's common share on the Toronto Stock Exchange for the five trading days that precede the date on which the units are awarded. RSUs are part of executive compensation for 2015, 2014 and 2013, as the case may be, but were granted after the fiscal year-end.
- Performance Share Units (PSUs) granted under the *Performance Share Unit Plan for Senior Management of Laurentian Bank of Canada*. Under the PSU plan, PSUs are granted based on a percentage of the annual base salary of the Named Executive Officer. The number of PSUs is based on the share price, which is the arithmetic average of the weighted average closing price of the Bank's common share on the Toronto Stock Exchange for the five trading days that precede the date on which the units are awarded.

The grant date fair value of the RSUs and PSUs is equal to the number of units granted multiplied by the share price as defined above. This methodology was used as it reflects market practice. The grant date accounting value of the RSUs and PSUs is equal to the grant date fair value multiplied by a percentage representing the portion of vested rights at that date. The grant date accounting value of the RSUs (Employer Share) and PSUs is \$0.

The principal terms and conditions of the RSU and PSU plans are described in the "Components of Overall Executive Compensation" section. The holdings of RSUs and PSUs by the Named Executive Officers for purposes of the minimum shareholding requirements are indicated under the heading "Performance and Total Compensation of Named Executive Officers".

Mr. Lauzon received a special PSU grant of \$332,145 as part of his retention agreement to cover the period until the arrival of the new Chief Financial Officer. The grant, which is included in the "All other compensation" section of the above table will vest in December 2018.

Note 2: No stock options, nor stock appreciation rights (SARs), were granted to Named Executive Officers in 2015, 2014 and 2013.

The principal terms and conditions of the stock option and SAR plans are described in the "Components of Overall Executive Compensation" section. The holdings of stock options and SARs by the Named Executive Officers are indicated in the "Outstanding Share-Based Awards and Option-Based Awards" table hereinafter.

Note 3: Amounts of the annual bonuses paid under the Bank's Short-Term Incentive Compensation program. 50% of this annual bonus (30% of the annual bonus paid in the case of Mr. Trudeau — between \$75,000 and \$500,000 — as well as 40% of any amount in excess thereof) must be converted into RSUs (see Note 1 above). These amounts were earned in 2015, 2014 or 2013, as the case may be, but paid after the fiscal year-end. The Short-Term Incentive Compensation program is more fully described in the "Components of Overall Executive Compensation" section.

Mr. Desjardins' short-term incentive target for fiscal 2015 was 80% of his base salary. His incentive, based on the Bank's financial performance and his individual performance, which was above expectations was \$475,000. In addition, Mr. Desjardins received an additional bonus of \$225,000 for the efficient transition into the President and Chief Executive Officer role.

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

Note 5: These amounts include sums paid pursuant to Mr. Robitaille's agreement as detailed in the "Employment, Retention and Transition Agreement" section. They also represent car allowances and reimbursement of parking, as well as group insurance premiums which are detailed under the heading "Performance and Total Compensation of Named Executive Officers" above and the monthly allowance of \$16,667 (\$200,000 annually) received by Mr. Desjardins in 2015 for his accommodation in Toronto as well as his travels between Montreal and Toronto.

INCENTIVE PLAN AWARDS

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth the option-based and share-based awards outstanding for each Named Executive Officer at the end of the last fiscal year, including awards granted prior to the last completed fiscal year.

Name	Option-Based Awards (Note 1)				Share-Based Awards (Note 2)		
	Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value Of Unexercised In-the-Money Options (\$) (Note 3)	Shares or Units of Shares not Vested (#)	Market Or Payout Value of Share-Based Awards not Vested (\$) (Note 4)	Market Or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed (\$) (Note 4)
Réjean Robitaille	8,000	29.472	Dec. 13, 2016	188,000	0	0	240,452
Michel C. Lauzon	0	0	-	0	0	0	48,825
François Laurin	0	0	-	0	259	13,716	22,860
François Desjardins	0	0	-	0	32,562	1,724,835	4,034,605
Stéphane Therrien	0	0	-	0	24,919	1,319,962	1,423,564
Michel C. Trudeau	0	0	-	0	6,786	359,461	873,624

Note 1: Stock option and SAR awards. Stock option awards are indicated in bold. No stock options or SARs were awarded to Named Executive Officers in 2015, 2014 or 2013. The grant rate for options as a percentage of shares outstanding is 0% for 2015, 2014 and 2013. Mr. Robitaille was the only employee of the Bank holding stock options, which he exercised in November 2015. As of November 24, 2015, no employee has outstanding stock options. The dilution level of stock options as a percentage of shares outstanding as at October 31, 2015 is 0.03% (based on 28,838,627 common shares outstanding).

Note 2: RSU and PSU awards including dividend equivalents.

Note 3: Value based on the difference between the exercise price of the stock options and SARs and the closing price of the Bank's common share on the Toronto Stock Exchange on October 31, 2015 (\$52.97).

Note 4: Value based on the closing price of the Bank's common share on the Toronto Stock Exchange on October 31, 2015 (\$52.97).

Incentive Plan Awards - Value Vested or Earned During the Year

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

Name	Option-Based Awards - Value Vested During the Year (\$) (Note 1)	Share-Based Awards - Value Vested During the Year (\$) (Note 2)	Non-Equity Incentive Plan Compensation - Value Earned During the Year (\$) (Note 3)
Réjean Robitaille	0	1,745,381	600,000
Michel C. Lauzon	0	1,965,183	163,556
François Laurin	0	0	47,385
François Desjardins	0	268,039	700,000
Stéphane Therrien	0	224,214	505,440
Michel C. Trudeau	0	150,888	504,035

Note 1: These amounts represent the aggregate value that would have been realized if the stock options and SARs had been exercised on the vesting date occurring during the fiscal year. The value is based on the difference between the exercise price of the stock options and SARs and the adjusted closing price of the Bank's common share on the Toronto Stock Exchange on the dates on which they became vested during the fiscal year.

Note 2: These amounts represent the aggregate value realized upon vesting of RSUs (Employer Share only) and PSUs on the vesting date occurring during the fiscal year. The Employee Share of RSUs vests from the date of the award. During the fiscal year, the RSUs granted for fiscal year 2011, as well as PSUs granted for fiscal year 2012 became vested. The value is based on the closing price of the Bank's common share on the Toronto Stock Exchange on the vesting date (\$48.17).

Note 3: Amounts of annual bonuses. 50% of such bonuses (30% of the annual bonus paid in the case of Mr. Trudeau — between \$75,000 and \$500,000 — as well as 40% of any amount in excess thereof) must be converted into RSUs. Mr. Laurin's bonus was calculated on a pro-rata basis as per his hire date of August 10, 2015.

PENSION PLAN BENEFITS

The Named Executive Officers, with the exception of Mr. Trudeau, participate in a basic pension plan — the *Pension Plan for the Senior Officers of the Laurentian Bank of Canada and Participating Subsidiaries* (the “officers’ plan”) — and in a supplemental pension plan — the *Supplemental Pension Plan for Members of the Executive Management of the Laurentian Bank of Canada and Participating Subsidiaries* (the “supplemental plan”). These plans are funded. A pension, up to the maximum amount permitted by law, is payable under the officers’ plan, and the supplemental plan covers all pensions granted in excess thereof, if applicable.

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

The Named Executive Officers, with the exception of Mr. Trudeau, may also elect to participate in the flexible component of the officers’ plan through optional ancillary contributions. These contributions enhance the benefits paid under the basic component of the officers’ plan. Upon retirement, the officer may, among other options, use the accumulated amounts to reduce the early retirement reduction or for pension indexing. Participation is optional and the Bank does not contribute to this component.

Mr. Trudeau does not participate in any pension plan.

Terms Applicable to Certain Named Executive Officers

An analysis of the compensation competitiveness was conducted in 2014, which showed a gap of Mr. Robitaille’s pension arrangements when compared to market conditions. His pension was positioned under the 25th percentile of the reference market, while the Bank’s philosophy is to position each element of compensation close to the 50th percentile.

In order to bridge part of this gap, the pension plans terms applicable to Mr. Robitaille were modified in 2014 such that his pension under the supplemental plan equal 2.75% of his average compensation for each year of service credited since the start of his participation. However, the compensation used for the purposes of calculating his average compensation was limited to \$600,000 per year.

In order to recognize service at the Bank as yet unrecognized, Mr. Desjardins also concluded a special agreement with the Bank whereby his retirement pension under the supplemental plan will be modified as of November 1, 2015. Effective that date, Mr. Desjardins will accumulate two years of credited service per year worked, until the total years of credited service is equal to his total time worked at the Bank. Mr. Desjardins will be eligible to receive his pension without penalty as of age 54. However, if he chooses to terminate his employment at the Bank and leaves before reaching the age of 51, the special conditions prescribed will be cancelled without any effect.

Defined Benefit Plans Table

The table below sets out the years of participation in the plans as at October 31, 2015 for each Named Executive Officer, annual benefits payable, and changes in the present value of defined benefit obligations from October 31, 2014 to October 31, 2015, including compensatory and non-compensatory changes concerning their participation in the plans for fiscal year 2015.

Name	Number of Years of Credited Service (#) (Note 1)		Annual Benefits Payable (\$)		Opening Present Value of Defined Benefit Obligation (\$) (Note 4)	Compensatory Change (\$) (Note 5)	Non-Compensatory Change (\$) (Note 6)	Closing Present Value of Defined Benefit Obligation (\$) (Note 4)
	Officers' Plan	Suppl. Plan	At Year-End (Note 2)	At Age 65 (Note 3)				
Réjean Robitaille	27.3	27.3	321,000	-	5,435,000	207,000	316,000	5,958,000
Michel C. Lauzon	6.6	6.6	38,000	-	571,000	81,000	(2,000)	650,000
François Laurin	0.2	0.2	1,000	57,000	-	15,000	-	15,000
François Desjardins	19.8	19.8	130,000	292,000	1,585,000	1,097,000	89,000	2,771,000
Stéphane Therrien	3.8	3.8	23,000	109,000	233,000	172,000	15,000	420,000

Note 1: Three years of participation in the supplemental plan are credited for each year accrued from the start of participation in the plan, up to the number of years of participation in the officers' plan. The number of actual years of service of each Named Executive Officer (with the exception of Mr. Trudeau who does not participate in any pension plan) as at October 31, 2015 is equal to the number of years of service credited for the purposes of the officers' plan.

Note 2: These amounts represent deferred payments accumulated as at October 31, 2015 and payable under both plans assuming retirement at age 60 with 10 years of service. Pensions are net of amounts assigned to a spouse.

Note 3: These amounts represent projected pensions that would be payable under the two plans assuming retirement at age 65. Pensions are net of amounts assigned to a spouse.

Note 4: The present value of the defined benefit obligation represents the actualised value of the retirement benefit for the years of participation as at October 31, 2014 or October 31, 2015, as the case may be. This value was calculated using the same assumptions as for the Bank's financial statements, using an actualisation rate of 4.25% and 4.30% for the fiscal years ending October 31, 2014 and October 31, 2015 respectively. Furthermore, a compensation increase rate of 2.75% was used for the fiscal years ending October 31, 2014 and 2015. No compensation increase was used for Mr. Robitaille due to the terms agreed to by the Bank and described above. The assumptions used are outlined in Note 18 to the Consolidated Financial Statements found in the Annual Report.

Note 5: The variation attributable to compensation elements include the annual cost of retirement benefits and the effect of changes of base salary, plan changes or grants of years of service credited. The amount appearing in this column may also be found in the "Pension Value" column of the "Summary Compensation Table" above.

Note 6: The variation attributable to non-compensation elements includes amounts attributable to interest on the present value of the opening balance of the accrued defined benefit obligation, actuarial gains and losses (other than those associated with compensation) and changes in actuarial assumptions. Of those, the most important element for fiscal year 2015 is the accrual of the interest on the defined benefit obligation.

TERMINATION AND CHANGE OF CONTROL BENEFITS

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

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

RETIREMENT	
Base salary	In the event of retirement, there is cessation of salary.
Short-term incentive compensation	The annual bonus for the current year is paid, prorated to the number of months worked in the year.
Restricted share units (RSUs) and performance share units (PSUs)	The non-deferred units are payable at the end of the three-year period (not prorated). The vested deferred units are payable in one or more instalments at any time between the retirement date and December 31 of the year following the year of retirement. The unvested deferred units are payable on the normal redemption date of each grant or, by default, in December of the year following the year of retirement.
Stock options and SARs	The stock options and SARs may be exercised until December 31 in the 3 rd year following the year of retirement.
Pension plans	The rights to benefits stop accumulating. Payment of a monthly pension or transfer of the pension value, except for Mr. Trudeau (Note 1).
Benefit plans and perquisites	Cessation of all benefits (no benefits at all for retirees).
TERMINATION WITHOUT CAUSE	
Base salary	The indemnity is established in accordance with the individual employment contracts of Messrs. Robitaille, Lauzon, Laurin and Therrien, or the rule of law for Mr. Trudeau (Notes 2 and 3).
Short-term incentive compensation	The indemnity is established in accordance with the rules of law, except for the President and Chief Executive Officer (Note 2).
Restricted share units (RSUs) and performance share units (PSUs)	The non-deferred RSUs (Employee Share) are paid upon termination. The non-deferred RSUs (Employer Share) and the PSUs are prorated and paid upon termination. The vested deferred units are paid upon termination. The unvested deferred units are prorated and paid upon termination.
Stock options and SARs	The stock options and SARs may be exercised up until 30 days after termination if they are vested.
Pension plans	The rights to benefits cease to accumulate, with the exception of Mr. Trudeau (Note 1).
Benefit plans and perquisites	Cessation of all benefits, except for Messrs. Robitaille, Laurin and Therrien (Note 4).
RESIGNATION / TERMINATION WITH CAUSE	
Base salary	In the event of resignation or termination with cause, there is cessation of salary.
Short-term incentive compensation	No annual bonus paid.
Restricted share units (RSUs) and performance share units (PSUs)	The non-deferred RSUs (Employee Share) are paid upon termination. The non-deferred RSUs (Employer Share) and the non-deferred PSUs are cancelled. The vested deferred units are paid upon termination. The unvested deferred units are cancelled.
Stock options and SARs	The stock options and SARs may be exercised up until 30 days after termination if they are vested.
Pension plans	The rights to benefits stop accumulating. Payment of a monthly pension or transfer of the pension value, except for Mr. Trudeau (Note 1).
Benefit plans and perquisites	Cessation of all benefits.
TERMINATION IN THE YEAR FOLLOWING A CHANGE OF CONTROL	
Base salary	In the event of termination in the year following a change of control, there is a continuation of salary for 18 months, except for Mr. Robitaille, for whom the continuation is 24 months.
Short-term incentive compensation	Payment of the average of annual bonuses paid in the three years preceding the termination for the salary continuance period.
Restricted share units (RSUs) and performance share units (PSUs)	All non-deferred units vest immediately and are paid upon termination.
Stock options and SARs	All stock options and/or SARs vest as at the date of change of control.
Pension plans	The rights to benefits continue to accumulate until the end of indemnity period, except for Mr. Trudeau (Note 1).
Benefit plans and perquisites	Continuation of all benefits (except disability insurance) until the end of the indemnity period.

Note 1: Mr. Trudeau does not participate in a pension plan.

Note 2: The benefits for Mr. Robitaille in the event of cessation of employment call for compensation equivalent to 24 months of base salary and short-term incentive, based on the average of the annual bonuses paid during the three years preceding the cessation of employment in the event that the Bank terminates his employment without cause.

Note 3: In the event of termination without cause, the salary of Messrs. Lauzon, Laurin and Therrien will continue to be paid for a 12-month period.

Note 4: Benefits (except disability insurance) will continue for the President and Chief Executive Officer until the earlier of 24 months following termination or his obtaining other employment and until the earlier of 12 months following termination or obtaining other employment for Messrs. Laurin and Therrien.

The table below sets out additional amounts that would have been payable under each component of the compensation of the Named Executive Officers, assuming termination effective on October 31, 2015.

Name	Compensation Components	Resignation / Termination with Cause (\$)	Termination without Cause (\$) (Note 3)	Retirement (\$) (Note 4)	Termination in the Year Following a Change of Control (\$)
Réjean Robitaille	Base salary	0	1,200,000	0	1,200,000
	Short-term incentive compensation	0	1,580,000	0	1,580,000
	RSUs, PSUs, stock options and SARs (Note 1)	0	1,620,000	0	1,620,000
	Pension plans (Note 2)	0	2,075,000	0	2,075,000
	Benefit plans and perquisites	0	80,989	0	116,989
	Total		0	6,555,989	0
Michel C. Lauzon	Base salary	0	335,500	0	503,250
	Short-term incentive compensation	0	0	0	355,663
	RSUs, PSUs, stock options and SARs (Note 1)	0	0	0	0
	Pension plans (Note 2)	0	0	0	0
	Benefit plans and perquisites	0	0	0	0
	Total		0	335,500	0
François Laurin	Base salary	0	300,000	0	450,000
	Short-term incentive compensation	0	0	0	0
	RSUs, PSUs, stock options and SARs (Note 1)	0	0	0	0
	Pension plans (Note 2)	0	0	0	127,000
	Benefit plans and perquisites	0	5,360	0	75,675
	Total		0	305,360	0
François Desjardins	Base salary	0	0	0	562,500
	Short-term incentive compensation	0	0	0	497,901
	RSUs, PSUs, stock options and SARs (Note 1)	0	795,907	0	1,522,218
	Pension plans (Note 2)	0	0	0	0
	Benefit plans and perquisites	0	0	0	81,375
	Total		0	795,907	0
Stéphane Therrien	Base salary	0	400,000	0	600,000
	Short-term incentive compensation	0	0	0	348,476
	RSUs, PSUs, stock options and SARs (Note 1)	0	604,398	0	1,173,661
	Pension plans (Note 2)	0	0	0	0
	Benefit plans and perquisites	0	4,180	0	83,875
	Total		0	1,008,578	0
Michel C. Trudeau	Base salary	0	0	0	400,500
	Short-term incentive compensation	0	0	0	681,685
	RSUs, PSUs, stock options and SARs (Note 1)	0	182,962	0	359,461
	Pension plans (Note 2)	0	0	0	0
	Benefit plans and perquisites	0	0	0	63,896
	Total		0	182,962	0

Note 1: Amounts payable with respect to non-vested rights only or not covered by the eligibility upon retirement rules prescribed in the applicable programs. Vested rights upon cessation of employment or those covered by the eligibility upon retirement rules prescribed in the applicable programs are not affected by cessation of employment.

Note 2: Amounts of retirement benefits. In the columns "Termination without Cause" and "Termination in the Year Following a Change of Control", the amount of retirement benefits is the additional value compared with the value presented in the column "Closing Present Value of Defined Benefit Obligation" in the "Defined Benefit Plans Table" above, assuming a termination on October 31, 2015. This additional value is nil for Messrs. Desjardins and Therrien as the value of their rights, including additional months of participation in the pension plans, is less than the value presented in the "Defined Benefit Plans Table". Mr. Trudeau does not participate in a pension plan.

Note 3: The employment contracts of the Named Executive Officers have specific provisions for such circumstances.

Note 4: The age of Messrs. Desjardins and Therrien is below the minimal retirement age under the pension plans and, thus, they are not eligible for retirement. No additional amount would have been payable to Mr. Laurin if he had retired on October 31, 2015. Mr. Trudeau does not participate in a pension plan.

PART F – CORPORATE GOVERNANCE

BOARD OF DIRECTORS

The text describing the functions of the Bank's Board of Directors can be found in the "Corporate Governance" section of the Bank's website.

If the amendment to section 1 of By-Law IV of the General By-Laws is confirmed at the Meeting, the number of directors to be elected is 11. The terms of two current directors are not renewed.

Independence of Board Members

Other than Mr. François Desjardins, President and Chief Executive Officer of the Bank, all members of the Board of Directors and proposed nominees for election as directors are independent within the meaning of *Regulation 58-101 Respecting Disclosure of Corporate Governance Practices* and the criteria adopted by the Board of Directors. The Chair of the Board, Ms. Isabelle Courville, is an independent director. Mr. Desjardins is a non-independent director by virtue of his functions with the Bank.

Through its HR Committee, the Board of Directors periodically analyzes its composition and, in so doing, determines whether each director is independent. It is the Board of Directors' practice to recruit independent directors, except for the President and Chief Executive Officer of the Bank. Any proposed nominee's relationships with the Bank or its subsidiaries are assessed before proposing him/her as a new director.

Independent directors meet without members of management being present at the end at all Board meetings, as indicated below.

Certain members of the Board of Directors are also directors of other reporting issuers. This information is presented in Part C - Director Nominees.

Competencies and Expertise of Board Members

Members of the Board of Directors have a broad range of competencies and expertise which fulfill the Bank's needs. The chart below shows the diversity of such competencies and expertise.

	Lise Bastarache	Jean Bazin	Richard Bélanger	Michael T. Boychuk	Isabelle Courville	François Desjardins	Pierre Genest	Michel Labonté	A. Michel Lavigne	Jacqueline C. Orange	Michelle R. Savoy	Jonathan I. Wener	Susan Wolburgh Jenah	Total
Corporate Governance / Public Policy		√	√	√	√	√	√	√	√	√	√	√	√	12
Financial Expertise	√		√	√	√	√	√	√	√	√		√		10
Risk Management	√	√	√	√		√	√	√	√		√	√	√	11
Corporate Social Responsibility and Sustainability		√	√	√	√		√		√	√		√	√	9
Human Resources / Compensation	√	√	√	√	√	√	√	√	√	√	√	√	√	13
Technology / Real Estate / Project Management			√	√	√	√		√				√		6
Legal and Regulatory Affairs		√			√								√	3
Financial and Banking Services	√			√		√	√	√	√	√	√	√		9
Financial Markets / Treasury	√		√	√				√			√		√	6

Selection of Directors Nominees for the Board of Directors

Composed entirely of independent directors, part of the HR Committee's mandate is to propose candidates to sit on the Bank's Board of Directors.

In order to assure optimal composition of the Board, the HR Committee has established a comprehensive and diversified matrix of required competencies and expertise in accordance with which it evaluates each director. In 2015, the HR Committee revised the matrix to ensure that required competencies were aligned with the needs of the transformation plan and the scope and complexity of the business. When filling a seat on the Board, the Committee determines the sought-after profile to ensure optimal composition of the Board. Various other selection criteria are also applied, such as geographic representation and diversity.

Laurentian Bank has played a leadership role among Canadian banks with respect to female representation on its Board. In fact, it was the first institution of its kind in the country to name a woman as Chairperson in 1997. Subsequently, Ms. Isabelle Courville became the second woman to assume that role in 2013. Today, the Bank ranks among the enterprises within its sector having the highest female representation, with five of the 11 proposed Board members (45%) being women. Excluding the President and Chief Executive Officer (the only non-independent member of the Board), the Bank would achieve gender parity with a distribution of five men and five women.

Pursuing its efforts towards a balanced Board, the Bank adopted a Board Diversity Policy under which the HR Committee will consider all candidates for appointment to the Board on merit against objective criteria and with due regards for the benefits of diversity on the Board. The review will take into account the benefits of diversity such as differences in the skills, regional and industry experience, background, race, gender and other distinctions between directors.

Orientation and Ongoing Training

Every new director is mentored by a more experienced Board member and is matched with a member of management so as to ensure that they fully understand the nature of the Bank's activities and how it operates. In addition, meetings with the Chair of the Board and the Bank's President and Chief Executive Officer are organized. All new directors participate in an integration program via electronic media and are invited to take part in a training session aimed at familiarizing them with the Bank and with the obligations and responsibilities of their position. Furthermore, an electronic manual is provided to each director which contains all the basic information pertaining to the Bank, such as its organizational structure, letters patent and general by-laws, certain policies and a document concerning the duties and responsibilities of Board members.

All committee documentation is made available to all directors and they can participate in meetings of committees they do not sit on. These initiatives serve to promote the development of their knowledge of the Bank's affairs.

Most Board meetings include presentations on subjects of interest to directors. A full-day session of training is scheduled yearly. During fiscal year 2015, the Board of Directors held two informal meetings where the new transformation plan was explained in detail. Furthermore, all directors who wish to improve their knowledge and skills so as to be able to better fulfill their responsibilities as Board members can do so at the Bank's expense via outside training.

Annual Evaluation

The Board puts a great deal of effort into annually assessing its requirements for the Board and the competencies and performance of each director. Every director completes questionnaires that assess the Board and its committees, the Chair of the Board and each committee chair. Every director also completes his or her own self-evaluation questionnaire. Individual meetings between each director and the Chair of the Board provide an opportunity for further discussion of the results relating to each director's contribution and the effectiveness of the Board as a whole. A report is then made to the HR Committee, which decides whether the composition of the Board should be reviewed or whether other improvements are required.

The Bank's Board of Directors has not adopted a policy prescribing the age of retirement or duration of mandates of directors. Instead, it prefers an approach based on competencies in relation to the needs of the Bank, the contribution of each director to its work and that of its Committees, and on the evaluation process in order to determine whether or not a director should step down. Furthermore, the presence of more experienced directors and their related expertise on the Board has an added value that benefits the Bank and the shareholders themselves. The HR Committee sees to it each year that the number of directors sitting on the Board and the duration of their mandates are appropriate. Despite the absence of a policy, 10 new independent members have been appointed to the Board of Directors in the past 10 years, which shows that the Bank's preferred approach of identifying competencies and assessing the contribution of each director is effective and successful.

The Bank will continue to ensure the effective renewal of the Board in the future and to maintain a renewal rate in keeping with its business strategy as it has been doing over the past ten years. Moreover, at its February 17, 2016 meeting, the Board approved a reduction in the number of directors from 13 to 11.

Directors Sitting on the Same Boards of Outside Reporting Issuers

The Bank limits the number of directors that may sit on the same board of an outside reporting issuer to two, unless the prior consent of the Chair of the Board is obtained. Part C – Director Nominees presents a brief biography of director nominees and indicates on which reporting issuer Boards they sit or have sat over the past five years. Currently, only Mr. Michel Lavigne and Ms. Isabelle Courville are both members of the Board of Directors of TVA Group Inc. The Bank is of the opinion that this relationship does not prevent its directors from exercising independent judgement in their decision-making.

Summary of Board Meetings Held

	Number of Meetings Held	Number of Meetings Held without Members of Management
Board of Directors	11	11

The attendance record of each director at Board and Committee meetings held during the Bank's last completed fiscal year is presented in Part C - Director Nominees, with the exception of Messrs. Jean Bazin and Pierre Genest who are not nominated for election this year.

During fiscal 2015, Messrs. Bazin and Genest attended 11 out of 11 Board meetings and 9 out of 9 Human Resources and Corporate Governance Committee meetings.

STRATEGY OVERSIGHT

The Board of Directors understands that oversight of the Bank's strategy is one of its main responsibilities.

It ensures this oversight by having sessions dedicated fully to this topic so as to not be distracted by other matters. In particular in 2015, as the transformation plan was being established, the Board spent two full day sessions on this topic. At each Board meeting an update on the transformation plan, its risks and its projects is made by management.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

Corporate social responsibility and sustainability are at the very heart of the Bank's business practices. The priority assigned to good governance by the Board of Directors has enabled the Bank to evolve and prosper over the course of its 168 years of existence with utmost respect for all its stakeholders. It is in that spirit that the organization has established rules of corporate governance and policies that serve as a framework for its actions and relations.

Director Expertise

Several members of the Board of Directors have occupied, or presently occupy, positions within governmental, para-governmental and commercial organizations that enable them to evaluate and discern issues related to corporate social responsibility and sustainability.

For example, Ms. Isabelle Courville has held diverse posts at organizations concerned with these subjects. She has served as a member of Canadian Pacific Limited's Board and was President of Hydro-Québec Distribution and Hydro-Québec TransÉnergie. Ms. Courville also actively participates in the community through her involvement with different foundations, such as those of the Montreal Heart Institute and Sainte-Justine Hospital.

For his part, Mr. Richard Bélanger has played an important role in the development of numerous enterprises active in the natural resources sector, particularly within the forest industry. He served as President of Bois Daaquam Inc. and Gérard Crête et Fils Inc., and he was Chairman and Chief Executive Officer of Produits forestiers Anticosti Inc. — which are all enterprises devoted to sustainable development and environmental protection. He was also Chairman of the Board of Forintek Canada Corp., a research institute whose role is to help the forest products industry optimize production processes, and director of FERIC (Forest Engineering Research Institute of Canada), a private non-profit research and development organization dedicated to improving Canadian forestry operations in terms of harvesting, transportation and silviculture with a view to ensure sustainable development. Mr. Bélanger has also served as Chairman of the Quebec Forest Industry Council, which provides guidelines and support to the forest industry with respect to different issues, including the environment.

Throughout the course of his career, and particularly during his time with companies like Bell Canada and Nunavut Trust, Mr. Michael T. Boychuk developed considerable expertise in sound corporate sustainable development practices. Between 2002 and 2006, for example, Mr. Boychuk directed the group responsible for the environment at Bell Canada, whose mandate was to follow and respect the United Nations Global Compact aimed at getting organizations around the world to adopt a socially responsible attitude by committing to the integration and promotion of numerous principles related to human rights, international labour standard, and the fight against corruption. Mr. Boychuk is currently a director with the J.W. McConnell Family Foundation, which has financed a major international program that encourages youth to actively participate in the creation of a sustainable future in collaboration with their schools and communities.

Mr. Jonathan I. Wener was named Chancellor of Concordia University in October 2014. Aside from his commitments at that institution, Mr. Wener has sat on the boards of numerous community and charitable organizations, as well as on several corporate Boards. In 1989, he created the Canderel Challenge to raise funds for cancer research. Over the past 25 years, the Challenge has amassed more than \$10 million for this important cause. Furthermore, under his direction, the Canderel Group has singly, or in partnership, constructed and managed numerous buildings that have obtained LEED (Leadership in Energy and Environmental Design) certification.

During her various leadership roles at the Investment Industry Regulatory Organization of Canada (IIROC) and the Ontario Securities Commission (OSC), Ms. Susan Wolburgh Jenah worked to establish high standards of business conduct and market integrity in the financial services industry. She also served as Chair of the International Forum for Investor Education, a global not-for-profit organization whose mandate is to promote investor education and financial literacy. Ms. Wolburgh Jenah has served on numerous not-for-profit boards and advisory committees throughout her career. She currently serves as the Ontario Government's nominee on the Board of the Global Risk Institute, a public-private partnership focused on best practices and world-class research in integrative risk management across multiple sectors. Ms. Wolburgh Jenah actively participates in her community as a member of the Board of Directors of the Humber River Hospital; as a member of the Dean's Advisory Council at Ryerson University (TRSM); and as an Adjunct Professor at Osgoode Hall Law School.

Refer to the biographies in Part C – Director Nominees and the matrix of Competencies and Expertise of Board Members in Part F – Corporate Governance.

Employee Diversity

The Bank has formed a Diversity Committee, whose mandate is to create an environment that promotes diversity and inclusion. The Committee is comprised of employer and union representatives, employees from the different business sectors, as well as people representing the four target diversity groups: women, visible minorities, indigenous people and people with disabilities. These Committee members work to continuously evolve the Bank's diversity management practices.

Among the Bank's and its subsidiaries' 52 Executives, 18 (or 35%) are women. The Bank has not established a specific target with respect to the number of women that should be on its Executives' team because it has always maintained good practices in this area. When the time comes to select a candidate for a new position or as a replacement, the Bank takes female representation into account as part of its selection factors.

Bank's Social Responsibility Report

The Bank has been producing a Social Responsibility Report each year since 2007. This publication presents an overview of the organization's practices with respect to governance, ethical and respectful relations, employee development, community involvement and reduction of its ecological footprint. The Report draws upon *Global Reporting Initiatives* (GRI) performance indicators, and the number of indicators for which information is reported is now 70. In line with its commitment to environmental protection, the Social Responsibility Report is available in electronic format on the Bank's website.

BOARD COMMITTEES

The Bank's Board of Directors has three committees — the HR Committee, the Audit Committee and the Risk Management Committee. All Committees are composed exclusively of independent directors. Although the President and Chief Executive Officer and certain other officers of the Bank attend Committee meetings, members meet regularly in the absence of management, as indicated in the table below. In addition, the Audit Committee and the Risk Management Committee regularly meet in private with the officers in charge of surveillance functions (Internal Audit, Integrated Risk Management and Regulatory Risk Management).

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

The mandates of the three Board Committees can be found in the "Corporate Governance" section of the Bank's website.

Summary of Committee Meetings Held

	Number of Meetings Held	Number of Meetings Held without Members of Management
Audit Committee	7	7 (Note 1)
Risk Management Committee	5	5 (Note 2)
Human Resources and Corporate Governance Committee	9	7 (Note 3)

Note 1: Members of the Committee also met privately with the external and internal auditors at six of these meetings.

Note 2: Members of the Committee also met privately with the representatives of the surveillance functions at all such meetings.

Note 3: Members of the Committee met privately without management present at seven of these nine meetings, two meetings having been held by conference call.

Committee Members

The table below presents the membership of each Committee of the Board as at the date of this Circular.

Name	Independent	Human Resources and Corporate Governance	Audit	Risk Management
Lise Bastarache	Yes		√	
Jean Bazin	Yes	Chair		
Richard Bélanger	Yes		Chair	√
Michael T. Boychuk	Yes		√	
Isabelle Courville	Yes	√	√	
François Desjardins	No			
Pierre Genest	Yes	√		
Michel Labonté	Yes			Chair
A. Michel Lavigne	Yes			√
Jacqueline C. Orange	Yes		√	
Michelle R. Savoy	Yes	√		
Jonathan I. Wener	Yes			√
Susan Wolburgh Jenah	Yes			√

Further information regarding the Audit Committee can be found in Section 12 of the Bank's Annual Information Form.

Committee Reports

The purpose of the reports of the Human Resources and Corporate Governance, Audit and Risk Management Committees below is to provide shareholders with a better understanding of the Committees' work during the last completed fiscal year and, thereby, foster better corporate governance.

REPORT OF THE HUMAN RESOURCES AND CORPORATE GOVERNANCE COMMITTEE

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

<p><i>Human Resources</i></p>	<ul style="list-style-type: none"> ➤ The Committee reviewed and approved the Bank's Executive Compensation Policy, the main provisions of which are presented in Part E - Executive Compensation. ➤ The Committee reviewed and recommended to the Board of Directors the approval of the conditions governing the retirement of Mr. Réjean Robitaille, President and Chief Executive Officer. ➤ The Committee recommended to the Board the appointment of a new President and Chief Executive Officer. With the assistance of an external search firm, the Committee developed a President and Chief Executive Officer profile and identified potential external candidates. An internal candidate was chosen based on this profile but also on the Committee's priority of a smooth transition. ➤ The Committee evaluated the performance of the President and Chief Executive Officer for the last fiscal year. The Committee reviewed the evaluations of the members of the Management Committee and their objectives for the upcoming year particularly as to the transition to a new President and Chief Executive Officer. It reviewed executive compensation, including base salary and long-, medium- and short-term incentive compensation. A detailed report on these subjects can be found in Part E - Executive Compensation of this Circular and under the same heading in the Management Proxy Circular dated February 11, 2015. ➤ The Committee was kept informed of the details concerning the recruitment of a new Chief Financial Officer and members of the Board met with the finalist candidates. The Committee ensured that the process was as rigorous as that of the Chief Executive Officer. ➤ The Committee reviewed the target bonus of the Short-Term Incentive Compensation program applicable to Executives. The Bank's Short-Term Incentive Compensation program is described in greater detail in Part E - Executive Compensation of this Circular. The Committee also approved salary increases for non-unionized Bank employees. ➤ In collaboration with the Risk Management Committee, the Committee examined the risk analysis of the compensation programs, which was prepared as part of the requirements and in accordance with the principles and standards of the Financial Stability Board. ➤ The Committee approved the employee salary budget for the year 2016 recommended by management and reviewed employee participation under the Bank's stock purchase plan. ➤ The Committee approved the compensation of the Bank's Executives, as well as the evaluations of the members of the Management Committee. ➤ The Committee also reviewed the Pension Plans' Capitalization Policy and received the report on pension plans. ➤ The Committee approved the Compensation Policy for Capital Markets employees and the Policy on Financial Advantages on the Bank's Products. ➤ The Committee approved the Bank's new organizational structure and the appointment of Executives recommended by management. ➤ In the context of the Basel requirements (Basel II, Pillar 3), the Committee approved the text of a report that was published on the Bank's website, thereby rendering public some information on the compensation of Executives.
<p><i>Pension Plan Governance</i></p>	<ul style="list-style-type: none"> ➤ The Bank has developed a governance structure for all of its pension plans to ensure the continuous and rigorous monitoring thereof. The governance structure deals with the allocation of responsibilities among different parties who are involved with pension plans. The Committee has the prime responsibility of monitoring all of the Bank's pension plans and delegates the governance of the plans to the Bank's Management Committee. To ensure rigorous management of investments, the Committee delegates some day to day responsibilities related to asset management to the Bank's Investment Committee, which is composed of Executives whose duties are related to asset management. The Management Committee reports to the Committee at least twice a year detailing the governance activities which were carried out. The report covers the participation, the financial situation of the plans, the monitoring of investments and the proposed amendments to the investment policy. In addition, the Bank administers its plans by retaining the services of actuarial and asset management consulting firms. ➤ In order to oversee asset management of the plans and to manage financial risk, the Bank has an Investment Policy as well as a Capitalization Policy. It has also put a risk reduction plan in place that results in a better alignment of the plans' assets and liabilities. In addition, actuarial evaluations and audited financial statements of the plans are produced annually. These evaluations and statements are audited by an external accounting firm, and the audited financial statements are approved by the Audit Committee. The plans' assets are kept separate from those of the Bank by an external custodian. ➤ The Bank administers and finances its pension plans in accordance with all applicable laws and regulations, in addition to providing information to the Office of the Superintendent of Financial Institutions (Canada), the <i>Régie des rentes du Québec</i>, and to the Canada Revenue Agency. The defined benefit plans are well capitalized and the Bank pays the required contributions in accordance with actuarial evaluation reports. In the past, the Bank has even exceeded minimal contributions on more than one occasion. Furthermore, Note 18 of the Bank's 2015 financial statements includes information on the financial situation of the Bank's plans. ➤ Finally, the Bank regularly provides plan participants with information on the financial situation of the plans, the monitoring of investments, as well as the terms of the plans via statements of contributions, websites that are available to participants and information sessions. In addition, a Retirement Committee composed of employer and employee representatives, reports on a quarterly basis to union representatives on activities conducted and amendments made to the pension plan of unionized personnel.

<p><i>Corporate Governance</i></p>	<ul style="list-style-type: none"> ➤ The Committee reviewed the compensation and composition of the Board of Directors taking into consideration the Bank's revised strategy, as well as the selection of director nominees, as is more fully described under section Selection of Directors Nominees for the Board of Directors in Part F- Corporate Governance. ➤ The Committee approved changes to the composition of the Human Resources and Corporate Governance Committee and Risk Management Committee of the Bank. ➤ It also reviewed the Bank's corporate governance practices in comparison with best market practices, including the functions of the Board of Directors, the number of members, the term of their mandate, the independence criteria for directors, the composition of the Committees, the competencies of the Audit Committee and the Directors' Code of Conduct, and it made recommendations to the Board of Directors thereon. The functions of the Board of Directors and mandates of its Committees were reviewed by the Committee and are set out in the Corporate Governance Section on the Bank's website. ➤ The Committee reviewed the Majority Voting Policy, as well as the Background Checks on directors and Senior Management Policy. ➤ The Committee coordinated the process for evaluating the Board of Directors, the Committees and their members. Further information on this process can be found in Part F – Corporate Governance under Annual Evaluation. ➤ The Committee kept itself informed on various subjects related to corporate governance, including the coming into force of the Notice of Changes to the Composition of Boards or Senior Management published by the Office of the Superintendent of Financial Institutions (Canada).
<p><i>Members</i></p>	<p>Jean Bazin, Chair Isabelle Courville Pierre Genest Michelle R. Savoy</p>

The members of the Committee met privately without the presence of management at each meeting (with the exception of meetings held by telephone conference).



Jean Bazin, Chair

REPORT OF THE AUDIT COMMITTEE

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

<p><i>With Respect to the External Auditor</i></p>	<ul style="list-style-type: none"> ➤ The Committee monitored the external auditor's engagement throughout the year. It reviewed detailed information regarding key audit and accounting issues pertaining to the annual audit, the annual letter of recommendation issued by the auditor, as well as their quarterly reports pertaining to the review engagements. ➤ The Committee performed the annual assessment of the external auditor, including audit quality considerations, such as: the auditor independence, objectivity and professional skepticism; the quality of the engagement team provided by the external auditor; and the Canadian Public Accounting Brand inspection findings. Based on its evaluation, the Committee recommended to the Board of Directors the appointment of the external auditor. ➤ The Committee reviewed the Policy on Approval of Services Provided by External Auditors. Further details on this policy and the auditor's fees for the last fiscal year can be found under the heading "Appointment of the Auditor" in Part B - Business of the Meeting of this Circular. ➤ The Committee met on a quarterly basis with the external auditor in the absence of management.
<p><i>With Respect to Financial Information</i></p>	<ul style="list-style-type: none"> ➤ In accordance with its mandate and the Financial Information Disclosure Policy, the Committee reviewed the annual financial statements and the Management's Discussion and Analysis included in the Bank's Annual Report before they were approved by the Board of Directors. It also examined the interim financial statements and the Management's Discussion and Analysis before they were submitted to the Board of Directors. In addition, the Committee reviewed the Annual Information Form before it was approved by the Board of Directors. ➤ The Committee reviewed and recommended for approval by the Board of Directors, earnings releases on quarterly and annual results. ➤ The Committee received the Financial Information Disclosure Committee's annual activity report. ➤ The Committee reviewed the Financial Information Disclosure Policy. ➤ The Committee reviewed the financial statements of the subsidiaries supervised by the Office of the Superintendent of Financial Institutions (Canada). ➤ The Committee also reviewed and approved the financial statements of the Bank's various pension plans.
<p><i>With Respect to the Internal Audit Function</i></p>	<ul style="list-style-type: none"> ➤ The Committee reviewed and approved the mandate and audit plan of the Internal Audit function and ensured the sufficiency on a regular basis of its resources. It also examined the main findings and recommendations and the follow-ups thereon, as well as the internal auditor's opinion on internal controls. ➤ The Committee met on a quarterly basis with the Bank's internal auditor in the absence of management to discuss all aspects of its mandate and any related issues.

<i>With Respect to Internal Controls</i>	<ul style="list-style-type: none"> ➤ The Committee ensures that management has implemented and maintained appropriate internal control procedures, including internal control over financial reporting. During the year, the Committee reviewed management's progress toward its assessment that internal control over financial reporting was effective and received management's report each quarter and for the year ended October 31, 2015. ➤ The Committee received a letter of certification from management covering all of the Bank's operations for the fiscal year ended October 31, 2015 and for each of the quarters of fiscal 2015.
<i>With Respect to Regulatory Authorities</i>	<ul style="list-style-type: none"> ➤ On an ongoing basis, the Committee ensured that proper consideration was given to the recommendations and questions raised by the regulatory authorities. ➤ The Committee, along with the other members of the Board, met with representatives of the Office of the Superintendent of Financial Institutions (Canada) in the absence of management.
<i>Members</i>	<p>Richard Bélanger, Chair Lise Bastarache Michael T. Boychuk Isabelle Courville Jacqueline C. Orange</p>

The members of the Committee met privately in the absence of management at each meeting.



Richard Bélanger, Chair

REPORT OF THE RISK MANAGEMENT COMMITTEE

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

<i>Oversight Functions</i>	<ul style="list-style-type: none"> ➤ Each quarter, the Committee received an integrated risk management report from the Chief Risk Officer, which enables it to assess whether the Bank has an adequate and effective process for managing major risks. The report covers strategic, business, credit, liquidity and funding, structural interest rate, market (arbitrage and secondary liquidities) risks, regulatory operational risks as well as reputational and insurance risks. The report also monitors whether the risks are within the Bank's risk appetite and limits. ➤ The Committee kept itself informed on findings and recommendations of the Office of the Superintendent of Financial Institutions (Canada). ➤ Following its examination of risks, the Committee reviewed and approved changes made to the following policies, plans, procedures and codes under its responsibility and recommended their approval by the Board of Directors, as required: <ul style="list-style-type: none"> • Framework on Risk Appetite and Management • Credit Policies • Policy Concerning Money Laundering and Terrorist Activity Financing • Regulatory Risk Management Policy • Cost of Funds Transfer Pricing Management Policy • Treasury and Capital Markets Risk Management Policies of the Bank and its Subsidiaries • Capital Management and Adequacy Policy • Reputational Risk Management Policy • Business Continuity Management Policy • Financial Instruments Fair Valuations Policy • Policy on Insiders and Prohibited Transactions on Bank Securities • Outsourcing Risk Management Policy • Capital Plan • Privacy Code for the Protection of Personal Information • Code of Ethics • Complaint Investigation Procedures ➤ The Committee closely monitored changes in the Bank's loan portfolio, in particular impaired loans and watch list loans, as well as the status of loan losses and the adequacy of loan loss provisions. ➤ The Committee reviewed and, when appropriate, approved certain loans that exceeded the limits set out in the credit policies. ➤ The Committee reviewed and approved the 2015 mandate of the Integrated Risk Management function. ➤ Jointly with the Human Resources and Corporate Governance Committee, the Committee examined the risk analysis of the compensation programs, which was prepared as part of the requirements and in accordance with the principles and standards of the Financial Stability Board. ➤ The Committee ensured that follow-ups were conducted on material aspects of regulatory risk management. In particular, the Committee received and reviewed the annual report and intermediary report as of July 31, 2015 on regulatory risk management. ➤ The Committee kept itself informed of the Bank's activities aimed at detecting and deterring money laundering and terrorist activity financing, and it reviewed the annual and semi-annual reports before their filing thereof. ➤ The Committee also kept itself informed on a regular basis on the regulation regarding capital and liquidity risk governance, including the implementation of the new capital rules (Basel III). ➤ The Committee approved the capital adequacy ratio/ICAAP demonstrating that the Bank was adequately capitalized. ➤ The Committee reviewed the crisis simulation framework, whose objective is to test the Bank's resistance to the various risks to which it is exposed. ➤ The Committee received the Ombudsman's annual report.
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<i>Conduct Review Functions</i>	<ul style="list-style-type: none"> ➤ As required, the Committee reviewed the decisions of the Bank’s Self-Dealing Review Committee to ensure that they were reasonable. ➤ The Committee also approved the directors’ report on the work of the Risk Management Committee for its conduct review functions and its submission to the Office of the Superintendent of Financial Institutions (Canada).
<i>Members</i>	<p>Michel Labonté, Chair Richard Bélanger A. Michel Lavigne Jonathan I. Wener Susan Wolburgh Jenah</p>

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



Michel Labonté, Chair

POSITION DESCRIPTIONS

The Board of Directors has developed a written position description for the Chair of the Board and Board Committee Chairs, as well as for the President and Chief Executive Officer. The text of these position descriptions can be found in the “Corporate Governance” section of the Bank’s website.

CORPORATE ETHICS AND INTEGRITY

It is of prime importance for the Bank that its profitable development be attained, while respecting the principles of transparency, integrity and ethical conduct. In that regard, the Board of Directors works diligently to ensure that the Bank operates with the highest standards of integrity and in full compliance with all applicable laws and regulations.

The Bank has also adopted a set of values that serve as guidelines in making decisions aligned with the organization’s culture. Integrity is central to all the Bank’s actions and allows it to earn and maintain the confidence of its clients and shareholders. For their part, all Bank personnel must adhere to the Employee Code of Ethics and respect the Code of Confidentiality Governing the Protection of Personal Information.

Finally, the Board of Directors acts in accordance with the Directors’ Code of Conduct, which incorporates by reference the Code of Ethics both of which are overseen by the HR Committee. In order to effectively manage any situation that could raise a conflict of interest, the Directors’ Code of Conduct calls for Board members to refrain from participating in Board or Committee discussions that involve a conflict situation and from voting on any related questions.

The full text of the Bank’s Employee Code of Ethics and the Directors’ Code of Conduct is available on the SEDAR website (www.sedar.com).

COMPENSATION

The HR Committee is, among other things, responsible for establishing the compensation of the Bank’s officers, as more fully described in Part E - Executive Compensation.

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

ADDITIONAL INFORMATION

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

PART G – OTHER INFORMATION

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Aggregate Indebtedness

The following table sets forth the aggregate indebtedness to the Bank or its subsidiaries of all existing and former executive officers, directors and employees of the Bank or its subsidiaries as at January 31, 2016.

Purpose	Aggregate Indebtedness (\$)	
	To the Bank or its Subsidiaries	To Another Entity
Stock Purchase	0	0
Other	220,615,980	0

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

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

Name and Principal Position	Involvement of the Bank or Subsidiary	Largest Amount Outstanding during Most Recently Completed Fiscal Year (\$)	Amount Outstanding as at January 31, 2016 (\$)	Financially Assisted Securities Purchases during Most Recently Completed Fiscal Year	Security for Indebtedness (Securities Purchase Programs Only)	Amount Forgiven during Most Recently Completed Fiscal Year (\$)
François Desjardins Executive Vice-President and Chief Operating Officer	B2B Bank (lender)	625,000 (Note 1)	505,000	–	–	0
Susan Kudzman Executive Vice-President, Chief Risk Officer and Corporate Affairs	Bank (lender)	813,000 (Note 2)	779,826	–	–	0
Réjean Robitaille President and Chief Executive Officer	Bank (lender)	1,033,982 (Note 3)	453,709	–	–	0
Michel C. Trudeau Executive Vice-President, Capital Markets, Laurentian Bank and President and Chief Executive Officer, Laurentian Bank Securities Inc.	Laurentian Bank Securities (lender)	90,000 (Note 4)	28,500	–	–	0

Note 1: Mortgage loan on principal residence at an interest rate of 2.99% (B2B Bank); mortgage lines of credit on principal residence at prime rate + 0.50% (B2B Bank); mortgage line of credit on secondary residence at prime rate + 0.50% (B2B Bank).

Note 2: Mortgage loan on principal residence at an interest rate of 1.39%; line of credit at interest rate of 4.70%.

Note 3: Mortgage loans on principal residence at interest rates of 1.95%, 1.65% and 1.14%.

Note 4: Line of credit against security portfolio at prime rate +1%.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

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

CODE OF PROCEDURE

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

MINUTES

A copy of the minutes of the Bank's last annual meeting of shareholders held on April 1, 2015 was sent to shareholders together with this Circular. The minutes are also available at www.laurentianbank.ca.

ADDITIONAL INFORMATION

The Bank's financial information is provided in its comparative financial statements and Management's Discussion and Analysis for its most recently completed fiscal year. Additional information relating to the Bank is available on SEDAR at www.sedar.com and at www.laurentianbank.ca. Shareholders may contact the Bank's Secretary in writing at 1981 McGill College Avenue, 20th Floor, Montréal, Quebec H3A 3K3 to obtain a complimentary copy of the Bank's financial statements and Management's Discussion and Analysis, or of any other document available on SEDAR that is mentioned in this Circular. The Bank's head office is located at 1981 McGill College Avenue, Montreal, Quebec H3A 3K3.

REMOTE VIEWING OF THE ANNUAL AND SPECIAL MEETING

The video of the 2016 annual and special meeting of shareholders will be available in the "Investor Relations" section of the Bank's website under the "Presentations and Events" tab.

DIRECTORS' APPROVAL

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



Christiane Vachon
Secretary

Montreal, Quebec, February 17, 2016

SCHEDULE A

AMENDMENTS TO THE BANK'S GENERAL BY-LAWS

1- **REPEAL SUBSECTION 8.1 OF BY-LAW III OF THE BANK'S GENERAL BY-LAWS (CUMULATIVE VOTING)**

BE IT RESOLVED BY SPECIAL RESOLUTION TO CONFIRM

THAT subsection 8.1 of By-Law III of the Bank's General By-Laws shall be repealed;

THAT any officer or director of the Bank shall be authorized to sign all documents and take all steps as are necessary or desirable to give full effect to this resolution.

2- **AMEND SECTION 1 OF BY-LAW IV OF THE BANK'S GENERAL BY-LAWS (NUMBER OF DIRECTORS)**

BE IT RESOLVED BY SPECIAL RESOLUTION TO CONFIRM

THAT section 1 of By-Law IV of the Bank's General By-Laws shall be amended and replaced by the following:

"1. Number of Directors

The Board of Directors shall consist of no fewer than seven and no more than thirteen directors, at least three-quarters of whom shall be Canadian citizens ordinarily residing in Canada.

The number of directors to be elected at any annual meeting of shareholders shall be determined by resolution of the Board of Directors prior to the meeting. The directors may, furthermore, at any time provided there is a quorum, appoint additional directors during the year, within the limits allowed by the Act and this By-Law.";

THAT any officer or director of the Bank shall be authorized to sign all documents and take all steps as are necessary or desirable to give full effect to this resolution.

3. **OTHER CHANGES TO THE BANK'S GENERAL BY-LAWS**

BE IT RESOLVED BY SPECIAL RESOLUTION TO CONFIRM

THAT

a) subsections 2.7, 2.8, 2.9, 2.10 and 2.11 of By-Law XIII of the Bank's General By-Laws shall be repealed;

b) the following words shall be deleted from subsection 2.1 of By-Law XIII of the Bank's General By-Laws: "*(other than Series 1, Series 2, Series 3, Series 4 and Series 5 Class A Preferred Shares for which the respective designations, rights, privileges, restrictions and conditions are hereinafter set out)*";

c) the first paragraph of section 6 of By-Law III of the Bank's General By-Laws shall be amended and replaced by the following:

"6. Quorum and adjournment

A quorum shall be present at any meeting of shareholders if two holders holding at least 25% of the outstanding shares of the Bank entitled to be voted at the meeting are present in person or represented by proxy. However, where the provisions relating to a class or series of shares otherwise provide for the quorum for meetings of the holders thereof, such provisions shall apply to meetings of such shareholders."

d) section 2 of By-Law IV of the Bank's General By-Laws shall be amended and replaced by the following:

"2. Election and Term of Office

Unless the by-laws provide otherwise, each director shall be elected at the annual meeting of shareholders. Each director shall hold office until the close of the first annual meeting of shareholders following his election or appointment or until the election or appointment of his successor.";

THAT any officer or director of the Bank shall be authorized to sign all documents and take all steps as are necessary or desirable to give full effect to this resolution.

SCHEDULE B

ADVISORY VOTE ON NAMED EXECUTIVE OFFICER COMPENSATION

“IT WAS RESOLVED, in an advisory capacity and without limiting the role and responsibility of the Board of Directors, that shareholders accept the approach to named executive officer compensation disclosed in the Bank’s Management Proxy Circular for the 2016 annual and special shareholders’ meeting.”

SCHEDULE C

SHAREHOLDER PROPOSALS

PROPOSALS SUBMITTED TO A SHAREHOLDER VOTE

PROPOSAL 1 Board tenure

It is proposed that the Board of Directors adopt a policy for board renewal by setting the maximum tenure of independent directors at 15 years.

Argument

Currently, 2 directors have been serving on Laurentian Bank of Canada's Board of Directors for 15 years or more.

In the past year, the AMF and certain other Canadian regulators have invited Canadian companies to consider increasing board turnover in order to make way for fresh talent, including women. In some countries, such as France, the U.K. and Australia, the question of term limits has been discussed as an issue of directors' independence. It is indeed conceivable that after a certain time, directors become too entrenched to add value to the decision-making process. They become stale and it is more difficult for them to envision the company other than through the lens of its traditional growth path. While we acknowledge that a balance must be sought between experienced and freshly appointed directors, it is essential to bring in new blood, especially by including younger women directors.

A recent study entitled *Zombie Boards: Board Tenure and Firm Performance* suggests that a director's contribution reaches a plateau after 12 years of service. The study indicates that this diminished contribution after a certain period has an effect, particularly on decisions on mergers and acquisitions, corporate strategies, innovation, financial reporting and compensation.

Like all Quebec and Canadian businesses, Laurentian Bank of Canada must contend with increasingly complex economic, technological and political environments. While we acknowledge that the director's role involves an initial learning curve, it is in companies' interest to regularly renew their boards of directors by bringing in individuals who contribute not only new skills, but fresh thinking to the analysis of the challenges facing the company.

Finally, we recommend that such a limit be expressed in the form of a term limit rather than an age limit, a practice which we believe to be discriminatory as regards to age.

The Bank's Recommendation

The Bank cannot accept the arguments put forward in support of the proposal to set the maximum tenure of directors at 15 years.

Despite the absence of a policy in this regard, 10 new members have been appointed to the Bank's Board of Directors in the past 10 years, which shows that the Bank's preferred approach of identifying competencies and assessing the contribution of each director is effective and successful.

The Board puts a great deal of effort into annually assessing its requirements for the Board and the competencies and performance of each director. Every director completes questionnaires that assess the Board and its committees, the Chair of the Board and each committee chair. Every director also completes his or her self-evaluation questionnaire. Individual meetings between each director and the Chair of the Board provide an opportunity for further discussion of the results relating to each director's contribution and the effectiveness of the Board as a whole. A report is then made to the Human Resources and Corporate Governance Committee, which decides whether the composition of the Board should be reviewed or whether other improvements are required.

As part of this process and also when new candidates are selected for the position of director, a comprehensive and diversified matrix of competencies and expertise (see the 2016 Circular, page 45) is analyzed to ensure optimal composition of the Board. Various other criteria such as diversity and geographical representation are also applied.

This thorough evaluation process is in keeping with the practices recommended by the Institute of Corporate Directors (ICD) to foster an effective process of board renewal. In its January 2015 policy document, *Beyond Term Limits: Using Performance Management to Guide Board Renewal*, the ICD discusses the harmful effects of mandatory term limits:

Term limits are a blunt tool and, without flexibility, they eliminate effective as well as non-effective directors. For this reason, we believe that boards must retain discretion to preserve vital institutional memory of high performing and contributing members.

Renewal of the Board should be done in a careful and orderly manner to facilitate the integration of new members and the development of the Board. Furthermore, the presence of more experienced directors on the Board has an added value that benefits the Bank and the shareholders themselves.

The Bank will continue to ensure the effective renewal of the Board in the future and to maintain a renewal rate in keeping with its business strategy as it has been doing over the past ten years. Moreover, at its February 17, 2016 meeting, the Board of Directors passed a resolution to change the number of directors from 13 to a variable number (minimum 7 and maximum 13). On February 17, 2016, the Board set the number of directors to be elected at the next annual meeting at 11.

Consequently, the Board of Directors considers that it is not advisable nor desirable to adopt this proposal and recommends voting **AGAINST** the proposal.

PROPOSAL 2 Simplifying financial reporting

It is proposed that the Board of Directors adopt a plan of action to simplify the financial statements and make them more accessible or create a committee with small shareholders to that end.

Argument

For almost twenty years now, MÉDAC has been reviewing numerous financial statements and annual reports. Over the years, we have observed an excess of information and have come to realize that financial reporting has turned into a burdensome compliance exercise that is of diminishing relevance to shareholders. Annual reports are getting longer and longer and have the effect of confusing readers instead of informing them.

It is imperative that the Bank think about this problem and commit to reviewing its financial reporting over a specified period in order to simplify it and make it more accessible. An example of how this could be achieved is provided by the **MÉDAC fact sheet**, which presents the highlights of an organization's financial and non-financial performance during the most recent fiscal year on a single, double-sided 8 ½ x 11 sheet.

From a financial standpoint, these fact sheets will contain information to allow a less experienced investor to evaluate the company's ability to generate sustained profits and to assess the level of financial security that the company can provide based on its debt ratio, market capitalization and the credit rating assigned to it by the rating agencies. On the non-financial side, these fact sheets will give an overview of improvements made by management to certain aspects of its corporate governance, including the role and composition of the board of directors, executive compensation, the pay gap between employees and management, the inclusion of women on the board of directors, etc.

We are willing to participate in your simplification committee and we are making approaches to the regulatory authorities and the Canadian Bankers Association to bring this project to fruition.

The Bank's Recommendation

The Bank does a great deal to simplify and clarify financial information and is constantly improving in this area.

With the arrival of the Bank's new President and Chief Executive Officer, Mr. François Desjardins, a new approach has been proposed, as Mr. Desjardins' experience in the operational sector of the Bank gives him a different perspective on reporting and disclosure.

Accounting standards have become more complex, especially for financial institutions, as financial instruments and financial risks have significantly evolved over the recent years. Many financial statement users', including regulatory bodies such as the Office of the Superintendent of Financial Institutions (Canada), require more information. To provide additional transparency, given the current global economy, the amount of information in financial statements has grown. Given these requirements, the Bank's ability to simplify its financial reporting is limited. Furthermore, the Bank seeks to provide financial information that is similar to the other Canadian banks to allow comparison of the performance and thereby promote market discipline.

Notwithstanding, the Bank is committed to provide clear and concise financial information. In this regard, it is interesting to note that the Bank's Annual Report has 124 pages, whereas other Canadian banks' reports count more than 200 pages. The current reporting also presents various summaries, highlights and graphs which provide less experienced investors ways to evaluate the Bank's performance. In addition, the Bank already issues, every quarter, an Investor Fact Sheet, which provides key metrics and information about the Bank operations and its performance. Rather than adopt a new fact sheet as proposed by MÉDAC, the Bank prefers to continue its efforts to clarify its reporting, which will also be more in keeping with the transformation plan announced by the Bank whose goal is to move towards a simpler and more efficient operating mode.

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

PROPOSAL 3 Customer service

It is proposed that the Board of Directors table a report on the steps it has taken in the past year to increase customer satisfaction in both the short and the medium term.

Argument

According to a survey published on July 31, 2015 by J.D. Power,¹ a global leader in the evaluation of consumer products and services, short-term profit-seeking by Canadian banks is occurring at the expense of customer satisfaction. Two examples: the significant increase in average in-branch wait times and the increase in miscellaneous fees.

For a shareholder, this performance is of great concern since it can have serious repercussions on the Bank's medium and long-term performance. According to a study by Accenture,² 27% of all Canadian bank customers would consider a branchless digital bank if they were to switch financial institutions. Another result from this survey that is of concern: young consumers in North America would be open to banking with technology players such as Google, Amazon and Apple if those companies offered such services. According to a spokesperson for *Accenture Canada*:

"The game is changing for banking in Canada and the U.S., and tomorrow's consumer is coming of age with a very different perception of what a bank could be. These new customer expectations will prove disruptive to banks, if non-bank entrants gain momentum and if banks do not adapt quickly."

Consequently, we are making this proposal in order to obtain more information about the Bank's strategy in the face of these new trends and about what it intends to do in the short term to better respond to its customers' expectations.

The Bank's Recommendation

The description of the market provided in the argument as regards to the entry of new players and customers' changing expectations in the financial products and services sector appears to be accurate and in line with the Bank's transformation plan.

The Bank treats customer service as a high priority in all its lines of business, as attested by a number of our current initiatives, including standardizing our methodology in business services, to measure customer satisfaction by using the Net Promoter Score (NPS). NPS is a methodology that comes out of the service industry. It involves using a simple tracking survey to constantly get feedback from active customers. It is described in detail by Fred Reichheld in his book *The Ultimate Question: Driving Good Profits and True Growth*. The tracking survey asks one simple question: How likely are you to recommend X to a friend or colleague? The answer is then put through a formula to give you a single overall score that tells you how well you are doing at satisfying your customers. Both the question and formula are the results of a lot of research that claims that this methodology can predict the success of companies over the long-term.

Following a year-long review, the Bank concluded that the organization must undergo a transformation in order to respond better to customers' changing expectations. As announced in the Annual Report for 2015 and the press release of December 9, 2015 reporting the results for fiscal 2015, a transformation plan to create a simpler, more efficient and modern business will be implemented over the next seven years. Customer service is central to the plan and will enhance the way the Bank serves its customers.

The above-mentioned documents should be consulted for more information about how the Bank intends to reach its objectives. The Bank believes that the information contained in those documents already provides as much detail as it is possible to give in response to the proposal without disclosing sensitive information about the Bank's strategic orientations and compromising its competitive position.

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

¹ Survey of 14,000 customers of Canadian retail banks.

<http://affaires.lapresse.ca/economie/services-financiers/201507/31/01-4889437-plus-dinsatisfaction-envers-les-banques-canadiennes.php>

² <http://www.advisor.ca/news/industry-news/gen-y-wants-alternative-banking-options-153999>

PROPOSAL 4 Paying a fair share of income taxes

It is proposed that the Bank, like all other members of Quebec society, share in the efforts to put Quebec's public finances on a better footing.

Argument

In his last economic update, Mr. Carlos Leitão, Quebec Minister of Finance, announced an increase, to apply from December 3, 2014 until March 31, 2017, in the temporary surtax on wages paid by financial institutions. This temporary payroll tax would increase from 2.8% to 4.48%. Following the announcement, it was reported in the media that, behind the scenes, the Canadian Bankers Association (CBA)¹ was busy trying to convince the Quebec government to back track.

In a situation where everyone must put their shoulder to the wheel, the reaction of the Canadian banks is questionable, especially as in the last fiscal year, Canada's top seven banks earned profits of about \$33.4 billion.

The Bank's Recommendation

The argument made in support of this proposal does not appear to apply to the Bank.

First, it should be noted that the Bank operates responsibly, complies with all applicable tax legislation and does not use unlawful tax strategies. In this connection, income taxes alone amounted to \$30.9 million for the year ended October 31, 2015 and \$40.7 million for the year ended October 31, 2014. The Bank is thus a large taxpayer in Quebec.

As at October 31, 2015, the Bank had nearly 3,600 employees on a full-time equivalent basis. Moreover, it provides numerous families with the financing they need to purchase a home and save for retirement. Finally, the Bank supports the growth of Quebec companies by offering them various financing options.

The Bank is proud of its significant social and economic contributions, but it should be noted that, as a publicly listed entity, its objective is to generate consistent earnings and long-term value for its shareholders, who include small investors as well as large institutional investors.

As mentioned, the Bank has satisfied all its tax obligations, including paying amounts owed in respect of the temporary surtax on wages paid by banks. However, the Bank is of the opinion that this payroll tax is not to the advantage of its shareholders or its employees or customers.

Secondly, the Bank is not responsible for the tax policies that apply to it or for the actions of other organizations.

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

¹ <http://ici.radio-canada.ca/nouvelles/economie/2014/12/16/004-banque-surtaxe-quebec-equilibre-budgetaire-lobbyisme.shtml>

PROPOSAL NOT SUBMITTED TO A SHAREHOLDER VOTE

Diversity Policy Best Practice

It is proposed that the Board of Directors of the Bank act as an engine of change in the matter of diversity by adopting objectives and target dates, as strongly suggested by the AMF.

Argument

At the present time, the Bank has 5 women directors out of a total of 13, or almost 40%. It also scores highly on governance, with two women out of five (40%) on each of the Board committees, namely, the HR Committee, the Audit Committee and the Risk Management Committee. The Bank is proof that where there is a will, it is possible to recruit a critical mass of skilled women to meet needs.

However, most Canadian companies are a long way from displaying such a will, often justifying their refusal to adopt specific goals and target dates for achieving better gender balance on their boards of directors and among their executive officers on grounds that such appointments must be made according to the “best talent, knowledge and experience”, that selection must be merit-based and that age, gender and ethnic origin should not be used as a discriminating factor among candidates.

We believe, however, that, for the Bank, gender balance is a question of justice and fairness and that business leaders must consider all potential candidates, be they male or female. By adopting a policy, the Bank would confirm that diversity is a question of values and that it is important for companies to take the necessary action to ensure that women have the same opportunities as men to obtain decision-making positions, given equal competencies, experience and interest.

The Bank’s Position

The Bank is a leader in the representation of women on its Board of Directors. It was the first Canadian financial institution to appoint a woman, Ms. Jeannine Guillevin-Wood, as Chair of the Board in 1997. Moreover, the Bank repeated this practice in 2013 when it appointed Ms. Isabelle Courville.

The Bank is among the businesses in the industry with the highest representation of women, as five of the 11 members of the Board, or 45%, are women. Excluding the one non-independent member, the ratio is 50% and gender parity is achieved. Moreover, the Bank is proud to be a member of the Canadian chapter of the 30% Club, whose goal is to have women account for at least 30% of directorships by 2019.

The Bank’s efforts to achieve gender diversity are not limited to the Board of Directors. Among executive officers, two of the six members of the executive committee are women. In addition, over 50% of the Bank’s managers are women and the Bank has formed a diversity committee tasked with creating an environment conducive to diversity and the inclusion of target groups, including women.

Having had the opportunity to benefit from women’s contribution at all decision-making levels in the organization, the Bank has been able to recognize women’s contribution at every level. Pursuing its efforts towards a balanced Board, the Bank adopted a Board Diversity Policy, under which the HR Committee will consider all candidates for appointment to the Board on merit against objective criteria and with due regards for the benefit of diversity on the Board. The review will take into account the benefits of diversity such as differences in the skills, regional and industry experience, background, race, gender and other distinctions between directors.

SCHEDULE D

STOCK OPTION PURCHASE PLAN

Stock Option Purchase Plan for the Officers of the Laurentian Bank of Canada and its Subsidiaries

Shares Subject to the Plan - The shares which may be issued when options granted pursuant to the plan are exercised are voting common shares of the Laurentian Bank of Canada ("shares"). Laurentian Bank of Canada shareholders determined that the maximum number of shares that could be issued pursuant to the plan would be 1,600,000. A beneficiary will not benefit from the rights of a Bank shareholder with respect to the shares subject to the options before he/she becomes the registered holder of these shares.

Eligibility - All members of the Bank's Management Committee are eligible, as well as any other employee designated by the Human Resources and Corporate Governance Committee (the "Committee").

Grants - From time to time, the Committee designates those who may receive grants from among the eligible members of Management. The Committee determines the number of underlying shares, as well as the grant's effective date. Each grant carries an option to purchase a given number of shares ("option"). The number of shares is established in relation with the market value and the base salary of the beneficiary, as determined by the Committee. Each grant is witnessed by a letter addressed to the beneficiary who may hold more than one grant at any time. The grants are made at the Committee's discretion. Generally, the Committee does not grant stock option shares to members of the Bank's Management Committee or any other employee. However, the Committee may make special grants at any time under circumstances it deems appropriate.

Subscription Price - The subscription price of each share (which may be purchased at the exercise of the option ("subscription price")) is determined by the Committee for each grant but may not be less than 100% of the market value at the time of the grant. For the purposes of the plan, the words "market value" mean the arithmetic average of the weighted average trading prices of the share on the Toronto Stock Exchange for the five days preceding the grant.

Exercise of the Option - Each option granted pursuant to an annual grant may be exercised in the following manner: no share subject to the option may be subscribed before the first anniversary of the grant date; not more than 25% of the total number of shares subject to the option may be subscribed before the second anniversary of the grant date; not more than 50% of the total number of shares subject to the option may be subscribed before the third anniversary of the grant date; not more than 75% of the total number of shares subject to the option may be subscribed before the fourth anniversary of the grant date; and all shares subject to the option which have not been subscribed by the fourth anniversary of the grant date may be subscribed at any time thereafter, but not later than the earlier of the expiry date of the option as determined by the Committee or the tenth anniversary of the grant. The Committee determines the manner in which options granted pursuant to a special grant may be exercised.

Length of the Option - Each option is effective for a period determined by the Committee, which may not exceed 10 years after the grant date, subject to the following conditions: (a) during the employment of the beneficiary, the latter may exercise his/her options at the frequency and during the periods determined by the present plan or by the Committee; (b) in case of the death of the beneficiary, any grant ends at the expiration date initially determined or 12 months after the death of the beneficiary, whichever comes first. Within this period, the beneficiary's estate may exercise the options that were vested at the time of the beneficiary's death; (c) upon retirement, the beneficiary may exercise all options as they vest, up until the earlier of December 31 of the third year following the year of retirement or the expiration of the grant as established by the Committee; (d) if the beneficiary ceases to be employed by the Bank for any reason other than death or retirement, vested options expire 30 days after the date the beneficiary ceases to be employed by the Bank; (e) at its discretion, the Committee may allow all options to be exercised (even if these options are not vested) and postpone the deadline for the exercise of options mentioned in paragraphs (b), (c) and (d) as long as this date is not later than the option's expiry date; (f) subject to the approval of the beneficiary, the Committee may cancel a grant for which the options have not been exercised. The beneficiary loses any right conferred by the option if these rights have not been exercised before the option's expiry date. All shares that have been subject to options that were cancelled or have expired may be granted again.

Change of Control - In the event of a change of control of the Bank resulting from a reorganization, merger, restructuring, transfer, sale or other transformation, all options will be deemed to have vested as of the date of the change of control. However, the present provision does not apply if the beneficiary's employment is terminated for cause.

Changes in Share Capital - If changes occur in the number of issued common voting shares of the category contemplated by the plan following a dividend paid in shares, a share split, a recapitalization, a merger, a consolidation or regrouping, or an exchange of shares or any other similar modification in the structure of the Bank, the Committee will equitably readjust the options granted pursuant to the plan and, if needed, of the subscription price of the shares. These adjustments will be final and mandatory for the purposes of the plan.

Privatization - If the Bank's shares cease to be publicly traded on an exchange — notably because all the shares would be owned by a sole owner — all options will be deemed to have vested at the date of the privatization. This does not apply however when the Bank's shares are exchanged for the shares of a holding company or those of another company.

SCHEDULE E

CODE OF PROCEDURE

1. Application

This Code shall govern the conduct of annual and special meetings of shareholders of Laurentian Bank of Canada (the "Bank"). It is a complement to the provisions of the *Bank Act* (Canada) (the "Act"), of the regulations or guidelines thereunder, and of the Bank's General By-Laws. In case of conflict, the Act or the regulations shall prevail.

2. Role of the 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/her decisions shall be without appeal. Whether or not a shareholder, everyone attending the meeting must comply with the Chair's instructions.

3. Expression of Resolutions

Except in cases where a special resolution is required, the meeting shall proceed by way of resolutions 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 Proposal

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 for 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 during a debate on a shareholder proposal, but only once. The representative of management may speak as often as he/she deems appropriate, but for no more than 10 minutes for his/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 address 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 it may not give rise to a debate.

