

Annual Information Form

December 4, 2020



CAUTION REGARDING FORWARD-LOOKING STATEMENTS

We may, from time to time, make written or oral forward-looking statements within the meaning of applicable securities legislation, including in this document and the documents incorporated by reference herein, and in other documents filed with Canadian regulatory authorities or in other written or oral communications. Forward-looking statements include, but are not limited to, statements regarding our business plans and strategies, priorities and financial objectives, the regulatory environment in which we operate, the anticipated impact of the coronavirus ("COVID-19") pandemic on the Bank's operations, earnings results and financial performance and statements under the headings "Outlook", "COVID-19 Pandemic" and "Risk Appetite and Risk Management Framework" contained in our 2020 Annual Report for the year ended October 31, 2020 (the "2020 Annual Report"), including the Management's Discussion and Analysis for the fiscal year ended October 31, 2020 and other statements that are not historical facts. Forward-looking statements typically are identified with words or phrases such as "believe", "assume", "estimate", "forecast", "outlook", "project", "vision", "expect", "foresee", "anticipate", "plan", "goal", "aim", "target", "may", "should", "could", "would", "will", "intend" or the negative of these terms, variations thereof or similar terminology.

By their very nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties, both general and specific in nature. Material economic assumptions underlying the forward-looking statements contained in this document are set out in the 2020 Annual Report under the heading "Outlook". There is significant risk that the predictions, forecasts, projections or conclusions will prove to be inaccurate, that our assumptions may not be correct, and that actual results may differ materially from such predictions, forecasts, projections or conclusions.

We caution readers against placing undue reliance on forward-looking statements, as a number of factors, many of which are beyond our control and the effects of which can be difficult to predict, could influence, individually or collectively, the accuracy of the forward-looking statements and cause actual future results to differ significantly from the targets, expectations, estimates or intentions expressed in the forward-looking statements. These factors include, but are not limited to risks relating to: the impacts of the COVID-19 pandemic on the Bank, our business, financial condition and prospects; technology, information systems and cybersecurity; technological disruption, competition and our ability to execute on our strategic objectives; the economic climate in the U.S. and Canada; accounting policies, estimates and developments; legal and regulatory compliance; fraud and criminal activity; human capital; insurance; business continuity; business infrastructure; environmental and social risk and climate change; and our ability to manage operational, regulatory, legal, strategic, reputational and model risks, all of which are described in more detail in the section titled "Risk Appetite and Risk Management Framework" beginning on page 43 of the 2020 Annual Report, including the Management's Discussion and Analysis for the fiscal year ended October 31, 2020.

We further caution that the foregoing list of factors is not exhaustive. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also have a material adverse effect on our financial position, financial performance, cash flows, business or reputation. Any forward-looking statements contained in this document represent the views of management only as at the date hereof, are presented for the purposes of assisting investors and others in understanding certain key elements of the Bank's current objectives, strategic priorities, expectations and plans, and in obtaining a better understanding of the Bank's business and anticipated operating environment and may not be appropriate for other purposes. We do not undertake to update any forward-looking statements, whether oral or written, made by us or on our behalf whether as a result of new information, future events or otherwise, except to the extent required by securities regulations. Additional information relating to the Bank can be located on the SEDAR website at www.sedar.com.

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Note: Unless otherwise specified, all information presented herein is as at October 31, 2020. Copies of this Annual Information Form and our 2020 Annual Report are available on SEDAR at www.sedar.com. The content of any website referred to in this Annual Information Form is not incorporated by reference in, and does not form part of, this Annual Information Form. All dollar amounts are in Canadian dollars, unless otherwise stated.

1. CORPORATE STRUCTURE

Name, Address and Incorporation

Laurentian Bank of Canada and, as applicable, its subsidiaries are collectively referred to herein as the "Bank", "Laurentian Bank Financial Group", "we", "our" or the "Group". The Bank, a Schedule 1 chartered bank subject to the provisions of the *Bank Act* (Canada) (the "Bank Act"), was founded in Montreal in 1846 as a savings mutual. It became a share-issuing corporation under a charter granted on April 27, 1871, pursuant to an act of the Parliament of Canada concerning savings banks. Prior to September 28, 1987, the Bank was known as The Montreal City and District Savings Bank. On that date, the Bank became a chartered bank under Schedule II of the Bank Act pursuant to letters patent issued by the Minister of Finance of Canada. On January 1, 1994, Desjardins-Laurentian Financial Corporation became the majority shareholder of the Bank following its acquisition of the Bank's then parent corporation, Laurentian Group Corporation. On November 12, 1997, Desjardins-Laurentian Financial Corporation, which held 57.5% of the common shares of the Bank, sold its shares by secondary distribution. The Bank thereby became a bank listed under Schedule I of the Bank Act.

The Bank's head office is located at 1360 René-Lévesque Boulevard West, Suite 600, Montreal, Quebec, Canada, H3G 0E5.

Intercorporate Relationships

Information about intercorporate relationships with principal subsidiaries, including place of incorporation and percentage of securities owned by the Bank, is provided in Schedule A of this Annual Information Form.

2. DESCRIPTION OF THE BUSINESS

General Summary

Laurentian Bank Financial Group is a diversified financial services provider whose mission is to help its customers improve their financial health. Our success is driven by our employees guided by the values of proximity, simplicity and honesty, through which we provide a broad range of advice-based financial solutions and services. With activities across Canada and a presence in the U.S., we are an important player in a number of market segments.

The Bank has three operating segments: the Personal segment, the Business Services segment and the Capital Markets segment. Within the Personal segment, clients can access the Bank's offering of financial advice, products and services through our network of branches in Quebec, an Advisors and Brokers channel targeting independent financial intermediaries across Canada, and a Digital Direct-to-customer platform available to all Canadians. The Business Services segment caters to the financial needs of business clients across Canada and in the United States and provides: commercial banking, real estate financing, and equipment and inventory financing. The Capital Markets segment provides a range of services, including research market analysis and advisory services, corporate underwriting for debt and equity and administrative services. The Bank has one reportable segment.

As at October 31, 2020, the Bank had \$44.2 billion in balance sheet assets and \$27.8 billion in assets under administration.

Additional Information Relating to the Business

Competition

The Bank competes with various service providers including Canadian chartered banks, foreign banks, trust and loan companies, financial services cooperatives, insurance companies, alternative financing companies, mutual fund companies, independent brokers and securities brokers, new financial start-ups, and large companies foreign to the financial sector. In addition, the evolution of technologies has enabled new non-traditional entrants to compete in certain segments of banking, in some cases with reduced regulatory requirements and oversight, and such entrants are deepening their connections with banks in order to enhance their products and build customer relationships.

We are the seventh largest bank in Canada, based on total assets among publicly listed banks on the Toronto Stock Exchange ("TSX"). The main differentiating factors between suppliers of financial products and services are the rates and prices offered, service-quality, and offering, flexibility of products and services, proximity, and use of technology. New entrants may leverage new technologies, advanced data and analytical tools, lower costs to serve and/or faster processes to challenge traditional banks, including new business models in retail payments, consumer and commercial lending, foreign exchange and low-cost investment advisory services. Failure to keep pace with these new technologies and competition may potentially impact our overall revenues and earnings if customers choose the services of these new market entrants. Our challenge is to develop a competitive formula in an environment where technology and customer behaviors are rapidly evolving and in which economic and regulatory frameworks remain challenging.

Lending

The Bank's loan portfolio consists of personal loans, residential mortgage loans and commercial loans, including customers' liabilities under acceptances. To manage credit risks, the Bank has in place credit and financial management policies that include limits on the maximum commitment that may be made to an individual borrower, a commercial borrower or a financial institution.

Within the limits set for loans granted to commercial borrowers, sub-limits have been established to limit the risks the Bank is prepared to assume in sectors deemed to entail higher risk. The sub-limits apply to individual commitments as well as to commitments for specific industries, products and geographic locations.

All exceptions in excess of \$2.5 million to the policies' limits require the approval of the Risk Management Committee of the Board of Directors.

Personal loans

The personal loan portfolio includes a range of consumer credit products such as investment loans, home-equity lines of credit (HELOCs), credit cards, personal lines of credit and other consumer loans. The Bank's personal loan portfolio consists mainly of investment loans. The loan underwriting process specifically takes into consideration the client's credit risk in addition to investment collateral values. Authorizations are based on our clients' loan servicing ability and overall financial strength, mainly based on credit scoring. In addition, loans are collateralized by a comprehensive list of eligible mutual and segregated funds. Stricter credit criteria must be met as loan-to-value ratios increase. For loans where disbursements are significant, additional personal income and net worth information are usually required.

Residential mortgage loans

The residential mortgage loan portfolio includes retail mortgage loans secured by one- to four-unit dwellings. Over the recent years, the Bank has made significant progress towards diversifying its geographical footprint. The residential mortgage loan portfolio contributes to this geographic diversification across Canada. In accordance with the Bank's credit risk management policies, the residential mortgage and HELOC portfolios are regularly reviewed to ensure that the level of risk associated with these portfolios remains in line with the Bank's risk appetite and its strategic objectives. As part of this oversight, the portfolios are stressed to reflect the effects of a potential economic downturn creating a decline in property values. Due to the large portion of insured loans and the relatively low loan-to-value ratio of uninsured mortgage loans, management believes that loan losses under such a scenario would remain manageable.

Commercial loans

The commercial loan portfolio, including customers' liabilities under acceptances, comprises commercial loans in specific markets where the Bank can efficiently compete across Canada, as well as in the U.S. Commercial loans are generally secured by a wide range of assets such as real estate, equipment, receivables and inventories, as well as, in certain cases, additional liens on real estate and other fixed assets. Real estate financing loans are secured by specific assets, such as five and more unit dwellings, smaller retail multi-unit dwellings, commercial properties, office buildings, shopping centers and other properties.

Product and Services Development

The Bank aims to simplify banking for its customers. Our mission is to help our customers improve their financial health by combining the value of advice with the convenience of digital transactions. We are enhancing financial advice and changing the way we do business to improve the value of our products and services for our customers. Therefore, the Bank continuously evaluates the relevance of its product and service offerings and performs the research necessary to ensure their optimization. Drawing on the expertise of the specialists in each business segment and our marketing teams, product development and enhancement is a core and regular activity of the Bank. Further information thereon can be found under the heading "Update on Key Initiatives" on page 26 of our 2020 Annual Report, which information is incorporated by reference herein.

Skills and Specialized Knowledge

The skills, knowledge and expertise of our employees are an important asset. Attracting competent employees, providing continuous training and facilitating effective knowledge transfer are key activities crucial to the Bank's performance. Despite a highly competitive job market, management believes the working conditions and opportunities offered by the Bank give it access to the resources necessary to meet its evolving challenges.

Business Cycle

The Bank's business generally follows economic cycles and seasonal variations, the latter being relatively minor. Further information thereon can be found under the heading "Analysis of Quarterly Results" on pages 32 to 34 of our 2020 Annual Report, which information is incorporated by reference herein.

Intangible Assets

Information on the Bank's intangible assets can be found on page 122 of our 2020 Annual Report in Note 10 "Software and Other Intangible Assets" of our Consolidated Financial Statements as at October 31, 2020 and 2019, which note is incorporated by reference herein.

Number of employees

The Bank had 3,048 full-time equivalent employees at the end of fiscal year 2020, 613 of which were unionized. The majority of unionized employees work in the Bank's branches in the Province of Quebec and some of them are employed in the corporate office in Montreal. With respect to our unionized employees, a new collective bargaining agreement was ratified on March 29, 2019 and will expire on December 31, 2021.

Environmental and Social Policies and Environmental Protection

The Bank considers the direct and indirect impact of our decisions on climate change and the environment. As a service provider, the vast majority of our environmental footprint is driven by emissions from the buildings we occupy and the business travel of our employees. In this regard, the Bank supports clean energy through its partnership with Bullfrog Power. We are also proud to occupy corporate offices in Gold and Silver LEED-certified buildings in Toronto and Montreal, respectively. In addition, the Bank's digital migration and the implementation of its 100% Advice offering reduces its physical footprint.

Recognizing the growing impacts of climate-change on various industries and regions, and in line with its stakeholders' interests, the Bank is developing a sustainability program which will include the roadmap of our efforts to implement the Financial Stability Board's Task Force on Climate-related Financial Disclosure ("TCFD").

Additional information on how the Bank manages environmental and social risk can be found under the heading "Environmental and social risk and climate change" on page 70 of our 2020 Annual Report, which we incorporate by reference herein.

The Bank publishes a Social Responsibility Report every year, which describes how it addresses environmental, social and governance issues. This report and other related information is available on the Bank's website, <https://lbcfg.ca/>.

Risk Factors

The information regarding the Bank's significant risk factors is presented under the headings "Outlook" on pages 25 to 27 and "Risk Appetite and Risk Management Framework" on pages 43 to 70 of our 2020 Annual Report, and on page 142 of our 2020 Annual Report in Note 25 "Financial Instruments - Risk Management" of our Consolidated Financial Statements as at October 31, 2020, which information is incorporated by reference herein. Reference is also made to the "Caution Regarding Forward-Looking Statements" on page 2 of this Annual Information Form.

Supervision and Regulation in Canada

The Bank is a federally regulated financial institution governed by the *Bank Act*. The Office of the Superintendent of Financial Institutions ("OSFI") reports to the Minister of Finance (the "Minister") for the supervision of federally regulated financial institutions, including the Bank. OSFI is required to examine the affairs and business of each institution for the purpose of determining whether statutory requirements are duly observed and the institution is in sound financial condition. OSFI performs an annual examination and submits its report to the Minister thereafter.

In addition to its governing legislation, the Bank is subject to regulation under the *Financial Consumer Agency of Canada Act*. The Financial Consumer Agency of Canada enforces consumer-related provisions of the federal statutes that govern financial institutions. The Bank is a member of the Canada Deposit Insurance Corporation (CDIC), which insures certain deposits held at the member institutions. The Bank is also subject to oversight by the Financial Transaction and Reports Analysis Centre of Canada (FINTRAC), who, administers the *Proceed of Crime (Money Laundering) and Terrorist Financing Act* and its regulations. In addition, the activities of Bank's dealer, trust, loan and insurance subsidiaries are also regulated under provincial laws in the provinces in which they operate, including oversight by provincial securities commissions as well as the Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association of Canada (MFDA).

3. GENERAL DEVELOPMENT OF THE BUSINESS

Three-Year History

For additional information on the general development of our business and our strategies for the upcoming year, please refer to the Management's Discussion and Analysis for the year ended October 31, 2020, pages 17 to 75 of our 2020 Annual Report. Additional developments are described below.

2020 Fiscal Year

On October 30, 2020, Ms. Rania Llewellyn was appointed as President and Chief Executive Officer and as a director of the Bank.

On July 6, 2020, the Bank announced that Ms. Deborah Rose will be retiring from the Bank in February 2021.

On June 30, 2020, Mr. Francois Desjardins retired as President and Chief Executive Officer of the Bank and resigned as a director of the Bank. Mr. Stéphane Therrien was appointed as Interim President and CEO and as a director of the Bank.

On May 29, 2020, Mr. Nicholas Zelenczuk was appointed as an independent director of the Bank.

On May 28, 2020, the Bank's Board of Directors approved a reduction of the quarterly dividend on its common shares by 40%.

On March 24, 2020, the Bank announced the resignation of Mr. A. Michel Lavigne from its Board of Directors.

On November 19, 2019, the Bank launched a digital offering for personal customers under the LBC Digital Brand.

2019 Fiscal Year

On October 15, 2019, Mr. Kelsey Gunderson was appointed Executive Vice President, Capital Markets of the Bank and Chief Executive Officer of Laurentian Bank Securities Inc. ("LBS"). On November 21, 2019, Mr. Gunderson was also appointed President of LBS.

On August 29, 2019, Ms. Andrea Bolger and Mr. David Mowat were appointed as independent directors of the Bank.

On June 7, 2019, the Bank announced that none of its outstanding Non-Cumulative Class A Preferred Shares, Series 13 would be converted into Non-Cumulative Class A Preferred Shares, Series 14 of the Bank. The Dividend rate for the five-year period commencing on June 15, 2019, and ending on June 14, 2024, was set at 4.123% per annum.

On April 9, 2019, Mr. Michael Mueller succeeded Ms. Isabelle Courville as Chair of the Board of Directors.

On March 31, 2019, the Bank ratified a new collective agreement.

2018 Fiscal Year

On June 21, 2018, Ms. Deborah Rose was promoted to the role of Chief Operating Officer of the Bank while continuing to act as Chief Information Officer.

On June 4, 2018, Mr. William Mason was appointed Executive Vice President and Chief Risk Officer of the Bank following the retirement of Ms. Susan Kudzman.

On January 16, 2018, the Bank announced the closing of an equity financing of 2,282,000 common shares at \$54.80 per common share for gross proceeds of \$125 million and that it had issued an additional 342,300 common shares at \$54.80 per common share pursuant to the exercise of the over-allotment option.

On December 15, 2017, the Bank redeemed all of its Non-Cumulative Class A Preferred Shares Series 11 then outstanding, at a redemption price of \$25.00 per share, together with any declared and unpaid dividends.

4. DIVIDENDS

Dividends and Distributions

The Board of Directors must approve dividend payments on preferred and common shares on a quarterly basis. The level of dividends declared on common shares reflects management and the Board's views of the Bank's financial outlook and considers market and regulatory expectations, as well as the Bank's growth objectives.

During the fiscal years shown below, the Bank declared the following dividends:

Dividends Declared			
	2020	2019	2018
	Per share (\$)	Per share (\$)	Per share (\$)
Common shares	2.14	2.62	2.54
Class A Preferred Shares			
Series 11	—	—	0.25 (Note 1)
Series 13	1.03	1.06	1.08
Series 15	1.46	1.46	1.46

Note 1: Class A Preferred Shares Series 11 were repurchased on December 15, 2017. The final dividend declared in fiscal 2018 was \$0.25.

At its meeting held on May 28, 2020, the Board of Directors approved a decrease in the quarterly dividend of \$0.27 per common share or 40% to \$0.40 per common share.

At its meeting held on December 3, 2019, the Board of Directors approved an increase in the quarterly dividend of \$0.01 per common share or 2% to \$0.67 per common share.

At its meeting held on May 29, 2019, the Board of Directors approved an increase in the quarterly dividend of \$0.01 per common share or 2% to \$0.66 per common share.

On May 16, 2019, the applicable dividend rates for the Non-Cumulative Class A Preferred Shares, Series 13 was set at 4.123%, as determined in accordance with the terms of the Preferred Shares Series 13.

At its meeting held on December 4, 2018, the Board of Directors approved an increase in the quarterly dividend of \$0.01 per common share or 2% to \$0.65 per common share.

At its meeting held on June 1, 2018, the Board of Directors approved an increase in the quarterly dividend of \$0.01 per common share or 2% to \$0.64 per common share.

At its meeting held on December 5, 2017, the Board of Directors approved an increase in the quarterly dividend of \$0.01 per common share or 2% to \$0.63 per common share.

Restrictions

Restrictions to the declaration and payment of dividends are described on pages 125 to 127 of our 2020 Annual Report in Note 17 "Share Capital" of our Consolidated Financial Statements as at October 31, 2020, which note is incorporated by reference herein. The Bank may not declare dividends on its preferred or common shares if the payment of such dividends would contravene the *Bank Act* capital adequacy, liquidity or other regulations. In addition, the Bank may only pay dividends on the common

shares if it has paid all dividends declared and payable on the Bank's preferred shares or if the Bank has set aside sufficient funds to do so. The Board of Directors determines the amount and payment of future dividends. The decision of the Board of Directors depends on the Bank's activity, financial situation and cash flow requirements, future regulatory restrictions on the payment of dividends and other factors that the Board of Directors considers relevant.

In addition, in connection with the measures announced by OSFI over the months of March and April 2020 to afford financial institutions further flexibility in addressing current conditions due to COVID-19, OSFI communicated on March 13, 2020, its expectation that all federally regulated financial institutions halt dividend increase and share buybacks for the time being.

Policy

The Bank aims to pay a dividend on its common shares that falls within the range of 40% to 50% of adjusted earnings per share¹. The Bank's common share dividend payout ratio could, however, fall outside this range when:

- management believes the measure is necessary to ensure that capital is maintained at an optimal level for supporting the Bank's operations, while complying with regulatory requirements, for instance as a result of significant investments in technology;
- net earnings per share is affected by operations or events of a non-recurring nature;
- net earnings per share is at an atypical level and the forecasts indicate a return of net earnings per share to a normal level.

You can find more information about our dividends on page 126 of our 2020 Annual Report, which page is incorporated by reference herein.

¹ In this section of the Annual Information Form, the Bank uses adjusted financial measures that are non-generally accepted accounting principles (GAAP). These non-GAAP measures are used by management to assess the Bank's performance. The Bank's non-GAAP measures presented throughout this document exclude the effect of certain amounts designated as adjusting items due to their nature or significance. These non-GAAP measures are considered useful to readers in obtaining a better understanding of how management analyzes the Bank's results and in assessing underlying business performance and related trends. Non-GAAP measures do not have any standardized meaning prescribed by GAAP and are unlikely to be comparable to any similar measures presented by other issuers. For reconciliation of adjusted financial measures to GAAP measures, please refer to page 21 of our 2020 Annual Report.

5. CAPITAL STRUCTURE

General Description of Capital Structure

The authorized capital of the Bank consists of an unlimited number of Class A Preferred Shares, without par value, which may be issued in series and an unlimited number of common shares, without par value.

Common Shares

The holders of common shares are entitled to one vote for each share held at all shareholders' meetings, except meetings at which only holders of preferred shares of one or more series are entitled by law to vote. The holders of common shares are entitled to receive dividends if, as and when declared by the Board of Directors, subject to the rights of holders of preferred shares. In the event of any liquidation or dissolution of the Bank, subject to the rights of holders of preferred shares, the holders of common shares are entitled to participate rateably in any distribution of the remaining property of the Bank.

Class A Preferred Shares

The holders of Class A Preferred Shares have no voting rights, except on certain matters or as the law requires. The Class A Preferred Shares may be issuable in series, and such series shall rank *pari passu* as to dividends and return of capital. The holders of Class A Preferred Shares have priority over the holders of common shares as to the right to receive dividends, as declared by the Board of Directors of the Bank, for the amounts indicated or to be determined in accordance with the provisions of any such series and said dividends may be cumulative or not and payable in cash or in the form of share dividends or in any other way that may be authorized.

The holders of any series of Class A Preferred Shares shall not be entitled to any additional dividend or dividend other than those expressly provided for in the rights, privileges, restrictions and conditions attached to such series of Class A Preferred Shares.

In the event of the liquidation, dissolution or winding-up of the Bank or any other distribution of its assets amongst its shareholders for the purpose of winding-up its affairs, the holders of each series of Class A Preferred Shares will be entitled to, before any amount is paid or any property distributed to the holders of common shares or shares of any other class of shares of the Bank ranking junior to the Class A Preferred Shares, and to the extent provided for in respect of a series, (i) an amount equal to the price at which such shares were issued, (ii) such premium, if any, as has been provided for with respect to such series, and (iii) in the case of cumulative Class A Preferred Shares, all cumulative unpaid dividends (which for such purpose shall be calculated as if such cumulative dividends were accruing from day to day for the period from the expiration of the last period for which cumulative dividends were paid up to and including the date of distribution) and, in the case of non-cumulative Class A Preferred Shares, all non-cumulative declared and unpaid dividends. After payment to the holders of the Class A Preferred Shares of the amounts so payable to them, they shall not participate in any further distribution of the property or assets of the Bank.

In the case of cumulative dividends, the priority shall cover all the prior completed periods for which such dividends are payable as well as any other amounts in respect of dividends, if any, that may be indicated in the provisions attaching to any particular series. In the case of non-cumulative dividends, the priority shall cover all declared and unpaid dividends.

The Class A Preferred Shares currently outstanding will not be redeemable prior to the date specified in the terms for each series. On and after such dates for the Class A Preferred Shares specified in the

foregoing sentence and for all other series of Class A Preferred Shares issued and outstanding as at October 31, 2020, subject to the provisions of the *Bank Act* and to the prior consent of the Superintendent and to certain conditions being met, the Bank may redeem at the time specified in the terms of each series all or any part of an outstanding series of Class A Preferred Shares at the Bank's option without the consent of the holder, by the payment of an amount in cash for each such share so redeemed as specified in the terms of each series. Notice of any redemption of any series of Class A Preferred Shares will be given by the Bank at least 30 days and not more than 60 days prior to the date fixed for redemption. If less than all the outstanding Class A Preferred Shares in any series are at any time to be redeemed, the shares to be redeemed will be redeemed pro rata, disregarding fractions.

On December 15, 2017, the Bank repurchased all of its Non-Cumulative Class A Preferred Shares, Series 11 at a redemption price of \$25.00 per share.

The characteristics of Non-Cumulative Class A Preferred Shares, Series 13 and Series 14, can be found in the prospectus supplement dated March 27, 2014 relating to the short form base shelf prospectus dated October 10, 2012, and more specifically on pages S-6 to S-14. The characteristics of Non-Cumulative Class A Preferred Shares, Series 15 and Series 16, can be found in the prospectus supplement dated March 10, 2016 relating to the short form base shelf prospectus dated November 10, 2014, and more specifically on pages S-7 to S-15.

On June 7, 2019, the Bank announced that none of its outstanding Non-Cumulative Class A Preferred Shares, Series 13 would be converted into Non-Cumulative Class A Preferred Shares, Series 14 of the Bank. The Dividend rate for the five-year period commencing on June 15, 2019, and ending on June 14, 2024, was set at 4.123% per annum.

Subordinated Capital Notes

The Bank currently has outstanding \$350 million 4.25% subordinated Non-Viability Contingent Capital ("NVCC") notes ("Subordinated Capital Notes"). For more details, see Note 16 of our Consolidated Financial Statements as at October 31, 2020.

The Subordinated Capital Notes are direct unsecured obligations of the Bank constituting subordinated indebtedness for the purposes of the Bank ranking at least equally with all other subordinated indebtedness of the Bank from time to time issued and outstanding and do not constitute deposits that are insured under the Canada Deposit Insurance Corporation Act (Canada) or any other deposit insurance regime. In the event of the Bank's insolvency or winding-up, the Subordinated Capital Notes will rank ahead of the Bank's common shares and Class A Preferred Shares.

The Subordinated Capital Notes include terms providing for the full and permanent conversion of such securities into common shares of the Bank upon the occurrence of certain trigger events relating to NVCC requirements in order to qualify as regulatory capital.

Certain Provisions of the Subordinated Capital Notes

Distributions

Interest on the Subordinated Capital Notes is paid semi-annually in arrears for the initial five years. Thereafter, the interest will reset quarterly and accrue at a floating rate and be payable quarterly.

Maturity and Redemption

The Subordinated Capital Notes will mature on June 22, 2027. The Subordinated Capital Notes are redeemable at par five years after issuance solely at the option of the Bank, subject to regulatory consent.

Purchase for Cancellation

Subject to regulatory consent, the Bank may at any time repurchase for cancellation any Subordinated Capital Notes in the open market, by tender or by private agreement, at any price or prices and upon such terms and conditions as the Bank in its absolute discretion may determine, subject to applicable law.

Events of Default

An event of default in respect of the Subordinated Capital Notes will occur only if the Bank becomes bankrupt or insolvent or becomes subject to the provisions of the *Winding-up and Restructuring Act* (Canada), if the Bank goes into liquidation, either voluntarily or under an order of a court of competent jurisdiction, passes a resolution for the winding-up, liquidation or dissolution of the Bank or otherwise acknowledges its insolvency. An NVCC automatic conversion upon the occurrence of a trigger event will not constitute an event of default.

No Limit on the Bank's Ability to Incur Additional Debt

The terms governing the Subordinated Capital Notes do not limit the Bank's ability to incur additional indebtedness.

Voting Rights

The holders of Subordinated Capital Notes are not entitled to any rights of holders of common shares, including any rights of shareholders to receive notice, to attend or to vote at any meeting of the shareholders of the Bank. If the Subordinated Capital Notes are converted into common shares of the Bank under NVCC requirements, holders of the Subordinated Capital Notes will become holders of the Bank's common shares and will only have rights as holders of common shares.

Additional information regarding the Bank's capital structure can be found on pages 125 to 127 of our 2020 Annual Report, which pages are incorporated by reference herein.

Constraints

The Bank Act contains restrictions on the issue, transfer, acquisition and beneficial ownership of shares of a chartered bank. By way of summary, no person or persons acting jointly or in concert, shall be a major shareholder of a bank if such bank has equity of \$12 billion or more. While the equity of the Bank is less than \$12 billion and the Bank Act would otherwise permit a person to own up to 100% of any class of shares of the Bank, the Bank is deemed to be a bank to which the ownership restrictions for banks with equity of \$12 billion or more apply until the Minister of Finance (Canada) specifies, on application by the Bank, that these restrictions no longer apply to the Bank. For purposes of the Bank Act, a person is a major shareholder of a bank where: (i) the aggregate number of shares of any class of voting shares beneficially owned by that person, by entities controlled by that person and by any person associated or acting jointly or in concert with that person is more than 20% of that class of voting shares; or (ii) the aggregate number of shares of any class of non-voting shares beneficially owned by that person, by entities controlled by that person and by any person associated or acting jointly or in concert with that person is more than 30% of that class of non-voting shares.

No person shall have a significant interest in any class of shares of a bank, including the Bank, unless the person first receives the approval of the Minister of Finance (Canada). For purposes of the Bank Act, a person has a significant interest in a class of shares of a bank where the aggregate number of shares of the class beneficially owned by that person, by entities controlled by that person and by any person associated or acting jointly or in concert with that person exceeds 10% of all of the outstanding shares of that class of shares of such bank.

In addition, the Bank Act prohibits banks, including the Bank, from transferring or issuing shares of any class to Her Majesty in right of Canada or of a province, an agent of Her Majesty, a foreign government or an agent of a foreign government.

Ratings

Information regarding the credit ratings assigned to the Bank are determined by credit rating agencies and are based on their assessment of the quality of our earnings, our capital adequacy, and the effectiveness of our risk management programs.

A credit rating is important as it denotes the Bank's ability to access unsecured funding markets, to engage in certain collateralized business activities and normal course derivative or hedging transactions. A credit rating downgrade can potentially affect such abilities and may result in higher borrowing costs and/or require the Bank to post additional collateral under certain agreements.

There can be no assurance that our credit ratings and rating outlooks will not be downgraded or that credit rating agencies will not issue negative or adverse commentaries about the Bank.

As at October 31, 2020, the Bank has the following solicited ratings from the rating agencies listed below:

	DBRS Morningstar	S&P Global
Long-term deposits and debt	A (Low)	BBB
Short-term instruments	R-1 (Low)	A-2
NVCC Subordinated debt	BBB (Low)	BB+
NVCC Preferred shares	Pfd -3	BB-
Outlook	Negative	Negative

On June 4, 2020, DBRS confirmed the Bank's ratings and changed its outlook from "Stable" to "Negative".

On June 10, 2020, S&P affirmed the Bank's ratings and maintained its outlook at "Negative".

An explanation of the categories of each rating as at October 31, 2020 has been obtained from the respective rating agency's website, and more details may be obtained from the applicable rating agency.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating agency. As is common industry practice, the Bank pays fees to rating agencies to assign Ratings and for other services.

Additional information about our credit ratings is provided under "Credit Ratings" on page 61 of our 2020 Annual Report.

S&P Global (S&P)

Long-term deposits and debt	<ul style="list-style-type: none"> ▪ The BBB rating is ranked fourth of S&P's ten long-term rating categories. ▪ An obligation rated "BBB" exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation. ▪ The absence of any sign "+" or "-" means the rating is ranked in the middle of the category.
Short-term instruments	<ul style="list-style-type: none"> ▪ The A-2 rating is the second highest of six rating categories used by S&P in its global short-term obligations rating scale and is ranked fourth of eight rating categories used by S&P in its Canadian short-term obligations rating scale. ▪ An obligation rated "A-2" indicates that the obligor's capacity to meet its financial commitment on the obligation is satisfactory. However, the obligation is slightly more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories.
NVCC Subordinated debt	<ul style="list-style-type: none"> ▪ The BB rating is ranked fifth of S&P's ten long-term rating categories. ▪ An obligation rated "BB" is less vulnerable to nonpayment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions that could lead to the obligor's inadequate capacity to meet its financial commitments on the obligation. ▪ The sign "+" means that the securities should be considered as belonging in the higher echelon of the category.
NVCC Preferred shares	<ul style="list-style-type: none"> ▪ The BB rating is ranked fourth of the nine categories used by S&P in its global preferred share scale. The P-3 rating is ranked third of the eight categories used by S&P in its Canadian preferred share rating scale. ▪ A share rated "BB" (or P-3 under the Canadian Scale) is less vulnerable to non-payment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitment on this share. ▪ The sign "-" or the designation of "(low)" means that the share should be considered as belonging in the lower echelon of the category.

An S&P rating outlook assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years). In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future action. The S&P rating outlooks have the following meanings:

- "Positive" means that a rating may be raised.
- "Negative" means that a rating may be lowered.
- "Stable" means that a rating is not likely to change.
- "Developing" means a rating may be raised or lowered.

DBRS Morningstar (DBRS)

<p>Long-term deposits and debt</p>	<ul style="list-style-type: none"> ▪ The A rating is ranked third of DBRS’s ten long-term rating categories. ▪ An obligation rated "A" is good credit quality. The obligor’s capacity for the payment of financial obligations is considered substantial. An obligation rated A may be vulnerable to future events, but qualifying negative factors are considered manageable. ▪ The “(Low)” designation means the securities should be considered as belonging in the lower subcategory of the category.
<p>Short-term instruments</p>	<ul style="list-style-type: none"> ▪ The R-1 rating is ranked first of DBRS’s six short-term rating categories. ▪ An obligation rated "R-1" is of good credit quality. The obligor’s capacity for the payment of short-term financial obligations as they fall due is substantial. Overall strength is not as favourable as higher rating categories. The obligor may be vulnerable to future events, but qualifying negative factors are considered manageable. ▪ The “(Low)” designation means the securities should be considered as belonging in the lower subcategory of the category.
<p>Subordinated debt NVCC (Non Viability Contingent Capital)</p>	<ul style="list-style-type: none"> ▪ The BBB rating is ranked fourth of DBRS’s ten long-term rating categories. ▪ An obligation rated "BBB" is of adequate credit quality. The obligor’s capacity for the payment of financial obligations is considered acceptable. An obligation rated BBB may be vulnerable to future events. ▪ The “(Low)” designation means the securities should be considered as belonging in the lower subcategory of the category.
<p>Preferred shares NVCC (Non Viability Contingent Capital)</p>	<ul style="list-style-type: none"> ▪ The Pfd-3 rating is ranked third of DBRS’s six preferred shares rating categories. ▪ Preferred shares rated "Pfd-3" are of adequate credit quality. While protection of dividends and principal is still considered acceptable, the issuer is more susceptible to adverse changes in financial and economic conditions, and there may be other adverse conditions present which detract from debt protection. ▪ The absence of either a “(High)” or “(Low)” designation indicates the rating is in the middle of the category.

Rating trends provide guidance in respect of DBRS’s opinion regarding the outlook for the rating in question, with rating trends falling into one of three categories: “Positive”, “Stable”, or “Negative”. The rating trend indicates the direction in which DBRS considers the rating is headed should present tendencies continue, or in some cases, unless challenges are addressed. A positive or negative trend is not an indication that a rating change is imminent. Generally, the conditions that lead to the assignment of a negative or positive trend are resolved within a 12 month period.

6. MARKET FOR SECURITIES

Trading Price and Volume

The common and Class A Preferred Shares (Series 13 and 15) of the Bank are listed on the TSX.

Price Range and Volume Traded			
Laurentian Bank of Canada (Common Shares) Symbol: "LB" on the TSX			
Month	High (\$)	Low (\$)	Volume
November 2019	46.990	45.210	2,860,073
December 2019	46.250	43.260	5,588,584
January 2020	44.900	42.860	3,884,290
February 2020	44.230	36.930	4,675,411
March 2020	39.000	26.830	11,569,798
April 2020	32.150	27.900	8,395,546
May 2020	32.830	27.230	7,370,387
June 2020	32.720	28.100	10,051,444
July 2020	29.670	26.310	5,188,180
August 2020	28.620	26.250	4,442,926
September 2020	30.440	27.020	7,414,616
October 2020	27.960	25.740	3,730,802
Total			75,172,057

Price Range and Volume Traded			
Laurentian Bank of Canada (Class A Preferred Shares Series 13) Symbol: "LB.PR.H" on the TSX			
Month	High (\$)	Low (\$)	Volume
November 2019	16.490	15.810	106,172
December 2019	16.130	15.500	171,012
January 2020	16.950	15.970	109,870
February 2020	16.700	15.640	121,065
March 2020	15.800	8.530	179,451
April 2020	12.000	9.780	338,453
May 2020	12.330	11.510	134,799
June 2020	12.530	11.670	108,145
July 2020	12.500	11.770	48,850
August 2020	13.420	11.990	128,925
September 2020	14.250	13.390	82,854
October 2020	14.370	13.780	65,696
Total			1,595,292

Price Range and Volume Traded

Laurentian Bank of Canada
(Class A Preferred Shares Series 15)
Symbol: "LB.PR.J" on the TSX

Month	High (\$)	Low (\$)	Volume
November 2019	25.780	25.550	62,575
December 2019	25.780	25.400	42,306
January 2020	25.770	25.560	63,500
February 2020	25.900	25.130	66,359
March 2020	25.490	12.220	292,713
April 2020	20.260	15.560	172,522
May 2020	19.780	18.250	76,044
June 2020	19.240	17.660	171,739
July 2020	19.350	18.170	96,193
August 2020	22.350	19.100	124,689
September 2020	24.400	22.100	201,100
October 2020	25.480	24.250	374,027
Total			1,743,767

7. DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

As at October 31, 2020, the directors and executive officers of the Bank, as a group, beneficially owned, or exercised control or direction over, directly or indirectly, 41,751 common shares of the Bank (representing 0.10% of the issued and outstanding common shares of the Bank).

Directors

As at the date of this Annual Information Form, the directors of the Bank are:

Name	Place of residence	Director since	Principal occupation in the last five years
Lise Bastarache	Quebec, Canada	2006	Economist and Corporate Director
Sonia Baxendale	Ontario, Canada	2016	Corporate Director
Andrea Bolger	Ontario, Canada	2019	Corporate Director
Michael T. Boychuk	Quebec, Canada	2013	Corporate Director
Rania Llewellyn	Ontario, Canada	2020	President and Chief Executive Officer, Laurentian Bank of Canada
David Morris	Quebec, Canada	2017	Corporate Director
David Mowat	British Columbia, Canada	2019	Corporate Director
Michael Mueller	Ontario, Canada	2018	Corporate Director
Michelle R. Savoy	Ontario, Canada	2012	Corporate Director
Susan Wolburgh Jenah	Ontario, Canada	2014	Corporate Director
Nicholas Zelenczuk	Ontario, Canada	2020	Corporate Director

All directors will hold office until the close of the next annual meeting of common shareholders of the Bank or until the election or appointment of their successors.

All directors of the Bank have held their present occupations during the last five years, with the exception of Ms. Rania Llewellyn, who, prior to October 2020, was Executive Vice President, Global Business Payments of the Bank of Nova Scotia; Mr. David Morris who, prior to May 2016, was a senior partner at Deloitte; and Mr. David Mowat who, prior to June 2018, was President and Chief Executive Officer of ATB Financial.

The Bank has three standing committees of the Board of Directors, the members of which are as follows:

Committees	Members
Audit	Michael T. Boychuk (Chair), Lise Bastarache, David Morris, Susan Wolburgh Jenah and Nicholas Zelenczuk.
Risk Management	Sonia Baxendale (Chair), Lise Bastarache, Andrea Bolger, Michael T. Boychuk, and Nicholas Zelenczuk.
Human Resources and Corporate Governance	Michelle R. Savoy (Chair), Sonia Baxendale, Andrea Bolger, David Mowat and Susan Wolburgh Jenah.

Executive Officers

The executive officers of the Bank are:

Name	Position	Place of Residence
Kelsey Gunderson	Executive Vice President, Capital Markets of the Bank President and Chief Executive Officer, Laurentian Bank Securities Inc.	Ontario, Canada
François Laurin	Executive Vice President, Finance, Treasury and Chief Financial Officer	Quebec, Canada
Rania Llewellyn	President and Chief Executive Officer	Ontario, Canada
William Mason	Executive Vice President and Chief Risk Officer	Ontario, Canada
Deborah Rose	Executive Vice President, Chief Operating Officer and Chief Information Officer of the Bank President and Chief Executive Officer, LBC Tech Inc.	Ontario, Canada
Stéphane Therrien	Executive Vice President, Personal and Commercial Banking of the Bank.	Quebec, Canada

All the executive officers of the Bank have held their present positions or other management positions during the last five years, with the exception of:

- Ms. Rania Llewellyn who was, prior to October 2020, Executive Vice President, Global Business Payments of The Bank of Nova Scotia.
- Mr. William Mason who was, from 2016 to 2018, a Managing Director and Lead Supervisor at the Office of the Superintendent of Financial Institutions (OSFI). Prior to this, he held a variety of senior banking roles in Canada and the U.S., including more recently Senior Vice President, Head of Asset Liability Management and Senior Vice President, Risk Management at Canadian Imperial Bank of Commerce.
- Mr. Kelsey Gunderson who was, prior to April 2019, Global Head of Trading Products at BMO Capital Markets where he held various management positions for more than a decade.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

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

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

8. LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

In the ordinary course of business the Bank and its subsidiaries are involved in various legal proceedings. A description of certain legal proceedings to which the Bank is a party is set out beginning on page 152 of our 2020 Annual Report in Note 30 "Commitments, Guarantees and Contingent Liabilities" of our Consolidated Financial Statements as at October 31, 2020, which note is incorporated by reference herein.

Regulatory Proceedings

Since October 31, 2019, (a) there have been no penalties or sanctions imposed against us by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority, (b) there have been no other penalties or sanctions imposed by a court or regulatory body against us that would likely be considered important to a reasonable investor in making an investment decision, and (c) we have not entered into any settlement agreements with a court relating to Canadian securities legislation or with a Canadian securities regulatory authority.

9. TRANSFER AGENTS AND REGISTRARS

The transfer agent and registrar of the Bank is Computershare Investor Services Inc. The transfer books for each class of securities of the Bank are kept in Canton, Massachusetts, United States.

10. MATERIAL CONTRACTS

An agreement was entered into on October 14, 2011 between the Bank and Mackenzie Investments for the distribution of Mackenzie Mutual Funds. According to the terms of the agreement, the Bank's wholly-owned subsidiary LBC Financial Services, as principal distributor, offers a family of Mackenzie funds as of mid-January 2012.

The Bank's material contracts are available on SEDAR at www.sedar.com.

11. INTERESTS OF EXPERTS

The external auditor of the Bank is Ernst & Young LLP. The external auditor has confirmed that it is independent in accordance with the applicable rules of professional conduct.

12. AUDIT COMMITTEE DISCLOSURE

Mandate of the Audit Committee

The mandate of the Audit Committee can be found in Schedule B of this Annual Information Form.

Composition of the Audit Committee

The Audit Committee of the Bank is formed of:

Michael T. Boychuk, Chair
Lise Bastarache
David Morris
Susan Wolburgh Jenah
Nicholas Zelenczuk

According to the evaluation made by the Human Resources and Corporate Governance Committee, each member of the Audit Committee is independent and financially literate within the meaning of *National Instrument 52-110 - Audit Committees*.

Relevant Education and Experience

Michael T. Boychuk, FCPA, FCA - Mr. 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 Bell Canada group of companies. From 1999 to 2009, Mr. Boychuk was Senior Vice President and Treasurer of BCE Inc./Bell Canada, responsible for all treasury, corporate security, environment and sustainability activities and of the BCE Group of companies pension plans.

Mr. Boychuk is a chartered professional accountant since 1979 and became a Fellow of the Ordre des comptables professionnels agréés du Québec in 2012. He is a member of the Board of Governors of McGill University, has served on its Audit Committee since 2006 and has acted as Chair of said committee from 2012 to 2018. Mr. Boychuk has been a member of the Board of Directors and the Audit Committee of Corus Entertainment Inc. since January 2019, a member of the Board of Directors and the Audit committee of Cadillac Fairview Corporation since January 2017, a member of the Board of Directors and Chair of the Audit Committee of GDI Integrated Facility Services inc. since May 2015, and a member of the Board of Directors and the Audit Committee of Telesat Canada since July 2015. Mr. Boychuk also acted as member of the Board of Directors and Chair of the Audit Committee of Yellow Media Inc. from 2004 to 2009 and from January to December 2012.

Mr. Boychuk has been a member of the Board of Directors and of the Audit Committee of the Bank since August 30, 2013 and is Chair of the Audit Committee since June 15, 2016. He is also a member of the Risk Management Committee of the Bank.

Lise Bastarache - Ms. Bastarache is a Corporate Director and Economist. Ms. Bastarache holds a Bachelor's and a Master's degree in Economics from Université du Québec à Montréal and has completed the course requirements of a Ph.D. in Economics at McGill University.

Ms. Bastarache was, until January 2005, Québec Regional Vice President of RBC Private Banking. She joined the Economics Department of RBC Financial Group in 1996, where she acted as Deputy Chief Economist before joining the Commercial Markets Group as Analyst in 2000. As a Commercial Markets Analyst for RBC Financial Group, she had the opportunity to review the financial statements of numerous large corporations. Moreover, in her capacity as Québec Regional Vice President of RBC Private Banking, Ms. Bastarache bore the ultimate responsibility of internal controls and the process of preparation of her division's earnings statement.

Ms. Bastarache has been a member of the Board of Directors, Chair of the Investment and Risk Management Committee, and member of the Audit Committee of Otéra Capital Holding Inc. since July 2019. Ms. Bastarache is a member of the Board of Trustees, a member of the Audit Committee and a member of the Investment Committee of Chartwell Retirement Residences since 2005. She also acted as member of the Board of Directors and Audit Committee of Groupe Jean Coutu (PJC) inc. from 2003 to 2018, a member NB Power's Board of Directors from 2004 to 2007 as well as member of Université de Moncton's Board of Governors and Chair of its Finance Committee from 2004 to 2013.

Ms. Bastarache was a member of the Audit Committee of the Bank from 2006 to 2008 and has been a member of the Audit Committee from April 2015 to date. She is also a member of the Risk Management Committee of the Bank.

David Morris, CPA, CA - Mr. Morris is a Corporate Director. He is a chartered professional accountant since 1975. He worked at Deloitte from 1975 until his retirement as a senior partner in 2016. He graduated from McGill University. He has extensive experience auditing global financial institutions and public companies and has worked closely with senior management of these companies as well as with audit committees on a number of special engagements relating to mergers and acquisitions' due diligence and complex transactions.

Mr. Morris has a strong background with U.S. SEC registrants including internal controls over financial reporting. He has been an advisor to senior management and directors throughout his career.

Mr. Morris has been a member of the Audit Committee of the Bank since October 31, 2017.

Susan Wolburgh Jenah, J.D., ICD.D - Ms. Wolburgh Jenah is a Corporate Director. From February 2007 to October 2014, Ms. Wolburgh Jenah was President and Chief Executive Officer of the Investment Industry Regulatory Authority of Canada (IIROC), the national self-regulatory body overseeing investment firms and trading activity on Canadian debt and equity markets. Prior to this, she held numerous executive roles at the Ontario Securities Commission from 1983 to 2007, including Vice-Chair, General Counsel and Head of International Affairs.

Ms. Wolburgh Jenah has been a member of the Board of Directors of Aecon Group Inc. since 2016, was a member of the Audit Committee until 2020, and is currently a member of the Risk Committee and Chair of the Corporate Governance, Nominating and Compensation Committee. She joined the Board of Directors of Hydro One Limited in January 2020. Ms. Wolburgh Jenah serves as Vice-Chair of the Humber River Hospital Board, as a member of the C.D. Howe National Advisory Council, and as a member of the Independent Review Committee for Vanguard Investments Canada.

Ms. Wolburgh Jenah has served as a Mentor to the Catalyst Women on Board Program. She also served as a member of the Board of Directors of the Global Risk Institute from 2011 to 2017, as a member of the Board of Directors of the NEO Exchange and Aequitas Innovations from 2015 to 2020, and as a Public Governor of the U.S. Financial Industry Regulatory Authority from 2014 to 2020. She received a J.D. from Osgoode Hall Law School in 1982, the ICD.D. designation in 2004, and was awarded the Osgoode Hall Alumni Award for Achievement in 2011.

Ms. Wolburgh Jenah has been a member of the Board of Directors of the Bank since 2014 and a member of the Audit Committee since May 28, 2020. She is also a member of the Human Resources and Corporate Governance Committee of the Bank.

Nicholas Zelenczuk, FCPA, FCA - Mr. Zelenczuk is a Corporate Director. He has over 35 years of experience in banking, capital markets and investment management. He has served in Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Operating Officer (COO) and Treasurer positions for

leading companies such as CPP Investment Board, BCE Inc, CIBC Wood Gundy, Citibank and Deutsche Bank. He also worked on two occasions at KPMG, first as a young auditor and later as partner in risk consulting. At BCE, he served as head of audit and risk, reporting to the CFO. His risk management role was enterprise wide in scope. This was also true as CFO, and later COO, at the Canada Pension Plan Investment Board (CPPIB). As COO he also had oversight responsibilities for such functions as HR, technology, data management, public affairs, investment operations and corporate strategy. He brings expertise in the areas of audit, finance and capital markets. His experience in terms of the latter is a combination of corporate treasurer and investment banker. He earned a CPA designation and is fellow of the ICPA.

Nicholas Zelenczuk has been a member of the Audit Committee of the Bank since May 28, 2020. He is also a member of the Risk Management Committee of the Bank.

Pre-Approval Policy

The Bank has adopted a policy governing the services that can be provided by its external auditor. The policy, which applies to the Bank and its subsidiaries, specifies the pre-approval procedures by the Bank's Audit Committee of audit services, as well as other permissible non-audit services such as consultation regarding accounting standards and financial disclosure, taxation services and translation services. The policy generally prohibits the Bank from hiring its external auditor to provide certain non-audit services such as services related to bookkeeping and the preparation of financial statements, the design and implementation of financial information systems, business or asset valuation, actuarial valuation, and internal audit or management functions. In addition, the policy sets out various restrictions on the hiring and of personnel who have worked for the external auditor.

External Auditor Service Fees

The following table presents by category the fees billed by the external auditor Ernst & Young LLP for the fiscal years ended October 31, 2020 and 2019.

Fee category	2020 (\$)	2019 (\$)
Audit fees	2,965,000	3,056,000
Fees for audit-related services	722,000	678,000
Fees for tax services	368,000	103,000
Other fees	95,000	228,000
Total	4,150,000	4,064,000

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

“Fees for audit-related services” include all fees of Ernst & Young LLP for certification services and other related services traditionally carried out by the independent auditor, which are mainly services related to the production of reports concerning the effectiveness of internal controls for contractual or commercial purposes, specified procedures related to various trusts and other entities required in the context of securitization of mortgage loans receivables and translation fees for services other than for audited financial statements and prospectuses. Services for 2020 also include consultations on the implementation of new accounting standards not classified as “Audit fees”. Services for 2019 included specified procedures performed with regard to the Bank’s detailed review of its securitized mortgage loan portfolio and portfolio insured mortgages.

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

“Other fees” include all fees of Ernst & Young LLP for non-audit services other than those mentioned above.

13. ADDITIONAL INFORMATION

Additional information relating to the Bank may be found on SEDAR at www.sedar.com.

Additional information, including directors’ and officers’ compensation and indebtedness, principal holders of the Bank’s securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Bank’s Management Information Circular for its most recent annual meeting of shareholders that involved the election of directors.

Additional financial information is provided in the Bank’s consolidated financial statements and Management’s Discussion and Analysis for its most recently completed financial year.

SCHEDULE A

SUBSIDIARIES OF THE BANK

As at October 31, 2020⁽¹⁾

**JURISDICTION OF INCORPORATION
OR FORMATION**

CORPORATE NAME

B2B Bank	Canada
B2B Bank Financial Services Inc.	Ontario
B2B Bank Securities Services Inc.	Ontario
B2B Bank Intermediary Services Inc.	Ontario
B2B Trustco	Canada
B2B Securitization Inc.	Canada
B2B Securitization Limited Partnership	Ontario
Laurentian Bank Insurance Inc.	Canada
Laurentian Bank Securities Inc.	Canada
Laurentian Capital (USA) Inc.	Canada
Laurentian Trust of Canada Inc.	Canada
LBC Capital Inc.	Canada
LBEF Inc.	Canada
LBEL Inc.	Canada
LBC Capital GP Inc.	Canada
LBC Leasing Limited Partnership	Ontario
Northpoint Commercial Finance Canada Inc.	Canada
NCF Commercial Finance Holdings Inc.	Delaware
Northpoint Commercial Finance LLC	Delaware
LBC Financial Services Inc.	Canada
LBC Finco Inc.	Canada
LBC Investment Management Inc.	Canada
V.R. Holding Insurance Company Ltd	Barbados
Venture Reinsurance Company Ltd	Barbados
VRH Canada Inc.	Canada
LBC Tech Inc.	Ontario
LBC Trust	Canada
NCF International Holding Kft	Hungary
NCF International Kft	Hungary

SCHEDULE B

MANDATE OF THE AUDIT COMMITTEE

1. Constitution

The Audit Committee (in this mandate, also referred to as the "Committee") is constituted by the Board of Directors in order to support it in exercising its oversight, communication and disclosure functions.

The Committee reviews its mandate annually.

2. Appointment and Membership

The Committee consists of at least three directors. At the Board meeting that follows the annual meeting of shareholders, the Board of Directors appoints the directors who make up the Committee and its Chair. The Committee shall be formed of members who are not employees or officers of the Bank or a subsidiary and a majority of whom are not affiliated with the Bank. All Committee members must meet the independence requirements established by the Board and are financially literate as stipulated by National Instrument 52-110 - Audit Committees.

Unless they are replaced in the interim by decision of the Board, the Committee members shall remain in office until the Board meeting that follows the next annual meeting of shareholders.

3. Compensation

The members of the Committee receive the compensation for their services established by resolution of the Board.

4. Meetings

The Committee meets at least once every quarter.

Committee meetings may be held without notice (provided the members waive such notice) as often as the members deem appropriate and at the location determined by them.

The Committee Chair, the President and Chief Executive Officer, the Chief Financial Officer, the officer in charge of internal audit, and the external auditor can call for a meeting to be held.

The external auditor receives notice of, and may attend, Committee meetings.

5. Quorum

Quorum at Committee meetings shall be constituted by a majority of the members.

6. Chair

As designated by the Board of Directors, the Committee Chair chairs the Committee meetings. In the Chair's absence, the members present may elect a Chair *pro tempore* from among themselves.

The external auditor, the officer in charge of internal audit, and the officer in charge of regulatory risk management may communicate directly with the Chair.

7. Procedure

The procedure for Committee meetings shall be the same as that for meetings of the Board of Directors.

8. Powers of the Committee

In carrying out its mandate, if it deems appropriate, the Committee may:

- (1) call a meeting of directors;
- (2) communicate or meet privately with any officer or employee of the Bank, as well as with its internal and/or external auditors;
- (3) call on the services of resources external to and independent of the Bank, and determine and pay the related fees in compliance with the Board's policy regarding the use of external advisors.

9. Secretary

The Secretary of the Bank or any other officer designated by the President of the Bank shall carry out the duties of the secretary with respect to the Committee's mandate and those assigned by the Committee Chair.

10. Functions

The Committee fulfills its statutory obligations and exercises the following functions delegated by the Board, as well as any other functions that may be delegated to it by the Board from time to time:

10.1 Oversight Functions

With respect to the external auditor:

- 10.1.1 Recommend the appointment or dismissal of the external auditor to the Board.
- 10.1.2 Ensure the external auditor's competence, independence, and the adequacy of its resources, review and, if applicable, approve the scope of its mission and letter of engagement, and recommend its compensation to the Board.
- 10.1.3 Ensure the competence and independence of the audit firm's partner in charge of the Bank's account, and ensure a periodic rotation of that person.
- 10.1.4 Approve the external audit plan and ensure that the scope is appropriate, risk-based, and that it addresses major areas of concern.
- 10.1.5 Approve the external auditor's oversight policy.
- 10.1.6 Approve the policy on approval of services provided by the external auditor (including non-audit-related services) and regarding the hiring of partners, employees and former partners and employees of external auditors.
- 10.1.7 Determine if a periodic comprehensive evaluation of the external auditor is necessary.
- 10.1.8 Disclose the results of the external auditor's annual evaluation, as well as the processes and criteria used to arrive at that evaluation.

With respect to financial reporting:

- 10.1.9 Oversee the integrity and quality of financial statements and ensure that the institution's accounting practices are prudent and appropriate.
- 10.1.10 Discuss the quality of financial statements with the external auditor and ensure that the financial statements fairly present the Bank's financial situation, results, and cash flows.
- 10.1.11 Discuss the audit results, financial statements and related documents, audit report and any related concern of the external auditor with Management and the external auditor.
- 10.1.12 Hold regular meetings with the external auditor (without the presence of Management) to understand all issues that may have been discussed during meetings

between the auditor and Management in the course of the audit and how those issues were resolved, as well as to determine the extent to which accounting practices being used by the Bank are appropriate relative to the importance of the issue.

- 10.1.13 Review the external auditor's recommendation letter which follows the annual audit and the corresponding follow-ups, significant changes to accounting practices, the main value judgments on which the financial reports are based, and how these reports are drafted.
- 10.1.14 Review the annual and interim financial statements, management reports and the press releases regarding annual and interim results, the annual information form, as well as any statement required by regulatory authorities prior to their publication and recommend their adoption by the Board.
- 10.1.15 Review prospectuses relating to the issuance of securities of the Bank.
- 10.1.16 Examine all investments and transactions likely to undermine the Bank's financial situation that are reported by the external or internal auditor or an officer, including loans referred to in Section 328 of the Bank Act, and meet with the external auditor to discuss them.
- 10.1.17 Recommend the declaration of dividends to the Board and review the related press release.
- 10.1.18 Review the annual financial statements of the subsidiaries supervised by the Office of the Superintendent of Financial Institutions (Canada) and recommend their adoption by the Board of Directors for each of the subsidiaries.
- 10.1.19 If applicable, review and approve transfers of tax between the Bank and its subsidiaries.
- 10.1.20 Review and approve the financial statements of the pension plans offered by the Bank to its employees.

With respect to the internal audit function:

- 10.1.21 Approve the charter of the internal audit function.
- 10.1.22 Approve the selection and ensure the competence and independence of the officer in charge of internal audits.
- 10.1.23 Ensure that internal audit activities have a sufficient status, degree of independence and visibility, and that they are subject to periodic reviews.
- 10.1.24 Approve the internal audit plan and ensure that its scope is appropriate, risk-based, that it addresses major areas of concern, and that it is reviewed with appropriate frequency.
- 10.1.25 Discuss the material findings and recommendations with the officer in charge of internal audits, and follow up on them.
- 10.1.26 Periodically review the performance of the officer in charge of internal audit.

With respect to internal controls:

- 10.1.27 Ensure that Management implements appropriate internal controls and management information systems; review, assess and approve such systems, and ensure their integrity and effectiveness, including the elements comprised in any certification required by regulations.
- 10.1.28 Meet with the external auditor, the officer in charge of internal audits and Management to discuss the effectiveness of the implemented internal control and management information systems and the measures taken to rectify any material weaknesses and deficiencies.

- 10.1.29 Ensure that Management implements procedures regarding the receipt, retention and handling of complaints received with respect to accounting and internal accounting or audit controls, as well as regarding anonymous submissions by employees on questionable accounting or audit matters.
- 10.1.30 Approve the policy on the handling of complaints and comments about suspicious accounting activities and ensure that the policy is respected.

With respect to supervisory agencies:

- 10.1.31 Meet with regulatory authorities, discuss their findings and recommendations, and follow up on them.

10.2 Communication and Disclosure Functions

- 10.2.1 Approve the way by which shareholders and other stakeholders can communicate with the Bank.
- 10.2.2 Ensure that adequate procedures are in place to examine the communication of financial information to the public excerpted or derived from financial statements.
- 10.2.3 Recommend to the Board of Directors that it approves the financial information disclosure policy and ensure that the policy is respected.
- 10.2.4 Report to shareholders on the Bank's performance.

11. **Reporting**

The Committee reports on its activities to the Board of Directors verbally at the Board meeting that normally follows the Committee meeting, and in writing at the subsequent Board meeting.

The Committee also reports yearly on its activities to shareholders through the Bank's Management Proxy Circular.