



## **MINUTES OF THE ANNUAL MEETING OF THE HOLDERS OF COMMON SHARES (THE “SHAREHOLDERS”) OF LAURENTIAN BANK OF CANADA (THE “BANK”) HELD ON APRIL 10, 2018**

The annual meeting of shareholders of the Bank was held at the Centre Mont-Royal, in Montreal, on Tuesday, April 10, 2018, at 9:30 A.M. (the “Meeting”).

The Chair of the Board of Directors, Ms. Isabelle Courville, acted as Chair of the Meeting and the Secretary of the Bank, Mr. Christian Marcoux, acted as Secretary of the Meeting.

### **SPEECH BY THE CHAIR OF THE BOARD OF DIRECTORS**

After welcoming those present, the Chair reported on the Bank’s principal achievements in 2017, including the realized growth and improved milestones made by the various business lines, the evolution of the Bank’s transformation plan and the implementation of several strategic initiatives. The Chair also spoke about the Board of Directors’ role within the transformation plan and its focus on good governance, which included, amongst others, the initiation of a formal shareholder engagement program as well as the development of improved disclosure practices.

Following his decision not to seek re-election as a director, the Chair thanked Mr. Bélanger for his many years of dedicated service to the Bank and welcomed Mr. David Morris as candidate for the position of Bank director. The Chair expressed her appreciation to the executive team for its contribution to the transformation plan and all employees of the Bank for their dedication to the Bank’s success.

### **APPOINTMENT OF THE SCRUTINEERS AND CONFIRMATION OF QUORUM**

The Chair designated Ms. Martine Gauthier and Ms. Gale Demick of Computershare Investor Services Inc. to act as scrutineers for the Meeting.

She noted that quorum had been achieved and declared the Meeting duly convened and constituted.

### **PRESENTATION OF MANAGEMENT PROPOSALS**

#### Election of Directors

Upon a motion duly made and seconded, it was moved that the following nominees be elected as directors of the Bank for the ensuing year: Ms. Lise Bastarache, Ms. Sonia Baxendale, Mr. Michael T. Boychuk, Mr. Gordon Campbell, Ms. Isabelle Courville, Mr. François Desjardins, Mr. Michel Labonté, Mr. A. Michel Lavigne, Mr. David Morris, Ms. Michelle R. Savoy and Ms. Susan Wolburgh Jenah. The proposal was submitted to shareholders’ vote.

#### Appointment of the Auditor

Upon a motion duly made and seconded, it was moved that the accounting firm Ernst & Young LLP be appointed auditor of the Bank for the ensuing year. The proposal was submitted to shareholders’ vote.

#### Advisory Resolution on the Bank’s Approach to Named Executive Officers’ Compensation

Upon a motion duly made and seconded, it was moved that the resolution concerning the Bank’s approach to named executive officers’ compensation, as set out in the Bank’s Management Proxy Circular (the “Circular”), be submitted to shareholders’ vote.

### **PRESENTATION OF SHAREHOLDER PROPOSALS**

The Bank received, within the prescribed timeframe, four proposals from *Mouvement d’éducation et de défense des actionnaires* (MEDAC), which included: (1) “A Democratic Nomination Process of Two Directorships”, (2) “Commitment Towards Decarbonation”, (3) “Certification of Sound Commercial Practices Related to the Selling of Financial Products and Services”, and (4) “Equity Ratio Disclosure”. The text for these proposals can be found in Schedule A of the Bank’s Circular.

The Chair informed shareholders at the Meeting that following discussions, MÉDAC agreed not to submit proposals (2), (3) and (4) to shareholders' votes at the Meeting.

Nonetheless, the MEDAC representative was given the opportunity to present all four (4) proposals at the Meeting, following which only proposal 1 - *A Democratic Nomination Process of Two Directorships* was submitted to shareholders' vote.

In response to the four proposals, as are described in greater detail in Schedule A of the Bank's Circular, the Chair provided the following responses:

#### Proposal 1: A Democratic Nomination Process of Two Directorships

The Bank, through its Human Resources and Corporate Governance Committee, considers its current director nomination process to be efficient in nominating optimal candidates for appointment to the Board. This selection and nomination process is outlined in detail in the Bank's Circular.

As per the "*Nomination by Shareholders*" section of the Circular and applicable regulations thereof, any shareholder or group of shareholders holding more than 5% of shares of the Bank may propose the appointment of a director and have it included in the Circular. In addition, it is always possible for a shareholder to submit a nomination to the Human Resources and Corporate Governance Committee.

#### Proposal 2: Commitment Towards Decarbonation

The Bank is actively managing its exposure to environmental risks and is committed to reducing its environmental footprint while promoting concrete decarbonation initiatives.

In addition to the initiatives outlined both in the Bank's response to this proposal in its Circular and that in its Social Responsibility Report, the Bank has been submitting every year since 2007 its responses to the carbon-related questionnaire of CDP (formerly the Carbon Disclosure Project).

The Bank is aware that several financial institutions are participating in a pilot project to enable consistent scenario-based analysis throughout the banking sector, as recommended by the Task Force on Climate-Related Financial Disclosures (TCFD). The Bank is committing itself to monitor the progress of this project and to review results as they become available to determine how to adapt its practices and disclosure, as appropriate. Finally, the Bank will evaluate the opportunity to adhere to the TCFD.

#### Proposal 3: Certification of Sound Commercial Practices Related to the Selling of Financial Products and Services

In 2017, the Bank took note of the Canadian Broadcasting Corporation's report on the potential usage of excessive sales practices by certain Canadian financial institutions. This report led to the publication by the Financial Consumer Agency of Canada (FCAC) of a report on its review of the retail sales practices of Canadian banks. The Bank takes this situation seriously and as a result, performed the necessary verifications to ensure its sales practices meet the highest standards of integrity. In addition to what is described in the Circular in response to this proposal, the Bank reiterates that not only does it expect its directors, senior executives and employees to act with honesty, integrity and the highest standards of service, but it also sets guidelines, rules, and practices to ensure this.

#### Proposal 4: Equity Ratio Disclosure

Since 2001, the Bank has been disclosing the number of full-time equivalent employees in its Annual Report. This information can also be found in the Bank's Social Responsibility Report. In the interests of transparency and to provide shareholders with objective data enabling them to examine the compensation of its officers, the Bank undertakes to continue to provide this information on an annual basis.

### **SPEECH BY THE EXECUTIVE VICE-PRESIDENT AND CHIEF FINANCIAL OFFICER**

Mr. Laurin highlighted the Bank's financial results for the year ended October 31, 2017, and the quarter ended January 31, 2018.

### **RECEIPT OF THE FINANCIAL STATEMENTS AND THE AUDITOR'S REPORT**

The Bank's consolidated financial statements for the year ended October 31, 2017, and the auditor's report thereon, which had been previously mailed to shareholders, were presented at the Meeting. These financial statements and the auditor's report were declared to be officially received.

## QUESTION PERIOD

The Bank received questions and comments from a shareholder related to the mortgage securitization issue and its impact on the Bank's recent share price. A brief exchange then ensued with the Chair of the Meeting and the Bank's President and CEO.

## VOTE RESULTS

The scrutineers reported that the holders of 21,640,132 common shares were present in person or represented by proxyholders at the Meeting, representing a total of 51.87% of the shares entitled to vote.

All directors were elected at a percentage of votes ranging from 92.19% to 99.64%.

The results of the other votes of the Meeting are as follows:

	VOTE FOR	VOTE AGAINST	VOTE WITHHELD
	%	%	%
Appointment of the Auditor	93.00	N/A	7.00
Advisory Vote on Named Executive Officer Compensation	94.79	5.21	N/A
Shareholder Proposal 1 – <i>A Democratic Nomination Process of Two Directorships</i>	1.47	94.91	3.62

## TERMINATION OF THE MEETING

The question period having ended and there being no further business, the Chair of the Meeting thanked the shareholders and declared the Meeting terminated.

(s) *Isabelle Courville*  
Chair

(s) *Christian Marcoux*  
Secretary

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At a meeting of the Board of Directors held immediately after the Bank's Annual Meeting, Ms. Isabelle Courville was elected Chair of the Board of Directors and Mr. François Desjardins was appointed President and Chief Executive Officer of the Bank.