LAURENTIAN BANK

Management Proxy Circular

Notice of Annual Meeting of Shareholders

April 11, 2023

YOUR VOTE MATTERS.
Please read this Management Proxy Circular and vote.

laurentianbank.ca

Dear shareholders,

We are pleased to invite you to join us at the Bank's 2023 annual meeting of shareholders to be held on April 11, 2023. **The Bank has had an outstanding year of execution and your Board is proud of the Bank's accomplishments under the thoughtful leadership of our President and CEO, Rania Llewellyn.** The Board and I continue to be inspired by the dedication, focus and agility of the entire team, always keeping a line of sight on seeing beyond numbers and striving to change banking for the better.

The past year was fraught with macroeconomic challenges but despite the disquiet, the Bank stayed the course with determination to execute on its strategic plan. The work this year on building and sustaining a strong and vibrant culture of belonging underpins the Bank's success. The Bank's five core values – **We place our customer first; We work together as one winning team; We act courageously; We are results driven; and, We believe everyone belongs** – are modelled by every team member and are evidenced in all that has been achieved.

In terms of key accomplishments, we have had an excellent year, enjoyed tremendous growth, and delivered against our plan by truly focusing on the customer. We're constantly thinking about where we can add value for our customers, whether it's by making banking simpler, faster or more cost effective. The strategy was not about turning things on a dime, but through well-planned incremental improvements in areas that we deemed as our key priorities.

Our strong financial results were a direct outcome of improving our technology, harnessing the powerful alignment between Capital Markets and Commercial Banking, repositioning the Personal Bank for growth, and thinking customer first. I'm particularly proud of these results, especially given the difficult economic environment.

The Board and the executive team were united in the shared belief that we are all on the same journey. Our discussions and healthy debates were centered around the strategic plan launched at the Bank's December 2021 Investor Day and, as markets demanded adjustments, we remained nimble and aligned on how to best respond to challenges, staying true to our top priorities.

The Bank continued to advance its ESG priorities and with our President and CEO as ESG Champion, the team had significant success. The Board takes its responsibility of ESG oversight seriously and we discuss the importance of ESG at every Board meeting. As I stated last year, we believe we can make a real difference under the "social" pillar, and we continue to believe this is a genuine differentiator for us.

In terms of governance, the Board will ensure that we continue to have the skill sets needed to navigate change and to position the Bank for continued good governance and Board succession planning, with a focus on diversity. We thank David Morris for his service to the Board and we are pleased to propose for election a new director who we believe will bring valuable new perspectives to the Board, Laurent Desmangles.

Our attention to risk and cybersecurity is a standing item for the Board. We are steadily and incrementally improving our technology, engaging in training sessions, and paying particular attention to the priority initiatives.

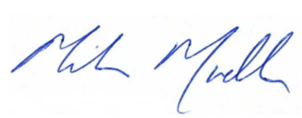
We are very excited about the future of the Bank. We have distinct growth opportunities, and we are determined to grow intelligently and invest our capital prudently. Our five core values are actively applied to all of our activities throughout the organization. We have important measures we're driving towards and, while the market is an unknown, we do know that we have a solid strategy and we're headed in the right direction. Most importantly, we will navigate the right path together – as one winning team.

To my fellow Board members, thank you for your partnership, sound advice and good counsel over the past year. Special thanks to our employees who are committed to placing the customer first and change banking for the better by seeing beyond numbers. And finally, to our fellow shareholders, thank you for your trust, support, and impartial feedback. We are extremely optimistic about the future, driven by our purpose and united in our values.

On April 11, you will have an opportunity to ask questions to the executive team and vote on important matters. Please consider the information set out in this Circular and vote. My fellow directors and the executive team look forward to welcoming you.

Sincerely,

Laurentian Bank



Michael Mueller

Chair of the Board of Directors

Laurentian Bank of Canada

Notice of Annual Meeting of shareholders.

When

Tuesday, April 11, 2023
9:30 a.m. (Eastern Time)

Where

Virtually
Via Live Webcast Online at:
https://web.lumiagm.com/451209792
Meeting ID Number: 451-209-792
Meeting Password: laurentian2023

In person
LUMI
1250 René-Lévesque Blvd W., suite 3610
Montréal QC, H3B 4W8

Business of the Annual Meeting

At the meeting, shareholders will be asked to:

I. receive the Bank's consolidated financial statements for the year ended October 31, 2022 and the auditor's report thereon;

II. appoint the Bank's auditor;

III. elect directors;

IV. vote on our approach to executive compensation;

V. vote on shareholder proposals; and

VI. consider any other business as may be properly brought before the Annual Meeting.

This Circular includes information related to the above matters in the *Business of the Annual Meeting*. Holders of common shares of Laurentian Bank of Canada, as at the close of business on February 10, 2023 (the **Record Date**), are entitled to receive notice of, attend and vote at the Annual Meeting. There were 43,405,425 common shares of the Bank outstanding on the Record Date.

Electronic copies of the Circular and the Annual Report, which includes the consolidated financial statements and MD&A for the year ended October 31, 2022 (collectively the **Meeting Materials**) can be found on the Bank's website at www.laurentianbank.ca/en/about-us/investor-relations/annual-reports, and on SEDAR at www.sedar.com.

Your vote matters.

Please read this Circular and vote your shares.

You have received this Circular because you are a shareholder of Laurentian Bank as of the Record Date and are eligible to vote at the Annual Meeting. It is important that you read the Circular carefully and vote your shares. Detailed voting instructions are provided under the heading *How do I vote?* in the *Voting and Attendance Questions and Answers* section of this Circular. Unless you intend to vote in-person or virtually at the Annual Meeting, please vote as early as possible by proxy. Your vote must be received by the Bank's transfer agent, Computershare Trust Company of Canada (**Computershare**) by 5:00 p.m. (Eastern Time) on April 4, 2023.

For more information about how to attend, ask questions and vote at the meeting, see the *Voting and Attendance Questions and Answers* section of this Circular. You may also contact Computershare at 1-800-564-6253 or service@computershare.com or Kingsdale at 1-888-518-1561 toll-free in North America (+1 416-867-2272 for collect calls outside of North America) or by email at contactus@kingsdaleadvisors.com.

By order of the Board,

Bindu Cudjoe
Chief Legal Officer and Corporate Secretary
February 10 , 2023

Glossary.

Terms and abbreviations used in the Management Proxy Circular:

2SLGBTQIA+	Two-Spirit, lesbian, gay, bisexual, transgender, queer, intersex, and additional sexually and gender diverse people	**GAAP**	Generally accepted accounting principles
Annual Information Form or **AIF**	The Bank’s Annual Information Form dated December 8, 2022	**GHG**	Greenhouse Gas Emission
Annual Meeting	The Annual Meeting of shareholders taking place on April 11, 2023	**HRCG Committee**	Human Resources and Corporate Governance Committee of the Board
Annual Report	The Bank's 2022 Annual Report dated December 8, 2022	**IFRS**	International Financial Reporting Standards
***Bank Act* (Canada)**	*Bank Act*, SC 1991, c 46 (as amended) and all applicable rules and regulations	**IIROC**	Investment Industry Regulatory Organization of Canada
***Bankruptcy and Insolvency Act* (Canada)**	*Bankruptcy and Insolvency Act,* RSC, 1985, c. B-3	**Kingsdale**	Kingsdale Advisors, the Bank's strategic shareholder advisor and proxy solicitation agent
BIPOC	The Black,Indigenous and people of colour community	**Laurentian Bank, Bank, LBC, we, our, and us**	Laurentian Bank of Canada and, where applicable, the Bank's subsidiaries
Board	The Board of directors of the Bank	**LBBEN**	Laurentian Bank Black Employee Network
CEO	Chief Executive Officer	**LTI**	Long-Term Incentive
CFO	Chief Financial Officer	**MD&A**	Management Discussion and Analysis
Chair	Chair of the Board or chair of a committee of the Board	**MÉDAC**	*Mouvement d’éducation et de défense des actionnaires*, a shareholder of the Bank whose offices are located at 82 Sherbrooke Street West, Montréal, Québec, H2X 1X3
CHRO	Chief Human Resources Officer	**Meeting Materials**	The Management Proxy Circular and the Bank’s 2022 Annual Report, containing the consolidated financial statements of the Bank and Md&A for the year ended October 31, 2022
Circular	This Management Proxy Circular	**NEO**	Named Executive Officer
CLO	Chief Legal Officer	**OSFI**	Office of the Superintendent of Financial Institutions
Computershare	Computershare Trust Company of Canada, the Bank's transfer agent	**PCAF**	Partnership for Carbon Accounting Financials – an initiative enabling collaboration among the world's financial institutions to develop standardized methods for measuring and disclosing carbon emissions from their financing and investment activities
CPAB	Canadian Public Accountability Board	**PSU**	Performance Share Unit
CRO	Chief Risk Officer	**Record Date**	The close of business on February 10, 2023
CSE	Canadian Securities Exchange	**ROE**	Return on equity
DPSU	Deferred Performance Share Unit	**RSU**	Restricted Share Unit
DRSU	Deferred Restricted Share Unit	**SEDAR**	System for Electronic Document Analysis and Retrieval
DSU	Deferred Share Unit	**shares**	Common shares of the Bank
E&S	Environmental and Social	**shareholder, you and your**	Holders of common shares of the Bank
ED&I	Equity, Diversity, and Inclusion	**STI** and **STIP**	Respectively Short-Term Incentive, and Short-Term Incentive Program
ERG	Employee Resource Group	**SVP**	Senior Vice President
ESG	Environmental, Social, and Governance	**TCFD**	Task Force on Climate-related Financial Disclosures
EVP	Executive Vice President	**TSR**	Total Shareholder Return
EY	EY, the Bank's auditor for the 2022 fiscal year	**TSX**	Toronto Stock Exchange
FINRA	Financial Industry Regulatory Authority	**VP**	Vice President

Management Proxy Circular.

This Circular contains important information about the Annual Meeting, the Board, executive compensation and corporate governance. The Circular details the items that will be covered and voted on at the Annual Meeting, along with voting instructions. **You are encouraged to read it in detail and exercise your vote.**

What information does this Circular contain?

This Circular is dated as of February 10, 2023 and, unless otherwise indicated, information is presented as at that date.

All dollar amounts are in Canadian dollars, unless stated otherwise. Any references to websites are for your information only. The information they contain are not part of this Circular. All website addresses are intended to be inactive, textual references only.

For more information.

Financial information is provided in the Bank's consolidated annual financial statements and MD&A for its most recently completed financial year.

The **Annual Information Form**, the **MD&A**, and the **Annual Report** referenced in this Circular are available on the Bank's website at www.laurentianbank.ca/en/about-us/investor-relations/annual-reports and on SEDAR at www.sedar.com.

These websites also provide additional information about the Bank.

Notice-and-Access.

In accordance with Canadian securities laws and pursuant to an exemption received from OSFI, the Bank is using **notice-and-access** for delivery of the Meeting Materials, which allows the Bank to post electronic versions of the Meeting Materials online, rather than mailing paper copies to shareholders. The notice-and-access mechanism provides quicker access to the Meeting Materials while contributing to environmental protection. For any question about this process, you may contact Computershare at 1-800-564-6253 or service@computershare.com.

For paper copies of the Meeting Materials.

You may request paper copies of the Meeting Materials or any document available on SEDAR referred to in this Circular to be mailed to you at no cost. Requests may be made by shareholders up to one year from the date the Circular was filed on SEDAR by contacting Computershare at 1-800-564-6253 or service@computershare.com or by contacting the Bank's Corporate Secretariat's Office at corporate_secretariat@lbcfg.ca or by mail at the Bank's head office located at 1360 René-Lévesque Boulevard West, Suite 600, Montréal, Québec, H3G 0E5. Requests for paper copies may be made using your control number as it appears on your form of proxy or voting instruction form.

Please note that you will not receive another form of proxy or voting instruction form. You should therefore keep the initial form sent to you in order to vote.

To request a paper copy, please follow the instructions below.

Before the meeting - Paper copy to be sent within 3 business days of receiving your request	
Registered Shareholder	**Beneficial or Non-registered Shareholder**
You are a registered shareholder if your shares are registered in your name. Call 1-866-962-0498 (North America), toll-free or 514-982-8716 (International). Enter your 15-digit Control Number as indicated on your voting instruction form or form of proxy to identify yourself.	You are a beneficial or non-registered shareholder if your shares are registered in the name of an intermediary such as a bank, trust company, investment dealer, clearing agency, or other institution. Most shareholders are non-registered holders. Call 1-877-907-7643 (North America), toll-free and enter your 16-digit Control Number (located on the front of your voting instruction form) to identify yourself. Or call 303-562-9305 (International in English) or 303-562-9306 (International in French).

After the meeting - Paper copy to be sent within 10 calendar days of receiving your request
To obtain paper copies of the Meeting Materials after the meeting date, please contact the Bank's Corporate Secretariat's Office at corporate_secretariat@lbcfg.ca or the Bank's Investor Relations Department at investor.relations@lbcfg.ca.

Meeting Materials are available in French and English. To receive a paper copy prior to the voting deadline and the date of the meeting, requests should be received as soon as possible and no later than March 31, 2023 by 5:00 p.m. (Eastern Time), to allow sufficient time to receive and review such materials and return the form of proxy or voting instruction form within the prescribed time. Postal delays could cause you to receive the Meeting Materials after the voting deadline and after the date of the meeting.

Meeting Materials can also be found on the Bank's website at www.laurentianbank.ca/en/about-us/investor-relations or on SEDAR at www.sedar.com.

Sign up for eDelivery

To receive by email the Meeting Materials and the Bank's other continuous disclosure documents, including the annual financial statements and interim reports, please sign up for eDelivery which provides quicker access to documents while contributing to environmental protection:

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

01 Annual Meeting of Shareholders.

1.1 Voting and Attendance Questions and Answers.

In this section you will find important information about voting and attendance at the Annual Meeting, including for appointing proxyholders to vote on your behalf.

For any additional information, please contact Computershare at 1-866-586-7635 (Canada/U.S.) or 514-982-7555 (International), including if you are not sure whether you are a registered shareholder or beneficial (non-registered) shareholder.

For technical and logistical issues related to virtual attendance, please visit https://web.lumiagm.com/451209792, and click on *Technical support / Soutien technique*.

In which language will the Annual Meeting be conducted?

The Annual Meeting will be conducted equally in both French and English languages, with translation available in real-time so that the Meeting can easily and freely be listened to, in its entirety, in the participant's language of choice, whether participating online or in-person. In addition, Meeting Materials are available in French and English and all shareholders are encouraged to ask questions and vote in the language of their choice.

How does the Bank solicit proxies?

The Bank's management solicits proxies for the purpose of the Bank's Annual Meeting, which will be held on April 11, 2023 or any adjournment thereof.

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

In addition, the Bank may also use the Broadridge QuickVote™ service to help beneficial or non-registered shareholders vote their shares. Beneficial (non-registered) shareholders may be contacted by Kingsdale by phone to obtain voting instructions. Broadridge then tabulates the results of the instructions received and provides the appropriate instructions respecting the shares to be represented at the meeting.

Who can vote?

If you own common shares of the Bank on the day of the Record Date (February 10, 2023), you or your duly appointed proxyholder are entitled to receive notice of and vote those common shares at the meeting. On the Record Date, 43,405,425 common shares of the Bank were outstanding.

The Bank's common shares cannot be voted if they are beneficially owned by:

- the government of Canada or any of its agencies;
- the government of a province or any of its agencies;
- the government of a foreign country, any political subdivision of a foreign country or any of its agencies; or
- a person who has acquired more than 10% of any class of the Bank's common shares without Minister of Finance approval.

In addition, no person or entity may cast votes in respect of any common shares beneficially owned by the person, or by any entity controlled by that person, that represent, in the aggregate, more than 20% of the eligible votes.

The Bank's directors and officers are not aware of any person or company that beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the votes attached to any of the Bank's common shares.

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

Is my vote confidential?

Yes. To protect the confidential nature of voting, the votes exercised by registered shareholders are received and compiled for the meeting by Computershare, while the votes cast by beneficial (non-registered) shareholders are compiled and submitted by intermediaries to Computershare.

Computershare will only provide individual voting information to the Bank when a shareholder clearly intends to express a personal opinion to the Board or the Bank management, or if Computershare is legally required to provide this information.

How does voting work?

Each common share held on the Record Date entitles its registered holder to one vote. Unless otherwise provided, 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.

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

If you choose to vote in advance of the meeting by proxy, your vote must be received by Computershare no later than 5:00 p.m. (Eastern Time) on April 4, 2023 or if the meeting is adjourned or postponed, by 5:00 p.m. (Eastern Time) on the second-last business day before the date of the reconvened meeting. The time limit for the deposit of proxies may be waived or extended by the meeting Chair at their discretion and without notice.

How do I appoint a proxyholder?

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

The individuals proposed as proxyholders on the form of proxy or voting instruction form are directors of the Bank. Subject to the restrictions described under the heading *Who can vote?*, **a registered shareholder can choose another person or company, including a person who is not a shareholder, as their proxyholder to vote their shares by entering the name of the desired representative in the blank space on the form. Beneficial or non-registered shareholders wishing to vote must first appoint themselves as proxyholder.**

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

If the proxyholder is attending virtually, you must also register the proxyholder with Computershare at www.computershare.com/laurentianbank and provide the proxyholder's contact information by 5:00 p.m. (Eastern Time) on April 4, 2023, so that Computershare may provide the proxyholder with a username via email after the proxy voting deadline has passed. **Failure to register the proxyholder with Computershare will mean the proxyholder will be unable to vote online.**

If the proxyholder is attending in person, they will need to check in at the registration desk when they arrive at the Annual Meeting.

How will my shares be voted by my proxyholder?

Your proxyholder must follow your voting instructions, but you may also choose to have your proxyholder decide for you on how to vote your shares. Your proxyholder has **discretionary authority with respect to voting on any matter on which no instructions have been specified, any amendment or variation to matters stated in the business items of the Notice of Meeting, and any other matter which may properly come before the meeting**.

Unless you instruct them otherwise, the proxyholders proposed on the enclosed form of proxy intend to vote as follows:

FOR:

- the election of each director nominee;
- the appointment of EY as the Bank's auditor;
- the adoption of a resolution, on an advisory basis, regarding the approach to NEO compensation;
- the Bank's management proposals in general; and

AGAINST:

- the shareholder proposals.

How do I vote?

You can vote in advance of the meeting by proxy or at the Annual Meeting either online or in-person. How you vote depends on whether you are a registered or a beneficial (non-registered) shareholder. Please follow the instructions below.

You are a Registered Shareholder if your shares are registered in your name. You will require a 15-digit Control Number (located on the front of your form of proxy) to identify yourself.

You are a Beneficial (non-registered) Shareholder if your shares are registered in the name of an intermediary such as a bank, trust company, investment dealer, clearing agency, or other institution. Most of the Bank's shareholders are non-registered holders. You will require a 16-digit Control Number (located on the front of your voting instruction form) to identify yourself.

If you are a Bank employee and hold shares purchased through the Employee Share Purchase Plan, you will have received a voting instruction form in your notice package and should follow the instructions provided for Beneficial (non-registered) Shareholders below.

Vote by proxy in advance of the Annual Meeting.	
Registered Shareholder	**Beneficial (non-registered) Shareholder**
Provide your instructions in one of these ways:	Provide your instructions in one of these ways:
Visit www.investorvote.com and enter the 15-digit Control Number (located on the front of your form of proxy).	Visit www.proxyvote.com and enter the 16-digit Control Number (located on the front of your voting instruction form).
Call 1-866-732-VOTE (8683) Toll Free and follow the instructions.	Canada: Call 1-800-474-7493 (English) or 1-800-474-7501 (French) U.S.: Call 1-800-454-8683.
Complete your form of proxy and return it by mail in the prepaid envelope provided.	Complete your voting instruction form and return it by mail in the prepaid envelope provided.
Computershare must receive your form of proxy or you must have voted by telephone or internet by no later than 5:00 p.m. (Eastern Time) on April 4, 2023.	**Most intermediaries allow you to send your instructions as noted above, but some may have their own process so make sure you follow the instructions on the form.** Your intermediary must receive your voting instructions in enough time to act on them by 5:00 p.m. (Eastern Time) on April 4, 2023.

Can I change my mind and revoke my proxy?

If you are a registered shareholder and have voted by proxy, you may revoke your proxy by submitting a new form of proxy with a later date, or by submitting new voting instructions by telephone or on the internet, with the contact information you originally voted with. If you are a beneficial (non-registered) shareholder, you may revoke your proxy or voting instructions by contacting your intermediary immediately.

Any new instructions will only take effect if received by Computershare no later than 5:00 p.m. (Eastern Time) on April 4, 2023, or if the meeting is adjourned or postponed, by 5:00 p.m. (Eastern Time) on the second-last business day before the date of the reconvened meeting.

If you follow the process for attending and voting online described below, voting at the Annual Meeting online will revoke your previous proxy.

Vote at the Annual Meeting.	
Registered Shareholder	**Beneficial (non-registered) Shareholder**
Do not complete or return your form of proxy as you will be attending and voting at the Annual Meeting. **To vote online** - Follow the instructions under the heading *How do I attend the meeting?* in this section of the Circular to participate, vote and ask questions online at the Annual Meeting. **To vote in person** - Please bring your form of proxy with you to the Annual Meeting and register with Computershare when you arrive. You have to be connected to the internet at all times to be able to vote virtually at the Annual Meeting - it's your responsibility to make sure you stay connected for the entire meeting. More information about online participation in the Bank's Annual Meeting is detailed in the Bank's Virtual AGM User Guide which is available on the Bank's website at www.laurentianbank.ca/en/about-us/investor-relations.	Insert your name in the space provided for appointing a proxyholder and sign and return the voting instruction form as instructed by your intermediary. Register yourself as proxyholder with Computershare by following the instructions under the heading *How do I appoint a proxyholder?* in this section of the Circular. **Do not complete the instructions section of the voting instruction form** as you will be attending and voting at the Annual Meeting. If no space is provided for you to insert your name on the form, please contact your intermediary. **Beneficial (non-registered) shareholders who have not duly appointed and registered themselves as proxyholder will not be able to vote during the meeting.** **To vote online** - Follow the instructions under the heading *How do I attend the meeting?* in this section of the Circular to participate, vote and ask questions at the meeting. **To vote in person** - Please register with Computershare when you arrive at the Annual Meeting.

How can I ask questions?

Shareholders and duly appointed proxyholders may submit questions during the Annual Meeting in person when a question period is opened or if attending virtually, by using the *Ask a Question* field provided in the web portal. Questions may also be submitted in advance of the Annual Meeting by email at corporate_secretariat@lbcfg.ca.

Questions may be submitted at any point in advance of, or during, the Meeting but must be submitted prior to the commencement of voting on the matter to which they relate.

Subject to the Code of Procedure of the meeting available on the Bank's website at www.laurentianbank.ca/en/about-us/investor-relations/calendar-of-events, all questions relating to a matter subject to a vote at the Meeting will be addressed prior to the closing of voting on such matter.

Following termination of the formal business of the Meeting, the Bank will address any appropriate general questions received from shareholders and duly appointed proxyholders regarding the Bank.

In order to facilitate a respectful and effective Meeting, only questions of general interest to all shareholders will be answered. If your question is related to an individual matter, please contact the Bank's Investor Relations department by sending an email to: investor.relations@lbcfg.ca.

Any questions pertinent to the Meeting that cannot be answered during the Meeting will be posted online and answered at www.laurentianbank.ca/en/about-us/investor-relations.

How do I attend the meeting?

Given the continued uncertainty surrounding COVID-19 and the importance of the health and safety of our employees, shareholders, communities and other stakeholders, the Annual Meeting will be held in a hybrid format to allow participation virtually or in-person.

Any changes or restrictions to the meeting format will be made available on the Bank's website at www.laurentianbank.ca/en/about-us/investor-relations.

Join us virtually

Registered Shareholder

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

1. Log in at https://web.lumiagm.com/451209792 at least 15 minutes before the Annual Meeting starts
2. Click on **I have a login**
3. Enter your 15-digit control number (which is your user name) and the password: **laurentian2023**

It is important to be connected to the internet at all times during the Annual Meeting in order to vote.

If you log online and accept the terms and conditions, you will be revoking any and all previously submitted proxies. If you do not wish to revoke your previously submitted proxy, do not accept the terms and conditions once you log in, in which case you will enter the Annual Meeting as a guest and will not be able to vote online.

Attend virtually as a guest

Guests can attend the Annual Meeting online, but will not be able to vote or ask questions.

To attend online as a guest, please follow the instructions below:

1. Log in at https://web.lumiagm.com/451209792 at least 15 minutes before the meeting starts
2. Click **I am a guest** and complete the online form.

Beneficial (Non-registered) Shareholder

Beneficial (non-registered) shareholders wishing to vote and ask questions at the meeting must first appoint themselves as proxyholder AND register with Computershare by following the instructions under the heading *How do I appoint a proxyholder?* in this section of the Circular.

Once duly appointed as proxyholder, you will receive a 15-digit control number by email from Computershare, which is your user name to participate in the meeting.

You can then participate, vote and ask questions online by following the instructions below:

1. Log in at https://web.lumiagm.com/451209792 at least 15 minutes before the Annual Meeting starts
2. Click on **I have a login**
3. Enter your 15-digit control number (which is your user name) and the password: **laurentian2023**

Beneficial (non-registered) shareholders who do not appoint and register themselves as proxyholder can only attend the Annual Meeting online as a guest.

Need help? For information with respect to technical and logistical issues related to virtual attendance, please visit https://web.lumiagm.com/451209792, and click on *Technical support / Soutien technique*.

The recording of the Annual Meeting will be available in the *Investor Relations* section of our website under the *Presentations and Events* tab following the meeting for approximately one year from the date of the Annual Meeting. Any other recording of the Meeting is strictly prohibited.

Join us in person

If you are a registered shareholder or a proxyholder (including non-registered (beneficial) shareholders who have appointed themselves as proxyholder), you will be able to attend the meeting in person by checking in at the LUMI registration desk.

Only registered shareholders, non-registered (beneficial) shareholders and duly appointed proxyholders will be granted access to the in-person meeting. Other guests may attend virtually as described above under *Attending virtually as a guest*.

1.2 Business of the Meeting.

The business to be conducted at the Annual Meeting is set forth in the Notice of Meeting and in this Circular. We will follow the agenda of Annual Meeting as set out in the Circular.

I. Receive Financial Statements

The Bank's consolidated financial statements for the fiscal year ended October 31, 2022 and the auditor's report thereon are included in the Annual Report mailed to shareholders on January 13, 2023. The consolidated financial statements were prepared in accordance with IFRS, including the accounting requirements specified by OSFI.

II. Appoint the Bank's Auditor

During the 2022 fiscal year, the Audit Committee conducted an annual assessment of the performance and service quality of EY as independent auditor of the Bank. The Audit Committee's evaluation included audit quality considerations, such as auditor independence, objectivity, and professional skepticism, the quality of the engagement team, quality of service considerations and CPAB inspection findings.

Based on the Audit Committee's annual assessment of the external auditor, the Board recommends that EY be reappointed as the Bank's auditor for the 2023 fiscal year. EY has been the external auditor of the Bank since 1990.

The Board recommends voting FOR EY as the Bank's auditor.

Auditor Independence

EY is subject to all applicable laws and regulations, including the Code of Ethics of the *Ordre des comptables professionnels agréés du Québec*, which establish clear guidance concerning independence. A number of mechanisms strengthen auditor independence, without impeding audit quality and efficiency, including:

1. **Audit Partner Rotation:** The rotation of audit partners mitigates the risk of over familiarity and self-interest, and promotes objectivity. The lead engagement and concurring partners are subject to a seven-year rotation requirement, followed by a five-year period of absence from the consolidated audit. Engagement time for the lead partner and concurring partners includes time previously served in these roles. The rotation of a new lead engagement partner was effective on November 1, 2020 for the audit of the financial year ending October 31, 2021. The rotation of a new concurring engagement partner was effective on November 1, 2021 for the audit of the financial year ending October 31, 2022.
2. **Oversight from Regulators (CPAB)**: Heightened oversight by the regulators has resulted in increased audit quality. Inspection results are considered by the Audit Committee in its assessment of the auditor.
3. **Regular Assessments**: Annual assessments of the auditor are conducted by the Audit Committee to ensure namely the ongoing quality, independence and effectiveness of the auditor. In addition, the Audit Committee and the Board undertake a comprehensive assessment of the auditor every 5 years, with the last assessment having been conducted in June 2018. Included in this assessment is a determination relating to threats of institutional familiarity that could impact the independence of the auditor and prevent the engagement team from exercising appropriate professional skepticism.

The Board and the Audit Committee initiated in January 2023 a tender process in relation to the engagement of the Bank's external auditor for the 2024 fiscal year. The tender process is expected to be completed by the end of the second quarter of fiscal year 2023 and the recommendation for the 2024 fiscal year is expected to be communicated thereafter.

The Audit Committee holds regular meetings with the external auditor in the absence of Management and receives annual confirmation of the external auditor's independence. The Board and the Audit Committee are confident in the Bank's current processes and controls which ensure auditor independence and protect the quality of audit results.

Auditor's Fees

The following table presents the fees billed by EY for the fiscal years ended October 31, 2022 and 2021.

	2022 ($)	2021 ($)
Audit fees — These include all fees of EY 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.	3,241,700	3,445,000
Fees for audit-related services — These include all fees of EY 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.	399,575	602,000
Fees for tax services — These include all fees of EY for tax-related advice other than the time devoted to the audit or review of income taxes related to financial statements.	61,270	177,000
Other fees — These include all fees of EY for non-audit services other than those mentioned above.	14,350	138,000
Total	**3,716,895**	**4,362,000**

During the 2022 fiscal year, the Audit Committee also reviewed the Bank's policy regarding the pre-approval of services that may be rendered by the Bank’s external auditor. This policy is described in the Bank’s AIF.

III. Elect Directors

There are 11 directors to be elected by the shareholders to hold office until the close of the next annual meeting of shareholders, or until the election or appointment of their successors.

The director nominees are presented starting on page 12 of this Circular.

The Board recommends voting FOR each director nominee.

Voting for the election of the directors is conducted on an individual basis. The Board has adopted a **Majority voting Policy**, which applies to all uncontested elections, under which a director nominee standing for election or re-election must immediately tender their resignation if not elected by at least a majority of the votes (50% +1) cast at any meeting for the election of directors at which a quorum is present. Within 90 days of the vote, the Board must determine whether or not to accept the resignation, at a meeting at which the director in question is not present, and is required to accept the resignation absent exceptional circumstances. Such resignation is effective as soon as the Board accepts it. Following such a decision, the Bank will promptly issue a news release that shall be transmitted to the TSX, stating the decision of the Board and the reasons for the decision.

IV. Advisory Vote on our Approach to Executive Compensation

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

The Board recommends voting FOR the following advisory resolution:

> "**IT WAS RESOLVED**, in an advisory capacity and without limiting the role and responsibility of the Board of Directors, that shareholders accept the approach to named executive officer compensation disclosed in the Bank's Management Proxy Circular delivered in advance of the 2023 annual meeting of shareholders of the Bank."

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

The 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. We were pleased that in 2022, 88% of shareholder votes were in favour of the Bank's approach to executive officer compensation.

V. Vote on the Shareholder Proposals

The Bank received 5 proposals from MÉDAC. **After discussions with the Bank, MÉDAC has agreed not to submit any of their proposals to a vote.** Nevertheless, the Bank has agreed to include the proposals for information purposes only in the Circular, although they are not part of the formal business of the meeting. The text of all 5 proposals and the Board's responses to them are included in the **Schedule** at page 72 of this Circular.

Shareholders wishing to have a proposal included in the Bank's next management proxy circular must send the text of such proposal to the Corporate Secretariat of the Bank not later than November 10, 2023 at 5:00 p.m. (Eastern Time).

VI. Other Business

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

1.3 Director Nominees

The number of directors to be elected at the Annual Meeting is 11. The HRCG Committee has recommended the following individuals for election as directors of the Bank to serve until the end of the Bank's next annual meeting of shareholders.

Each nominee was elected at the Bank's 2022 meeting of shareholders — with the exception of Laurent Desmangles — and all nominees have formally established their qualifications, eligibility and willingness to serve on the Board.

This section provides information on the nominees for election as directors, including their expertise, committee memberships, attendance, other board memberships and voting results from last year's elections. The profiles also include a summary of their shareholdings and compensation.

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

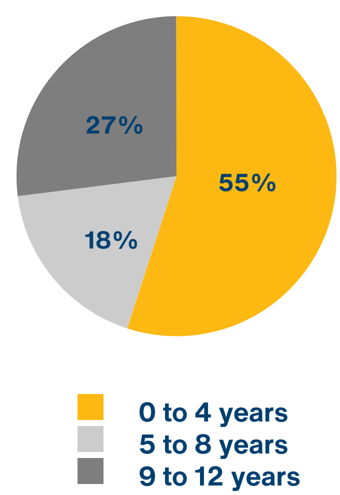
Language Proficiency of director nominees **100% English** **36% French** **18% Other**	**55%** **of director nominees are women**	**64%** **of director nominees were appointed over the last 5 years**	**91%** **Except for the President and CEO, all director nominees are independent**	**36%** **of director nominees identify as members of a racialized group**

Tenure of director nominees

The Board takes a balanced approach to membership renewal based on skills and experience in relation to the needs of the Bank, the contribution of each director and the Board's evaluation process. The presence of more experienced directors and their related institutional expertise on the Board adds value benefiting both the Bank and its shareholders, while new directors bring a fresh perspective to Board deliberations. More information is provided in the *Succession Planning and Term Limits* section of this Circular.

The adjacent chart illustrates tenure among director nominees.

The average tenure of director nominees is 5.3 years.



The following tables provide detailed information on each director nominee, including their expertise, committee memberships, meeting attendance, public board memberships and voting results for last year's elections, as applicable. The profiles also include a summary of their Bank shareholdings, as well as the value of total compensation earned by each director in the 2022 fiscal year. **As at February 10, 2023, all but one non-employee directors exceeded target minimum ownership requirement** — Please see page 20 of this Circular for more information.

Sonia Baxendale

Toronto, ON Canada

Age: 60

Director since 2016

Independent

2022 vote:
93.61% FOR

2022 attendance: 100%

Board of directors : 100%

Risk Management Committee (Chair): 100%

HRCG Committee: 100%

Sonia Baxendale is President and CEO of the Global Risk Institute. Prior to this, she was President, CIBC Retail Banking and Wealth Management and Senior Executive Vice President. She held various other leadership roles at CIBC, including Senior Executive Vice President, CIBC Wealth Management; Executive Vice President, Asset Management, Card Products and Collections; Executive Vice President, Global Private Banking & Investment Management Services; and Managing Director, CIBC Wood Gundy. Prior to CIBC, she held progressively senior positions with Amex Bank of Canada and Saatchi & Saatchi Compton Hayhurst. She holds a B.A. degree from the University of Toronto and the ICD.D designation from the Institute of Corporate Directors.

Public company board tenures:
- The Bank N.T. Butterfield & Son Limited (NYSE & BSE) (2020 to date)
- RSA Insurance Groups plc (2019 to 2021)

Current tenures on other boards:
- Foresters Financial
- The Hospital for Sick Kids Foundation
- Sick Kids Trustee Board

Equity ownership as at : February 10, 2023

Common shares		4,665
DSUs		17,361
Total Shares/DSUs		22,026
Share value	$	35.35
Total value	$	778,619
Requirements shares/DSUs		5,797

Total compensation received during 2022 fiscal year: $180,000

Andrea Bolger

Toronto, ON Canada

Age: 64

Director since 2019

Independent

2022 vote:
94.78% FOR

2022 attendance: 100%

Board of directors : 100%

Risk Management Committee: 100%

HRCG Committee: 87.5%

Andrea Bolger is a corporate director with deep experience in strategic business leadership, enterprise-wide risk management and governance practices. She is a former senior executive of the Royal Bank of Canada, where she served in a variety of senior executive positions mainly in commercial banking and risk management. She holds a Bachelor of Commerce, Honours Finance, from Carleton University and a Masters of Business Administration from Concordia University. She also holds the ICD.D designation from the Institute of Corporate Directors at the Rotman Business School of the University of Toronto.

Public company board tenures:
- Sagen MI Canada Inc. (2016 to 2021)

Current tenures on other boards:
- Teranet Inc.
- Knowledge First Foundation/Financial Inc.
- The Equitable Life Insurance Company of Canada

Equity ownership as at : February 10, 2023

Common shares		4,100
DSUs		9,108
Total Shares/DSUs		13,208
Share value	$	35.35
Total value	$	466,903
Requirements shares/DSUs		7,431

Total compensation received during 2022 fiscal year: $155,000

Michael T. Boychuk

Baie d'Urfé, QC
Canada

Age: 67

Director since 2013

Independent

2022 vote:
93.55% FOR

2022 attendance: 100%

Board of directors : 100%

Audit Committee (Chair): 100%

Risk Management Committee: 100%

Michael T. Boychuk is a corporate director with extensive experience in accounting, finance and financial services. He is a CPA and a Fellow of the Ordre des comptables professionnels agréés du Québec. Before retiring, he was President of Bimcor Inc., the pension fund investment manager for the Bell Canada group of companies. From 1999 to 2009, Mr. Boychuk was Senior Vice President and Treasurer of BCE Inc./ Bell Canada, responsible for all treasury, corporate security, environment and sustainability activities, and for the BCE Group of companies' pension plans. He holds a Bachelor of Commerce degree in Finance and Accounting from McGill University.

Public company board tenures:
- Telesat Canada (U.S. S.E.C) (2015 to date)
- GDI Integrated Facility Services Inc. (2015 to date)
- Corus Entertainment Inc. (2019 to date)

Current tenures on other boards:
- Telesat Holdings Inc.
- Telesat Interco Inc.
- Telesat LLP
- The Cadillac Fairview Corporation Limited
- Finchley Pharmaceuticals

Equity ownership as at : February 10, 2023

Common shares		1,421
DSUs		22,694
Total Shares/DSUs		24,115
Share value	$	35.35
Total value	$	852,465
Requirements shares/DSUs		5,380

Total compensation received during 2022 fiscal year: $180,000

Laurent Desmangles

New York, NY
United States

Age: 55

Director since N/A

Independent

2022 vote: N/A

2022 attendance: N/A

Board of directors: N/A

Laurent Desmangles is an accomplished advisor with a global perspective and deep experience helping banks with corporate strategy, large scale transformation, digital/analytics innovation and change management, while achieving lasting impacts on customers and improving profitability. In addition to his role as limited partner and advisor to Nyca Partners and Demopolis Equity Partners, he is a senior advisor at Boston Consulting Group where he held several leadership roles, including Managing Director and Senior Partner and led the Retail Banking segment for North America. He holds a B.Eng degree from McGill University and an MBA from Ivey Business School at Western University.

Public company board tenures:
- None

Current tenures on other boards:
- International Rescue Committee
- Let's Get Ready
- Teach For America NY

Equity ownership as at : February 10, 2023

Common shares		N/A
DSUs		N/A
Total Shares/DSUs		N/A
Share value	$	35.35
Total value		N/A
Requirements shares/DSUs		N/A

Total compensation received during 2022 fiscal year: N/A

Suzanne Gouin

Hampstead, QC
Canada

Age: 67

Director since 2021

Independent

2022 vote:
99.29% FOR

2022 attendance: 100%

Board of directors : 100%

Risk Management Committee: 100%

HRCG Committee: 100%

Suzanne Gouin is an accomplished director who focuses on business transformation, digital implementation, governance and human capital. She has held senior management positions in the private and public sectors, including acting as President and Chief Executive Officer of TV5 Québec-Canada. A graduate of Concordia University, she holds an MBA from the Ivey Business School at the University of Western Ontario and is certified with the Institute of Corporate Directors. Ms. Gouin received the Order of Merit of the French Republic.

Public company board tenures:
- None

Current tenures on other boards:
- Canada Revenue Agency
- Just for Laughs Inc.
- Foundation of Greater Montreal

Equity ownership as at : February 10, 2023

Common shares		1,000
DSUs		6,475
Total Shares/DSUs		7,475
Share value	$	35.35
Total value	$	264,241
Requirements shares/DSUs		8,140

Total compensation received during 2022 fiscal year: $151,798

Rania Llewellyn

Toronto, ON Canada

Age: 46

Director since 2020

Non-Independent

2022 vote:
94.58% FOR

2022 attendance: 100%

Board of directors : 100%

Rania Llewellyn is the President and CEO of Laurentian Bank – the first woman to lead a chartered Canadian Bank. Ms. Llewellyn has over 27 years of experience in the banking industry, including serving as an EVP at Scotiabank where she began her career as a part-time teller. As a transformational change leader, her priority is building high-performance teams and creating a culture of equality, diversity and inclusion. She holds Bachelor of Commerce, an MBA degree and an Honorary Doctor of Commerce from Saint Mary's University. Ms. Llewellyn also holds an Honorary Doctor of Laws from Ontario Tech University and holds an ICD.D designation from the Institute of Corporate Directors at the Rotman Business School of University of Toronto.

Public company board tenures:
- None

Current tenures on other boards:
- B2B Bank, a subsidiary of Laurentian Bank of Canada

Equity ownership as at : February 10, 2023

The minimum share ownership requirements for Ms. Llewellyn are described in the *Ownership Requirement* section of this Circular.

Total compensation received during 2022 fiscal year: Ms. Llewellyn does not receive any compensation as a director.

David Mowat

West Vancouver, BC Canada

Age: 67

Director since 2019

Independent

2022 vote:
93.63% FOR

2022 attendance: 100%

Board of directors : 100%

Audit Committee: 100%

HRCG Committee (Chair): 100%

David Mowat is a corporate director with extensive experience in banking and business leadership. He was President and CEO of ATB Financial and CEO of Vancouver City Savings Credit Union. He holds a Bachelor of Commerce degree from the University of British Columbia and the ICD.D designation from the Institute of Corporate Directors. He also received an Honorary Bachelor of Business Administration from the Southern Alberta Institute of Technology, and an Honorary Doctorate of Laws from the University of Alberta. In 2014, he was selected by Alberta Venture Magazine as Alberta's Business Person of the Year.

Public company board tenures:
- Telus Corporation (2016 to date)

Current tenures on other boards:
- TELUS Communications inc.
- LIAH Holdings Ltd.
- Edmonton International Airport

Equity ownership as at : February 10, 2023

Common shares		9,640
DSUs		7,416
Total Shares/DSUs		17,056
Share value	$	35.35
Total value	$	602,930
Requirements shares/DSUs		7,431

Total compensation received during 2022 fiscal year: $169,326

Michael Mueller

Guelph, ON Canada

Age: 63

Director since 2018

Independent

2022 vote:
94.22% FOR

2022 attendance: 100%

Board of directors : 100%

Michael Mueller is a corporate director with extensive experience in banking and life sciences. He was President and CEO of MDS Capital Corporation and he also held senior positions at TD Bank Financial Group, including Senior Vice President and Country Head of its USA Division, Executive Vice President of Global Credit and Vice Chairman and Head of Global Investment Banking. He is a former Director of MDS Capital Corporation, the Canadian Medical Discoveries Funds I & II, the British Columbia Medical Innovations Fund and Medical Discoveries Management Corporation and Health Ventures. He has been the Chairman of PSP Investments. He holds an MBA from York University and a Bachelor of Science degree from Western University.

Public company board tenures:
- Gensource Potash Corporation (2018 to date)
- Medexus Pharmaceuticals Inc. (formerly Pediapharm Inc.) (2014 to date)
- Mercal Capital Corp. / Eureka 93 Inc. (2015 to 2019)

Current tenures on other boards:
- Emily's House
- Revera
- Smarter Alloys Inc.

Equity ownership as at : February 10, 2023

Common shares		14,900
DSUs		33,974
Total Shares/DSUs		48,874
Share value	$	35.35
Total value	$	1,727,696
Requirements shares/DSUs		8,850

Total compensation received during 2022 fiscal year: $330,000

Michelle R. Savoy

Toronto, ON Canada

Age: 63

Director since 2012

Independent

2022 vote:
93.25% FOR

2022 attendance: 94.12%

Board of directors : 85.71%

Audit Committee: 100%

HRCG Committee: 100%

Michelle R. Savoy is a corporate director with extensive experience in investment management and capital markets. During her career in financial services, she held numerous senior global executive leadership roles responsible for strategic planning, marketing, client relationship management, business development and information technology. She is the former President of Capital Guardian (Canada) Inc., a subsidiary of The Capital Group of Companies. She holds a Bachelor of Business Administration from University of Ottawa and the ICD.D Director designation from the Institute of Corporate Directors.

Public company board tenures:
- Pizza Pizza Royalty Corporation (2015 to date)

Current tenures on other boards:
- Quill Ridge Capital Inc.
- Pizza Pizza GP Inc.
- Nav Canada

Equity ownership as at : February 10, 2023

Common shares		7,512
DSUs		19,069
Total Shares/DSUs		26,581
Share value	$	35.35
Total value	$	939,638
Requirements shares/DSUs		5,380

Total compensation received during 2022 fiscal year: $162,472

Susan Wolburgh Jenah

Toronto, ON Canada

Age: 67

Director since 2014

Independent

2022 vote:
93.52% FOR

2022 attendance: 90.48%

Board of directors : 85.71%

Audit Committee: 100%

HRCG Committee: 87.5%

Susan Wolburgh Jenah is a corporate director and a lawyer by training. She has broad governance experience, strong capital markets regulatory and investor protection expertise and public policy knowledge. She was President and CEO of the Investment Industry Regulatory Organization of Canada. Prior to this, she held executive roles at the Ontario Securities Commission, namely Vice-Chair, General Counsel and Head of International Affairs. She was a director of the Global Risk Institute, the NEO Exchange and Aequitas Innovations, and a Public Governor of the U.S. Financial Industry Regulatory Authority. She holds a Bachelor's Degree from University of Toronto, a J.D. from Osgoode Hall Law School and the ICD.D. designation from the Institute of Corporate Directors.

Public company board tenures:
- Aecon Group inc. (2016 to date)
- Hydro One Limited (2020 to date)

Current tenures on other boards:
- C.D. Howe Institute
- Humber River Hospital
- Vanguard Investments Canada Inc.

Equity ownership as at : February 10, 2023

Common shares		1,237
DSUs		20,308
Total Shares/DSUs		21,545
Share value	$	35.35
Total value	$	761,616
Requirements shares/DSUs		5,380

Total compensation received during 2022 fiscal year: $155,000

Nicholas Zelenczuk

Toronto, ON Canada

Age: 67

Director since 2020

Independent

2022 vote:
94.55% FOR

2022 attendance: 100%

Board of directors : 100%

Audit Committee (Chair): 100%

Risk Management Committee: 100%

Nicholas Zelenczuk is a corporate director with extensive experience in banking, capital markets, corporate strategy, and investment and risk management. He has served in CEO, CFO, COO and executive positions for leading companies including the Canada Pension Plan Investment Board, BCE Inc, CIBC Wood Gundy, Citibank and Deutsche Bank (Canadian branch). He also worked at KPMG as a partner in risk consulting. He earned a CPA designation and is fellow of CPA Ontario. He holds the ICD.D designation from the Institute of Corporate Directors.

Public company board tenures:
- None

Current tenures on other boards:
- Teine Energy Ltd
- Wilton Re Ltd
- Healthcare of Ontario Pension Plan
- CarbonX

Equity ownership as at : February 10, 2023

Common shares		5,000
DSUs		9,914
Total Shares/DSUs		14,914
Share value	$	35.35
Total value	$	527,210
Requirements shares/DSUs		10,543

Total compensation received during 2022 fiscal year: $155,000

Competencies and Expertise

To ensure optimal composition of the Board and benefit from complementarity of director skill set, the HRCG Committee has established a comprehensive and diversified **matrix of skills and experience**. The HRCG Committee takes this matrix into account to evaluate each director, for Board succession and renewal purposes, to identify gaps to enhance the Board's effectiveness.

The matrix is reviewed and updated on an annual basis based on a self-assessment whereby each director and nominee is asked to rate their experience and background. This data is then compiled into the matrix and reviewed by the HRCG Committee.

When filling a seat on the Board, the HRCG Committee determines the sought-after profile and applies certain selection criteria, namely expertise, independence, diversity, tenure and membership on other boards. Proposed nominees are interviewed by the Chair and other directors of the Bank, and also meet with the President and CEO.

The Directors proposed by the Bank have a diverse set of skills and experience to allow the Board to perform its oversight functions, have informed opinions on topics relevant to the Bank and effectively advise on important strategic decisions.

All proposed Directors have expertise in leadership from their roles as senior executives in public companies or organizations of significant size or complexity. They also have expertise in developing, implementing and delivering strategic business objectives within those organizations.

The following chart illustrates the key areas of competency and expertise of each Director nominee related to the business of the Bank and good governance of the Board.

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

Compensation of Directors

Compensation Structure

Through its HRCG Committee, the Board ensures that director compensation is adequate and competitive. The HRCG Committee is responsible for reviewing director compensation and recommending to the Board the amount and structure of director compensation.

The compensation structure is designed to attract and retain qualified directors and to compensate them appropriately for the time and effort they devote to overseeing the effective operation of the Bank. It is also designed to be consistent with the interests of shareholders and to reflect best practices. The HRCG Committee has the authority to engage consultants or advisors as it deems appropriate.

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

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

Directors receive no other fees for attending Board or committee meetings, but they are entitled to the reimbursement of hotel and travel expenses upon presentation of supporting documentation when attending meetings in person.

Directors who are officers of the Bank are not entitled to receive any compensation as directors. Directors who are not officers are not eligible to participate in the Bank's stock option plan or in any other incentive compensation program of the Bank, except for participation in the Bank's Director DSU plan.

Compensation in the Form of Deferred Share Units (DSU)

DSUs are units which individual value is equivalent to the value of a common share of the Bank and is adjusted for events affecting the security (e.g. stock split, exchange of shares, etc.).

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

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

DSUs cannot be converted until a director leaves the Board, at which time they are paid either in cash or in common shares purchased on the open market, but not later than December 31 of the year following the year of the director's departure from the Board. The number of DSUs awarded is established by dividing the amount payable to the director by the average market price of the Bank's common shares during the period defined in the DSU plan. DSUs also entitle their holders to an amount equal to dividend payments on common shares of the Bank, which amount is paid in the form of additional DSUs. This plan has been in force since February 1, 2000.

Directors' Compensation Table

The following table presents a summary of the compensation provided to each director who was not an officer of the Bank during the last fiscal year and the total of DSUs owned by each director as at October 31, 2022:

				Portion of Total Compensation Allocated to Cash and Shares/DSUs (Note 2)			
	Board retainers ($)	Committee retainers ($)	Total Compensation ($)	Paid in Cash ($)	Paid in Shares/DSUs ($)	Total DSUs	Market or payout value of Total DSUs ($)
Sonia Baxendale	140,000	40,000	180,000	36,054	143,946	3,313	100,722
Andrea Bolger	140,000	15,000	155,000	62,000	93,000	2,620	79,672
Michael T. Boychuk	140,000	40,000	180,000	72,000	108,000	3,525	107,168
Suzanne Gouin	140,000	11,798	151,798	0	151,798	3,943	119,882
David Morris (Note 1)	117,500	7,500	125,000	64,397	60,603	1,832	55,701
David Mowat	140,000	29,326	169,326	67,731	101,595	2,761	83,937
Michael Mueller	330,000	0	330,000	0	330,000	9,365	284,706
Michelle R. Savoy	140,000	22,472	162,472	32,559	129,913	3,521	107,047
Susan Wolburgh Jenah	140,000	15,000	155,000	46,500	108,500	3,437	104,511
Nicholas Zelenczuk	140,000	15,000	155,000	0	155,000	4,158	126,422

Note 1: Mr. Morris ceased to be director on May 5, 2022.

Note 2: Directors are required to receive all compensation in the form of DSUs until they achieve the minimum share ownership threshold. As at February 10, 2023, all non-employee directors exceeded the target minimum ownership requirement, except for recently appointed director Suzanne Gouin (92% of target).

Ownership Requirements

Rules on share ownership were adopted on May 1, 2016. Each director must hold at least 3 times their fixed compensation, including director retainer and additional chair of the Board retainer, in the form of shares and/or DSUs of the Bank within 5 years of being nominated to the Board. The minimum holding is based on the closing price of the common shares of the Bank on the TSX as at October 31, 2015, except for Sonia Baxendale, Michael Mueller, Andrea Bolger, David Mowat, Nicholas Zelenczuk and Suzanne Gouin whose minimum holdings are based on the closing price of the common shares of the Bank on TSX as at the dates they were appointed, i.e. August 31, 2016, December 17, 2018, August 28, 2019, August 28, 2019, May 28, 2020 and April 6, 2021 respectively.

The number of shares and/or DSUs held by each director nominee is included in their respective biographies, under the *Director Nominees* section of this Circular. Rania Llewellyn is subject to minimum share ownership requirements as President and CEO of the Bank.

As at February 10, 2023, all non-employee directors exceeded the target minimum ownership requirement, except for recently appointed director Suzanne Gouin (92% of target). In accordance with the Board's requirements, directors have until April 6, 2026 to achieve the share ownership threshold and until such threshold is met, they shall receive all their compensation in the form of DSUs.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Michelle R. Savoy 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.

Michael Mueller, between April 2019 and August 2019, was a director of Eureka 93 Inc. which filed a Notice of Intention to Make a Proposal pursuant to the provisions of Part III of the *Bankruptcy and Insolvency Act* (Canada) on February 14, 2020. As a result, Eureka 93 Inc's trading on the CSE was suspended and a cease trade order is in place.

For more information, please refer to the content of the AIF available on SEDAR.

02 Corporate Governance.

2.1 The Bank's Approach to Governance.

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

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

The policies, practices and relationships forming the Bank's governance framework allow us to balance stakeholder interests, effectively manage risk and conduct our business responsibly. Governance practices will continue to evolve over time, in line with the changing scope of the Bank's business and operations, as well as emerging best practices.

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

Key governance highlights and initiatives from 2022 are described in the HRCG Committee Report, below, and include the following:

- **Cybersecurity** - As the Bank refined its approach to cybersecurity, key priorities were identified and various dimensions of cybersecurity were addressed during the Risk Management Committee meetings in addition to the recurrent updates and reports provided to the Board on this topic.
- **Environmental, Social and Governance (ESG)** - The Bank established an internal governance model and program management structure to drive the Bank's ESG strategy and initiatives forward. ESG oversight was formalized in the mandates of the Board and each of its committees and the Bank's president, CEO and board member, Rania Llewellyn, took on the role of the Bank's ESG Champion.
- **Stakeholder Engagement** - During the past year, engagement has continued to be a priority for the Board. The Chairs of the Board, and HRCG Committee held a number of direct meetings to gain feedback from shareholders and other stakeholders on the Bank's renewed strategic plan, response to the COVID-19 pandemic, executive compensation, board diversity and renewal, environmental, social and governance matters and cybersecurity.
- **Executive Compensation** - The Bank's executive compensation packages have evolved and are aligned with the values of the Bank's shareholders. ED&I and ESG targets have been added to all leaders' scorecards so that we can measure and track the Bank's success in building up the Bank's diverse team and delivering on ESG objectives.

2.2 Our Commitment to Equity, Diversity and Inclusion.

Board Diversity

The Bank plays a leadership role among corporate Canada with respect to advancing diversity. It was the first institution of its kind in Canada to name a woman as Chairperson in 1997, and subsequently, Isabelle Courville served as Chair of the Board from 2013 to 2019. In 2020, the Bank welcomed a new president, CEO and Board member, Rania Llewellyn, the first woman to serve as CEO of a major Canadian Bank.

Diversity ensures that the Board provides the necessary range of perspectives, experience and expertise required to achieve the Bank's objectives and deliver for its stakeholders. In 2022, the Board adopted an Equity, Diversity and Inclusion Policy articulating the Bank's commitment to ED&I and providing that, when assessing Board composition or identifying suitable candidates for appointment or election to the Board, the HRCG Committee will consider candidates using objective criteria having due regard to the benefits of diversity and the needs of the Board balanced appropriately. The Board promotes diversity through careful consideration of all the knowledge, experience, skills, background, abilities and attributes of each individual candidate in view of the needs of the Board. The summary of the Board Equity, Diversity and Inclusion Policy is available on the Bank's website at www.laurentianbank.ca/sn_uploads/fck/pdf/politique/202202_LBC_Board-Equity-Diversity-and-Inclusion-Policy.pdf.

The Board recognizes that certain groups are not proportionally represented in positions of economic influence and leadership, including on corporate boards and in senior management. These groups include but are not limited to women, racialized persons, those who identify as 2SLGBTQIA+, Indigenous Peoples, and persons with disabilities (**Under-Represented Groups**).

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

- ensure that search protocols extend beyond the networks of existing Board members and that appropriate efforts are made to include women and other diverse candidates;
- consider engaging specialized recruitment firms to identify candidates with specific competencies and attributes, including diversity criteria, and will direct any such firm to include women and other diverse candidates;
- assess the Board by considering the balance of skills, experience, independence and knowledge on the Board, the Board's cohesiveness and other factors relevant to its effectiveness;
- consider only candidates who are highly qualified based on their experience, education, expertise, skills and qualities, including general, regional and industry-specific knowledge, having regard to the Bank's current and future plans and objectives;
- strive to ensure that the candidate selection process is free from bias;
- ensure that any special committee of the Board formed for the purposes of recruiting new director nominees include at least one member from an Under-Represented Group;
- select individuals based on merit, against objective criteria, having due regard for the benefits of diversity, to maintain an appropriate range and balance of skills, experience and background on the Board to enable the Board to discharge its duties and responsibilities effectively; and
- in the event the Committee maintains an ongoing list of potential director candidates, ensure that such list includes candidates from Under-Represented Groups.

In furtherance of Board diversity, the Board has committed to:

- maintain a Board composition in which at least 45% of the directors self-identify as women or other people of marginalized genders (which includes transgender and cisgender women, as well as all transgender, Two-Spirit and nonbinary people); and
- achieve by the end of 2025, and thereafter maintain, a Board composition in which at least 15% of the directors self-identify as a member of an Under-Represented Group (beyond cis women).

In addition, the HRCG Committee will require that any list of candidates presented to the HRCG Committee in every search for new directors include candidates from Under-Represented Groups and that diversity be strongly considered in making final nomination decisions.

On an annual basis, the HRCG Committee: (i) reviews and assesses the effectiveness of the Board appointment/nomination process in achieving the Board's representation targets; and (ii) considers and may recommend to the Board other measurable targets for achieving diversity on the Board. At any time, the Board may seek to adjust one or more targets concerning diversity and measure progress accordingly. The HRCG Committee also seeks to achieve and maintain diversity in membership of the Board’s committees and in Board leadership roles and will consider diversity when assigning chair roles for the Board and its committees.

Finally, the Board participates in ED&I training and learning opportunities.

Employee Diversity

The Bank believes that diversity, equity and inclusion efforts contribute to a culture of performance and enhance decision making at all levels of the organization. In 2020, the Bank committed to the BlackNorth Initiative, created to encourage organizations to make specific commitments to combat anti-Black systemic racism. In 2022 the Bank adopted a new ED&I Policy for employees which provides a framework for fostering an inclusive culture and improving diversity across the organization. To ensure that ED&I is prioritized, the diversity of the Bank's workforce is included in the performance objectives of the Bank's leaders. In addition, ED&I learning opportunities are offered for employees across the organization.

The Bank monitors the diversity of its workforce on an ongoing basis and proactively sources diverse talent to ensure the widest available pool of qualified candidates as part of the recruiting and hiring process. In its recruiting efforts, including when making executive appointments, the Bank seeks out diversity of gender, background, experience and perspective in order to foster diversity of thought and to build diverse teams. Candidates are assessed on a balance of skills, experience, knowledge and with consideration to the benefits of having diverse teams. The HRCG Committee receives regular reports from management regarding the diversity of the Bank's employees.

As of October 31, 2022, employees identifying as being part of a racialized group represent 37% of the Bank's workforce, hold 30% of management-level positions (below Vice President level) and 17% of Vice President and above positions.

As of October 31, 2021, 37% of employees at an Assistant Vice President level and above were women. This number was also 37% as of October 31, 2022 (with 69 women out of a total of 188 employees at an Assistant Vice President and above level). At an executive level (which includes Vice Presidents, Senior Vice Presidents, Executive Vice Presidents and President), we have 66 individuals, of which 26 are women, representing 39% of executives at Laurentian Bank as of October 31, 2022. From a broader perspective, women make up 55% of the Bank's workforce and hold 49% of management-level positions (below the Vice President level) as of October 31, 2022.

In 2021, the Bank has set a target of having at least 40% of its leaders at an Assistant Vice President and above level being women by the end of financial year 2024. In addition to executives (Vice President, Senior Vice President, Executive Vice President and President), this target includes Assistant Vice Presidents who are not at executive level.

2.3 Environmental, Social and Governance Matters.

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

In 2022, the Bank continued to make progress on its ESG strategy and program, with ESG becoming increasingly integrated into the Bank's decision-making processes and actions. The Bank continues to have ESG targets included in all its leaders' scorecards to ensure that the Bank is making sustainable business decisions, supporting the transition to a low-carbon economy and investing in the well-being of its communities.

Key ESG highlights for the 2022 fiscal year are the following:

Environmental

- Continued to deliver on the Bank's TCFD roadmap. More information on the Board oversight of climate-related strategy, risks, objectives and disclosures can be found in the Bank's ESG Report, including the TCFD appendix, to be released in March 2023.
- Enhanced the Bank's GHG Emissions disclosures, including improvements to Scope 1 & 2 GHG emissions data availability and the estimation of one financed emissions asset class using the PCAF methodology. The Bank has set a GHG reduction target of 35% by 2030 from a 2022 baseline for our Scope 1 and 2 GHG emissions.

- Published the Bank's inaugural Sustainable Bond Framework.
- Increased the Bank's role in the green and social bond market and continued to expand the Bank's ESG product offering to meet growing customer demands.
- Continued to support renewable energy in Canada by choosing green electricity for its Montréal and Toronto corporate offices, through the Bank's partnership with Bullfrog Power, Spark Power's sustainability division.

Social

- Implemented a new Equity, Diversity & Inclusion (ED&I) Policy for all employees and the Board.
- Developed a new Giving Beyond Numbers™ community giving and engagement strategy which directs the Bank's support towards organizations focused on the economic inclusion of newcomers and refugees, as well as those whose mission is to combat economic inequities impacting underrepresented groups.
- Continued to support our three Employee Resource Groups (ERG) – the Laurentian Bank Black Employee Network (LBBEN), StrongHer for women and allies, and the PRIDE ERG for the 2SLGBTQIA+ community to create a safe space for diverse team members to share stories and learn from each other.
- Listened to employees and acted on their feedback, resulting in an increase in employee engagement by 3 points to 77% and maintaining a high level of trust, at 89%.
- Signed a partnership with Pride at Work Canada, an organization that helps employers to build workplaces that celebrate all employees regardless of gender expression, gender identity, and sexual orientation.

Governance

- Established an Environmental and Social Risk Management group with a mandate to develop and implement an E&S risk management framework, policies, processes and governance to proactively identify, assess, manage, and report on these risks.
- Reviewed and updated key governance policies including Whistleblower Policy and the Disclosure Policy and added a new Legal Risk Policy. Public summaries of key ESG-related policies can be found in the *Your Bank* section of Laurentian Bank's website at: www.laurentianbank.ca/en/about_lbc/my_bank/policy_disclosures.html.
- Continue to maintain equal gender representation among the Bank's independent Board members.
- Implemented robust governance and project management of the Bank's ESG functions:
  - The Executive Committee of the Bank provides strategic guidance on ESG pillars, and ED&I and ESG targets are included in all leaders' scorecards.
  - The Corporate Risk Committee monitors and oversees the management of all material risks of the Bank, including environmental, social and climate-related risks.

Director Expertise on ESG

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

Refer to the biographies at page 12 of this Circular under the section *Director Nominees,* and the matrix under the section *Competencies and Expertise* at page 17 of this Circular.

2.4 Cybersecurity is a Priority.

The Board understands the importance of effectively and proactively prioritizing the management of risks associated with technology and cybersecurity to defend the Bank against a growing risk environment and emerging cyber threats. As the Bank refined its approach, 5 key priorities were identified: (1) education and awareness, (2) data protection, (3) identity and access management, (4) vulnerability management, and (5) incident response.

This year, the Board received an overview of the focus on technology and recurrent updates were provided on the strategic roadmap and the assessment of the Bank's risk environment related to technology.

In addition, the Risk Management Committee addressed various dimensions of cybersecurity risks and their potential impact on the organization at each meeting, namely the cyber-threat landscape, cybersecurity response, oversight and remediation, supplier control, technology resiliency, data mapping and protection, business continuity, key systems and tools as well as cybersecurity insurance. The Risk Management Committee also received regular Information Technology report updates from management.

2.5 About the Board.

Role and Mandate of the Board and its Chair

The Board is responsible for oversight of the business and affairs of the Bank, including the Bank’s strategic planning and direction, identifying the principal risks of the business and ensuring the implementation of systems to manage risk, succession planning and creating a culture of integrity throughout the organization. The Board discharges its responsibilities directly and through the committees of the Board: the Audit Committee, the Risk Management Committee, and the HRCG Committee.

The Board and each committee of the Board operate under a formal mandate setting out purpose, organization, duties, and responsibilities. Each mandate is reviewed, and if necessary, updated on an annual or more frequent basis. In addition, a comprehensive list of directors’ obligations under the *Bank Act* (Canada), OSFI Guidelines, and Canadian securities laws has been documented and cross-referenced against the mandates of the Board and each of its committees to ensure that the Board fulfills all of its obligations. Mandates for the Board, Chair of the Board and Committee Chairs and each committee are available in the *Corporate Governance* section of the Bank's website at www.laurentianbank.ca/en/about_lbc/my_bank/governance.html.

The Chair of the Board is responsible for the management, development and effective performance of the Board and provides leadership in every aspect of the Board’s mandate. The relationships between the Board, Management, shareholders and other stakeholders are critical to the Board’s ability to fulfill its responsibilities. The Chair, as the Board’s presiding member, ensures that these relationships are effective, efficient and further the best interests of the Bank.

In fulfilling its responsibilities, the Board delegates day-to-day management and authority to Management, while reserving the ability to review management decisions and exercise final judgment on any matter. In 2021, the Board amended its Board Governance Policy, which sets out the responsibility of the Board for the stewardship of the business of the Bank. The Board Governance Policy provides shareholders and other stakeholders with a clear vision of the Board’s governance policies and practices and can be found on the Bank's website. The Board has a *Directors Code of Conduct*, Board and committee mandates, position descriptions for key Management roles, and various policies, including those relating to equity, diversity, and inclusion, majority voting and membership on other boards, with respect to the Board's internal governance.

Size of the Board

The number of nominees proposed for election at the meeting has been set at 11 for this year. Pursuant to the Bank's by-laws, the Board shall consist of no fewer than 7 and no more than 13 directors.

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

Directors are elected for a term of one year. Between annual shareholder meetings, the Board may appoint additional directors, within the limits allowed by the *Bank Act* (Canada) and the Bank's by-laws. The HRCG Committee reviews annually the size of the Board and recommends changes in size and composition to the Board when appropriate.

Composition of the Board

The HRCG Committee considers and decides what skills and competencies the Board requires and assesses the skills of current Board members to identify and recommend suitable candidates. Additional information about Board competencies is described under the *Competencies and Expertise* section of this Circular.

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

Key Position Descriptions

In addition to the mandates described above, the Board has developed a written position description for the President and CEO which can be found in the *Corporate Governance* section of the Bank's website at www.laurentianbank.ca/en/about_lbc/my_bank/other_related_documents.html, and which is incorporated by reference into this Circular.

The President and CEO is responsible for directing and overseeing the effective management and operations of the Bank, within the authority delegated by the Board, and in compliance with applicable laws and regulations.

The Board has developed position descriptions for other key oversight functions of the Bank, including the Chief Financial Officer, Chief Risk Officer, Chief Human Resources Officer, Chief Compliance Officer, Chief Anti-Money Laundering Officer, Chief Privacy Officer, Chief Internal Auditor, Chief Information and Technology Officer, Chief Legal Counsel and Treasurer.

Conduct and Culture

The Board champions the highest standards of ethical conduct to ensure that the Bank operates with integrity and in full compliance with all applicable laws and regulations, to maintain the trust of the Bank's customers, shareholders, investors, employees and the community. Together with the executive team, the Board sets the tone at the top and is responsible for fostering an open and transparent culture that is aligned with the Bank's values. Accordingly, the Board has adopted a *Directors' Code of Conduct* as well as a *Code of Ethics* that applies at all levels of the Bank (collectively the **Codes**), which are available on the Bank's website under the section *Laurentian Bank's Policies* at the following link https://www.laurentianbank.ca/en/about_lbc/my_bank/policy_disclosures.html.

Both Codes were reviewed during the year to ensure they remain rooted in the Bank's values, appropriately outline the Bank's expectations for ethical behaviour and are aligned with evolving best practices. All officers, employees and directors must confirm that they have received, complied and will continue to comply with the applicable Code on an annual basis.

The Board acts in accordance with the *Directors' Code of Conduct*, which incorporates by reference the *Code of Ethics*, both of which are overseen by the HRCG Committee. The HRCG receives regular reports from the executive team with respect to the *Code of Ethics*.

To ensure ethical and independent decision-making by the Board, the *Directors' Code of Conduct* provides general guidelines on conflicts of interest and related obligations in the event that a conflict should arise. On an annual basis, directors agree, in writing, to comply with the Bank's conflict of interest standards. They must avoid all real, potential or apparent conflict of interest situations with the Bank. Where conflicts of interest arise, directors must, as soon as possible and in accordance with applicable legislation, disclose the nature and extent of the conflict in writing or by requesting to have it entered in the minutes of the meeting. They are required to recuse themselves from any discussions and refrain from voting on the matter relating to the conflict, barring certain exceptions provided for by applicable legislation. To ensure full disclosure, the Corporate Secretariat regularly receives confirmation from the directors as to whether or not any conflicts of interest exist.

The Board has a *Policy on Background Checks of Directors and Officers* under which the Bank conducts background and reference checks for all director nominees, prior to initial election and at least every 5 years thereafter in accordance with guidelines issued by OSFI. The Bank conducts periodic assessments to identify changes in status within professional organizations, records of criminal convictions and regulatory or civil proceedings, current or potential conflicts of interest, as well as the financial situation of each director.

The Board also has a policy on related party transactions. In the event a director or executive officer has a material interest in any transaction or agreement considered by the Board or any Board committee, such interest must be declared and recorded in the minutes of the meeting, and the director or executive officer must vacate the meeting while the transaction or agreement is being discussed. The Risk Management Committee is responsible for ensuring related party transactions are disclosed and reviewed in accordance with *Bank Act* (Canada) requirements.

Director Independence

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

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

Of the 11 directors nominated for election, the Board has determined that 10 directors are independent, as that term is defined in National Instrument 52-110 - *Audit Committees* (**NI 52-110**). Only Rania Llewellyn is not independent resulting from her position as President and CEO of the Bank.

The Board has also established procedures to enable it to function independently of management. The Board's independent Chair allows the Board to operate autonomously of management and provides leadership to the independent directors. In addition, all committees of the Board are comprised only of independent directors.

To facilitate an open and candid discussion among independent directors, a portion of every Board and committee meeting, including special meetings, is reserved for independent directors to meet *in camera* without management or non-independent directors present. As a result, *in camera* sessions are held at every Board and committee meetings without management, including special meetings.

Outside Board Memberships and Board Interlocks

The Board and the Bank are sensitive to the number of boards of directors and committees on which its directors sit and monitors those outside boards to determine if there are circumstances that would impact a director's ability to exercise independent or impartial judgment with respect to the Bank's affairs and to ensure that each director has enough time to fulfill their commitments to the Bank's board.

The HRCG Committee, in assessing director nominees considers other commitments of the proposed directors. Directors must devote sufficient time and energy to effectively discharge their duties to the Bank and the Board. The Board Chair will take each director's participation and active involvement at Board and Committee meetings into account when evaluating their performance. Board members are expected to attend all board meetings and meetings of committees of the Board on which they serve. Each director's attendance at, and preparation for, Board and committee meetings is considered by the HRCG Committee when recommending director nominees. The Board held 6 regular meetings and 1 special meeting during the 2022 fiscal year. During each meeting, the independent directors met in camera in the absence of management.

The Bank limits the number of directors that may sit on the same board of another reporting issuer to 2, unless the prior consent of the Chair of the Board is obtained. Currently, none of the director nominees sit on the same board of another reporting issuer.

Orientation and Director Education

The Board has a formal orientation process to help new Board members understand their role, the Bank's strategic orientation and positioning in the market, and the Board's areas of focus. Directors:

- receive foundational information about the Bank, including its organizational structure, its constating documents, Board and committee mandates, all Board governance policies and frameworks and applicable Bank policies;
- participate in an orientation program designed to familiarize them with the Bank and their obligations and responsibilities as directors; and
- meet with the Board Chair, the Bank's President and CEO and various executive officers and leaders of oversight functions to understand the Bank's business, strategy, operations, initiatives, and risk management framework.

Directors have access to all Board and Committee materials and a virtual resource centre. Directors are encouraged in their first year to participate in all committee meetings to promote the development of their knowledge of the Bank's affairs.

All directors receive presentations during regularly scheduled Board and committee meetings to enhance their understanding of key aspects of the Bank's business as well as risks and opportunities affecting the industry. All members of the Board participate in a full-day training session annually for the opportunity to go deeper and explore topics of interest to the Board.

Annually, directors evaluate the quality of the training and provide input on developing future programs. This approach provides the Board with the opportunity to proactively address any knowledge gaps and allows the Bank to provide more focused and valuable sessions.

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

Succession Planning and Term Limits

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

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

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

In 2022, the Board also focused on Board succession planning as a component of its Board renewal initiatives. For certain key roles the Board may also form a special committee to conduct recruitment.

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

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

Annual Evaluation

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

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

- each year, Board members complete an effectiveness assessment about the operations of the Board and its members;
- the Board Chair meets with all Board members to discuss the effectiveness assessments; and
- the HRCG Committee Chair reports to the HRCG Committee and to the entire Board with respect to the conclusions of the assessment process and makes recommendations on potential improvements.

2.6 Board Committee Reports.

The Bank's Board has 3 committees — the HRCG Committee, the Audit Committee and the Risk Management Committee, each composed exclusively of independent directors. Committee members meet regularly *in camera*, in the absence of Management. Members also regularly meet *in camera* with the officers in charge of oversight functions (Chief Human Resources Officer, Chief Financial Officer and Chief Risk Officer, Chief Internal Auditor, Chief Compliance Officer, among others). The Board may create special committees in performing its duties, and delegate responsibilities to them as it deems appropriate. Under the *Bank Act* (Canada), the Bank's Board of Directors is required to have an Audit Committee, a Conduct Review Committee and a committee reviewing consumer protection matters. The mandate of the Board's Risk Management Committee includes the responsibilities that must be discharged by the Conduct Review Committee and the committee reviewing consumer protection matters.

The following reports describe the activities and accomplishments of each of the Board's committees for the most recently completed fiscal year.

Audit Committee Report

Members

Michael Boychuk, **Chair**

David Mowat

Michelle Savoy

Susan Wolburgh Jenah

Nicholas Zelenczuk

100% attendance in 2022

6 regular meetings

0 special meeting

100% independent

Within the meaning of NI 52-110

100% financially literate

Each member can read and understand a set of financial statements that are comparable in scope and complexity to our financial statements, which is consistent with the meaning set out in NI 52-110.

The Audit Committee is primarily responsible for overseeing the integrity of the Bank's financial reporting, compliance, standards for ethical behaviour, internal control functions as well as the work of the Bank's internal and external auditor. In addition, the Audit Committee is also responsible for overseeing the climate-change related disclosure as part of the Bank's financial reporting of ESG matters, the qualifications and independence of the external auditor and the work of the Bank's financial management and external auditor in these areas.

The Audit Committee reviews and recommends to the Board for approval, the Bank's annual and interim consolidated financial statements and related management's discussion and analysis and selected disclosure documents, including information pertaining to the Audit Committee contained in the Bank's AIF and any other financial information required by regulatory authorities, in each case, before they are released to the public or filed with the appropriate regulators.

In accordance with NI 52-110, the Audit Committee ensures that there are procedures in place for the receipt, retention and treatment of complaints received by the Bank regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters. In this regard, the Bank has established a *Whistleblower Policy* outlining such confidential reporting process.

The members of the Audit Committee met on a quarterly basis with the officers with oversight functions (Internal Audit and Chief Financial Officer) and with the External Auditor in the absence of management. The members of the Committee also met *in camera* in the absence of management at all meetings.

External Auditor

- Initiated in January 2023 a tender process in relation to the engagement of the Bank's external auditor for the 2024 fiscal year.
- Monitored the Bank's external auditor's engagement throughout the year.
- Reviewed and approved the 2022 Audit Plan as well as detailed information regarding key audit and accounting issues pertaining to the annual audit, and their quarterly reports pertaining to the review engagements.
- Performed the annual assessment of the external auditor, including audit quality considerations, auditor independence, fees, objectivity and professional skepticism. Also performed the annual assessment of the quality of the engagement team provided by the external auditor and the Canadian Public Accountability Board inspection findings. Based on its evaluation, the Audit Committee recommended to the Board of Directors the appointment of the external auditor.
- Reviewed the Policy on Approval of Services Provided by External Auditors. Further details on the auditor's fees for the last fiscal year can be found under the section *Appoint the Bank's Auditor* of this Circular.

Internal Audit Function

- Reviewed and approved the mandate and audit plan of the Internal Audit function and ensured the sufficiency of its resources. It also examined the main findings, recommendations and follow-ups related to the audit Plan, as well as the internal auditor's opinion on internal controls.
- Met on a quarterly basis with the Bank's internal auditor, including in the absence of management, to discuss all aspects of its mandate and any related issues.
- Reviewed the independence and performance of the Chief Internal Auditor and the Internal Audit function for 2022 and the Internal Audit function's budget for fiscal 2022, including staffing complement.
- Reviewed and approved the 2022 Internal Audit Charter.

Financial Information

- In accordance with its mandate and the Bank's Financial Information Disclosure Policy, the Audit Committee reviewed, and recommended for approval by the Board, the Bank's Consolidated Financial Statements prepared in accordance with IFRS and related MD&A, financial releases, and the AIF.
- Reviewed and approved the mandate of the CFO and assessed the role's effectiveness.
- Reviewed the mandate and position description of the Corporate Treasurer.
- Reviewed, and recommended for approval by the Board, earnings releases on quarterly and annual results.
- Reviewed the annual financial statements of the subsidiaries regulated by OSFI.
- Reviewed and approved the financial statements of the Bank's various pension plans.
- Reviewed the loans which exceed ½ of 1% of the regulatory capital of the Bank, where a loss to the Bank has occurred.
- Reviewed and recommended for approval by the Board an increase of the quarterly dividend on the common shares, the new Covered Bond Program, the Limited Recourse Capital Notes issuance and the payment of coupons on the Limited Recourse Capital Notes.
- Reviewed and approved the Audit Committee's revised mandate.
- Reviewed and recommended to the Board the approval of the Bank's revised Disclosure Policy.

Internal Controls

- Ensured that management had implemented and maintained appropriate internal control procedures, including internal control over financial reporting. During the year, the Audit 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, 2022.
- Reviewed a letter of certification from management covering all of the Bank's operations for the fiscal year ended October 31, 2022 and for each of the quarters of fiscal 2022.

Regulatory Authorities

- On an ongoing basis, the Audit Committee ensured that proper consideration was given to the recommendations and questions raised by the regulatory authorities, including reports on significant legislative and regulatory developments, significant litigation, compliance with banking law and regulatory matters, material transactions with related parties, and the Bank's whistleblowing regime.
- Reviewed reports from management regarding the Bank's regulatory capital ratios.
- Reviewed reports from the Chief Internal Auditor on the handling of complaints, investigations and comments about suspicious accounting and audit-related activities.
- The Audit Committee, along with the other members of the Board, met with representatives of OSFI in the absence of management.

Michael T. Boychuk, Chair of the Audit Committee

Human Resources and Corporate Governance Committee Report

Members

David Mowat, **Chair**
Sonia Baxendale
Andrea Bolger
Suzanne Gouin
Michelle Savoy
Susan Wolburgh Jenah

100% attendance in 2022

7 regular meetings
1 special meeting

100% independent

within the meaning of NI 52-110.

The HRCG Committee is responsible for overseeing the administration of the Bank's equity compensation plans, assists in the discharge of the Board's responsibilities relating to the compensation of certain of the Bank's executives, reviews and makes recommendations on director and executive compensation, including the compensation package of the chief executive officer, and is responsible for approving the Bank's report on executive compensation, as required by applicable securities laws. The HRCG Committee oversees key culture and human resources strategies, including employee engagement, employee health and well-being, equity, and diversity and inclusion. It also serves as the Board's nominating committee and oversees the Board assessment process.

Moreover, the HRCG Committee is responsible for developing the Bank's approach to corporate governance issues and is charged with enhancing the Bank's governance. As part of its mandate, the HRCG Committee reviews and evaluates the Bank's governance practices against the standards set by OSFI and other regulatory authorities, as well as Canadian best practices in order to continue to meet the Board's objectives. The HRCG Committee regularly reports to the Board to ensure that important governance matters are considered and emerging best practices, where appropriate, adopted. It also ensures that the Bank's strategies and organizational culture integrate environmental, social and governance principles.

The mandate of the HRCG Committee also includes reviewing the size and overall composition of the Board with a view to assisting the Board in determining whether it is appropriate to undertake a program to increase or decrease the number of directors of the Bank, reviewing proposed new nominees to the Board and reviewing and assessing, on a periodic basis, the performance and contribution of the directors of the Bank.

The members of the Committee met on a quarterly basis with the officers charged with oversight functions (President and CEO, and CHRO) to discuss all aspects of their respective mandates and related issues. The members of the Committee also met *in camera* in the absence of management at all meetings, including special meetings.

Human Resources

- Reviewed and approved the Bank's Compensation Policy, executive compensation practices and program design to continue to retain and attract talent, the main provisions of which are presented in the *Executive Compensation* section of this Circular.
- Reviewed the Senior Leadership Total Compensation Program and approved the new compensation philosophy, which set guiding principles to tie compensation with our strategy.
- Updated our peer group to review the competitiveness of executive compensation levels.
- Reviewed and determined, in conjunction with the Risk Management Committee, that the Bank's current compensation programs continue to be aligned with the Bank's Risk Appetite Framework, the Financial Stability Board's Principles for Sound Compensation Practices, and OSFI's requirements.
- Reviewed and recommended changes to the organizational structure of the Bank to the Board.
- Reviewed and approved the mandates for key executive roles including control function heads.
- Reviewed the compensation of each member of Executive Management, received the reports of an independent compensation consultant to the Committee, and made recommendations to the Board.
- Reviewed annual performance information and reported to the Board its conclusions on variable pay compensation for Executive Management, including individual performance and retention awards. A detailed report on these subjects can be found in the *Executive Compensation* section of this Circular.
- Reviewed and made recommendations to the Board for approval of the short-term incentive awards in respect of fiscal 2022, as described in the *Executive Compensation* section of this Circular.
- Reviewed and made recommendations to the Board for approval of long-term incentive awards, including option and restricted share units pursuant to the Bank's long-term incentive plans.
- Approved the employee salary budget for 2023.
- Reviewed together with the Board the talent management report and succession plan.
- Recommended enhancements to the Bank's disclosure as described in the *Executive Compensation* section of this Circular, in accordance with industry and corporate governance best practices.

Pension Plan

- Administered and reviewed the Bank's pension plans, including performance of such plans, and made recommendations to the Board for approval of the closure of the defined benefit plan for new employees and the adoption of the defined contribution plan.
- Reviewed and approved to engage in the process of annuity purchases for all pension plans (retirees part) for a maximum capital cost of 15 bps.

Corporate Governance

- The Chair met with shareholders, shareholder advocacy groups and advisors to discuss the Bank's compensation program and practices.
- The Committee received reports on shareholder engagement activities and outreach.
- Reviewed the compliance reports on background checks on directors and senior management, as required by OSFI's E-17 Guideline.
- Oversaw the Board self-assessment process administered by an external advisor, to evaluate the effectiveness of the Board of Directors, the committees and their members. Further information on this process can be found in the *Annual Evaluation* section of this Circular.
- Monitored the preparation of this Circular.
- Reviewed the composition of the Board and each of its Committees, taking into consideration the current strengths, skills and experience on the Board, the planned retirement of Board members and the strategic direction of the Bank, and in consultation with the Chair of the Board, made recommendations relating to Board and Committee renewal, including the selection of director nominees, as is more fully described in the *Composition of the Board* and *Director nominees* sections of this Circular.
- Reviewed the updates made to recent regulatory and governance changes and recommended to the Board changes to the Bank's governance practices.
- Reviewed and recommended to the Board the approval of the employee Code of Ethics.
- Reviewed and recommended to the Board the approval of the Directors Code of Conduct.
- Reviewed and recommended to the Board for approval the Board Governance Policy, Board and Employee Diversity Policies, Oil & Gas Public Statements and the Responsible Marketing Policy.
- Reviewed and recommended to the Board the approval of Board and Committees mandates, including the addition of environmental and social responsibility.
- Reviewed and recommended to the Board the approval of the Board Chair, President and CEO, CLO and CHRO position descriptions.
- Reviewed and recommended to the Board the approval of the Board conflict management process.
- Recommended to the Board changes to the Bank's governance practices
- Reviewed and recommended to the Board the approval of the revised director compensation program.

David Mowat, Chair of the Human Resources and Corporate Governance Committee

Risk Management Committee Report

Members

Sonia Baxendale, **Chair**

Andrea Bolger

Michael T. Boychuk

Suzanne Gouin

Nicholas Zelenczuk

100% attendance in 2022

6 regular meetings

0 special meeting

100% independent

within the meaning of NI 52-110.

The Risk Management Committee is primarily responsible for risk oversight and advising executive management on highly sensitive matters and strategic issues as they relate to the Bank's risk appetite framework.

This committee is also responsible for identifying the Bank's principal risks and ensuring the implementation of systems capable of managing them appropriately. It approves material frameworks, plans and policies and ensures the integrity and effectiveness of internal controls and systems. In addition, the Risk Management Committee oversees regulatory risk management and ensures the Bank's Management has established appropriate mechanisms for compliance with various laws and regulations including requirements under the *Bank Act* (Canada).

As part of its oversight of enterprise-wide risk, the Risk Management Committee is also responsible for overseeing the identification of new and emerging risks, including those associated with environmental and social issues.

Under the *Bank Act* (Canada), the Board is required to have 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 Risk Management Committee is responsible for oversight of transactions with related parties, which refers to transactions between the Bank and its directors and senior officers as defined under the *Bank Act* (Canada). The Risk Management Committee has established procedures to ensure that the any related party transactions are conducted under terms and conditions that are at least as favourable to the Bank as market terms and conditions and otherwise carried out in accordance with requirements under the *Bank Act* (Canada).

The committee met on a quarterly basis with the officers charged with oversight functions in the absence of management to discuss all aspects of their respective mandates and related issues. The members of the Committee also met *in camera* in the absence of management at all meetings, including special meetings if any.

Risk Oversight

- Oversaw market risk exposures.
- Oversaw aggregate credit profile and appetite.
- Reviewed and approved the Bank's significant financial and non-financial risks.
- Reviewed and approved significant industry, market and portfolio risks and limits.
- Reviewed quarterly risk reports on the Bank's risk profile, and discussed the top and emerging risks.
- Dedicated significant time to oversee technology, cybersecurity, climate change and operational risks.
- Met with executives to discuss risk considerations, exposures and commercial initiatives relative to their strategies and plans.
- Received regular updates on the regulation regarding capital and liquidity risk governance, including the implementation of the new capital rules (Basel III).
- Monitored the implementation of the advanced internal rating-based approach.
- Received the Client Complaints Appeal Office annual report (formerly the Ombudsman).
- Reviewed the Bank's resolution and recovery plans and received reporting on recovery plan testing.
- Reviewed changes to the insurance program, including cybersecurity.
- Reviewed quarterly reports on litigation matters.
- Reviewed the Capital Adequacy report (ICAAP).
- Oversaw the implementation of Bill C-86 consumer protection governance framework.
- Reviewed and approved the committee's mandate.
- Approved mandates for the CRO, CCO, Chief Privacy Officer, CAMLO, Chief Information Technology Officer and Head of Operations.

Risk Appetite Framework

- Reviewed the enterprise risk appetite framework and its alignment with the Bank's strategic plan, and recommended this, along with an enterprise-wide risk management framework, to the Board for approval.
- Reviewed significant risk management frameworks, including with respect to cybersecurity.
- Reviewed and approved the Bank's recovery plan.
- Reviewed the IT Governance Framework and the IT Security Plan.
- Received reports from the Chief Privacy Officer and the Chief Internal Audit as well as reports on related party transactions.
- Reviewed and recommended to the full Board target operating levels for Capital Ratios consistent with the business strategy and risk appetite.
- Reviewed and approved the assumptions used for capital stress-testing scenarios.

Risk Culture

- Received updates on evolving regulatory expectations surrounding risk culture.
- Reviewed the Bank's risk culture initiatives including strengthening business compliance capability, oversight of reputational risk, third party supplier risk, and evolving the Bank's culture.
- Reviewed regular reports about the Bank's regulatory compliance program prior to this responsibility being transferred to the Audit Committee.
- Received reports on OSFI's findings and recommendations.

Compensation Risk

- Coordinated with the HRCG Committee in the review of key elements respecting the Bank's executive compensation program, including plan design, targets, metrics and potential payouts; risks associated with executive compensation, incentive plans, business performance factors and incentive awards.
- Concluded with the CRO that no adjustment was required as risks were within the Bank's appetite.

Oversight of Risk and Anti-Money Laundering Functions

- Reviewed regular reports about AML and anti-terrorist financing programs.
- Reviewed the mandates of the CRO, the CCO and the CAMLO and assessed each officer's effectiveness and performance.

Conduct Review

- Reviewed the decisions of the Bank’s Conduct Review Committee to ensure their reasonability.

Sonia Baxendale, Chair of the Risk Management Committee

2.7 Engaging with Shareholders and Other Stakeholders.

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

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

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

2.8 Disclosure Policy.

During the year the Board reviewed and updated the Bank's Disclosure Policy which describes its policies and procedures relating to the treatment and dissemination of material information. The Disclosure Policy designates certain employees as authorized spokespersons of the Bank and establishes disclosure guidelines for how the Bank will make timely, accurate, factual, and balanced disclosure of material information so as to keep its investors and other interested parties fully and equally informed about the Bank’s operations. The Disclosure Policy also includes various procedures designed to maintain the confidentiality of material information prior to its proper release; to avoid selective disclosure and information leaks; and to ensure that timely and accurate information is provided by the consolidated subsidiaries of the Bank to senior management of the Bank for inclusion in the Bank’s statutory disclosure documents. The Board and, as applicable, the Audit Committee and HRCG Committee, approve the statutory disclosure documents prior to their distribution to shareholders.

2.9 Trading in the Bank securities.

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

2.10 Advisory Vote on Executive Compensation.

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

We were pleased that in 2022, 88% of shareholder votes were in favour of the Bank's approach to executive compensation.

03 Executive Compensation.

3.1 A word from the Chair of the HRCG Committee.

Dear fellow shareholders,

We are proud of the work that has been undertaken and the progress made over the past year in human resources and governance practices.

One of the year's highlight was the HRCG Committee's role in the review of the Senior Leadership Total Compensation Program. In collaboration with the leadership team and external experts, the Committee approved a new Compensation Philosophy, aligned with the values and culture that underpin of the Bank's strategic plan. The Committee undertook a thorough review of its compensation benchmarking process to ensure it meets the organization's current and future talent needs. The data sources and market references have been updated to best reflect our size and scope of operations.

The Bank also made key accomplishments regarding leadership, customer focus, employee engagement, ED&I, as well as employee mental health and well-being. These are foundational elements for successfully executing our strategic plan and their optimization is strongly aligned with stakeholders' interests and shareholder value.

Tying Executive Compensation to Strategy, Core Values and Purpose

The leadership team and the Board established clear priorities for 2023 and onward: Drive Shareholder Value, Strengthen the Core, Build on our Customer Focus and Create a strong Culture of Engagement and Leadership. Measuring performance and behaviours against these priorities creates a focus on our strategy.

When establishing the compensation philosophy, the working group set guiding principles to tie those priorities and strategies to our compensation framework. In comparison with other players in the industry, the Bank's Executive Compensation Program has more compensation at risk with a design to reward results and desired behaviours. The strategy is to instill a performance-oriented culture that attracts and retains leaders who deliver value for our customers and create value for shareholders. In 2022, for the second year in a row, the Bank exceeded its financial targets for the fiscal year, resulting in incentive payments above target.

To review the competitiveness of executive compensation levels, several market references are utilized to represent the Bank's talent pool. That pool has evolved over the past 2 years, with over 70% of new executives now coming from the large Canadian banks. Therefore, in addition to the Canadian financial services companies, the HRCG Committee also reviews size-adjusted data from the large Canadian banks. The Laurentian Bank's Executive Compensation Program is regularly assessed and during F2023, a review of our incentive and benefit plans will be undertaken.

Our Culture and Leadership Create Employee and Customer Engagement

We believe we can change banking for the better is Laurentian Bank's purpose. A culture of leadership and engagement is the backbone of successfully executing the organization's strategy.

Our CEO, Rania Llewellyn, is an exceptional leader and she has assembled an Executive Team and Senior Leaders who are not only experts in their fields: they are leaders who are fostering strong employee engagement through visible and inspirational leadership. Their style is to reach out to all levels of the organization, through in-person and virtual meetings, townhalls and Appreciation Events.

Last year, as the Bank evolved out of COVID-19, we stayed the course, executing on its strategic plan and ensuring that people and customers remained at the forefront. Notwithstanding the challenges COVID posed, Laurentian's 2022 Engagement index increased by 3 percentage points, and survey participation by 17 points. This is an important accomplishment, since building high customer satisfaction relies on having talented and engaged team members. Our leaders continue to drive cultural change through the One Winning Team approach that creates enterprise-wide accountability and a customer first culture, which in turn drives shareholder value.

One Winning Team – Built on Equity, Diversity and Inclusion

The Bank continued its long-standing support for ED&I this year. Currently, there are 6 nominees for election to the Board who are women, representing 55% of the Board, and 1 of the 3 Board committees is chaired by a woman. In addition, there are 3 directors, representing 27% of the Bank's Board nominees, who identify as members of a BIPOC group.

The HRCG Committee approved a new bank-wide ED&I policy and a Board ED&I policy, establishing targets for women and Under-Represented Groups which facilitates ongoing board diversity.

ED&I objectives are included in each of the leaders' scorecards and have a direct impact on their performance evaluation and compensation. In 2022, all ED&I objectives were met. When it comes to ED&I, inclusion is key. Through her own example, our CEO leads a continuous effort to reach out to all levels of the organization - through initiatives such as the Courageous Conversations, our Employee Resource Groups - and encouraging inclusive behaviours.

Additional details on ED&I are provided under the section *Our Commitment to Equity, Diversity and Inclusion* of this Circular.

We Support Employee Health and Well-Being

As a healthy, engaged workforce is one that creates shareholder value, the HRCG Committee also oversees initiatives that promote and support the health and well-being of the approximately 3,000 team members.

In 2022, all teams discussed work-life balance through a workshop on our flexible work model. This new flexible working model, where home office is the first approach for every task that can be performed remotely, will be a key factor in employee engagement and attraction of new talent. The flexible work model we offer, paired with our Work-Life Balance Key Principles, are key elements that drove the exceptional result of 87% of satisfaction in the Work-Life Balance section of the 2022 Voice of employee survey.

The mental health and wellness resources and programs, such as access to a virtual care platform and a wellness spending account are regularly promoted through corporate communications. These programs not only support employee wellness but their existence strengthens engagement and lowers the incidence of short-term disability cases.

Conclusion

The work of the HRCG Committee has been aligned to support the strategy, core values and purpose of the Bank. People are key drivers of successfully executing the strategy. Strong leaders create engaged team members, who create higher customer satisfaction, which in turn drives sustainable shareholder value. It is with this in mind that the HRCG Committee will continue its work in 2023.

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

Sincerely,

David Mowat, Chair of the HRCG Committee

3.2 Compensation Discussion and Analysis.

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

This section of the Circular presents a discussion of our approach to compensation including information about the compensation practices, market research, policies, and methods used in determining compensation, and detailed information regarding the structure and awards for the NEOs of the Bank:

- **Rania Llewellyn**, President and CEO
- **Yvan Deschamps**, EVP and CFO
- **William Mason**, EVP and CRO
- **Kelsey Gunderson**, EVP, Capital Markets
- **Éric Provost**, EVP and Head of Commercial Banking, and President of Quebec Market

3.3 Compensation Governance.

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

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

More information on the mandate of the HRCG Committee is provided in the *Corporate Governance* section of this Circular.

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

HRCG Committee

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

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

In 2022, David Mowat succeeded to Michelle R. Savoy as chair of the HRCG Committee. All members of the HRCG Committee are independent. Additional information regarding the HRCG Committee members standing for election as directors is provided in the *Director Nominees* and *Board Committee Reports* sections of this Circular.

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

Independent Advice

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

Advisor	Executive Compensation-Related Fees ($)		All Other Fees ($)	
	2022	2021	2022	2021
Hexarem	57,349	44,038	—	—

Summary of Compensation Policies and Practices

The Bank strives to inspire and engage employees to work as One team, instill a performance-oriented culture and create an equitable, diverse and inclusive environment where everyone belongs. We want that culture to be reflected in our executive compensation, to attract and retain leaders who are ready to deliver for our clients and create value for shareholders. We want to tie strategy, core values and purpose to our compensation framework, which must:

- Be effective to attract, and retain desired calibre of talent in a highly competitive market
  - Pay-for-performance is a key component of the compensation design. To compete for talent and to recognize the evolution of the Bank, Target total compensation will be positioned at the median of the market, with the flexibility to pay above the median for critical talent and high performers.
- Be resilient, which acknowledges the current transformation objectives
  - The compensation framework promotes sound risk-taking, supported by the Compensation Committee (CEO, CHRO, VP Total Rewards, HRCG Committee members, external consultants) which annually reviews the executive compensation program, to ensure reasonableness, sustainability and alignment with best practices, good governance and alignment with the Bank's talent and strategic ambitions.
- Retain focus on enterprise operational / financial results as One Team
  - We want the compensation framework to drive execution and contribute successfully to our growth, while encouraging team work.
- Align pay outcomes with behaviours and ESG priorities
  - To attract and retain the desired calibre of talent, we provide a market-based and competitive total compensation package that rewards leaders who demonstrate behaviours aligned with our core values and purpose.
- Provide relatively higher risk / reward profile of overall compensation package to align with new strategy
  - The Bank aims to provide relatively higher leverage and differentiation, based on results and desired behaviours. To deliver on our strategic plan, short to medium term results are critical to support the long-term vision.

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

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

What we do

- Provide shareholders with an opportunity to vote on an advisory *Say on Pay* resolution regarding the Bank's approach to executive compensation;
- Oversee the calculation of short- and long-term variable compensation based on complementary financial and non-financial metrics;
- Align the Bank's compensation programs with its corporate strategy through short- and long-term strategic goals;
- Ensure that a significant proportion of compensation is conditional on the performance of the Bank and the individual;
- Assess target compensation for executive officers with reference to an appropriate and representative peer group;
- Review the information on organizations used in the Bank's peer group for benchmarking purposes;
- Retain an independent compensation advisor to obtain necessary information about trends and best practices on compensation policies and programs;
- Tie a majority of senior executives' compensation to shareholders' return;
- Defer a substantial portion of incentives for employees whose actions may have a material impact on the Bank's risk profile to ensure they are accountable for decisions that may entail greater long-term risk;
- Link the vesting of long-term incentive awards to the achievement post-grant of long-term performance goals, with the result that approximately 70% of NEO and 75% of CEO target total direct compensation is at risk;
- Require substantial minimum share ownership at the senior management level, and for the President and CEO extending ownership requirements for 12 months following retirement;
- Include relative and absolute performance vesting conditions in the design of the PSUs;
- Require CEO and senior executives to achieve a minimum level of share ownership, reinforcing alignment with shareholders;
- Require the Bank's CEO to hold stock option gains, net of taxes, in shares for a minimum of 12 months;
- Test compensation awards for appropriate alignment between pay and performance under several outcome scenarios;
- Allow deferred vesting of share units until after retirement;
- Include clawback provisions in the Bank's compensation plans that allow the Bank to recoup incentive compensation payments;
- Subject equity incentives to a *double trigger* which means that vesting periods may only be accelerated if an executive is terminated without cause within 12 months after a change of control; and
- Cap annual incentive payouts and PSU payouts.

What we don't do

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

Compensation Peer Group and Benchmarking

As part of our current review of the executive compensation framework, the Bank completed a thorough review of its compensation benchmarking process, including data sources and market references.

As a publicly-traded, mid-sized bank in Canada, the Bank does not have one single robust sample of companies that matches its industry, size and scope of operations.

Recent past recruitment experience of executive roles indicated various talent markets, including financial services (banking, insurance, diversified financial services and financial technology), the large Canadian banks, and broader general industry organizations for corporate function roles. To review the competitiveness of executive compensation levels, several market references were collected and reviewed, intended to represent:

- Financial services in Canada;
- Size-adjusted data from the large Canadian banks; and
- General industry in Canada.

Financial services

The financial services sample (**Select Financial Services**) for the President & CEO and for the EVP & CFO roles was comprised of publicly-traded organizations, with market data collected from public filings – this is a modified sample of the group used in the past to benchmark executive pay.

Considerations when reviewing the universe of potential peer companies:

Company Structure	Industry, Size and Scope	Other Considerations
Canadian headquarters Publicly traded; and / or Large subsidiaries in Canada of global banking organizations	Select Financial Services industries including banking, specialized finance, life and health insurance, and diversified financial services Similar assets and market capitalization as the Bank (generally 1/3x to 3x)	Available disclosure of executive compensation data Peer companies included in the samples used for the Bank by ISS and Glass Lewis Peers of peer companies

Applying the screening criteria, the following changes were made to the sample for 2022:

- Retained (6): Canadian Western Bank, Equitable Group, Home Capital Group, HSBC Bank Canada, iA Financial Corporation, National Bank of Canada;
- Added (2): organizations that met the defined selection criteria, with similar size, scope, and complexity characteristics as the Bank (TMX Group Limited and Element Fleet Management); and
- Removed (6): Co-ops (Co-operators General Insurance and Desjardins Group), crown corporations (ATB Financial), holding companies (E-L Financial Corporation), non-banking subsidiaries (Sagen MI Canada) and organizations with a majority of operations outside of Canada (ECN Capital).

Market data for the financial services sample (**Broader Financial Services**) for other NEOs were collected from Korn Ferry's compensation database in Canada (Korn Ferry Pay).

Large Canadian banks

Over the past 2 years, the Bank's talent pool has evolved from smaller financial services companies to the larger Canadian banks, with over 70% of new executives coming from the large Canadian banks.

When comparing to the large Canadian banks, benchmark matches were level adjusted to reflect the size and scope of executive roles at the Bank. The President & CEO compensation was compared to size-adjusted Group Heads of personal and commercial banking (from public filings) and all executives at an EVP level. All other NEOs were compared to executives at an EVP and SVP level.

General industry

Market data was collected for a broad sample of organizations in Canada participating in Korn Ferry Pay. Details of the various market references:

	Select Financial Services	Large Canadian Banks	Broader Financial Services	General Industry
Source	Public Filings	Public Filings and Korn Ferry Pay	Korn Ferry Pay	Korn Ferry Pay
Screening criteria	Publicly traded	Large five Canadian banks	Banking, insurance and Broader Financial services Revenues greater than $500 million	All industries Revenues greater than $500 million
Sample size and peer group companies	8 companies: ▪ Canadian Western Bank ▪ Element Fleet Management ▪ Equitable Group ▪ Home Capital Group ▪ HSBC Bank Canada ▪ iA Financial Corporation ▪ National Bank of Canada ▪ TMX Group Limited	5 companies: ▪ Bank of Montreal ▪ The Bank of Nova Scotia ▪ Canadian Imperial Bank of Commerce ▪ Royal Bank of Canada ▪ The Toronto-Dominion Bank	Participating organizations in Korn Ferry Pay in Canada who meet the above screening criteria	
Benchmark matches				
President & CEO	CEO roles	Average-Size-adjusted Group Heads of personal & commercial banking and EVP level	--	--
EVP, CFO	CFO roles	Average of EVP and SVP levels	Roles within a similar range of Hay Points to the LBC roles	
Other NEOs	--	Average of EVP and SVP levels	Roles within a similar range of Hay Points to the LBC roles	

3.4 Named Executive Officer Compensation.

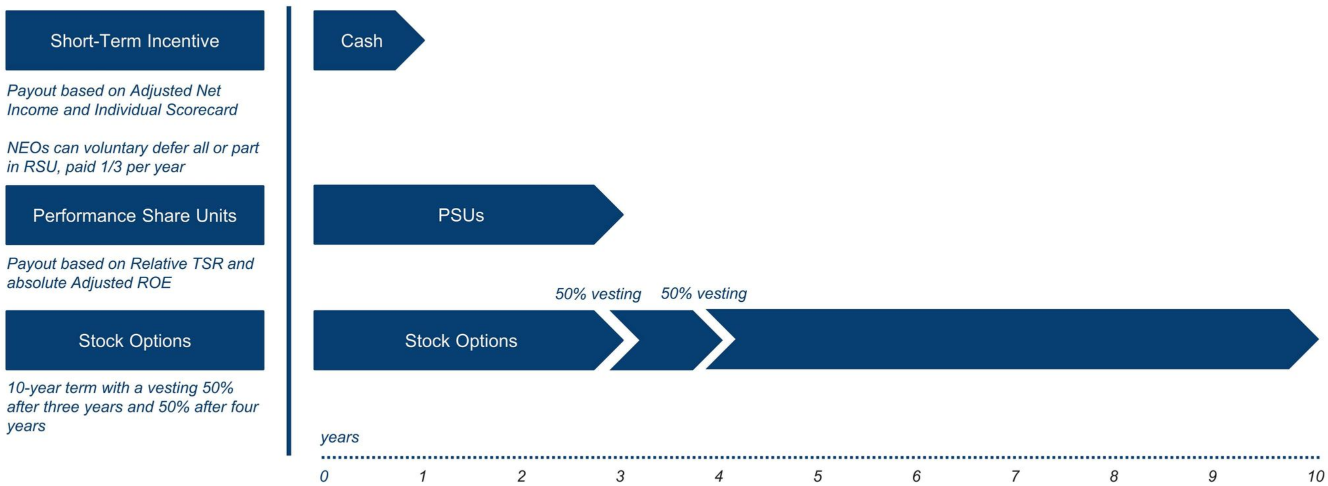
The Bank's target total direct compensation for NEOs, including the President and CEO, is comprised of the following:

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

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

The NEO incentive compensation program is designed to align pay with the interests of shareholders with an emphasis on long-term value creation. Short-term incentives link annual pay to a Financial Performance Factor, based on the Bank's adjusted net income relative to its target for the year, and an Individual Performance Factor based on the achievement of individual goals.

In fiscal 2022, the Bank's PSUs, which represent 70% of the long-term incentives granted to NEOs, are fully at risk over 3 years with no guaranteed minimum vesting. Half of PSU vesting is based on relative TSR against the XFN Financials Index Fund TSR. The other half of PSU vesting is based on adjusted ROE relative to the Bank's budget. Stock options represent 30% of the long-term incentive value granted to NEOs. The stock options vest 50% after 3 years and 50% after 4 years and tie realized NEO pay to shareholder return for up to 10 years.



Base Salary

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

- Performance and individual contribution;
- Responsibility level; and
- Demonstrated skills and experience.

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

Short-Term Incentive (STI)

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

In fiscal 2022, the payout under the program was calculated as follows:

STI Target	x	**Financial Performance Factor** *Between 0% and 150%*	x	**Individual Performance Factor** *Between 0% and 150%*	=	**Short-Term Incentive Compensation Payout** *Between 0% and 225%*

Short-Term Incentive (STI) Target

The STI targets are based on market practices and are represented as a percentage of base salary.

	Base Salary for STI calculation	2022 STI Target
Rania Llewellyn	$700,000	100%
Yvan Deschamps	$330,000	65%
William Mason	$380,000	80%
Kelsey Gunderson	$350,000	65%
Éric Provost	$350,000	65%

NEOs can voluntarily defer part or all of the STI into RSUs payable at a rate of one third per year.

Financial Performance Factor

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

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

The performance levels that applied for fiscal 2022 and the corresponding Financial Performance Factor for incentive compensation purposes are summarized in the following table:

	Adjusted Net Income [(1)] ($ millions)	Financial Performance Factor
Overarching Hurdle	< 133.2	0%
Between Hurdle and Threshold	Between 133.2 and 177.6	20%
Threshold	177.6	50%
Target	222.0	100%
Over-perform	233.1	120%
Maximum	244.2	150%

(1) Linear interpolation between levels, above the threshold. Adjusted Net Income is a non-GAAP financial measure and does not have any standardized meaning prescribed by GAAP and therefore, may not be comparable to similar measures presented by other companies. The most directly comparable financial measure that is disclosed in the primary financial statements of the Bank to which this measure relates is net income. See the section entitled *Non-GAAP Financial and Other Measures*, starting on page 28 of the December 8, 2022 MD&A filed on December 9, 2022, which is incorporated by reference herein. The MD&A may be found online on SEDAR at www.sedar.com.

2022 Results

Adjusted net income was $237.1 million for fiscal 2022, up 12% from last year. These results were driven by the strength of our underlying businesses, prudent approach to credit, disciplined cost management and the progress we are making on executing against our plan.

As per the 2022 STI Financial Performance Factor target, the adjusted net income for fiscal year 2022 triggered a factor at 131% of target. No discretionary adjustment was made by the HRCG Committee.

Individual Performance Factor

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

Individual performance assessment is based on a balanced scorecard that takes our 4 strategic pillars into account:

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

ESG performance objectives are included in each of the strategic pillars for all NEOs. ESG performance is included in performance evaluation and impacts compensation. In 2022, ESG performance objectives included:

- Continue implementation of ESG roadmap initiatives
- Development and update key ESG-related policies and procedures
- Improve the Bank’s ESG scores, including improving the Bank’s Sustainalytics ranking
- Build out detailed TCFD roadmap and related timelines
- Build out timeline and initiate calculation of Scope 3 financed emissions according to PCAF methodology
- Complete the Sustainable Bond Framework and related strategy
- Build diverse teams where everyone feels like they belong and implement Diversity & Inclusion targets
    - Increasing the percentage of women in leadership positions
    - Increasing the percentage of BIPOC Community members in leadership positions
    - Meet specific targets for the recruitment from Black, Indigenous and racialized communities

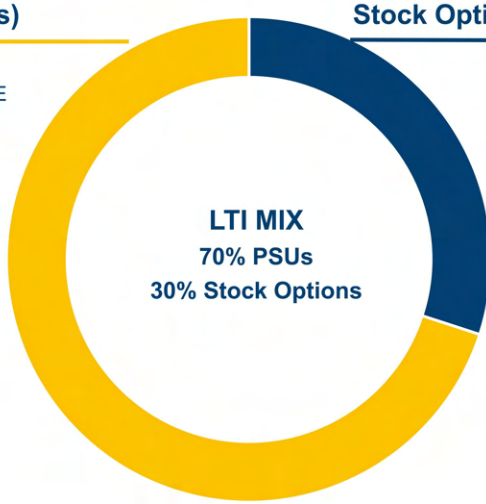
Long-Term Incentives (LTI)

The Bank's LTI program is comprised of PSUs and Stock Options and ensures alignment between executives' pay and the interests of shareholders with an emphasis on long-term value creation. The program is aligned with Canadian banking sector practices and sound governance standards.The HRCG Committee does not consider LTI the executive currently holds when determining new awards.

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

Performance Share Units (PSUs)

- Vesting based on two performance metrics: Relative TSR and absolute ROE
- Payout is capped at 150%
- Non-dilutive and settled in cash after three years if performance warrants
- Change of control provisions:
  - Double triggered acceleration
  - Based on actual pro-rated performance
- Subject to clawback provisions



Stock Options

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

Performance Share Units (PSUs)

	Base Salary at the time of grant	2022 PSUs Target (% of salary) (70% of individual LTIP Target)	2022 PSUs Target ($) (70% of individual LTIP Target)
Rania Llewellyn	$700,000	140.0%	$980,000
Yvan Deschamps	$310,000	106.1%	$328,755
William Mason	$380,000	109.2%	$414,960
Kelsey Gunderson	$350,000	106.1%	$371,175
Éric Provost	$325,000	106.1%	$344,663

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

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

Each performance measure is equally weighted and worth 50% of the PSUs performance vesting calculation.

For the PSUs granted in 2019 that vested in December 2022, the Bank has recorded a three-year TSR below the XFN - S&P/TSX Capped Financials Index Fund, resulting in a factor of 67.5% of target.

For the second component, the Bank has recorded an average adjusted ROE of 7.7% compared to a target of 8.5%, resulting in a factor of 76.5%.

The combined performance-based factor was 72% of target, which is based on the following targets established at the time of grant:

PSU Metric	Weight	Minimum	Target	Maximum
Relative TSR	50%	3-year average is 33% below index	3-year average is equal to index	3-year average is 17% above index
Adjusted ROE (1)	50%	3-year average adjusted ROE is equal to 5.1%	3-year average adjusted ROE is equal to 8.5%	3-year average adjusted ROE is equal to 10.2%

(1) Adjusted ROE is a non-GAAP ratio and does not have any standardized meaning prescribed by GAAP and therefore, may not be comparable to similar measures presented by other companies. Adjusted ratio is defined as adjusted net income available to common shareholders as a percentage of average common shareholders' equity. The most directly comparable financial measures that are disclosed in the primary financial statements of the Bank to which this measure relates are net income available to common shareholders and shareholders' equity. See the section entitled *Non-GAAP Financial and Other Measures* starting on page 28 of the December 8, 2022 MD&A filed on December 9, 2022, which is incorporated by reference herein. The MD&A may be found online on SEDAR at www.sedar.com.

This resulting performance-based vesting factor is well aligned with shareholder experience over the past 3 years and confirms the alignment between executives' pay and the interests of shareholders.

Prior performance vesting factors for PSUs that vested in December 2021 and 2020 were 58% and 75% of target respectively.

NEOs meeting the share ownership guidelines must choose to either participate in the PSU or the Deferred PSU (DPSU) version of the program.

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

Stock Option Plan

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

Stock options with no initial intrinsic value increase compensation risk for the Bank's senior executives. Furthermore, stock options lengthen the temporal horizon of the Bank's approach to executive compensation, with shareholder alignment over up to 10 years.

Stock Option Plan Features

Burn rate	The Bank has adopted a target to limit the annual burn rate to no more than 1.00% of outstanding shares.
Vesting provisions	The Board of Directors or, if the Board of Directors so decides by resolution, the HRCG Committee, may, in its sole discretion, determine the vesting provisions of the Stock Option Plan. It is currently intended that stock options granted will vest 50% after three years and the remaining 50% after four years.
Term	The option term will be determined, at the time of granting the particular option, by the Board of Directors or, as the case may be, the HRCG Committee, provided that such term shall not exceed 10 years.
Black-out period	In the event the expiration date of an option falls within a black-out period or within nine (9) trading days following the black-out period, such expiration date will be automatically extended to the tenth (10th) trading day after the end of the black-out period.
Performance criteria	Although the Board of Directors or the HRCG Committee, as the case may be, have the discretion to include performance criteria in the vesting provisions, stock options are not currently intended to be performance-based. However starting in fiscal 2019, 70% of participant's LTI is composed of non-dilutive at-risk PSUs based on relative TSR and absolute adjusted ROE.

Exercise price	Stock options cannot be granted below the market value of the Bank's share at the date of grant, such market value corresponding to the volume-weighted average price of the Bank's share on the TSX for the five (5) trading days preceding the date of grant. The price so determined will be rounded up to the next highest cent.
Financial assistance	The Bank does not provide for company loans to participants.
Cashless exercise	Under the Stock Option Plan, a participant may, in exercising his or her options, provide for payment of the underlying shares by way of selling, at the prevailing market price of the shares on the TSX at the time of such sale, the necessary number of shares issuable upon the exercise of his or her option, in order to pay the applicable exercise price with the resulting proceeds.
Individual grant limits	▪ The aggregate number of shares reserved for issuance at any time to any one participant should not exceed 5% of the issued and outstanding shares. ▪ The aggregate number of shares issued to any one insider within any one-year period should not exceed 5% of the issued and outstanding shares. ▪ The aggregate number of shares issued to insiders within any one-year period and issuable to insiders at any time under the Plan or any other proposed or established Share Compensation Arrangement should in each case not exceed 10% of the issued and outstanding shares.
Post settlement share holding requirement	The President and CEO must hold, after the exercise of stock options, Bank's shares with a value at least equal to the net aftertax gain resulting from the exercise of vested stock options, for a period of at least 12 months or, if longer, until the applicable share ownership requirements have been met.
Change in control provisions	Unless otherwise determined by the Board of Directors, in the event of a change in control, each option that is not converted into or substituted by an alternative award of the successor entity will be accelerated to become exercisable immediately prior to such change in control event. The Stock Option Plan contains double trigger provisions for the acceleration of vesting only in case of termination without cause or resignation for good reason within twelve (12) months after the change in control. Accordingly, each exercisable option or alternative award would remain exercisable for a period of twenty-four (24) calendar months from the date of termination or resignation for good reason (but not later than the end of the option term); and each non-exercisable option or alternative award would become exercisable upon such termination or resignation for good reason and would remain exercisable for a period of twenty-four (24) calendar months from the date of termination or resignation for good reason (but not later than the end of the option term). Any option or alternative award shall expire thereafter.
Participation	Officers, senior executives and other employees of the Bank or its subsidiaries are eligible participants, however non-employee directors do not participate in the Stock Option Plan.
Equity clawback provisions	The Stock Option Plan is subject to the Bank's clawback policy.
Assignability	Stock options are not assignable nor transferable by participants, whether voluntarily or by operation of law, except by will or by the laws of succession.
Repricing history	The Bank has no repricing history.

Cessation	Unless determined otherwise by the Board of Directors, options granted under the Stock Option Plan will expire at the earlier of the option's expiry date and: (i) ninety (90) days after the participant's resignation. Any unvested option at the time the participant ceases to be an employee of the Bank will be forfeited and cancelled; (ii) on the date the participant was informed by the Bank that his or her services are no longer required where such termination occurs for cause. Any option or unexercised part thereof will be forfeited and cancelled on such date; (iii) ninety (90) days after the participant was informed by the Bank that his or her services are no longer required where such termination occurs without cause. Any unvested option at the time the participant was so informed will be forfeited and cancelled; (iv) one (1) year after the participant's death. Any unvested option at the time of the participant's death will be forfeited and cancelled; and (v) five (5) years after a participant's retirement, including for options that become vested over such period of five (5) years, subject to relevant non-competition, non-solicitation and confidentiality provisions, as provided in Section 7.5.5 of the Stock Option Plan, which is available on the Bank's SEDAR profile at www.sedar.com. Should a participant breach any of the noncompetition, non-solicitation or confidentiality provisions, any unexercised vested options would be forfeited and the participant's unvested options would expire immediately. In the event a participant's employment is terminated by reason of injury or disability, any option granted to the participant may be exercised as the rights to exercise accrue.
Amendment provisions	Amendment provisions are aligned with market best practices and sound governance. The Board of Directors has the discretion to make amendments to the Stock Option Plan at any time without having to obtain shareholder approval, including, but not limited, to the following changes: ▪ Amendments of a "housekeeping nature"; ▪ Changes to the vesting provisions of any option; ▪ Changing the termination provisions of an option, which does not entail an extension beyond the original expiry date, except for extensions related to a black-out period; and ▪ Any adjustment to shares subject to outstanding options, for example in case of a subdivision, consolidation, reclassification, reorganization or other change of shares subject to the Stock Option Plan. The Stock Option Plan also provides that shareholder approval must be obtained for the following changes (in addition to any matters that may require shareholder approval under the rules and policies of TSX): ▪ Any change to the maximum number of shares issuable from treasury under the Stock Option Plan; ▪ Any reduction in the exercise price of granted shares or any cancellation of an option and substitution by a new option with a reduced price; ▪ Any extension of the option term beyond the original expiry date, except for extensions related to a black-out period; ▪ Extending the eligibility to the Stock Option Plan to non-employee directors; ▪ Allowing that options granted be transferable or assignable, other than by will or by the laws of succession; ▪ Any increase to the maximum number of shares issuable to insiders as a group or individually in a one (1) year period under the Stock Option Plan or any other proposed or established Share Compensation Arrangement, as defined in the Stock Option Plan; and ▪ Any amendment to the amendment provisions.

The 2022 annual stock option grants were allocated as follows:

	Number of Stock Options Granted in Fiscal 2022	2022 Stock Option Value Target (% of Salary) (30% of Individual LTIP Target)	2022 Stock Option Value at Grant Date ($) (30% of Individual LTIP Target)
Rania Llewellyn	70,000	60.00%	$420,000
Yvan Deschamps	23,482	45.45%	$140,895
William Mason	29,640	46.80%	$177,840
Kelsey Gunderson	26,512	45.45%	$159,075
Éric Provost	24,618	45.45%	$147,713

The following table outlines the Burn Rate, the Dilution and the Overhang for the past 3 years as of October 31, 2022, calculated using the TSX prescribed methodology.

	Plan	2022 (Note 1)	2021	2020 (Note 2)
Burn Rate Total number of stock options granted in a fiscal year, divided by the weighted average number of shares outstanding at the time of grants for the fiscal year	Stock Option Plan	0.8%	0.7%	1.3%
	Old Stock Option Purchase Plan	—%	—%	—%
Dilution Total number of stock options issued but not exercised, divided by the total number of issued and outstanding shares at the end of the fiscal year	Stock Option Plan	2.7%	2.1%	1.9%
	Old Stock Option Purchase Plan	0.1%	0.2%	0.2%
Overhang Total number of stock options available to be issued, plus all stock options outstanding that have not yet been exercised, divided by the total number of issued and outstanding shares at the end of the fiscal year	Stock Option Plan	7.8%	3.8%	3.8%
	Old Stock Option Purchase Plan	0.2%	0.3%	0.3%

Note 1: The 2022 overhang includes the additional Common Shares reserved for issuance under the Stock Option Plan approved at the 2022 Annual Meeting of Shareholders

Note 2: Including Ms. Llewellyn's special sign-on award, the total number of stock options granted in the fiscal year amount to a Burn Rate of 1.3%. However, given the departure of the former CEO and other executives, resulting in the cancellation of stock options granted in 2020, the real Burn Rate is 1.0%.

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

	Number of Securities to be issued upon Exercise of Outstanding Options, Warrants and Rights as at October 31, 2022 (Note 1)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights as at October 31, 2022 ($)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding securities reflected in the first column) as at October 31, 2022	Percentage of securities available for grant relative to the number of issued and outstanding securities, as at October 31, 2022
Old Stock Option Purchase Plan for the Officers of the Laurentian Bank of Canada and its Subsidiaries	50,759	38.97	53,279	0.1%
Stock Option Plan for the Officers of the Laurentian Bank of Canada and its Subsidiaries	1,154,275	38.18	2,223,713	5.1%

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

Pension Plans

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

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

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

Under the DC Plans, participants are entitled to employer contributions equal to 15% of the annual base salary with immediate vesting.

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

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

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

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

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

Benefit Plans and Perquisites

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

Minimum Share Ownership Level Requirements

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

Executive Level	Minimum Requirement
President and CEO	5x base salary
Executive Vice Presidents (including all NEOs)	2x base salary

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

- Common shares;
- RSUs; and
- PSUs.

Executives have 5 years as of their hire or promotion to reach the minimum share ownership requirement. If the minimum share ownership requirement has not been reached after 5 years, executives must participate in the deferred version of the PSU program until the requirement is met.

Risk Analysis

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

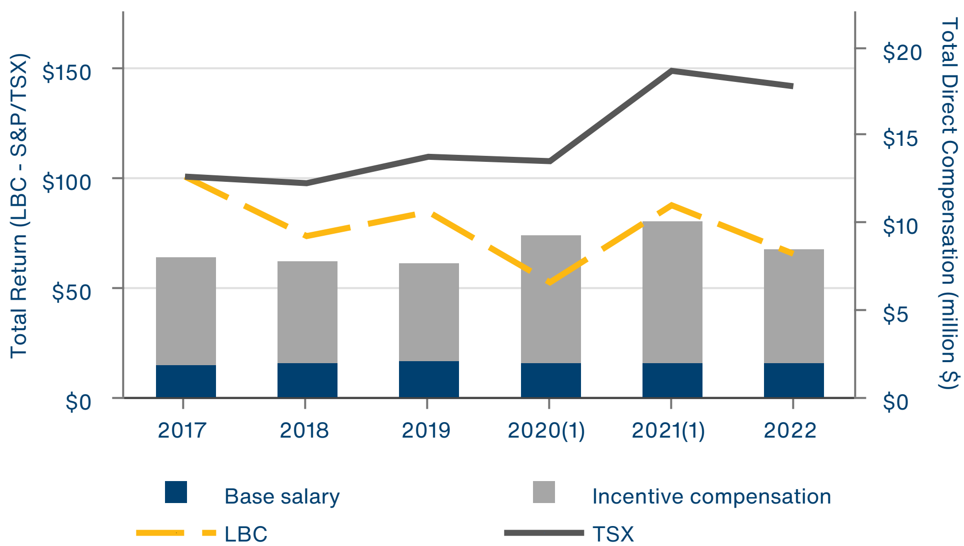
The last such analysis was conducted in December 2022. As a result of this assessment, the HRCG Committee deemed the level of risk associated with the various compensation programs to be satisfactory.

Hedging

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

Performance Graph and Trend Analysis

The following graph represents the comparison between the Bank's cumulative total shareholder return for $100 invested in the Bank's common shares on October 31, 2017, assuming reinvestment of dividends, and the cumulative total return of the Toronto Stock Exchange's S&P/TSX Composite Index for the last 5 fiscal years. The graph also sets out the total direct compensation paid to NEOs for the last 5 fiscal years.



	2017	2018	2019	2020[1]	2021[1]	2022
Base Salary (million $)	$1.9	$2.0	$2.2	$2.1	$2.1	$2.1
Incentive Compensation (million $)	$6.2	$5.9	$5.5	$7.3	$8.1	$6.5
Total Direct Compensation (million $)	$8.1	$7.9	$7.7	$9.3	$10.2	$8.6
TSR - Laurentian Bank of Canada [2]	$100	$73	$84	$52	$87	$65
TSR - S&P/TSX Composite Index [2]	$100	$97	$109	$107	$148	$141
Adjusted Net Income (million $)	$230.7	$241.6	$193.2	$138.2	$211.2	$237.1
Ratio Total Direct Compensation over Adjusted Net Income	3.5%	3.3%	4.0%	6.8%	4.8%	3.6%

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

Note 2: Total amount returned by an investment to the investor. In other words, it is the share price appreciation and dividends paid over the period.

Trend Analysis

During the period covered by the graph, the data shows that the level of Total Direct Compensation received by NEOs remained stable from 2017 to 2019, increased in 2020 and 2021 due to the addition of a sixth NEO, and decreased in 2022. In 2022, the ratio of Total Direct Compensation over Adjusted Net Income has decreased compared to 2021 and 2020 as the Total Direct Compensation is lower than the previous 2 years while the adjusted net income has increased significantly. Total Direct Compensation (excluding one-time sign-on grants) is also positively correlated with the Bank's shareholder return and with the Bank's adjusted net income. The HRCG Committee, through performance management and incentive plan design, monitors and ensures that compensation and performance are aligned.

Effectiveness of the Compensation Program Over Time

The following table shows the Bank's strong track record of aligning the President and CEO's pay with total shareholder return over the long term. The table compares the value as at December 31, 2022 of the direct compensation awarded to the Bank's President and CEO over the last 5 fiscal years with the value of annual investments in the Bank's equity over the same time periods. On average, the value of $100 invested by a shareholder is greater than the value of $100 awarded to the President and CEO. The table further indicates that, on average, the realized and realizable value of $100 awarded to the President and CEO since fiscal 2018 stands below the $100 target as of December 31, 2022.

The current value of the President and CEO awards as at December 31, 2022 for the fiscal years noted is the sum of:

01. Realized pay received by the President and CEO, which represents the sum of base salary, paid short-term incentives, paid share units and exercised stock options.

02. Potential realizable pay, which represents the sum of non-vested share units, deferred vested share units and in-the-money value of unexercised stock options.

		Value on December 31, 2022 (million $)				Value of $100		
Year	**CEO**	Total Direct Compensation Awarded	A Realized Pay	B Realizable Pay	A+B=C Current Value	Period	To CEO [1] ($)	To Shareholders [2] ($)
2018	François Desjardins	2.94	1.90	—	1.90	10/31/2017 to 12/31/2022	65	70
2019	François Desjardins	2.82	2.23	—	2.23	10/31/2018 to 12/31/2022	79	97
2020	François Desjardins	2.20	1.50	—	1.50	10/31/2019 to 12/31/2022	72	83
2020	Rania Llewellyn	2.30	1.18	0.55	1.73	10/31/2020 to 12/31/2022	90	135
2021	Rania Llewellyn	3.68	2.28	1.04	3.32	10/31/2021 to 12/31/2022	84	81
2022	Rania Llewellyn	3.38	1.98	0.87	2.86	**Five-year Average**	**78**	**93**

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

[1] Value of the compensation measured on December 31, 2022 for each $100 of total direct compensation during the fiscal year indicated.

[2] Cumulative value of $100 invested in the Bank's shares of the period indicated, assuming reinvestment of dividends.

Performance and Total Direct Compensation of NEOs

Rania Llewellyn — President and CEO

Rania Llewellyn is the first woman to head a major Canadian chartered bank. Under her leadership, the Bank has launched a new three-year strategic plan, purpose and core values, and has exceeded all of its financial targets over the past two years.

As a transformational change leader, her priority is building high-performance teams and creating a culture of equality, diversity and inclusion. Her focus on improving the customer experience and driving growth and shareholder value has earned her wide recognition. She has more than 27 years of experience in the banking industry, including serving as an EVP at Scotiabank, where she began her career as a part-time teller. She also launched the Bank's multicultural banking division and served as President & CEO of Roynat Capital.

Ms. Llewellyn holds Bachelor of Commerce, an MBA degree and an Honorary Doctor of Commerce from Saint Mary's University. She also holds an Honorary Doctor of Laws from Ontario Tech University.

In 2022, Rania Llewellyn's individual performance was evaluated by the HRCG Committee based on a pre-determined scorecard summarized below:

- Finalized and unveiled the Bank's 3-year strategic plan for long-term profitable growth at Investor Day in Q1.
- Successfully beat all FY2022 financial targets, exceeding market expectations.
- Instituted a strong cost discipline for the Bank and identified and executed against a number of opportunities resulting in cost savings of $6 million through planned cost optimization initiatives.
- Launched rebranding and enhanced customer experience by closing digital foundational gaps and launching credit cards transformation.
- Maintained Net Promoter Score (NPS) of over 50% for Commercial Banking and implemented NPS across all Personal Banking channels & Contact Centre to establish baselines.
- Drove ongoing culture change through renewed Purpose, Core Values and One Winning Team approach.
- Improved employee engagement and manager effectiveness by 3%, exceeding our targets, by fostering a workplace where everyone feels like they belong and by delivering meaningful improvements to our employees' work-life experience.
- Continued implementation of ESG and TCFD roadmap initiatives, improving the Bank's ESG scores, including achieving our objective of moving to a low-risk ESG rating from Sustainalytics.

2022 Compensation Highlights

Compensation Elements	2022 Target ($)	2022 Actual ($)	2021 Actual ($)
Base Salary	700,000	700,000	700,000
Short-Term Incentive			
Paid in Cash	700,000	1,283,800	1,575,000
Deferred in RSUs	—	—	—
Long-Term Incentive			
Share-Based Awards	980,000	980,000	980,000
Option-Based Awards	420,000	420,000	420,000
Total Direct Compensation	2,800,000	3,383,800	3,675,000

Share Ownership Guidelines

Share Ownership Requirement (multiple of base salary)	5x	
Components (1)	Ownership (#)	Ownership ($)
Total Share Units	**92,013**	**2,797,214**
Vested PSUs and/or DPSUs	—	—
Vested RSUs and/or DRSUs	—	—
Unvested PSUs and/or DPSUs	58,452	1,776,946
Unvested RSUs and/or DRSUs	33,561	1,020,268
Common Shares	**623**	**18,924**
Total of Common Shares and Share Units (2)	**92,636**	**2,816,138**
Share Ownership (multiple of base salary)	4.02	
Attainment (3)	In progress	

(1) Includes non-vested PSUs and/or DPSUs, calculated at target.
(2) The share ownership level is evaluated as at October 31, 2022, based on the closing price of the Bank's common shares on the TSX on October 31, 2022 ($30.40). Includes Ms. Llewellyn's sign-on grant.
(3) Ms. Llewellyn joined the Bank on October 30, 2020.

Yvan Deschamps, CPA — EVP and CFO

Yvan Deschamps is responsible for activities related to finance, accounting, treasury, taxation, investor relations and corporate development. He joined the Bank in 2016 as Vice President, Corporate Development where he was responsible for evaluating M&A projects as part of the Bank's strategic plan as well as overseeing investor relations. He then served as SVP, Finance, Accounting and Corporate Development gradually on-boarding additional responsibilities as part of a transition to his current role.

His 25+ year career spans the banking and financial sectors; media and telecommunications; pension funds and private equity; and aerospace and defence industries. He is recognized for his business acumen, negotiating skills and leadership in managing multi-disciplinary teams.

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

In 2022, Yvan Deschamps's individual performance was evaluated by the HRCG Committee based on a pre-determined scorecard summarized below:

- The Bank successfully beat all FY2022 financial targets.
- Improved the deposit funding strategy of the Bank leading to an 18% deposit growth in FY2022 while deepening our relationships with existing partners and creating new ones.
- Maintained good relationships with credit agencies leading to stability in the rating outlook of both S&P Global Ratings and DBRS Morningstar.
- Improved the Investor Relations program, including through a successful Investor Day in December 2021.
- Made the better choice by launching the inaugural Sustainable Bond Framework, which will enable the Bank to issue Green, Social and Sustainability Bonds.
- Successfully introduced the ISO 20022 global payment messaging standard as part of Canada's new high-value payments system (Lynx) and delivered CDIC's Data and System Requirements version 3.1.
- Built a detailed TCFD roadmap and introduced a climate risk dashboard for the Board.

2022 Compensation Highlights

Compensation Elements	2022 Target ($)	2022 Actual ($)	2021 Actual ($)
Base Salary	326,552	326,552	284,680
Short-Term Incentive			
Paid in Cash	214,500	182,647	—
Deferred in RSUs	—	182,647	453,375
Long-Term Incentive			
Share-Based Awards	328,755	328,755	191,403
Option-Based Awards	140,895	140,895	50,744
Total Direct Compensation	1,010,702	1,161,496	980,202

Share Ownership Guidelines

Share Ownership Requirement (multiple of base salary)	2x	
Components [1]	Ownership (#)	Ownership ($)
Total Share Units	**49,231**	**1,496,616**
Vested PSUs and/or DPSUs	4,220	128,277
Vested RSUs and/or DRSUs	26,456	804,273
Unvested PSUs and/or DPSUs	14,413	438,146
Unvested RSUs and/or DRSUs	4,142	125,920
Common Shares	**1,438**	**43,704**
Total of Common Shares and Share Units [2]	**50,669**	**1,540,320**
Share Ownership (multiple of base salary)	4.67	
Attainment	Yes	

(1) Includes non-vested PSUs and/or DPSUs, calculated at target.

(2) The share ownership level is evaluated as at October 31, 2022, based on the closing price of the Bank's common shares on the TSX on October 31, 2022 ($30.40).

William Mason — EVP and CRO

William Mason is responsible for overseeing risk management and credit management.

Prior to joining the Bank, he held the position of Managing Director, Bank Supervision with OSFI. He also spent more than 30 years with financial institutions in various senior management roles including asset liability management, risk management, treasury and capital markets.

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

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

In 2022, William Mason's individual performance was evaluated by the HRCG Committee based on a pre-determined scorecard summarized below:

- Oversaw credit, market, and operational risk management, including enterprise risk management and risk appetite frameworks.
- Oversaw the enhancement of new capital management standards for the Bank including Basel III revised.
- Continued to enhance oversight of non-financial risks including the cyber risk and operational risk profile.
- Oversaw the bank's risk portfolio to ensure sound business activities and risk management strategies.
- Continued to facilitate effective credit origination through strong adjudication, prudent loss reserving and credit portfolio management.
- Continued to enhance risk reporting and increase analytical capabilities for portfolio and capital management.
- Maintained focus on regulatory remediation, clearing 80% of audit and OSFI material issues.
- Supported the implementation of ESG initiatives by developing an E&S risk management roadmap and an inventory by sector of key environmental risks in co-operation with the lines of business.
- Continued to drive efficiencies through simplification by further streamlining internal processes and increasing automation.

2022 Compensation Highlights

Compensation Elements	2022 Target ($)	2022 Actual ($)	2021 Actual ($)
Base Salary	380,000	380,000	380,000
Short-Term Incentive			
Paid in Cash	304,000	398,240	228,000
Deferred in RSUs	—	—	228,000
Long-Term Incentive			
Share-Based Awards (1)	414,960	414,960	614,960
Option-Based Awards	177,840	177,840	177,840
Total Direct Compensation	1,276,800	1,371,040	1,628,800

(1) Includes a special Restricted Share Units award of $200,000 in 2021.

Share Ownership Guidelines

Share Ownership Requirement (multiple of base salary)	2x	
Components (1)	Ownership (#)	Ownership ($)
Total Share Units	**55,844**	**1,697,647**
Vested PSUs and/or DPSUs	39,454	1,199,394
Vested RSUs and/or DRSUs	9,894	300,782
Unvested PSUs and/or DPSUs	—	—
Unvested RSUs and/or DRSUs	6,496	197,471
Common Shares	**1,334**	**40,556**
Total of Common Shares and Share Units (2)	**57,178**	**1,738,203**
Share Ownership (multiple of base salary)	4.57	
Attainment	Yes	

(1) Includes non-vested PSUs and/or DPSUs, calculated at target.

(2) The share ownership level is evaluated as at October 31, 2022, based on the closing price of the Bank's common shares on the TSX on October 31, 2022 ($30.40).

Kelsey Gunderson — EVP, Capital Markets

Kelsey Gunderson is Executive Vice President, Capital Markets and President and CEO of Laurentian Bank Securities (**LBS**). He is responsible for all the Group's capital markets activities.

With nearly 30 years of experience in the financial industry, he has held various management positions with major financial institutions and brokerage firms in Canada and the United States. He has developed a strategic vision and extensive expertise in capital markets and with institutional clients. He joined the organization in 2019.

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

In 2022, Kelsey Gunderson's individual performance was evaluated by the HRCG Committee based on a pre-determined scorecard summarized below:

- Delivered solid risk-adjusted Revenues in the context of a highly volatile Capital Markets environment.
- Accelerated the Bank's efforts in the ESG space, in particular by increasing LBS activity in the green bond market.
- Amplified the Bank One Team approach by promoting connectivity between the Capital Markets Division and other sectors of the Bank. Namely, completed the creation of a Real Estate Banking Franchise in alignment with Commercial Banking and expanded coverage of top tier commercial clients from 50% to 75%.
- Supported enterprise cost savings of $6 million through planned cost optimization initiatives.
- Improved overall Employee Engagement Scores by 10% year over year, including Manager Effectiveness which improved by 5%.
- Achieved new Corporate bond mandates, including inclusion in PSP Investment's inaugural Green Bond issuance.
- Improved syndicate position in most major syndicates, including a 6% (.25 bps) increase with Province of Ontario syndicate.
- Grew Wealth Management with new structure, new leadership and go-to-market strategy.
- Successfully passed all internal and external audits.

2022 Compensation Highlights

Compensation Elements	2022 Target ($)	2022 Actual ($)	2021 Actual ($)
Base Salary	350,000	350,000	350,000
Short-Term Incentive			
Paid in Cash	227,500	327,828	511,875
Deferred in RSUs	—	—	—
Long-Term Incentive			
Share-Based Awards [1]	371,175	571,175	571,175
Option-Based Awards	159,075	159,075	159,075
Total Direct Compensation	1,107,750	1,408,078	1,592,125

(1) Includes special Restricted Share Units awards of $200,000 in 2021 and 2022.

Share Ownership Guidelines

Share Ownership Requirement (multiple of base salary)	2x	
Components [1]	Ownership (#)	Ownership ($)
Total Share Units	**41,530**	**1,262,516**
Vested PSUs and/or DPSUs	—	—
Vested RSUs and/or DRSUs	739	22,462
Unvested PSUs and/or DPSUs	28,862	877,412
Unvested RSUs and/or DRSUs	11,929	362,642
Common Shares	**6,040**	**183,630**
Total of Common Shares and Share Units [2]	**47,570**	**1,446,146**
Share Ownership (multiple of base salary)	4.13	
Attainment	Yes	

(1) Includes non-vested PSUs and/or DPSUs, calculated at target.

(2) The share ownership level is evaluated as at October 31, 2022, based on the closing price of the Bank's common shares on the TSX on October 31, 2022 ($30.40).

Éric Provost — EVP, Head of Commercial Banking and President, Quebec Market

Éric Provost is responsible for leading the Commercial Business Services activities in offering comprehensive financing solutions and expertise to businesses from a range of sectors across Canada and the U.S. He also serves as the President and CEO's key lieutenant in the Quebec market and advises the President and CEO on ways to grow the Bank's presence and market share in Quebec.

Éric held various positions of increasing leadership at the Bank. He led the acquisition of CIT's Canadian Equipment Financing and Corporate Financing activities, subsequently creating LBC Capital. He also headed the acquisition of Northpoint Commercial Finance, a leading Inventory Finance Lender in the U.S., establishing a solid end-to-end equipment financing platform for the Bank.

Éric holds a Business Administration Bachelor's degree and a Master's degree in Applied Finance from Université du Québec à Montréal. He is also an accredited Chartered Financial Analyst (CFA).

In 2022, Éric Provost's individual performance was evaluated by the HRCG Committee based on a pre-determined scorecard summarized below:

- Successfully led the Commercial Banking business line to achieve its growth engine mandate for the Bank, which significantly contributed to exceeding all of the bank financial targets for the year.
- Delivered strong commercial loan growth of $4.1 billion across our specializations, up 29% year-over-year.
- Managed growth while maintaining rigorous cost discipline.
- Exceeded our medium-term geographic diversification target, moving from 14% of commercial assets in the U.S. last year to 24%.
- Expanded into new industries as part of our diversification strategy, such as agriculture and technology by growing our dealer base by 27% and 210% respectively, over the last year.
- Continued commitment to our "think customer first" value and strategy by improving our already 'excellent' net promoter score in Commercial Banking and even reaching world class level in some key specializations.
- Contributed to the improvement of the Bank's ESG namely through the growth of our daycare specialization and our commitment to end direct financing for coal and oil and gas.

2022 Compensation Highlights

Compensation Elements	2022 Target ($)	2022 Actual ($)	2021 Actual ($)
Base Salary	345,690	345,690	314,713
Short-Term Incentive			
Paid in Cash	227,500	432,136	475,313
Deferred in RSUs	—	—	—
Long-Term Incentive			
Share-Based Awards	344,663	344,663	282,655
Option-Based Awards	147,713	147,713	59,852
Total Direct Compensation	1,065,566	1,270,202	1,132,533

Share Ownership Guidelines

Share Ownership Requirement (multiple of base salary)	2x	
Components [(1)]	Ownership (#)	Ownership ($)
Total Share Units	**34,597**	**1,051,737**
Vested PSUs and/or DPSUs	7,730	234,977
Vested RSUs and/or DRSUs	2,400	72,965
Unvested PSUs and/or DPSUs	16,349	497,014
Unvested RSUs and/or DRSUs	8,118	246,781
Common Shares	**3,444**	**104,688**
Total of Common Shares and Share Units [(2)]	**38,041**	**1,156,425**
Share Ownership (multiple of base salary)	3.30	
Attainment	Yes	

(1) Includes non-vested PSUs and/or DPSUs, calculated at target.

(2) The share ownership level is evaluated as at October 31, 2022, based on the closing price of the Bank's common shares on the TSX on October 31, 2022 ($30.40).

3.5 Summary Compensation Table.

The following table sets forth a summary of the compensation paid, made payable, awarded, granted, given or otherwise provided to the NEOs for the last 3 fiscal years.

Name and Principal Position	Year	Salary ($)	Share-Based Awards ($) (Note 1)	Option-Base Awards ($) (Note 2)	Non-Equity Incentive Plan Compensation ($) Annual Incentive Plans (Note 3)	Pension Value ($) (Note 4)	All Other Compensation ($) (Note 5)	Total Compensation ($)
Rania Llewellyn President and Chief Executive Officer (Note 6)	2022	700,000	980,000	420,000	1,283,800	175,000	47,500	3,606,300
	2021	700,000	980,000	420,000	1,575,000	175,000	40,200	3,890,200
	2020	2,680	1,550,000	750,000	—	—	700,000	3,002,680
Yvan Deschamps Executive Vice President and CFO (Note 6)	2022	326,552	328,755	140,895	365,294	126,000	34,500	1,321,996
	2021	284,680	191,403	50,744	453,375	215,000	107,300	1,302,502
	2020	240,478	90,321	38,709	72,491	84,000	31,000	556,999
William Mason Executive Vice President and Chief Risk Officer	2022	380,000	414,960	177,840	398,240	130,000	39,600	1,540,640
	2021	380,000	614,960	177,840	456,000	135,000	39,600	1,803,400
	2020	380,000	414,960	177,840	91,200	133,000	39,359	1,236,359
Kelsey Gunderson Executive Vice President, Capital Markets	2022	350,000	571,175	159,075	327,828	52,500	34,900	1,495,478
	2021	350,000	571,175	159,075	511,875	52,500	32,600	1,677,225
	2020	350,000	371,175	159,075	68,250	—	34,900	983,400
Éric Provost EVP, Head of Commercial Banking, and President of Quebec Market (Note 6)	2022	345,690	344,663	147,713	432,136	246,000	33,500	1,549,702
	2021	314,713	282,655	59,852	475,313	111,000	26,200	1,269,733
	2020	283,533	273,280	57,968	96,191	101,000	32,700	844,672

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

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

Note 2: The amounts for each NEO represent awards made under the Stock Option Plan using the Black-Scholes model to value stock option awards for compensation purposes. For fiscal 2022, the estimated compensation value was 16.82% of the grant price ($32.99), using an expected 8-year term, a dividend yield of 5.70% and a volatility of 23%.

Note 3: Amounts of the annual STI awards paid under the Bank's Short-Term Incentive plan.

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

Note 5: Ms. Llewellyn received a sign-on bonus of $700,000 in 2020. A retention bonus of $75,000 was paid to Mr. Deschamps in 2021.

Note 6: Ms. Llewellyn joined the Bank on October 30, 2020. Mr. Deschamps was promoted on April 6, 2021. Mr. Provost was promoted on January 1st, 2021.

3.6 Incentive Plan Awards.

Outstanding Option-Based Awards

The following table sets forth the option-based awards outstanding for each NEO at the end of the last fiscal year on October 31, 2022, including awards granted prior to the last completed fiscal year.

	Option-Based Awards				
	Option Grant Date	Securities Underlying Unexercised Options (#)	Option Exercise Price ($) (Note 1)	Option Expiration Date	Value of Unexercised In-the-Money Options ($) (Note 2)
Rania Llewellyn	2020-10-30	154,004	33.13	2030-10-30	–
	2020-12-14	86,242	33.13	2030-12-14	–
	2021-12-20	70,000	40.26	2031-12-20	–
Yvan Deschamps	2018-12-04	7,054	38.97	2028-12-04	–
	2019-12-13	7,345	43.68	2029-12-13	–
	2020-12-14	10,420	33.13	2030-12-14	–
	2021-12-20	23,482	40.26	2031-12-20	–
William Mason	2018-12-04	33,056	38.97	2028-12-04	–
	2019-12-13	33,746	43.68	2029-12-13	–
	2020-12-14	36,517	33.13	2030-12-14	–
	2021-12-20	29,640	40.26	2031-12-20	–
Kelsey Gunderson	2019-12-13	30,185	43.68	2029-12-13	–
	2020-12-14	32,664	33.13	2030-12-14	–
	2021-12-20	26,512	40.26	2031-12-20	–
Éric Provost	2018-12-04	10,461	38.97	2028-12-04	–
	2019-12-13	11,000	43.68	2029-12-13	–
	2020-12-14	12,290	33.13	2030-12-14	–
	2021-12-20	24,618	40.26	2031-12-20	–

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

Note 2: The value of unexercised in-the-money options equals the difference between the grant price of the options and the closing price of the Bank's common shares on the TSX on October 31, 2022 ($30.40). This includes options that have not yet vested or cannot be exercised because they are subject to price condition hurdles that have not been reached.

Outstanding Share-Based Awards

The following table sets forth the share-based awards outstanding for each NEO at the end of the last fiscal year on October 31, 2022, including awards granted prior to the last completed fiscal year.

	Share-Based Awards (Note 1)		
	Shares or Units of Shares not Vested (#)	Market or Payout Value of Share-Based Awards not Vested ($) (Note 2)	Market or Payout Value of Vested Share-Based Awards (Not Paid Out or Distributed) ($) (Note 2)
Rania Llewellyn	92,013	1,020,268	–
Yvan Deschamps	18,555	175,657	932,550
William Mason	6,496	197,471	747,766
Kelsey Gunderson	40,791	567,036	22,462
Éric Provost	24,467	321,264	307,942

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

Note 2: Value based on the closing price of the Bank’s common shares on the Toronto Stock Exchange on October 31, 2022 ($30.40).

Incentive Plan Awards - Value Vested or Earned During the Year

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

Name	Option-Based Awards - Value Vested During the Year ($) (Note 1)	Share-Based Awards - Value Vested During the Year ($) (Note 2)	Non-Equity Incentive Plan Compensation - Value Earned During the Year ($)
Rania Llewellyn	—	617,705	1,283,800
Yvan Deschamps	—	132,232	365,294
William Mason	—	264,550	398,240
Kelsey Gunderson	—	—	327,828
Éric Provost	—	202,331	432,136

Note 1: The value of the stock options that vested during the fiscal year is based on the difference between the grant price of the options and the closing share price on the TSX on the vesting date ($37.40).

Note 2: These amounts represent the aggregate value realized upon vesting of RSUs (employer share only) and PSUs on the vesting date occurring during the fiscal year. The employee share of RSUs vests at the date of the award. During the fiscal year, the RSUs (employer share) and PSUs granted in December 2018 became vested. The value is based on the share price at the time of vesting ($38.00).

3.7 Pension Plan Benefits.

Defined Benefit Plans Table

The following table sets out the years of participation in the plans as at October 31, 2022 for each participating NEO, annual benefits payable, and changes in the present value of defined benefit obligations from October 31, 2021 to October 31, 2022, including compensatory and non-compensatory changes concerning their participation in the plans for fiscal year 2022.

Name	Number of Years of Credited Service (#)		Annual Benefits Payable ($)		Opening Present Value of Defined Benefit Obligation ($) (Note 3)	Compensatory Change ($) (Note 4)	Non-Compensatory Change ($) (Note 5)	Closing Present Value of Defined Benefit Obligation ($) (Note 3)
	Officers' Plan	Suppl. Plan	At Year-End (Note 1)	At Age 65 (Note 2)				
Yvan Deschamps	6.5	6.5	34,000	101,000	577,000	126,000	(196,000)	507,000
William Mason	4.4	4.4	33,000	74,000	459,000	130,000	(104,000)	485,000
Éric Provost	10.0	10.0	59,000	156,000	872,000	246,000	(367,000)	751,000

Note 1: These amounts represent deferred payments accumulated as at October 31, 2022 and payable under the plans assuming retirement at age 60.

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

Note 3: The present value of the defined benefit obligation represents the actualized value of the retirement benefit for the years of participation as at October 31, 2021 or October 31, 2022, as the case may be. This value was calculated using the same assumptions as for the Bank's financial statements, using a discount rate of 3.39% and 5.25% (3.27% and 5.20% for the supplemental pension plan) for the fiscal years ending October 31, 2021 and October 31, 2022 respectively. Furthermore, a compensation increase rate of 2.75% was used for the fiscal years ending October 31, 2021 and 2022. The assumptions used are outlined in Note 19 to the Consolidated Financial Statements found in the Annual Report.

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

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

Defined Contribution Plans Table

The table below sets out the accumulated value in the plans as at October 31, 2022 for each participating NEO, including compensatory changes concerning their participation in the plans for the fiscal year 2022.

Name	Accumulated value at start of year ($)	Compensatory Change $) (Note 1)	Accumulated value as of October 31, 2022 ($)
Rania Llewellyn	163,700	175,000	314,100
Kelsey Gunderson	46,500	52,500	92,000

Note 1: Compensatory change represents the employer contribution to the defined contribution pension plans on behalf of the NEOs.

3.8 Termination and Change of Control Benefits.

Conditions Applicable in Case of Termination and Change of Control

The following table sets out the effect of certain events of termination on the different components of the NEOs' compensation.

Retirement	
Base salary	Termination of salary.
Short-term incentive compensation	The annual bonus for the current year is paid, prorated to the number of months worked in the year.
Restricted share units (RSUs) and performance share units (PSUs)	Vesting of the share units continues after retirement. Payment is made at the end of the vesting period. Vested deferred share units are payable between the retirement date and December 31 of the year following the year of retirement. Unvested deferred share units are payable between the vesting date and December 31 of the year following the year of retirement. The President and Chief Executive Officer is required to meet shareholding guidelines for one year after retirement.
Stock Options	Vesting of the stock options continues after retirement. All stock options may be exercised between the vesting date and five (5) years following the retirement date, but no later than the option term.
Pension plans	The rights to benefits stop accumulating. For the Defined Contributions plans, payment of the accrued value of the defined contribution plans. For the Defined Benefits plans, payment of a monthly pension or transfer of the pension value.
Benefit plans and perquisites	Termination of all benefits.
Other obligations	Conditional on non-competition and non-solicitation clauses (12 months for the President and CEO and 9 months for the other NEOs) as well as confidentiality clauses, as per employment agreement.
Termination without cause	
Base salary	For Executive Vice-Presidents, continuation for one month per year of service with a minimum continuation of 12 months and a maximum of 24 months. The continuation for the President and Chief Executive Officer is equivalent to 24 months.
Short-term incentive compensation	The annual bonus for the current year is paid, prorated to the number of months worked in the year for all NEOs. In addition, for the President and Chief Executive Officer, there is a bonus payout for the severance period based on the three-year average annual bonus (if less than three years, payout at target).
RSUs and PSUs	Vested share units and vested deferred share units are paid upon termination. Unvested share units and unvested deferred share units are prorated and paid upon termination.
Stock Options	The vested stock options may be exercised up until 90 days after termination if they are vested.
Pension plans	The rights to benefits cease to accumulate. For the President and Chief Executive Officer, the additional employer contributions vest at the time of termination.
Benefit plans and perquisites	Continuation of all benefits (except disability insurance and annual perquisite allowance) for a period of 12 months or until other employment is obtained.
Other obligations	Conditional on non-competition and non-solicitation clauses (12 months for the President and CEO and 9 months for the other NEOs) as well as confidentiality clauses, as per employment agreement.
Resignation / Termination with cause	
Base salary	Termination of salary.
Short-term incentive compensation	No annual bonus paid.
RSUs and PSUs	Vested share units and vested deferred share units are paid upon termination. Unvested share units and unvested deferred share units are cancelled.

Stock Options	The vested stock options may be exercised up until 90 days after termination if they are vested.
Pension plans	The rights to benefits stop accumulating. For the Defined Contributions plans, payment of the accrued value of the defined contribution plans. For the Defined Benefits plans, payment of a monthly pension or transfer of the pension value.
Benefit plans and perquisites	Termination of all benefits.
Termination in the year following a change of control	
Base salary	For Executive Vice Presidents, continuation of salary for 18 months. The continuation for the President and Chief Executive Officer is equivalent to 24 months.
Short-term incentive compensation	For Executive Vice Presidents, there is a bonus payout for the severance period based on the three-year average annual bonus. For the President and Chief Executive Officer, there is a bonus payout for the severance period based on the three-year average annual bonus (if less than three years, payout at target). The annual bonus for the current year is paid, prorated to the number of months worked in the year for all NEOs.
RSUs and PSUs	Vested share units and vested deferred share units are paid upon termination. Unvested RSUs vest and are paid upon termination. Unvested PSUs are paid based on the actual performance upon a change of control.
Stock Options	All stock options remain or become exercisable upon termination for a period of twenty-four (24) calendar months from the date of termination, but no later than the option term.
Pension plans	The right to benefits continues to accumulate until the end of indemnity period. For the President and Chief Executive Officer, the additional employer contributions vest at the time of termination.
Benefit plans and perquisites	Continuation of all benefits (except disability insurance) until the end of the indemnity period. The continuation of all benefits (except disability insurance and annual perquisite allowance) is equivalent to 12 months for the President and Chief Executive Officer.
Other obligations	Conditional on non-competition and non-solicitation clauses (12 months for the President and CEO and 9 months for the other NEOs) as well as confidentiality clauses, as per employment agreement.

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

The following table sets out additional amounts, as per individual employment agreement, that would have been payable under each component of the compensation of the NEOs, assuming termination effective on October 31, 2022.

Name	Compensation Components	Termination Without Cause ($)	Termination in the Year Following a Change of Control ($) (Note 4)
Rania Llewellyn	Base salary	1,400,000	1,400,000
	Short-term incentive compensation	1,400,000	1,400,000
	RSU and PSU (Note 1)	1,694,223	2,797,214
	Stock Options	–	–
	Pension plans (Note 2)	–	350,000
	Benefit plans and perquisites	5,261	5,261
	Total	**4,499,483**	**5,952,474**
Yvan Deschamps	Base salary	330,000	495,000
	Short-term incentive compensation	–	445,580
	RSU and PSU (Note 1)	315,909	564,066
	Stock Options	–	–
	Pension plans (Note 3)	–	–
	Benefit plans and perquisites	–	7,891
	Total	**645,909**	**1,512,537**
William Mason	Base salary	380,000	570,000
	Short-term incentive compensation	–	472,720
	RSU and PSU (Note 1)	–	–
	Stock Options	–	–
	Pension plans (Note 3)	–	168,000
	Benefit plans and perquisites	5,261	37,891
	Total	**385,261**	**1,248,611**
Kelsey Gunderson	Base salary	262,500	525,000
	Short-term incentive compensation	–	453,977
	RSU and PSU (Note 1)	724,345	1,240,054
	Stock Options	–	–
	Pension plans (Note 2)	–	78,750
	Benefit plans and perquisites	3,945	37,891
	Total	**990,790**	**2,335,672**
Éric Provost	Base salary	350,000	525,000
	Short-term incentive compensation	–	501,820
	RSU and PSU (Note 1)	452,853	743,795
	Stock Options	–	–
	Pension plans (Note 3)	–	–
	Benefit plans and perquisites	–	7,891
	Total	**802,853**	**1,778,506**

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

Note 2: As of October 31, 2022. this represents the incremental value of retirement benefits payable for termination without cause and termination in the year following a change of control, in addition to the accumulated value presented in the *Defined Contributions Plans Table*. For Mrs. Llewellyn, the additional employer contributions vest at the time of termination and are already included in the value presented in the *Defined Contributions Plans Table*.

Note 3: As of October 31, 2022, this represents the incremental value of retirement benefits payable for termination without cause and termination in the year following a change of control, in addition to the closing present value of defined benefit obligation presented in the *Defined Benefit Plans Table*.

Note 4: NEOs must respect their non-solicitation obligations upon termination.

04 Other Information.

4.1 Indebtedness of Directors and Executive Officers.

The following table sets forth the aggregate indebtedness to the Bank or its subsidiaries of all existing and former executive officers, directors and employees of the Bank or its subsidiaries as at January 31, 2023. The amounts exclude routine indebtedness as described in Note 2 below.

Purpose	To the Bank or its Subsidiaries
Share Purchase	$—
Other	$254,727,278

The following table sets forth the indebtedness towards the Bank or its subsidiaries of each individual who is, or at any time during the Bank's most recently completed fiscal year was, a director or executive officer of the Bank, each proposed nominee for election as a director of the Bank and each associate of any such person, except for routine indebtedness as defined in securities legislation and indebtedness that has been entirely repaid at the date of this Circular. The amounts exclude routine indebtedness as described in Note 2 below.

Name and Position	Involvement of the Bank or Subsidiary	Largest Amount Outstanding ($) during Most Recently Completed Fiscal Year	Amount Outstanding ($) as at January 31, 2023
Éric Provost Executive Vice President, Head of Commercial Banking and President, Quebec Markets	Bank (lender)	675,629 (Note 1)	621,516

Note 1: Mortgage loan and credit line on principal residence with a mix of fixed and variable rates.

Note 2: Routine indebtedness includes:

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

4.2 Interest of Informed Persons in Material Transactions.

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

Normal Course Issuer Bid

In December 2021, the TSX accepted a notice of the Bank's intention to commence a normal course issuer bid for its common shares, which allowed the Bank to repurchase for cancellation up to 875,000 of its common shares, being approximately 2% of the total number of shares outstanding on December 1, 2021. Repurchases under the normal course issuer bid were authorized to commence on December 15, 2021 and the normal course issuer bid was to terminate upon 875,000 common shares being purchased, or upon the Bank providing an earlier notice of termination. The normal course issuer bid effectively terminated on December 14, 2022 and the total number of common shares purchased pursuant to the normal course issuer bid was 401,200. All common shares were purchased for cancellation. A copy of the Notice of Intention for the normal course issuer bid may be obtained without charge by contacting Bank's Corporate Secretariat's Office at corporate_secretariat@lbcfg.ca.

4.3 Code of Procedure.

A Code of Procedure governs the conduct of the annual meetings of shareholders of the Bank. It is a complement to the provisions of the *Bank Act* (Canada), including the regulations or guidelines thereunder, and to the Bank's General By-Laws. In case of conflict, the *Bank Act* (Canada) shall prevail. The Code of Procedure namely specifies shareholder rights and facilitate deliberations at the meeting. An integral version of the Code of Procedure is available on the Bank's website.

4.4 Minutes.

A copy of the minutes of the Bank's last annual meeting of shareholders held on **April 5, 2022** is also available on the Bank's website at: www.laurentianbank.ca/en/pdf/minutes-of-the-annual-meeting-of-shareholders.pdf.

4.5 Directors' Approval.

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

Bindu Cudjoe
Chief Legal Officer and Corporate Secretary
February 10 , 2023

SCHEDULE

Shareholder Proposals (Translation)

The Bank received 5 proposals from MÉDAC. **After discussions with the Bank, MÉDAC has agreed not to submit any of their proposals to a vote.** Nevertheless, the Bank has agreed to include the proposals for information purposes only in the Circular, although they are not part of the formal business of the meeting.

The proposals and their supporting statements represent the views of the shareholder submitting them. They are set out below (unedited, in *italics*) together with our responses as required by the *Bank Act* (Canada).

PROPOSAL 1. Director Language Proficiency Disclosure

It is proposed that the language proficiency of the directors be disclosed in the skills matrix of the Management Proxy Circular.

Arguments

In recent years, several public controversies about language have tainted the reputation of major public companies with respect to social responsibility and the interpretation of duties and obligations related to the inherent diversity of our societies. Language is at the heart of our democratic institutions and is a fundamental attribute of the community.

Such controversies, harmful in every way, must be avoided. To this end, and for many other reasons, it is appropriate for all interested parties (stakeholders) to know, through formal and official disclosure, the languages that the directors are proficient in. For this purpose, "proficiency" obviously means a knowledge level sufficient for widespread use of the language in all aspects of personal and corporate life and for full and complete exercise of duties and functions.

Position of the Bank

The core values of the Bank include the strong belief that everyone belongs and as such, we value, respect and embrace diverse perspectives. This belief extends to the Board and it is true for all aspects of diversity, including language proficiency.

Diversity ensures that the Board provides the necessary range of perspectives, experience and expertise required to achieve the Bank's objectives and deliver for its stakeholders. The Bank believes promotion of diversity is best served through careful consideration of the knowledge, experience, skills, background, abilities and attributes of each director.

This year, the HRCG Committee has included languages as part of the skills matrix to ensure the complementarity of aptitudes and skill sets within the Board.

We take this opportunity to reiterate our commitment to utilize and promote the French language in Quebec by ensuring that our employees, customers and shareholders can communicate with us, receive services or communications, and work, in French.

The Bank is proud of its deep 175 year old roots in Quebec and believes it has an important role to play in protecting and promoting the French language, which is a crucial element of its identity. As a Quebec-based organization governed by a federal charter, the Bank is proud to voluntarily comply with the Charter of the French Language and other regulations applicable in Quebec, including those that pertain to language in the workplace and in our communications with our customers and shareholders.

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

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

PROPOSAL 2. Artificial Intelligence

It is proposed that the Board of Directors reviews the mandate of the Governance Committee and the Risk Management Committee to include artificial intelligence ethics.

Arguments

Artificial intelligence (AI), the ability of a machine to simulate human behaviours such as reasoning, planning, and creativity, especially through learning algorithms, is becoming the key technology of the future. Companies are increasingly using AI to develop more automated, personalized, and "customer-oriented" services. AI also provides new opportunities to enhance and facilitate risk and fraud detection and mitigation, as well as regulatory compliance.

However, AI use comes with risks, as illustrated by Deloitte in one of its studies[1]:

a. Data quality, quantity, and relevance. AI results depend on data quality and quantity. If the datasets used to build the algorithms contain biases, the generated algorithms are likely to reflect or even amplify these biases.

b. Opacity of operation (AI black box concerns). Contrary to older AI systems that make clear decisions dictated by users, new AI systems rely on highly complex statistical methods based on thousands of parameters. All these factors make it difficult or even impossible for users to interpret or explain the final decisions.

c. Possible dysfunctions. Algorithms do not have common sense or the capacity for conceptual thinking, both of which are necessary to assess radically new situations.

As the latest reports of the World Economic Forum point out, AI is at a turning point. In the short term, it seems important that AI evolution comply with minimum governance, ethics, and risk management criteria. According to Deloitte[2], thought about this should focus on proving the reliability of the algorithms that are used (from internal and external usage perspectives), the intelligibility of the models, and the interactions between humans and intelligent algorithms.

It is therefore crucial to include these considerations in the mandate of the Governance Committee and to develop an AI usage framework, so that shareholders and interested parties (stakeholders) can receive the assurance that humans are at the heart of AI machine development and usage, and to ensure the accuracy, security, and confidentiality of the data those systems rely on, by regulating the algorithms so that they incorporate diversity and overcome biases, including biases associated with decision-making.

Position of the Bank

Overseeing and managing risks is at the heart of the Board and committee mandates as well as governance best practices. The Board understands the importance of effectively and proactively prioritizing the management of risks associated with technology to defend the Bank against a growing risk environment and emerging cyber threats. The Board mainly oversees technology-related risks through its committees. Our risk management process is constantly evolving and involves continuous learning to identify and assess potential risks, develop appropriate responses and monitor materialized risks and the effectiveness of our risk response.

The Risk Management Committee ensures that management identifies the Bank's risks and implements systems to measure and adequately manage them, and provides for the integrity and effectiveness of such systems. The Risk Management Committee also monitors the Bank's technological and model developments, and consequently, the Bank believes that the Board's Risk Management Committee is already responding to the technological stakes referred to in this proposal.

The mandates for the Board and committees are reviewed and updated on a regular basis. This year we have included the consideration of potential risks relating to artificial intelligence ethics and also cybersecurity, data protection, privacy and automation in the Risk Management Committee mandate.

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

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1 https://www2.deloitte.com/fr/fr/pages/risque-compliance-et-controle-interne/articles/intelligence-artificielle-quelles-evolutions-pour-profils-de-risques-des-entreprises.html

2 https://www2.deloitte.com/fr/fr/pages/risque-compliance-et-controle-interne/articles/intelligence-artificielle-dans-risque-de-credit.html
https://corpgov.law.harvard.edu/2020/06/25/artificial-intelligence-and-ethics-an-emerging-area-of-board-oversight-responsibility/

PROPOSAL 3. Circular Economy

It is proposed that the Bank reports on the loans it granted in the last few years in support of a circular economy and on what it intends to do to develop the expertise needed to properly value these companies [that support a circular economy].

Arguments

According to a new expert panel report from the Council of Canadian Academies (CCA)[3], Canada is throwing away significant opportunities to harness waste. If Canada were to move to a circular economy (CE), the value it would derive from waste could help the country remain economically competitive while meeting its commitments to reduce greenhouse gas emissions and achieving its sustainable development goals.

We have noted your environmental initiatives. However, our proposal aims to inform all interested parties (stakeholders) about the loans granted in support of a CE, which is a crucial part of the solution to fight climate change. It is also an answer to other global challenges, and it offers significant new opportunities for growth.

Moreover, according to the World Circularity Gap Reporting Initiative[4], only less than 9% of extracted resources are being reintegrated in the economy after an initial cycle of use.

Other Canadian banks are members of initiatives like UN Principles for Responsible Banking (PRB) or Circular Economy Leadership Canada (CELC), both of which have circular economy provisions similar to what is proposed here. Laurentian Bank should also be a member.

Disclosing this information seems important so that the Bank can set targets for financing these companies and developing the expertise required to properly value them, and also account for results in that respect in its annual reports.

Position of the Bank

The ongoing integration of ESG factors into strategic, risk management and other practices is a key area of focus for the Bank. We recognize that finding opportunities to reduce waste and greenhouse gas emissions begins with establishing a corporate culture that supports environmental and social consciousness at all levels of the organization. In this regard, the Board and management play an important role in establishing the 'tone from the top' that drives desired behaviours and attitudes.

The Bank is proud to participate in the green bond market to help finance key eco-friendly projects. In addition to the proactive steps taken by the Bank last year, in 2022 we launched our inaugural Sustainable Bond Framework, enabling the Bank to issue Green, Social and Sustainability Bonds. The issuance of these Bonds aligns with one of our key strategic pillars – Making the better choice.

We continue to proudly support our Laurentian Bank Securities and Commercial Banking customers who are committed to building sustainable businesses. Members of our team actively manage a renewable energy portfolio that primarily provides financing to solar energy projects. In contrast, only 0.1% of our total loan portfolio is related to mining or quarrying. The Bank does not provide any direct financing to coal, oil and gas exploration, production, or development.

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

In addition, the Bank has adopted a mindset of reducing, reusing and recycling. In 2022, 100% of the potential waste (174.23 metric tonnes) created from space reductions in our Toronto Corporate offices was diverted to reuse through the CSR Eco Solutions Divert program. We ensure existing paper supplies are managed in a way that maximizes recycling efforts and minimizes waste. We encourage all team members to use re-usable bottles and cups to reduce their dependency on plastic bottles. We have installed sorting

3 https://www.rapports-cac.ca/leconomie-circulaire-offre-de-grandes-possibilites-et-comporte-des-defis-uniques-pour-le-canada-nouveau-rapport/

4 https://www.circularity-gap.world/2020

stations for garbage, recycling and green waste to ensure optimal management. We also promote green ways to get to work. The Bank's corporate offices are easily accessible to public transit and include areas to park hybrid vehicles and have abundant space for bicycles. The Bank's pivot to a work-from-home first hybrid model has the effect of reducing employees' commute to the office and as a result, the Bank reduced the size of its corporate offices by 50%.

This year again, the Bank has used the notice-and-access process to provide electronic versions of Meeting Materials online, rather than mailing paper copies of these materials to shareholders. This mechanism provides quicker access to the Meeting Materials while contributing to environmental protection by reducing tree, water and energy consumption.

The Board deeply values shareholder opinions and each year, the Board facilitates open and constructive communication with shareholders. We recognize the importance of timely and meaningful feedback from shareholders, such as in the case of voting results on shareholder proposals. We are mindful of the results of anterior votes on the issue of circular economy in the previous years and we believe that the foregoing demonstrates the Bank's commitment to the circular economy. However, it is difficult to track the Bank's lending and financing to specific outcomes, including contributions to the circular economy. We understand that clear definitions of the circular economy and what this represents in the real economy are still being developed. Accordingly, the Bank is currently unable to accurately report and quantify the loans that it has granted in support of the circular economy beyond what is set forth above and in the Bank's ESG Report.

The Bank's disclosure will continue to evolve as new material topics, such as the circular economy, emerge. In the meantime, we are committed to being responsive to shareholder concerns through ongoing shareholder engagement efforts throughout the year on diverse issues, including with regards to anterior votes on circular economy proposals. For more information on the subject of shareholder engagement, please refer to the section entitled *Engaging with Shareholders and Other Stakeholders* of this Circular.

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

PROPOSAL 4. Large Number of Vote Against Executive Compensation Policy

It is proposed that the Board of Directors develop an action plan to reduce the percentage of shareholders (12%) dissatisfied with the Bank's compensation policy.

Arguments

It should be noted that compensation policy dissatisfaction is also expressed in the high percentage of withheld votes – more than 5% – for the election of most directors. Such high percentages of withheld votes, as compared to the results generally obtained in normal times and elsewhere, is uncommon.

Such a situation is a cause for concern, and it is important that shareholders be reassured as to the actions that have been taken or will be taken to address their preoccupation and that of all interested parties (stakeholders).

Position of the Bank

At the Bank's 2022 annual meeting, each director nominee received more than 93% of the votes in favour of their election to the Board. While the Board considers this to reflect a strong level of shareholder support, it is committed to understanding any concerns from shareholders and also taking meaningful and appropriate actions in response.

The Board deeply values shareholder opinions. Each year, the Board facilitates open and constructive communication with shareholders, whether through one-on-one or group meetings, email or telephone, in addition to regular informal interactions on specific questions between the Bank's Investor Relations Department and shareholders. It specifically reaches out to many of its shareholders representing between 70% and 80% of institutional shares outstanding and proactively engages with them pre- and post-Circular filing, as well as offers an opportunity to meet again post-Annual Meeting in the event any follow-up questions need to be addressed. The meetings are held with the Chair of the Board and the Chair of the HRCG Committee and they include discussions on diverse issues such as the Bank's renewed strategic plan, previous voting results (including the Bank's approach to executive compensation), response to COVID-19, board diversity and renewal, executive compensation, ESG and cybersecurity.

In addition, the Board retains Kingsdale on a yearly basis to review voting results, gain further insight into any potential areas of concern and ensure that the Bank remains aligned with evolving best practices.

In early 2023, the Bank once again reached out to many institutional shareholders to meet with the chairs of the Board and HRCG Committee, and gather feedback on our governance practices and ways to improve them. Together with the executive team, the Board has worked over the year to be responsive to shareholder concerns and to improve the Bank's executive compensation approach, governance practices and disclosure.

The Bank's outreach initiatives helped the Bank to understand common areas of concern, the majority of which have been addressed through enhanced disclosure. In particular, we have provided improved transparency and additional information with respect to the Bank's STI and LTI. For the specific information about our approach on STI and LTI, please refer to the sections on *Short-Term Incentive (STI)* at page 47 and *Long-Term Incentives (LTI)* at page 49 of this Circular.

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

PROPOSAL 5. Increasing Energy and Environmental Transition Efforts

It is proposed that the Bank join the Net Zero Banking Alliance (NZBA), the Global Reporting Initiative (GRI), and the UN Principles for Responsible Banking (PRB).

Arguments

A recent report[5] released by the Institut de recherche en économie contemporaine (IREC) and OXFAM Québec shows that the carbon weight of Canada's eight major banks is 1.9 billion tonnes, or 2.6 times the country's total GHG emissions, and that if they were to join together to form a nation, that nation would be the fifth-largest GHG emitter in the world.

While we recognize the Bank's unique objective situation compared to other Canadian banks and its tangible efforts to support and accelerate the green transition, particularly its recent participation in the Partnership for Carbon Accounting Financials (PCAF), the Bank could do much better and be a model for other Canadian businesses. As noted in the IREC report, here are two observations we would like to draw attention to:

> "First, not only have none of Canada's major deposit-taking institutions committed to withdrawing from the fossil fuel sector in the short or medium term, but they all persist in presenting themselves as participants in the energy transition and sustainable financing aimed at either decarbonizing the processes of extraction, transformation and/or use of fossil fuels or supporting diversification of the "green" asset portfolios of companies in the sector, particularly in the areas of green technologies and renewable energy.
>
> Second, even in terms of their financial commitments to the energy and environmental transition, Canadian deposit-taking institutions have set their sights relatively low: For example, the total CAN$850 billion pledged by BMO, RBC, Scotiabank, CIBC and TD for 2020-2030, while not inconsiderable, will ultimately represent only two thirds of their previously committed fossil fuel assets between 2016 and 2020 alone, which were in excess of CAN$1.3 trillion. In addition, many of the mutual funds and exchange-traded funds of the eight Canadian deposit-taking institutions, including ESG or "green" funds, are still not aligned with the Paris Agreement targets, exceeding the maximum exposure to carbon sectors that would limit global warming to less than two degrees."

The Bank is targeted by the report and has great financial power. Joining these international initiatives would support recommendation 4 of the report: the short-term adoption of a detailed action plan on climate.

Position of the Bank

The Bank continues to recognize the role that financial institutions can play in the transition to a low carbon future. The Bank is committed to enhancing its approach with respect to the management and disclosure of climate-related risks and opportunities. ESG considerations have been included in all Board committee mandates and executive team scorecards.

Last year, we committed that going forward the Bank would not directly finance the exploration, production or development of coal or oil and gas. We also announced that the Bank would continue to participate in green bond issuances and expand product offerings with an ESG focus such as the Bank's Canadian

5 https://oxfam.qc.ca/wp-content/uploads/2022-canada-banks-carbon-footprint-report.pdf

Sustainability ActionGIC. For example, in October 2022, the Bank established its inaugural Sustainable Bond Framework, enabling the Bank to issue green, social and sustainability bonds.

We continue to proudly support our Laurentian Bank Securities and Commercial Banking customers who are committed to building sustainable businesses. Members of our team actively manage a renewable energy portfolio that primarily provides financing to solar energy projects. In contrast, only 0.1% of our total loan portfolio is related to mining or quarrying. The Bank does not provide any direct financing to coal, oil and gas exploration, production, or development as outlined in Chart 2 of the IREC study. Moreover, a more contextualized approach in the IREC study would have allowed to take into account the climate-related opportunities and the social impacts of our credit and investment portfolio, such as enhanced access to housing.

The Bank also furthered the efforts of our taskforce to deliver on the Bank's TCFD roadmap this year. The Bank has set a GHG reduction target of 35% by 2030 from a 2022 baseline for our Scope 1 and 2 GHG emissions. Our corporate offices in Toronto and Montreal are in LEED-certified buildings (Gold and Silver, respectively). Since 2015, we've been supporting renewable energy in Canada by choosing green electricity for the Montreal and Toronto corporate offices through our partnership with Bullfrog Power, Spark Power's sustainability division. The Bank's corporate offices are easily accessible to public transit and include areas to park hybrid vehicles and have abundant space for bicycles. The Bank's pivot to a work-from-home first hybrid model has the effect of reducing employees' commute to the office and as a result, the Bank reduced the size of its corporate offices by 50%.

In addition, the Bank has joined PCAF, a collaboration between financial institutions worldwide to enable standardized assessments and disclosures of greenhouse gas emissions financed by loans and investments. Leveraging the PCAF methodology, we began to calculate our baseline Scope 3 financed emissions in 2022. We will assess options for setting targets for Scope 3 financed emissions once we have a better understanding of our baseline emissions and data quality. As part of our ongoing commitment to climate progress, once we have established our financed emissions baseline arising from our financing activities we will implement further means of engaging shareholders, such as a non-binding advisory vote.

The size and scope of a bank needs to be considered as a part of the assessment of an action plan. There is not a single unified set of guidelines to determine what should be included in an environmental and climate action plan, and if that plan is appropriate for a given bank. As we are a smaller institution with more limited resources than other large Canadian banks, our environment and climate plans are currently focused on our TCFD roadmap.

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

Shareholder Information.

Corporate offices

Montreal

1360 René-Lévesque Blvd West,
Suite 600
Montreal, Quebec H3G 0E5

Toronto

199 Bay St, Suite 600
Toronto, Ontario M5L 0A2

www.laurentianbank.ca

Corporate governance

The Bank's website provides information on our corporate governance practices, including our governance policies and our board and committee mandates.

www.laurentianbank.ca/en/about_lbc/my_bank/governance.html

Transfer agent and registrar

Computershare Investor Services Inc.

1500 Robert-Bourassa Blvd,
Suite 700
Montreal, Quebec H3A 3S8

service@computershare.com

514-982-7888

Investors and analysts

Investors and analysts are invited to contact the Bank's Investor Relations Team.

investor.relations@lbcfg.ca

Media

Media may contact the Bank's Executive Office at:

media@lbcfg.ca

514-451-3201

Dividend reinvestment and share purchase plan

The Bank has a dividend reinvestment and share purchase plan for Canadian holders of its common and preferred shares under which they can acquire common shares of the Bank without paying commissions or administration fees. Participants acquire shares through the reinvestment of cash dividends paid on the shares they hold or through optional cash payments of a minimum amount of $500 per payment, up to an aggregate amount of $20,000 in each 12-month period ending October 31.

For more information, shareholders may contact Computershare at service@computershare.com or 1-800-564-6253.

To participate in the plan, the Bank’s non-registered shareholders must contact their financial institution or broker.

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