

Notice of Annual Meeting of Shareholders

April 1, 2015

Management Proxy Circular



**LAURENTIAN
BANK**



Notice of Annual Meeting of Shareholders

Notice is hereby given that the annual meeting of the shareholders of Laurentian Bank of Canada (the "Bank") will be held at the Monument-National, 1182 Saint-Laurent Blvd, Montreal, Quebec, on Wednesday, April 1, 2015 at 9:30 a.m. for the following purposes:

- 1) to receive the consolidated financial statements of the Bank for the year ended October 31, 2014 and the auditor's report thereon;
- 2) to elect Directors;
- 3) to appoint the auditor;
- 4) to consider and, if deemed fit, adopt a resolution, on an advisory basis, regarding the approach to named executive officer compensation disclosed in the attached Management Proxy Circular (the text of which is set out in Schedule A to the attached Management Proxy Circular);
- 5) to consider, and if deemed fit, adopt a shareholder proposal (the text of which is set out in Schedule B to the attached Management Proxy Circular); and
- 6) to consider such other business as may properly be brought before the meeting.

As at February 11, 2015, the number of eligible votes that may be cast in respect of each separate vote to be held at the meeting is 28,944,619, except for the election of Directors, where the number of eligible votes that may be cast by cumulative voting is 376,280,047.

Proxies to be used at the meeting must be received by the Bank's transfer agent, Computershare Investor Services Inc., Stock Transfer Services, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, prior to the close of business on March 31, 2015.

By order of the Board of Directors,

A handwritten signature in blue ink, appearing to read "L. Pilon", enclosed within a blue circular scribble.

Lorraine Pilon
Secretary

Montreal, Quebec, February 11, 2015

If you are a registered shareholder of the Bank and do not expect to be present in person at the meeting, please complete, date, sign and return the enclosed form of proxy in the accompanying postage prepaid envelope or send it by facsimile TOLL FREE from Canada or the United States to 1-866-249-7775, and from any other country to (416) 263-9524. Your shares will be voted in accordance with your instructions as indicated on the form of proxy.

Important Instructions Regarding Voting and Proxies

INSTRUCTIONS FOR REGISTERED SHAREHOLDERS

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

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

Voting through a proxyholder other than a proxyholder proposed on the enclosed form of proxy — If you do not expect to be present in person at the meeting and wish to appoint a person other than the persons proposed as proxyholders on the enclosed form of proxy to represent you at the meeting, please enter the name of the desired representative in the blank space provided and complete, date, sign and return the enclosed form of proxy in the accompanying postage prepaid envelope or transmit it by facsimile TOLL FREE from Canada or the United States at 1-866-249-7775 and from any other country at (416) 263-9524, within the time limits indicated in the Notice of Meeting. Your proxyholder must present himself or herself at the registration table at least thirty minutes prior to the commencement of the meeting in order to obtain his or her ballot cards. Your proxyholder must have with him or her the enclosed invitation and personal identification.

INSTRUCTIONS FOR NON-REGISTERED* SHAREHOLDERS

Voting in person — If you wish to vote in person at the meeting, please enter your own name in the appropriate space on the voting instruction form that your intermediary sent you and return it to your intermediary, prior to the close of business on March 31, 2015, in accordance with the instructions provided by your intermediary or the Bank's transfer agent. You must present yourself at the registration table at least thirty minutes prior to the commencement of the meeting in order to obtain your ballot cards. You must have with you the enclosed invitation and personal identification.

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

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

* If your shares are held through a securities broker, clearing agency, financial institution, trustee or custodian, you are considered a **non-registered** shareholder.

Please also refer to the Notice of Annual Meeting of Shareholders and to Part A of the Management Proxy Circular which contain further instructions on how to appoint a proxyholder or revoke a proxy. Should you have any questions regarding voting and proxies, you may contact Computershare Investor Services Inc. by telephone at 1-800-564-6253 or by e-mail at the following address: service@computershare.com.

Table of Contents

PART A – INFORMATION ON VOTING	1
PERSONS MAKING THE SOLICITATION	1
PROXY INSTRUCTIONS	1
REVOCABILITY OF PROXY	2
VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES	2
PART B – BUSINESS OF THE MEETING	2
FINANCIAL STATEMENTS	2
ELECTION OF DIRECTORS	2
APPOINTMENT OF THE AUDITOR	3
ADVISORY VOTE ON NAMED EXECUTIVE OFFICER COMPENSATION	4
SHAREHOLDER PROPOSALS	4
PART C – DIRECTOR NOMINEES	4
PART D – COMPENSATION OF DIRECTORS	12
COMPENSATION STRUCTURE	12
COMPENSATION IN THE FORM OF SHARES OR DSUS	12
HOLDING OF SHARES AND DSUS	12
DIRECTOR COMPENSATION TABLE	13
PART E – EXECUTIVE COMPENSATION	14
COMPENSATION DISCUSSION AND ANALYSIS	14
COMPONENTS OF OVERALL EXECUTIVE COMPENSATION	17
SUMMARY COMPENSATION TABLE	36
INCENTIVE PLAN AWARDS	37
PENSION PLAN BENEFITS	38
TERMINATION AND CHANGE OF CONTROL BENEFITS	39
PART F – CORPORATE GOVERNANCE	41
BOARD OF DIRECTORS	41
CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY	43
BOARD COMMITTEES	44
POSITION DESCRIPTIONS	49
CORPORATE ETHICS AND INTEGRITY	49
COMPENSATION	49
ADDITIONAL INFORMATION	49
PART G – OTHER INFORMATION	50
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS	50
DIRECTORS’ AND OFFICERS’ LIABILITY INSURANCE	51
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS	51
CODE OF PROCEDURE	51
MINUTES	51
ADDITIONAL INFORMATION	51
REMOTE VIEWING OF THE ANNUAL MEETING	51
DIRECTORS’ APPROVAL	51
SCHEDULES	52
SCHEDULE A ADVISORY VOTE ON NAMED EXECUTIVE OFFICER COMPENSATION	52
SCHEDULE B SHAREHOLDER PROPOSALS	53
SCHEDULE C STOCK OPTION PURCHASE PLAN	56
SCHEDULE D CODE OF PROCEDURE	57

Management Proxy Circular

This Management Proxy Circular (the “Circular”) of Laurentian Bank of Canada (the “Bank”) is dated February 11, 2015.

In this document, references to the Bank’s Annual Information Form are references to the Bank’s Annual Information Form dated December 10, 2014, and references to the Bank’s Annual Report are references to the 2014 Annual Report, both of which are available on the SEDAR website at www.sedar.com.

PART A – INFORMATION ON VOTING

PERSONS MAKING THE SOLICITATION

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

PROXY INSTRUCTIONS

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

The instrument appointing a proxyholder must be in writing and must be signed by the shareholder or by an attorney authorized in writing.

All valid proxies received by the Bank through Computershare Investor Services Inc. at the address set forth in the accompanying Notice of Meeting prior to the close of business on March 31, 2015 will be used for the purposes of voting at the Meeting or any adjournment thereof in accordance with the terms of the proxy or the instructions of the shareholder as specified thereon.

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

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

FOR:

- the election of Directors;
- the appointment of the auditor;
- the adoption of a resolution on an advisory basis on the approach to named executive officer compensation disclosed in the Circular; and

AGAINST:

- the shareholder’s proposal.

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

REVOCABILITY OF PROXY

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

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

On February 11, 2015, 28,944,619 common shares of the Bank were outstanding.

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

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

Only holders of shares registered on the Bank's registers at the close of business on February 11, 2015 or their duly appointed proxyholders will be entitled to attend and vote at the Meeting.

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

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

PART B – BUSINESS OF THE MEETING

FINANCIAL STATEMENTS

The Bank's consolidated financial statements for the fiscal year ended October 31, 2014 and the auditor's report thereon are included in the 2014 Annual Report mailed to shareholders on January 9, 2015. The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), including the accounting requirements specified by the Office of the Superintendent of Financial Institutions (Canada).

ELECTION OF DIRECTORS

The holders of common shares will elect 13 directors to hold office until the close of the next annual meeting of shareholders, or until the election or appointment of their successors.

Under Section 8.1 of By-Law III of the Bank's General By-Laws, the Directors must be elected by cumulative voting of shareholders entitled to vote. For cumulative voting, shareholders have the right to cast a number of votes equal to the number of votes attached to their shares multiplied by the number of Directors to be elected, and the votes may be distributed among one or several of the proposed nominees in any manner. A shareholder who has voted for more than one proposed nominee, without any further instruction, is deemed to have distributed the votes equally among the nominees. The shareholders present at the Meeting may unanimously adopt a resolution allowing for the holding of the election of Directors by a single vote.

The Board of Directors adopted a majority voting policy in 2008 under which a nominee for election as Director who does not receive the required minimum number of votes at the annual meeting of shareholders is deemed not to have received the support of shareholders (even though he/she was elected in accordance with the Bank's General By-Laws) and will be required to immediately tender his/her resignation. Given the use of cumulative voting, the minimum number of votes is equal to the number of common shares held by shareholders present or represented by proxy at the shareholders' meeting, divided by two, plus one. For example, if the number of common shares held by shareholders present or represented by proxy at the shareholders' meeting is 10,000,000, a nominee will have to tender his/her resignation if he/she does not receive at least 5,000,001 votes. The Board will examine the resignation submitted at a meeting in which the Director in question will not participate. Within 90 days of the shareholders' meeting, the Board will publicly announce the resignation of the Director or the reasons for not accepting the resignation. In the event that the resignation is accepted, it will take effect upon the Board's acceptance. The Board may then begin the process of filling the vacancy in accordance with applicable legislation and the Bank's General By-Laws. The majority voting policy does not apply in the case of contested elections.

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

APPOINTMENT OF THE AUDITOR

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

The auditor is to be appointed by vote of the holders of common shares at the Meeting to serve as auditor of the Bank until the close of the next annual meeting of shareholders. In order to be passed, the appointment of the auditor must be approved by a majority of votes cast by the holders of common shares present or represented by proxy and eligible to vote at the Meeting.

Evaluation of the Auditor

In accordance with the practice in effect, the Audit Committee proceeded with the evaluation of the external auditor for the past fiscal year. This evaluation was performed in compliance with the Canadian Public Accountability Board's report on audit quality inspections conducted in Canada in 2013 and it also takes into account an assessment made by certain members of management.

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

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

Based on the aforementioned criteria, the Audit Committee was satisfied with the external auditor's services and, therefore, advised the Board of Directors to renew its mandate for the fiscal year ending October 31, 2015.

Auditor's Fees

The table below presents the fees by category billed by the auditing firm Ernst & Young for fiscal year 2014 and 2013.

Fee Category	2014 (\$)	2013 (\$)
Audit	2,141,000	2,211,280
Audit-related services	408,000	439,700
Tax services	96,000	166,136
Other fees	117,000 (Note 1)	1,004,544 (Note 2)
Total	2,762,000	3,821,660

Note 1: In 2014, other fees represented 4% of total fees paid to Ernst & Young.

Note 2: In 2013, other fees represented 26% of total fees paid to Ernst & Young. The Bank retained the services of Ernst & Young after a request for proposals from several firms to assist in the design and implementation of the internal rating method specific to the Basel Accord, which has significant impacts on all credit transactions and other financial and accounting aspects. Ernst & Young stood apart for its expertise acquired carrying out mandates for other banks that have implemented this approach, as well as for its extensive knowledge of the Bank.

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

During fiscal year 2014, the Audit Committee reviewed the policy regarding services that may be rendered by the Bank's external auditor. This policy is presented in Section 12.4 of the Bank's Annual Information Form.

ADVISORY VOTE ON NAMED EXECUTIVE OFFICER COMPENSATION

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

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

SHAREHOLDER PROPOSALS

The Bank received three proposals from the Mouvement d'éducation et de défense des actionnaires (MÉDAC), a shareholder whose offices are located at 82 Sherbrooke Street West, Montréal (Québec) H2X 1X3. After discussions held with Bank's management, MÉDAC agreed that:

- the first proposal, entitled Report on Executive Compensation, be submitted for a vote by shareholders; and
- the second proposal, entitled Deficient Competency of Directors in the Areas of Social Responsibility and the Environment, not be submitted for a vote by shareholders and be included in the Circular for information purposes only.

Moreover, MÉDAC agreed to withdraw its third proposal entitled *Commercial Practices with Respect to Credit Cards and Social Responsibility*.

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

Shareholders wishing to have a proposal included in the Bank's next management proxy circular must send the text of such proposal to the Secretary of the Bank no later than November 14, 2015.


PART C – DIRECTOR NOMINEES


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

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

- his/her name, age and municipality of residence;
- the date on which he/she became a Director of the Bank;
- the fact that he/she is independent or not within the meaning of *Regulation 58-101 Respecting Disclosure of Corporate Governance Practices* and based on the criteria adopted by the Bank's Board of Directors (such determination being made as at the date of this Circular);
- his/her main fields of expertise;
- his/her principal occupation and business, principal qualifications and relevant experience to serve on the Board of Directors;
- the other reporting issuers for which he/she serves or has served as director or member of a committee of the Board of Directors during the last five years;
- the Bank's Board committees on which he/she serves, as well as his/her record of attendance at Board and committee meetings during the 2014 fiscal year;
- the number and value of Bank common shares beneficially owned directly or indirectly, or over which he/she exercises control or direction as at the date of this Circular and as at the date of the previous Management Proxy Circular (February 12, 2014); the share value as at February 11, 2015 and February 12, 2014 is the closing price of the Bank's common share on the Toronto Stock Exchange on such dates, which was \$49.51 and \$45.20 respectively (information concerning the number of shares held was provided by each proposed nominee);
- the number and value of the Bank's deferred share units (DSUs) credited to him/her as at the date of this Circular and as at the date of the previous Management Proxy Circular (February 12, 2014); the unit value as at February 11, 2015 and February 12, 2014 is based on the closing price of the Bank's common share on the Toronto Stock Exchange on such dates, which was \$49.51 and \$45.20 respectively;

- whether he/she complies or not with the minimum shareholding requirements for Directors (such requirements being described in Part D - Compensation of Directors); and
- the value of total compensation received during fiscal year 2014 as a Bank Director.

LISE BASTARACHE		SUMMARY OF PROFESSIONAL EXPERIENCE							
	<p>Lise Bastarache is an economist and a corporate director.</p> <p>Ms. Bastarache holds a master's degree and has pursued doctoral studies in Economics. From 2001 to 2005, she was Québec Regional Vice-President, Private Banking at RBC Financial Group. From 2004 to 2007, Ms. Bastarache sat on NB Power's Board of Directors. She was also a member of the Board of Governors of Université de Moncton and Chair of its Finance Committee from 2004 to 2013. She sits on the Board of Directors of Université de Moncton Développement Inc.</p>								
	Age: 51 Cadiac, Quebec, Canada Director since March 7, 2006 Independent Major fields of expertise: - Finance - Risk Management - Banking Services - Credit - Securities	REPORTING ISSUER DURING THE LAST FIVE YEARS		CURRENT ROLE ON BOARDS AND COMMITTEES					
		The Jean Coutu Group (PJC) Inc. (2003 to date)		Member of the Audit Committee Member of the Governance and Nominating Committee Member of the Human Resources and Compensation Committee					
		Chartwell Retirement Residences (2005 to date)		Member of the Board of Trustees Member of the Audit Committee Member of the Investment Committee					
		MEMBER OF BOARD/COMMITTEES		ATTENDANCE		ATTENDANCE (TOTAL)			
		Board of Directors		9 out of 9 (100%)		15 out of 16 (94%)			
		Risk Management Committee		6 out of 7 (86%)					
		SECURITIES HELD							
		Date	Total common shares	Total DSUs	Total common shares and DSUs	Share value (\$)	Total value of common shares and DSUs (\$)	Minimum requirements shares/DSUs	Complies with minimum shareholding requirements for directors
		Feb. 11, 2015	4,132	2,989	7,121	49.51	352,561	5,000	142% Yes
		Feb. 12, 2014	4,132	2,579	6,711	45.20	303,337	5,000	134% Yes
		VALUE OF TOTAL COMPENSATION RECEIVED DURING THE 2014 FISCAL YEAR							
		\$90,000							

JEAN BAZIN, Q.C.		SUMMARY OF PROFESSIONAL EXPERIENCE							
	<p>Jean Bazin is Counsel at Dentons Canada LLP, Barristers and Solicitors.</p> <p>An attorney since 1965, appointed Queen's Counsel since 1984, and was a member of the Senate from 1986 to 1989. Mr. Bazin chaired the Canadian Bar Association in 1987-1988 and the Québec-Japan Business Forum in 1999. He sat on the Bank's Board of Directors from 1990 to 2000 and was Chairman of the Board of its B2B Trust subsidiary (now B2B Bank) from 2000 to 2002. Very active within the business community and various cultural organizations, Mr. Bazin serves on the Board of the Canadian Association of Former Parliamentarians.</p>								
	Age: 75 Montreal, Quebec, Canada Director since September 1 st , 2002 (and from 1990 to 2000) Independent Major fields of expertise: - Compliance - Corporate Governance - Human Resources - Mergers and Acquisitions - Business Development	REPORTING ISSUER DURING THE LAST FIVE YEARS		CURRENT ROLE ON BOARDS AND COMMITTEES					
		SN Plus inc. (2003 to 2014)							
		Miranda Technologies Inc. (2005 to 2012)							
		MEMBER OF BOARD/COMMITTEES		ATTENDANCE		ATTENDANCE (TOTAL)			
		Board of Directors		9 out of 9 (100%)		18 out of 18 (100%)			
		Human Resources and Corporate Governance Committee (Chair)		9 out of 9 (100%)					
		SECURITIES HELD							
		Date	Total common shares	Total DSUs	Total common shares and DSUs	Share value (\$)	Total value of common shares and DSUs (\$)	Minimum requirements shares/DSUs	Complies with minimum shareholding requirements for directors
		Feb. 11, 2015	6,733	1,175	7,908	49.51	391,525	5,000	158% Yes
		Feb. 12, 2014	6,733	840	7,573	45.20	342,300	5,000	151% Yes
		VALUE OF TOTAL COMPENSATION RECEIVED DURING THE 2014 FISCAL YEAR							
		\$102,500							

RICHARD BÉLANGER, FCPA, FCA

SUMMARY OF PROFESSIONAL EXPERIENCE



Richard Bélanger is the President of Toryvel Group Inc., a holding company with investments mostly in the natural resources sector.

A professional chartered accountant since 1980, Richard Bélanger was awarded the designation “Fellow” and the Prix Émérite by the Ordre des comptables professionnels agréés du Québec in 2004. He is a Director and President of Toryvel Group Inc. and Doryfor Inc., a transportation company, Director and President of Québec City Executive Terminal Inc., and the general partner of Terminal 611 LP, a company operating an airport terminal. He is also a Director and member of the Audit Committee of Optosecurity Inc., a development and marketing corporation specializing in software solutions for the protection of physical infrastructures.

Age: 57
 Lac-Beauport, Quebec, Canada
 Director since
 March 20, 2003
 Independent
 Major fields of expertise:
 - Finance
 - Audit
 - Human Resources
 - Mergers and Acquisitions
 - Business Development

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

WSP Global Group Inc. (previously Genivar Inc.)	(2007 to date)	Principal independent director Chair of the Special Committee Member of the Audit Committee Member of the Governance, Ethics and Compensation Committee
--	----------------	--

Stella Jones Inc.	(1997 to 2012)	
-------------------	----------------	--

MEMBER OF BOARD/COMMITTEES	ATTENDANCE	ATTENDANCE (TOTAL)
Board of Directors	9 out of 9 (100%)	23 out of 24 (96%)
Audit Committee (Chair)	8 out of 8 (100%)	
Risk Management Committee	6 out of 7 (86%)	

SECURITIES HELD

Date	Total common shares	Total DSUs	Total common shares and DSUs	Share value (\$)	Total value of common shares and DSUs (\$)	Minimum requirements shares/DSUs	Complies with minimum shareholding requirements for directors	
Feb. 11, 2015	5,000	768	5,768	49.51	285,574	5,000	115%	Yes
Feb. 12, 2014	5,000	451	5,451	45.20	246,385	5,000	109%	Yes

VALUE OF TOTAL COMPENSATION RECEIVED DURING THE 2014 FISCAL YEAR
 \$111,250

MICHAEL T. BOYCHUK, FCPA, FCA

SUMMARY OF PROFESSIONAL EXPERIENCE



Michael T. Boychuk has been President of Bimcor Inc., the pension fund investment manager for the Bell Canada group of companies, since July 2009.

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

Age: 59
 Baie d’Urfé, Quebec, Canada
 Director since
 August 30, 2013
 Independent
 Major fields of expertise:
 - Finance
 - Pension Plan Management
 - Corporate Governance
 - Mergers and Acquisitions
 - Treasury

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

Yellow Media Inc. (See Note 1)	(2003 to 2012)	
--------------------------------	----------------	--

MEMBER OF BOARD/COMMITTEES	ATTENDANCE	ATTENDANCE (TOTAL)
Board of Directors	9 out of 9 (100%)	17 out of 17 (100%)
Audit Committee	8 out of 8 (100%)	

SECURITIES HELD

Date	Total common shares	Total DSUs	Total common shares and DSUs	Share value (\$)	Total value of common shares and DSUs (\$)	Minimum requirements shares/DSUs	Complies with minimum shareholding requirements for directors	
Feb. 11, 2015	530	2,631	3,161	49.51	156,501	5,000	63%	No
Feb. 12, 2014	505	731	1,236	45.20	55,867	5,000	25%	No

VALUE OF TOTAL COMPENSATION RECEIVED DURING THE 2014 FISCAL YEAR
 \$90,000

ISABELLE COURVILLE **SUMMARY OF PROFESSIONAL EXPERIENCE**



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

Isabelle Courville is an engineer and attorney by training. From 2003 to 2006, she was President of Bell Canada's Enterprise business segment and President and Chief Executive Officer of Bell Nordiq Group (Télébec NorthernTel) from 2001 to 2003. She was recipient in 2005, 2006 and 2008 of the Women's Executive Network Canada's Most Powerful Women: Top 100 Award, and she received the McGill Management Achievement Award in 2007 for her contribution to the business world and community involvement. Ms. Courville serves on the Board and Executive Committee of École Polytechnique de Montréal. She is also a Director and member of the Executive Committee of the Montreal Heart Institute Foundation, Director and member of the Audit Committee of the Institute of Corporate Directors, as well as Director of the Board of Trade of Metropolitan Montreal Foundation and the Institute of Corporate Directors - Québec Chapter.

Age: 52
 Rosemère, Quebec, Canada
 Director since
 March 6, 2007
 Independent
 Major fields of expertise:
 - Finance
 - Technology
 - Corporate Governance
 - Human Resources
 - Corporate Social Responsibility and Sustainability

REPORTING ISSUER DURING THE LAST FIVE YEARS		CURRENT ROLE ON BOARDS AND COMMITTEES							
TVA Group Inc.	(2013 to date)	Member of the Compensation Committee							
Canadian Pacific Railway Limited	(2013 to date)	Member of the Audit Committee Member of the Safety, Operations and Environment Committee							
Canadian Pacific Railway Company	(2013 to date)	Member of the Audit Committee Member of the Safety, Operations and Environment Committee							
Miranda Technologies inc.	(2006 to 2012)								
MEMBER OF BOARD/COMMITTEES		ATTENDANCE	ATTENDANCE (TOTAL)						
Board of Directors (Chairman of the Board)	9 out of 9 (100%)	26 out of 26 (100%)							
Audit Committee	8 out of 8 (100%)								
Human Resources and Corporate Governance Committee	9 out of 9 (100%)								
SECURITIES HELD									
Date	Total common shares	Total DSUs	Total common shares and DSUs	Share value (\$)	Total value of common shares and DSUs (\$)	Minimum requirements shares/DSUs	Complies with minimum shareholding requirements for directors		
Feb. 11, 2015	7,896	6,120	14,016	49.51	693,932	5,000	280%	Yes	
Feb. 12, 2014	6,366	5,580	11,946	45.20	539,959	5,000	239%	Yes	
VALUE OF TOTAL COMPENSATION RECEIVED DURING THE 2014 FISCAL YEAR				\$210,000					

PIERRE GENEST, FCIA, FSA **SUMMARY OF PROFESSIONAL EXPERIENCE**



Pierre Genest is Chairman of the Board of SSQ, Life Insurance Company Inc.

Mr. Genest was educated in actuarial sciences and is a Fellow of both the Canadian Institute of Actuaries and the Society of Actuaries (USA). From 1994 to 2001, he was President and General Manager of SSQ Financial Group, and from 2002 to 2006, served as President and Chief Executive Officer of the Fonds de solidarité des travailleurs du Québec (F.T.Q.). Mr. Genest is Chair of the Audit Committee and a member of the Risk Management Committee of Professionals' Financial Inc., a wealth management company. He is also Chairman of the Board and a member of the Human Resources Committee of PFT Management Inc., a timber processing company, and a Director and President of Alemar Inc., a holding company. In addition, Mr. Genest is a Director and member of the Audit and Risk Management Committee of the Conseil québécois de la coopération et de la mutualité, and of Socodevi: Société de coopération pour le développement international.

Age: 68
 Quebec, Quebec, Canada
 Director since
 March 7, 2006
 Independent
 Major fields of expertise:
 - Finance
 - Compliance
 - Pension Plan Management
 - Risk Management
 - Business Development

REPORTING ISSUER DURING THE LAST FIVE YEARS		CURRENT ROLE ON BOARDS AND COMMITTEES							
None									
MEMBER OF BOARD/COMMITTEES		ATTENDANCE	ATTENDANCE (TOTAL)						
Board of Directors	9 out of 9 (100%)	18 out of 18 (100%)							
Human Resources and Corporate Governance Committee	9 out of 9 (100%)								
SECURITIES HELD									
Date	Total common shares	Total DSUs	Total common shares and DSUs	Share value (\$)	Total value of common shares and DSUs (\$)	Minimum requirements shares/DSUs	Complies with minimum shareholding requirements for directors		
Feb. 11, 2015	7,769	768	8,537	49.51	422,667	5,000	171%	Yes	
Feb. 12, 2014	7,769	451	8,220	45.20	371,544	5,000	164%	Yes	
VALUE OF TOTAL COMPENSATION RECEIVED DURING THE 2014 FISCAL YEAR				\$90,000					

MICHEL LABONTÉ **SUMMARY OF PROFESSIONAL EXPERIENCE**



Michel Labonté is a corporate director.

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

Age: 69
 Montreal, Quebec, Canada
 Director since
 March 10, 2009
 Independent
 Major fields of expertise:
 - Finance
 - Technology
 - Risk Management
 - Corporate Governance
 - Accounting Rules

REPORTING ISSUER DURING THE LAST FIVE YEARS		CURRENT ROLE ON BOARDS AND COMMITTEES						
Métro Inc.	(2006 to date)	Chair of the Audit Committee						
Manac Inc.	(2013 to date)	Chairman of the Board						
MEMBER OF BOARD/COMMITTEES		ATTENDANCE	ATTENDANCE (TOTAL)					
Board of Directors		9 out of 9 (100%)	16 out of 16 (100%)					
Risk Management Committee (Chair)		7 out of 7 (100%)						
SECURITIES HELD								
Date	Total common shares	Total DSUs	Total common shares and DSUs	Share value (\$)	Total value of common shares and DSUs (\$)	Minimum requirements shares/DSUs	Complies with minimum shareholding requirements for directors	
Feb. 11, 2015	681	4,845	5,526	49.51	273,592	5,000	110%	Yes
Feb. 12, 2014	681	3,469	4,150	45.20	187,580	5,000	83%	No
VALUE OF TOTAL COMPENSATION RECEIVED DURING THE 2014 FISCAL YEAR								
\$102,500								

A. MICHEL LAVIGNE, FCPA, FCA **SUMMARY OF PROFESSIONAL EXPERIENCE**



A. Michel Lavigne is a corporate director.

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

Age: 64
 Laval, Quebec, Canada
 Director since
 March 19, 2013
 Independent
 Major fields of expertise:
 - Finance
 - Audit
 - Risk Management
 - Corporate Governance
 - Accounting Rules

REPORTING ISSUER DURING THE LAST FIVE YEARS		CURRENT ROLE ON BOARDS AND COMMITTEES						
TVA Group Inc.	(2005 to date)	Member of the Audit Committee Member of the Compensation Committee						
Québecor Inc.	(2013 to date)	Member of the Audit Committee Chair of the Compensation Committee						
Primary Energy Recycling Corporation		(2005 to 2014)						
Nstein Technologies Inc.		(2006 to 2010)						
Richmont Mines Inc.		(February 2010 to October 2010)						
MEMBER OF BOARD/COMMITTEES		ATTENDANCE	ATTENDANCE (TOTAL)					
Board of Directors		8 out of 9 (89%)	15 out of 17 (88%)					
Audit Committee		7 out of 8 (88%)						
SECURITIES HELD								
Date	Total common shares	Total DSUs	Total common shares and DSUs	Share value (\$)	Total value of common shares and DSUs (\$)	Minimum requirements shares/DSUs	Complies with minimum shareholding requirements for directors	
Feb. 11, 2015	5,000	443	5,443	49.51	269,483	5,000	109%	Yes
Feb. 12, 2014	5,000	139	5,139	45.20	232,283	5,000	103%	Yes
VALUE OF TOTAL COMPENSATION RECEIVED DURING THE 2014 FISCAL YEAR								
\$90,000								

JACQUELINE C. ORANGE

SUMMARY OF PROFESSIONAL EXPERIENCE



Jacqueline C. Orange is a corporate director.

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

Age: 70
 Toronto, Ontario, Canada
 Director since
 March 11, 2008
 Independent
 Major fields of expertise:
 - Finance
 - Corporate Governance
 - Banking Services
 - Insurance
 - Marketing

REPORTING ISSUER DURING THE LAST FIVE YEARS			CURRENT ROLE ON BOARDS AND COMMITTEES					
None								
MEMBER OF BOARD/COMMITTEES		ATTENDANCE		ATTENDANCE (TOTAL)				
Board of Directors		8 out of 9 (89%)		15 out of 17 (88%)				
Audit Committee		7 out of 8 (88%)						
SECURITIES HELD								
Date	Total common shares	Total DSUs	Total common shares and DSUs	Share value (\$)	Total value of common shares and DSUs (\$)	Minimum requirements shares/DSUs	Complies with minimum shareholding requirements for directors	
Feb. 11, 2015	5,282	768	6,050	49.51	299,536	5,000	121%	Yes
Feb. 12, 2014	5,282	451	5,733	45.20	259,132	5,000	115%	Yes
VALUE OF TOTAL COMPENSATION RECEIVED DURING THE 2014 FISCAL YEAR								
\$90,000								

RÉJEAN ROBITAILLE, FCPA, FCA

SUMMARY OF PROFESSIONAL EXPERIENCE



Réjean Robitaille is President and Chief Executive Officer of the Bank.

Fellow of the Ordre des comptables professionnels agréés du Québec, Mr. Robitaille has in-depth knowledge of the Bank having held various positions since 1988, including Senior Vice-President and Treasurer, Executive Vice-President, Retail Financial Services and Senior Executive Vice-President, Retail and Commercial Financial Services. From June to December 2006, he held the position of Senior Executive Vice-President and Chief Operating Officer and became President and Chief Executive Officer of the Bank on December 13, 2006. Mr. Robitaille has announced his intention to retire effective November 1, 2015.

Age: 54
 Montreal, Quebec, Canada
 Director since
 December 13, 2006
 Not independent
 (Member of Management)
 Major fields of expertise:
 - Finance
 - Risk Management
 - Accounting Rules
 - Banking Services
 - Business Development

REPORTING ISSUER DURING THE LAST FIVE YEARS			CURRENT ROLE ON BOARDS AND COMMITTEES					
None								
MEMBER OF BOARD/COMMITTEES		ATTENDANCE		ATTENDANCE (TOTAL)				
Board of Directors		9 out of 9 (100%)		9 out of 9 (100%)				
SECURITIES HELD								
Date	Total common shares	Total DSUs	Total common shares and DSUs	Share value (\$)	Total value of common shares and DSUs (\$)	Minimum requirements shares/DSUs	Complies with minimum shareholding requirements for directors	
Feb. 11, 2015	2,801	0	2,801	49.51	138,678	(Note 2)	(Note 2)	(Note 2)
Feb. 12, 2014	2,503	0	2,503	45.20	113,136	(Note 2)	(Note 2)	(Note 2)
VALUE OF TOTAL COMPENSATION RECEIVED DURING THE 2014 FISCAL YEAR								
Mr. Robitaille does not receive any compensation as director.								

MICHELLE R. SAVOY **SUMMARY OF PROFESSIONAL EXPERIENCE**



Michelle R. Savoy is a corporate director.
 Ms. Savoy brings over 25 years of experience and extensive knowledge of the financial services industry, including investment management and capital markets. From 1998 to 2011, she held numerous executive positions with the Capital Group of Companies, a global investment management organization, including President of Capital Guardian (Canada) Inc. from 2003 to 2011. Prior to that, she spent almost two years as an executive recruiter with Spencer Stuart and Associates Inc. Her earlier experience includes more than a decade with CIBC Wood Gundy, where she ultimately served as Managing Director and Global Head of Fixed Income Sales. She is currently a Director of the Canadian Scholarship Trust Foundation, one of Canada's largest and most experienced group education savings plan providers and chairs its Investment Committee. (See Note 3)

Age: 55
 Toronto, Ontario, Canada
 Director since
 March 20, 2012
 Independent
 Major fields of expertise:
 - Pension Plan Management
 - Risk Management
 - Human Resources
 - Derivatives
 - Securities

REPORTING ISSUER DURING THE LAST FIVE YEARS		CURRENT ROLE ON BOARDS AND COMMITTEES							
None									
MEMBER OF BOARD/COMMITTEES	ATTENDANCE	ATTENDANCE (TOTAL)							
Board of Directors	9 out of 9 (100%)	16 out of 16 (100%)							
Risk Management Committee	7 out of 7 (100%)								
Human Resources and Corporate Governance Committee	N/A (Note 4)								
SECURITIES HELD									
Date	Total common shares	Total DSUs	Total common shares and DSUs	Share value (\$)	Total value of common shares and DSUs (\$)	Minimum requirements shares/DSUs	Complies with minimum shareholding requirements for directors		
Feb. 11, 2015	3,232	1,716	4,948	49.51	244,975	5,000	99%	No	
Feb. 12, 2014	2,123	983	3,106	45.20	140,391	5,000	62%	No	
VALUE OF TOTAL COMPENSATION RECEIVED DURING THE 2014 FISCAL YEAR				\$90,000					

JONATHAN I. WENER, C.M. **SUMMARY OF PROFESSIONAL EXPERIENCE**



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

Age: 64
 Westmount, Quebec, Canada
 Director since
 January 22, 1998
 Independent
 Major fields of expertise:
 - Finance
 - Risk Management
 - Mergers and Acquisitions
 - Credit
 - Marketing

REPORTING ISSUER DURING THE LAST FIVE YEARS		CURRENT ROLE ON BOARDS AND COMMITTEES							
Silanis International Limited (2007 to 2013) (AIM Exchange [London])									
MEMBER OF BOARD/COMMITTEES	ATTENDANCE	ATTENDANCE (TOTAL)							
Board of Directors	9 out of 9 (100%)	16 out of 16 (100%)							
Risk Management Committee	7 out of 7 (100%)								
SECURITIES HELD									
Date	Total common shares	Total DSUs	Total common shares and DSUs	Share value (\$)	Total value of common shares and DSUs (\$)	Minimum requirements shares/DSUs	Complies with minimum shareholding requirements for directors		
Feb. 11, 2015	8,149	768	8,917	49.51	441,481	5,000	178%	Yes	
Feb. 12, 2014	7,175	451	7,626	45.20	344,695	5,000	153%	Yes	
VALUE OF TOTAL COMPENSATION RECEIVED DURING THE 2014 FISCAL YEAR				\$90,000					

SUSAN WOLBURGH JENAH **SUMMARY OF PROFESSIONAL EXPERIENCE**



Susan Wolburgh Jenah is a corporate director. Until October 2014, she was President and Chief Executive Officer of the Investment Industry Regulatory Organization of Canada (IIROC), the national self-regulatory body that oversees all investment dealers and trading activity on debt and equity markets in Canada.

Ms. Wolburgh Jenah is an attorney by training. After an accomplished career at the Ontario Securities Commission from 1983 to 2007, she was appointed President and Chief Executive Officer of the Investment Dealers Association of Canada (IDA) in June 2007 and was responsible for leading the merger of the IDA and Market Regulation Services Inc. to establish IIROC in 2008. Ms. Wolburgh Jenah is a member of the Board of Governors and Regulatory Policy Committee of the U.S. Financial Industry Regulatory Authority (FINRA). She is also member of the C.D. Howe Institute National Advisory Council and of the Ted Rogers School of Management's Dean's Advisory Council at Ryerson University, as well as a member of the Global Risk Institute's Board of Directors.

Age: 59
 Toronto, Ontario, Canada
 Director since
 December 9, 2014
 Independent
 Major fields of expertise:
 - Compliance
 - Risk Management
 - Corporate Governance
 - Human Ressources
 - Securities

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

None

MEMBER OF BOARD/COMMITTEES **ATTENDANCE** **ATTENDANCE (TOTAL)**

Board of Directors	N/A (Note 5)	N/A (Note 5)
Risk Management Committee	N/A (Note 5)	

SECURITIES HELD

Date	Total common shares	Total DSUs	Total common shares and DSUs	Share value (\$)	Total value of common shares and DSUs (\$)	Minimum requirements shares/DSUs	Complies with minimum shareholding requirements for directors	
Feb. 11, 2015	0	111	111	49.51	5,496	5,000	2%	No

VALUE OF TOTAL COMPENSATION RECEIVED DURING THE 2014 FISCAL YEAR

\$0 (Note 5)

- Note 1: Mr. Boychuk was a Director of Yellow Media Inc. when the corporation announced a recapitalization on July 23, 2012. The recapitalization was implemented and became effective on December 20, 2012 and was implemented in accordance with a court-approved plan of arrangement under the *Canada Business Corporations Act*.
- Note 2: Mr. Robitaille is not eligible for DSUs. The minimum shareholding requirements for Mr. Robitaille are the same as those that apply to executive officers as more fully described in the "Minimum Shareholding Requirements" section on page 23 of the Circular.
- Note 3: Ms. Savoy was serving as a Director, President and Secretary of 2172079 Ontario Inc., a private company operating a franchise restaurant, when the company assigned all of its property for the benefit of its creditors in accordance with section 49 of the *Bankruptcy and Insolvency Act* (Canada) on December 3, 2013.
- Note 4: Ms. Savoy became a member of the Human Resources and Corporate Governance Committee on December 9, 2014.
- Note 5: As Ms. Wolburgh Jenah was appointed at the end of the last fiscal year, she did not attend any of the meetings or receive any compensation.

Following Mr. Robitaille's announcement of his intention to retire as Director and President and Chief Executive Officer of the Bank on November 1, 2015, the Bank's Board of Directors has begun the process of finding a successor, with the results to be announced shortly.

PART D – COMPENSATION OF DIRECTORS

COMPENSATION STRUCTURE

The compensation structure for Bank Directors is as follows:

	Annual compensation in force until April 30, 2014	Annual compensation in force as of May 1, 2014
Per annum fixed compensation for all Directors	\$85,000 (including \$10,000 in the form of deferred share units)	95,000 (including \$20,000 in the form of deferred share units)
Per annum fixed compensation for the Chairman of the Board	\$115,000	\$125,000
Per annum fixed compensation for the Chair of a permanent committee	\$10,000	\$15,000
Per annum fixed compensation for a Director sitting on more than one committee, with the exception of the Chairman of the Board	\$6,000	\$10,000

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

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

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

COMPENSATION IN THE FORM OF SHARES OR DSUs

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

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

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

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

HOLDING OF SHARES AND DSUs

Each Director must hold at least 5,000 Bank's common shares and/or DSUs. Until this threshold is reached, at least 50% of the Director's compensation is used to acquire shares and/or DSUs. As at February 11, 2015, all Directors exceeded the target ownership level of 5,000 common shares and/or DSUs, except for Mr. Boychuk (63% of the objective), Ms. Savoy (99% of the objective) and of Ms. Wolburgh Jenah (2% of the objective). The number of shares and DSUs held by each proposed nominee for election as Director is indicated in Part C – Director Nominees. Mr. Robitaille is subject to minimum shareholding requirements as President and Chief Executive Officer of the Bank, as described in Part E – Executive Compensation.

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

DIRECTOR COMPENSATION TABLE

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

Name	Cash (\$)	Shares/DSU (\$)	Total Fees (\$)
Lise Bastarache	56,250	33,750	90,000
Jean Bazin	76,858	25,642	102,500
Richard Bélanger	96,250	15,000	111,250
Michael T. Boychuk	0	90,000	90,000
Isabelle Courville	97,593	112,407	210,000
Pierre Genest	75,000	15,000	90,000
Michel Labonté	43,750	58,750	102,500
A. Michel Lavigne	75,000	15,000	90,000
Jacqueline C. Orange	75,000	15,000	90,000
Marie-France Poulin (Note 1)	44,633	6,957	51,590
Réjean Robitaille (Note 2)	0	0	0
Michelle R. Savoy	2,837	87,163	90,000
Jonathan I. Wener	46,903	43,097	90,000
Susan Wolburgh Jenah (Note 3)	0	0	0

Note 1: Ms. Poulin ceased to be a Director on June 5, 2014.

Note 2: Mr. Robitaille does not receive any compensation as Director of the Bank.

Note 3: Ms. Wolburgh Jenah became a Director on December 9, 2014 and did not receive any compensation during the last fiscal year.

PART E – EXECUTIVE COMPENSATION

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

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis describes and explains all elements of compensation paid, made payable, awarded, granted, given or otherwise provided to the named executive officers for the 2014 fiscal year, as well as the decision-making process relating to compensation. It includes an overview of the manner in which the Bank’s financial results impacted executive compensation. The objectives of the various executive compensation plans, a description of the different components of executive compensation, and certain other applicable terms and conditions are also explained.

Review of Fiscal Year 2014

For the fiscal year ended October 31, 2014, the Bank’s adjusted net income totalled \$163.6 million, translating into diluted earnings per share of \$5.31, which represents a 5% increase over the adjusted net income of \$155.4 million, or diluted earnings per share of \$5.07, posted in 2013. For its part, adjusted return on common shareholders’ equity equaled 11.9% for the year ended October 31, 2014, as opposed to 12.1% for fiscal year 2013.

The Bank’s results showed solid growth over the course of the past year as the organization pursued its concerted efforts to improve its efficiency and maximize its operating leverage. The escalation of commercial activities, the rigorous control of costs, and the consistent credit quality of the loan portfolio all contributed to positive performance within a context of sluggish demand for consumer loans and compressed margins.

The Bank also maintained its solid financial position and managed its capital with prudence over the course of the year, as evidenced by its robust capital ratios calculated in accordance with the standard approach and by the raising of its credit rating by DBRS in October 2014. As a result, the Bank was able to increase its quarterly dividend by 6% to \$0.54 per share.

The table below presents management’s financial objectives and the Bank’s performance in 2014. These financial objectives were based on the hypotheses outlined on page 21 of the 2013 Annual Report under the heading *Key assumptions supporting the Bank’s objectives*.

2014 Performance Indicators

The Bank achieved its objectives for fiscal year 2014 and posted record adjusted net income. Within a context of weak revenue growth, the organization’s rigorous cost control, solid credit quality, strategies aimed at boosting other revenues, and the marked growth of its higher-margin commercial activities all served to fuel positive performance in fiscal year 2014 and the achievement of profitability, efficiency and capital objectives.

	2014 OBJECTIVES	2014 RESULTS
Adjusted return on common shareholders’ equity (Note 1)	10.5 % to 12.5%	11.9%
Adjusted net income (in millions of dollars) (Note 1)	\$145.0 to \$165.0	\$163.6
Adjusted efficiency ratio (Note 1)	72.5% to 69.5%	71.0%
Adjusted operating leverage (Note 1)	Positive	2.4%
Common Equity Tier 1 capital ratio – All-in basis	> 7.0%	7.9%

Note 1: Refer to the *Non-GAAP Financial Measures* heading on page 20 of the Annual Report.

To establish the Bank’s short-term financial objective for the purposes of the Short-Term Incentive Compensation program, the Human Resources and Corporate Governance Committee (the “HR Committee”) decided to use adjusted net income after taxes and before dividends (“adjusted net income”), excluding restructuring costs and other adjustments. As such, the net income taken into account for bonus purposes is \$155.6 million.

More details concerning the Bank’s financial performance in fiscal year 2014 can be found in the *Management’s Discussion and Analysis* section of the Annual Report. More details about the Bank’s Short-Term Incentive Compensation program are provided in the *Components of Overall Executive Compensation* section hereinafter.

Executive Compensation Policy

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

The Policy’s objectives are to:

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

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

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

Governance

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

The HR Committee’s role is described in greater detail in some of the following sections. The HR Committee’s mandate and its report for the 2014 fiscal year can be found respectively in the “Corporate Governance” section of the Bank’s Web site and in Part F – Corporate Governance.

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

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

Jean Bazin (Chair):

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

Isabelle Courville:

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

Pierre Genest:

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

Michelle R. Savoy:

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

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

REFERENCE GROUP

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

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

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

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

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

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

External Advisors

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

In accordance with the Bank's practice of assessing the positioning of its total direct executive compensation every two years, a study was requested from the Hay Group in 2014. This study showed that a significant gap remained with respect to short-term incentive compensation for certain levels of executives. This led to a review of the Short-Term Incentive Compensation program and the Performance Share Unit plan, as described in more detail below.

The Hay Group's expertise was also sought to evaluate certain positions.

The total fees paid by the Bank for all services rendered by external advisors during fiscal years 2014 and 2013 are as follows:

Advisor	Executive Compensation-Related Fees (\$) (Note 1)		All Other Fees (\$) (Note 2)	
	2014	2013	2014	2013
Hay Group	75,020	13,059	16,096	3,028

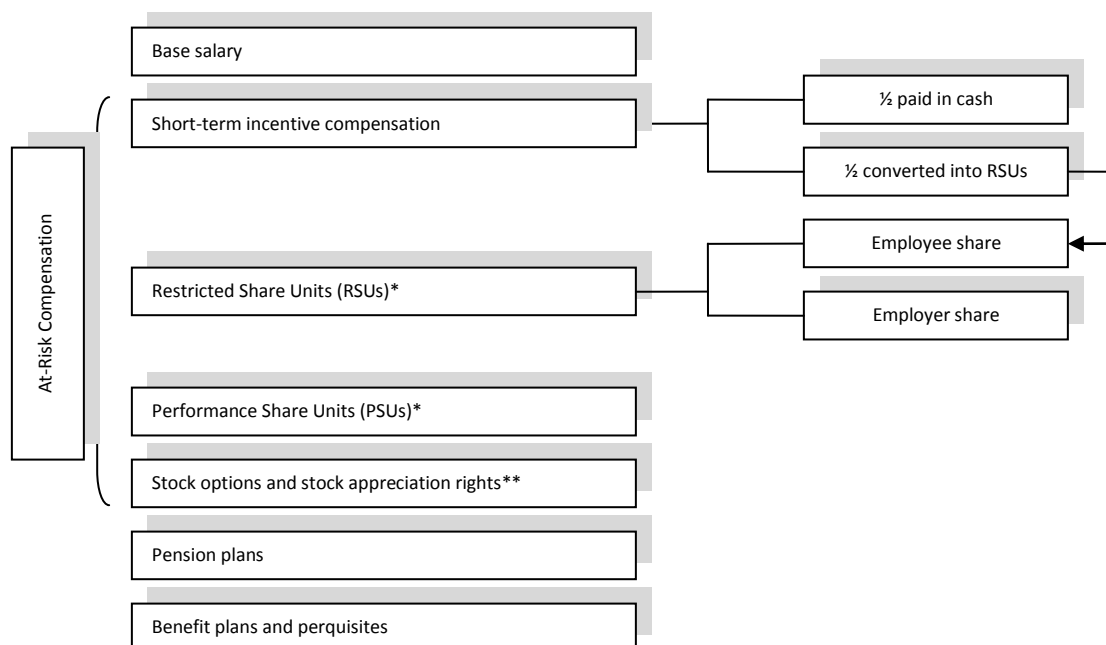
Note 1: The fees included in this category relate mainly to the analysis on the positioning of total direct compensation and job evaluations.

Note 2: The fees included in this category relate to the training of employees on the Hay evaluation method, the review of certain employee compensation programs, and the charges for compensation analysis data.

The HR Committee is not required to pre-approve other services provided by those external advisors but does not believe that the amounts paid and the nature of their work pose a risk of conflict of interest.

COMPONENTS OF OVERALL EXECUTIVE COMPENSATION

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



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

** Granted on an ad hoc basis only.

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

Compensation Component	Type of Compensation	Subject Employees	Frequency	Elements of Analysis
Base salary	Cash	All employees	Reviewed annually	<ul style="list-style-type: none"> • Comparison with external market • General contribution • Internal equity
Short-term incentive compensation*	Cash bonuses (however, in the case of Executives, 50% of the bonus is converted into Restricted Share Units)	All employees except unionized clerical employees	Awarded annually	<ul style="list-style-type: none"> • Comparison with external market to establish target bonuses • Individual and corporate performance
Restricted Share Units (RSUs)*	Share units	Executives	Awarded annually only if a bonus is paid under the Short-Term Incentive Compensation program When RSUs are granted, the participant can elect to defer redemption of the units until the end of employment	<ul style="list-style-type: none"> • Comparison with external market for the target value • Individual and corporate performance
Performance Share Units (PSUs)*	Share units	Executives	Awarded annually When PSUs are granted, the participant can elect to defer redemption of the units until the end of employment	<ul style="list-style-type: none"> • Comparison with external market for the target value • Individual and corporate performance
Stock options and stock appreciation rights (SARs)	Shares (stock options) Cash (SARs)	Executives	Granted on an ad hoc basis at the discretion of the HR Committee	
Pension plans (defined benefit)*	Cash	Executives, except for the first level of Vice-Presidents	Payable when the executive retires or leaves the Bank	<ul style="list-style-type: none"> • Comparison with external market for the final expected value • Calculated on base salary only • Years of service
Benefit plans and perquisites*	Group insurance and personal benefits	All employees (executive officers benefit from certain additional advantages, such as supplementary life insurance, additional health account, indemnity in the event of change of control, car allowance parking and annual medical)	On a continuous basis	<ul style="list-style-type: none"> • Comparison with external market

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

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

Base Salary

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

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

The HR Committee reviews the base salary of executive officers annually.

Short-Term Incentive Compensation

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

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

The bonus under the program is calculated as follows:

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

The **Target Bonus** represents the annual base salary multiplied by a percentage established according to the hierarchical level of each officer, which varies from 55% to 60% in the case of an Executive Vice-President and is 100% in the case of the President and Chief Executive Officer. In 2015, the target bonus will vary from 55% to 80% of base salary for Executive Vice-Presidents.

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

$$\left[\text{Bank Short-Term Financial Factor} \right] \times \left[\text{Sector-Based Financial Results} + \text{Client Development} + \text{Projects and Strategic Plan} + \text{Governance and Risk Management} + \text{Human Capital Management} \right]$$

0 – 150% 0 – 150%

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

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

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

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

Throughout the year, the degree of attainment of these objectives is reported by the executive officer to the President and Chief Executive Officer, who submits a written evaluation at the end of the year of the executive officer's performance to the HR Committee. The recommendations of the President and Chief Executive Officer regarding the executive officer's evaluation and the setting of his/her objectives for the ensuing year are then discussed and a decision is taken by the HR Committee. The HR Committee based its assessment of the performance of the Named Executive Officers for fiscal year 2014 (other than the President and Chief Executive Officer) on the level of attainment of the objectives specific to each officer. The HR Committee also takes into account special elements which occurred during the year, if any. The performance of named executive officers for fiscal year 2014 is disclosed under the heading "Performance and Total Compensation of Named Executive Officers" hereinafter.

The setting of the objectives and the evaluation of the President and Chief Executive Officer are undertaken by the Board of Directors upon the recommendation of the HR Committee. In setting the Global Performance Factor for the President and Chief Executive Officer for fiscal year 2014, the Board of Directors considered the attainment of his objectives set at the beginning of the year, as well as other special elements which occurred during the year, as more fully described under the heading "Performance and Total Compensation of Named Executive Officers".

The annual bonus paid to named executive officers under the Short-Term Incentive Compensation program may vary from 0% to 225% of the target bonus, except in circumstances where no annual bonus is payable — namely, for 2014, if adjusted net income had been less than \$112.1 million. The HR Committee has authority to adjust bonus amounts if warranted by particular circumstances. For fiscal year 2014, bonuses paid to named executive officers were established according to the above criteria. The bonuses paid to named executive officers for fiscal year 2014 were approved by the HR Committee on December 9, 2014, and for the President and Chief Executive Officer by the Board of Directors on December 10, 2014. The amounts are disclosed under the heading "Performance and Total Compensation of Named Executive Officers".

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

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

Long- and Medium-Term Incentive Compensation

The share unit plans described above were introduced to meet the following common objectives:

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

Restricted Share Units (RSUs)

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

The amount of RSUs awarded for fiscal year 2014 to the named executive officers and the number of RSUs held by them for the purposes of minimum shareholding requirements are disclosed under the heading "Performance and Total Compensation of Named Executive Officers".

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

Performance Share Units (PSUs)

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

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

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

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

- * For fiscal year 2014, the target % varies from 93.5% to 132% in the case of an Executive Vice-President, is 60% for the President and CEO of LBS, and is 270% for the President and Chief Executive Officer of the Bank.
- ** The maximum performance factor is 125%. Because PSUs are subject to public disclosure obligations, the maximum performance % is used instead of a target performance % in order to assure full and appropriate disclosure.
- *** Share price on the date of the award (as more fully described in the "Summary Compensation Table" hereinafter).

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

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

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

The units that do not vest are cancelled.

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

The amount of PSUs awarded to the named executive officers for fiscal year 2014 and the number of PSUs held by them for purposes of the minimum shareholding requirements are disclosed under the heading "Performance and Total Compensation of Named Executive Officers".

Stock Options and Stock Appreciation Rights (SARs)

Although these plans are part of existing overall executive compensation, they are used on an exceptional basis and any grant is at the HR Committee's discretion, taking previous grants into consideration. During fiscal year 2014, no options or SARs were granted to the named executive officers. The number of stock options and SARs held by them is disclosed in the "Outstanding Share-Based Awards and Option-Based Awards" table under the heading "Incentive Plan Awards".

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

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

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

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

Securities Authorized for Issuance under Equity Compensation Plans

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

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights as at October 31, 2014	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights as at October 31, 2014 (\$)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding securities reflected in the first column) as at October 31, 2014
Equity compensation plans approved by security holders (Note 1)	20,000	29.47	124,962 (Note 2)
Equity compensation plans not approved by security holders	–	–	–

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

Note 2: The dilution level of options remaining available as a percentage of shares outstanding is 0.433% (based on 28,838,627 common shares outstanding as at October 31, 2014).

Pension Plans

The pension plans applicable to executive officers are described under the heading "Pension Plan Benefits". The President and Chief Executive Officer of LBS does not participate in a pension plan.

Benefit Plans and Perquisites

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

Moreover, executive officers benefit from an indemnity plan in the event of change of control, the terms and conditions of which are described under the heading "Termination and Change of Control Benefits" hereinafter.

Balance Between Variable and Fixed Compensation

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

Each year, the HR Committee assures a balance between fixed compensation (base salary) and variable compensation (annual bonus, RSUs and PSUs), as well as between short-, medium- and long-term components of executive compensation. In so doing, the HR Committee's intention is to maintain the right balance and consistency between the expected return, prudent risk management and the compensation being offered. The "Performance and Total Compensation of Named Executive Officers" section indicates the proportion of fixed and variable compensation of each named executive officer for fiscal year 2014.

Clawback Procedure

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

Minimum Shareholding Requirements

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

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

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

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

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

The "Performance and Total Compensation of Named Executive Officers" section indicates the shareholding levels of named executive officers as at October 31, 2014.

Risk Analysis

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

Since 2010, the HR and Risk Management Committees conduct an annual examination of the risk analysis of the compensation programs prepared by the Chief Risk Officer and the Executive Vice-President, Corporate Affairs, Human Resources and Secretary based on the analysis grid. The last such analysis was conducted in December 2014. As a result of this assessment, the HR Committee deemed the level of risk associated with the various compensation programs to be satisfactory.

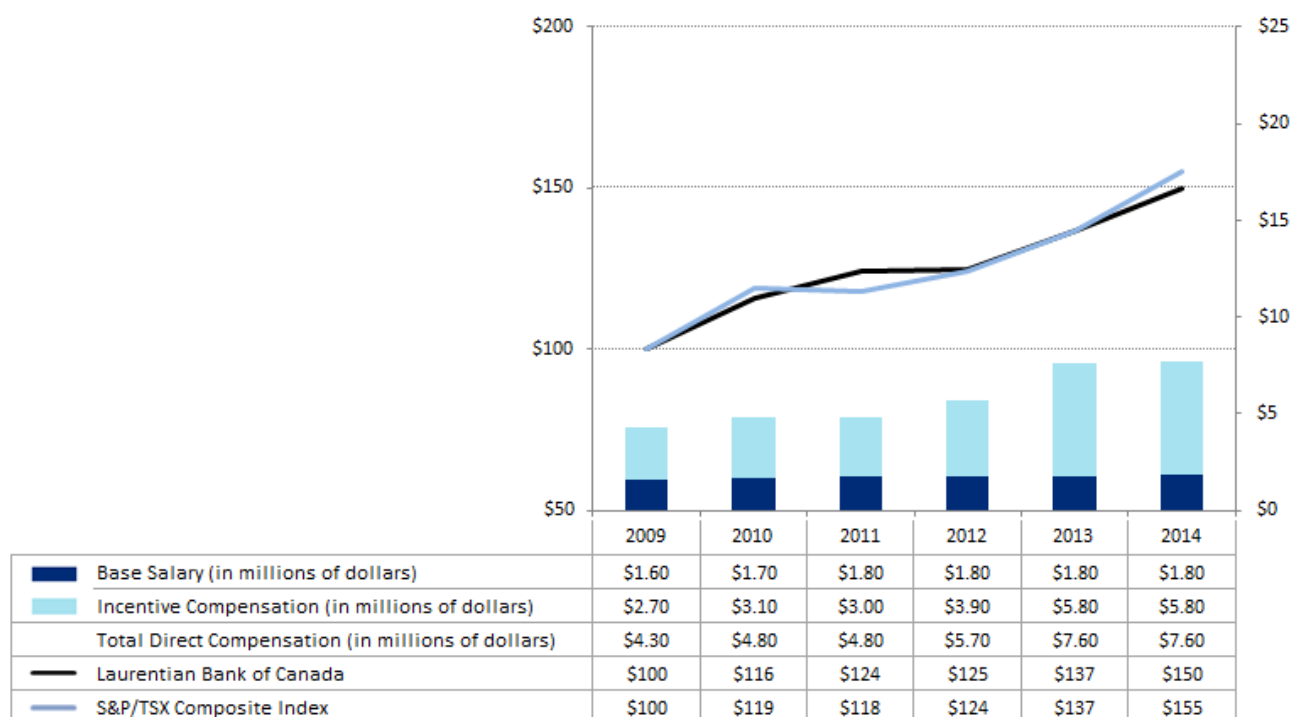
Hedging

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

Performance Graph

The following graph represents the comparison between the cumulative total return for \$100 invested in the Bank's common shares on October 31, 2009, assuming reinvestment of dividends, and the cumulative total return of the Toronto Stock Exchange's S&P/TSX Composite Index for the last five fiscal years.

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



Trend Analysis

Despite the prevailing economic climate and financial market uncertainty, for the period covered by the graph, the Bank succeeded in significantly improving its principal financial indicators as follows:

- Net adjusted income increased by 45% — from \$113.1 million in 2009 to \$163.6 million in 2014 — and net income was up by 24% during this same period;
- Adjusted diluted earnings per share grew over the past five years from \$4.23 to \$5.31 — an increase of 26% — and diluted earnings per share were up by 6% during the same period;
- Loans and bankers' acceptances increased by 47% over the past five years — up from \$18.6 billion to \$27.4 billion;
- Very solid credit quality, with a loan loss provision rate of 0.15% vis-à-vis average loans and acceptances — the best result of all Canadian banks;
- Having increased from \$18.3 billion to \$24.5 billion, deposits grew by 34%; and
- The quarterly dividend grew from \$0.36 to \$0.54 in five years, representing an increase of 50%.

The increases of 2012 and 2013 came subsequent to a comprehensive review of executive compensation programs conducted in 2011 and 2012. The HR Committee and Board of Directors did not make any modifications to the compensation programs covered by the graph for fiscal year 2014.

During the period covered by the graph, the data shows that the level of total direct compensation received by named executive officers varies in accordance with a similar total return trend of the Bank's common shares. Total direct compensation remained unchanged last year, while the cumulative total return presented increased.

Employment, Retention and Transition Agreement

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

Over the Duration of the Agreement

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

Upon Expiry of the Agreement

- Non-Competition and Non-Solicitation - Mr. Robitaille will be subject to non-competition and non-solicitation obligations with respect to clients and employees for a period of 24 months.
- Indemnity – Indemnity of \$2,780,000, equivalent to 24 months of base salary and of short-term incentive compensation, will be paid (incentive compensation being calculated based on the average short-term bonuses paid during the last three years preceding the cessation of employment).
- Benefits - Mr. Robitaille will be eligible for employee benefits (except for disability insurance) until the earlier of 24 months following his departure or his obtaining other employment. The cost of these benefits for the Bank will be \$82,095.
- Pension Plan – An additional period of 36 months was taken into account in the calculation of Mr. Robitaille's benefits under the Executive plan and the Supplemental Plan. The Bank's cost as at January 21, 2015 was \$2,075,000.

Performance and Total Compensation of Named Executive Officers



Réjean Robitaille
President and Chief
Executive Officer

With the Bank since 1988, Mr. Robitaille has held several positions both within support sectors and business lines, serving as President and Chief Executive Officer of the Bank since 2006. He holds a Bachelor's degree in Business Administration, and he is a professional chartered accountant and Fellow of the Ordre des comptables professionnels agréés du Québec. On January 21, 2015, the Bank announced that Mr. Robitaille intends to take his retirement effective November 1, 2015.

Performance

2014 Performance Indicators	Attainment of Results	2014 Achievements
Sector-Based Financial Results		
Adjusted net income \$145 million to \$165 million	√	<ul style="list-style-type: none"> The Bank generated adjusted net income of \$163.6 million*, up by \$8.2 million from the previous year. For their part, diluted earnings per share amounted to \$5.31*.
Adjusted efficiency ratio 72.5% to 69.5%	√	<ul style="list-style-type: none"> The Bank's adjusted efficiency ratio was 71.0% in 2014, as compared to 72.8% in the previous year.
Positive operating leverage	√	<ul style="list-style-type: none"> The Bank posted positive operating leverage of 2.4% year-over-year, due in large part to cost synergies related to the acquisitions, ongoing and rigorous cost control, the efforts aimed at improving activities, and to the increase in other revenues.
Adjusted return on common shareholders' equity 10.5% to 12.5%	√	<ul style="list-style-type: none"> Adjusted return on common shareholders' equity totalled 11.9% in fiscal year, as compared to 12.1% in 2013.
Common Equity Tier 1 capital ratio – All-in basis >7%	√	<ul style="list-style-type: none"> The ratio as at October 31, 2014 was 7.9%, compared to 7.6% as at October 31, 2013.
Client Development		
Growth of loans	X	<ul style="list-style-type: none"> Loans and bankers' acceptances after deduction of cumulative provisions totalled \$27.3 billion as at October 31, 2014, up slightly from the previous year. In view of the sluggish demand for consumer loans in 2014, the Bank concentrated its efforts on its commercial activities (with the volume of commercial loans having increased by 15%) and on the deployment of new products like leasing solutions and alternative mortgage loans. Totalling \$24.5 billion, the deposit portfolio registered an increase of \$600 million, or 2%, over the previous year.
Projects and Strategic Plan		
Follow-up on business unit strategic plans	√	<ul style="list-style-type: none"> The Bank's success depends on the sound execution of its business units' strategic plans. In 2014, a number of significant achievements were realized: <ul style="list-style-type: none"> Bank <ul style="list-style-type: none"> Evaluation of strategic development opportunities and options. Retail and Business Services <ul style="list-style-type: none"> Adjusted net income of \$121.9 million, representing an increase of 15.0%; Adjusted efficiency ratio of 67.7%; Other revenues up by 6.0%; Positive adjusted operating leverage of 6.9%; New equipment financing offerings. B2B Bank <ul style="list-style-type: none"> Adjusted net income of \$57.6 million; Adjusted efficiency ratio of 58.9%; Integration of MRS Companies and AGF Trust Company completed; Acquisition of an interest in Verico; Launch of a new line of alternative mortgage loan products. LBS and Capital Markets <ul style="list-style-type: none"> Net income of \$10.3 million, representing a slight decline; Efficiency ratio of 79.4%.
Optimization of funding and capital management	√	<ul style="list-style-type: none"> Monitoring and implementation of the new regulatory requirements, while assuring sound impact management. Increased Common Equity Tier 1 capital ratio. Initial issue of NVCC preferred shares. Improved DBRS long-term credit ratings from BBB (high) to A (low).

2014 Performance Indicators	Attainment of Results	2014 Achievements
Governance and Risk Management		
Optimization of credit management in a challenging economic environment	√	<ul style="list-style-type: none"> The prudent and proactive approach to credit activities over the past years resulted in a historically very low loss level, with loan losses in 2014 totalling \$42 million, or 0.15% of the loan and bankers' acceptances portfolio.
Governance and regulatory requirements	√	<ul style="list-style-type: none"> The programs related to governance and regulatory requirements were carefully monitored. Mr. Robitaille demonstrated leadership and agility within a difficult financial and regulatory context.
Human Capital Management		
Be the Bank's prime representative among employees, clients, shareholders and other stakeholders	√	<ul style="list-style-type: none"> In addition to the excellence of its service, the Bank distinguishes itself with the proximity and accessibility of its officers. Each year, Mr. Robitaille makes a point of meeting the vast majority of employees to discuss the business plan and his expectations, as well as to answer their questions. Furthermore, numerous meetings were held with clients, shareholders and the business community to explain the Bank's strategy and strengths.
Improvement of the organizational climate	√	<ul style="list-style-type: none"> Implementation of many continuous improvement initiatives derived from the Bank's action plans. Slight improvement of overall results in the last survey.
Pursuit of the succession plan for executive officers within a talent management framework	√	<ul style="list-style-type: none"> Talent management programs were deployed to better position next generation talents, identify rising stars and develop resources.

* Adjusted measures (the adjusting items are described on page 20 of the 2014 Annual Report).

The HR Committee considered Mr. Robitaille's overall performance in 2014 to have met expectations.

Compensation

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

	2014 (\$)	2013 (\$)	2012 (\$)
Short-term compensation			
Base salary	598,361	609,868	598,361
Short-term incentive compensation not converted into RSUs	339,114	396,058	450,000
Medium and long-term incentive compensation plans			
RSUs: Annual bonus converted into RSUs	339,114	396,058	450,000
Employer share converted into RSUs	203,469	237,635	270,000
PSUs	1,620,000	1,620,000	720,000
Stock options	0	0	0
SARs	0	0	0
Total direct compensation	3,100,058	3,259,619	2,488,361
Pension plans			
Annual cost of retirement benefits	1,243,000	6,000	21,000
Benefit plans and perquisites			
Car allowance and related expenses	41,949	41,784	41,695
Group insurance and other perquisites	6,065	2,842	6,131
Total compensation	4,391,072	3,310,245	2,557,187

Fixed vs Variable Compensation

The table below indicates the proportion of Mr. Robitaille's fixed and variable compensation for fiscal year 2014.

Fixed Compensation	Variable Compensation	
Base Salary	Annual Bonus	RSUs and PSUs
\$598,361	\$339,114	\$2,162,583
19%	11%	70%
	81%	

Shareholding

As defined in the "Minimum Shareholding Requirements" section above, Mr. Robitaille's level of shareholding as at October 31, 2014 is indicated below.

Shareholding Requirement (x salary)	Base Salary Set at the Beginning of Fiscal year 2015	Shares (#)	Share Units (#)	Total Value (Note 1)	Attainment Level
5	\$600,000	2,708	175,577	\$8,839,370	295%

Note 1: The value as at October 31, 2014 is based on the closing price of the Bank's common share on the Toronto Stock Exchange on that date (\$49.58).



Michel C. Lauzon
Executive Vice-President
and Chief Financial Officer

Member of the Management Committee since 2009, Mr. Lauzon also held several positions with the Bank from 1988 to 1998. He is responsible for finance and corporate treasury. He holds a Bachelor's degree in Economics and a masters of Business Administration (MBA).

Performance

2014 Performance Indicators	Attainment of Results	2014 Achievements
Sector-Based Financial Results		
Adherence to the budget	√	<ul style="list-style-type: none"> All sectors under the responsibility of the Chief Financial Officer were managed effectively.
Client Development		
Realization of the financing and capital management plan	√	<ul style="list-style-type: none"> Improvement of the Common Equity Tier 1 capital ratio. Improvement of DBRS long-term credit ratings. Initial issue of NVCC preferred shares. Sound liquidity management.
Development of performance indicators	√	<ul style="list-style-type: none"> New dash board. Effectiveness of the function demonstrated by the satisfaction level of the sectors served.
Projects and Strategic Plan		
Support for the integration of MRS Companies and the acquisition of AGF Trust	√	<ul style="list-style-type: none"> Follow-up conducted on the accounting impacts related to the integration of MRS Companies and AGF Trust.
Implementation of new regulatory requirements in the area of liquidities and taxation	√	<ul style="list-style-type: none"> The project focused on the management of liquidities by virtue of the new Basel regulations was delivered within the prescribed timeframe and budget. The project focused on compliance with the new American taxation requirements for U.S. residents (FATCA) was completed.
Governance and Risk Management		
Management of regulatory risk	√	<ul style="list-style-type: none"> The program was well monitored and executed.
Human Capital Management		
Performance management program and employee development	√	<ul style="list-style-type: none"> Objectives were established, and mid-year and annual reviews were completed.
Improvement of the organizational climate	√	<ul style="list-style-type: none"> Numerous actions were undertaken during the year and the continuous improvement program was well implemented.

The HR Committee considered Mr. Lauzon's overall performance in 2014 to have met expectations.

Compensation

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

	2014 (\$)	2013 (\$)	2012 (\$)
Short-term compensation			
Base salary	333,886	337,461	331,094
Short-term incentive compensation not converted into RSUs	136,527	109,576	109,560
Medium and long-term incentive compensation plans			
RSUs: Annual bonus converted into RSUs	136,527	109,576	109,560
Employer share converted into RSUs	81,916	65,746	65,736
PSUs	438,240	488,240	199,200
Stock options	0	0	0
SARs	0	0	0
Total direct compensation	1,127,096	1,110,599	815,150
Pension plans			
Annual cost of retirement benefits	91,000	66,000	65,000
Benefit plans and perquisites			
Car allowance and related expenses	35,949	35,784	35,695
Group insurance and other perquisites	1,414	3,870	505
Total compensation	1,255,459	1,216,253	916,350

Fixed vs Variable Compensation

The table below indicates the proportion of Mr. Lauzon's fixed and variable compensation for fiscal year 2014.

Fixed Compensation	Variable Compensation	
Base Salary	Annual Bonus	RSUs and PSUs
\$333,886	\$136,527	\$656,684
30%	12%	58%
	70%	

Shareholding

As defined in the "Minimum Shareholding Requirements" section above, Mr. Lauzon's level of shareholding as at October 31, 2014 is indicated below.

Shareholding Requirement (x salary)	Base Salary Set at the Beginning of Fiscal year 2015	Shares (#)	Share Units (#)	Total Value (Note 1)	Attainment Level
3	\$335,500	268	53,548	\$2,668,197	265%

Note 1: The value as at October 31, 2014 is based on the closing price of the Bank's common share on the Toronto Stock Exchange on that date (\$49.58).



François Desjardins

Executive Vice-President of Laurentian Bank and President and Chief Executive Officer of B2B Bank

Member of the Management Committee since 2007 and with the Bank since 1991, Mr. Desjardins held several positions with the Retail Financial Services business line. Mr. Desjardins is responsible for financial services offered through independent financial advisors throughout Canada, as well as for mortgage financing outside Québec and since August 28, 2014 is responsible of the Retail Services Sector. He holds a Bachelor's degree in Business Administration.

Performance

2014 Performance Indicators	Attainment of Results	2014 Achievements
Sector-Based Financial Results		
Achievement of budgetary objectives in terms of the sector's profitability and efficiency	√	<ul style="list-style-type: none"> • With adjusted net income* of \$57.6 million, profitability exceeded objectives. • Adjusted efficiency ratio* of 58.9% was highly positive vis-à-vis objectives.
Client Development		
Growth of loans and deposits	X	<ul style="list-style-type: none"> • Objectives related to the deposit portfolio were achieved, while those related to the loan portfolio were not fully attained. • Launch of alternative mortgage loan products. • Acquisition of a participation in Verico.
Projects and Strategic Plan		
Integration of MRS Companies and AGF Trust	√	<ul style="list-style-type: none"> • A lot of important conversion work was carried out throughout the year, with cost synergies delivering the expected results. Mr. Desjardins demonstrated strong leadership in the implementation of different solutions to meet the challenges posed by the integrations.
Governance and Risk Management		
Management of credit quality	√	<ul style="list-style-type: none"> • Lower than expected loan losses.
Governance and regulatory requirements	√	<ul style="list-style-type: none"> • The regulatory risk management program was well monitored and executed. • From a governance standpoint, Mr. Desjardins demonstrated leadership and agility within a difficult financial and regulatory context.
Human Capital Management		
Performance management program and employee development	√	<ul style="list-style-type: none"> • Objectives were established, and mid-year and annual reviews were completed.
Improvement of the organizational climate	X	<ul style="list-style-type: none"> • The level of engagement was down due to the impacts of the acquisitions and integrations.

* Adjusted measures (the adjusting items are described on page 20 of the 2014 Annual Report).

The HR Committee considered Mr. Desjardins' overall performance in 2014 to have exceeded expectations.

Compensation

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

	2014 (\$)	2013 (\$)	2012 (\$)
Short-term compensation			
Base salary	336,377	336,579	316,519
Short-term incentive compensation not converted into RSUs	190,752	160,899	146,250
Medium and long-term incentive compensation plans			
RSUs: Annual bonus converted into RSUs	190,752	160,899	146,250
Employer share converted into RSUs	114,451	96,539	87,750
PSUs	579,000	629,000	175,200
Stock options	0	0	0
SARs	0	0	0
Total direct compensation	1,411,332	1,383,916	871,969
Pension plans			
Annual cost of retirement benefits	71,000	27,000	118,000
Benefit plans and perquisites			
Car allowance and related expenses	38,137	37,868	40,986
Group insurance and other perquisites (Note 1)	208,132	204,199	213,959
Total compensation	1,728,601	1,652,983	1,244,914

Note 1: Mr. Desjardins receives a monthly allowance of \$16,667 (\$200,000 annually) for his accommodation in Toronto and his travels between Montréal and Toronto.

Fixed vs Variable Compensation

The table below indicates the proportion of Mr. Desjardins' fixed and variable compensation for fiscal year 2014.

Fixed Compensation	Variable Compensation	
	Annual Bonus	RSUs and PSUs
Base Salary		
\$336,377	\$190,752	\$884,203
24%	13%	63%
	76%	

Shareholding

As defined in the "Minimum Shareholding Requirements" section above, Mr. Desjardins' level of shareholding as at October 31, 2014 is indicated below.

Shareholding Requirement (x salary)	Base Salary Set at the Beginning of Fiscal year 2015	Shares (#)	Share Units (#)	Total Value (Note 1)	Attainment Level
3	\$375,000	3,673	79,111	\$4,104,431	365%

Note 1: The value as at October 31, 2014 is based on the closing price of the Bank's common share on the Toronto Stock Exchange on that date (\$49.58).



Stéphane Therrien
Executive Vice-President,
Business Services

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

Performance

2014 Performance Indicators	Attainment of Results	2014 Achievements
Sector-Based Financial Results		
Realization of budgetary objectives in terms of improved profitability and efficiency	√	<ul style="list-style-type: none"> Results surpassed annual objectives. Excellent efficiency ratio testifying to the effective management of resources.
Client Development		
Growth of loans, deposits and other revenues	√	<ul style="list-style-type: none"> Loans and bankers' acceptances up by 15% and commercial real estate loans by 11% (excluding a portfolio sale), while deposits grew in line with expectations. Excluding portfolio sales, Business Services posted growth of more than \$600 million for fiscal year 2014.
Projects and Strategic Plan		
Execution of the new strategic plan and implementation of operational excellence initiatives	√	<ul style="list-style-type: none"> The new strategic plan adopted in 2012 is being carried out with the addition of new products and services and the regrouping of all activities intended to serve businesses. New equipment financing offerings. Various initiatives were implemented to improve processes and meet the requirements of the new strategic plan, including the establishment of a new structure, the creation of an underwriting centre, more rigorous monitoring of sales activities, and the introduction of the Net Promoter Score methodology to assess client satisfaction.
Governance and Risk Management		
Management of credit risk	√	<ul style="list-style-type: none"> Despite a persistently difficult economic context, the sector pursued its rigorous efforts concerning loan losses.
Governance and regulatory requirements	√	<ul style="list-style-type: none"> The regulatory risk management program was well monitored and executed, with several improvements having been made during the course of the year. From a governance standpoint, Mr. Therrien demonstrated leadership and agility within a difficult financial and regulatory context.
Human Capital Management		
Performance management program and employee development	√	<ul style="list-style-type: none"> Objectives were established, mid-year and annual reviews were completed, and a new leadership program was implemented.
Improvement of the organizational climate	√	<ul style="list-style-type: none"> The employee engagement level was improved, due mainly to the implementation of the new strategic plan.

The HR Committee considered Mr. Therrien's overall performance in 2014 to have exceeded expectations.

Compensation

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

	2014 (\$)	2013 (\$)	2012 (10 months*) (\$)
Short-term compensation			
Base salary	301,175	294,770	222,468
Short-term incentive compensation not converted into RSUs	155,145	114,857	78,474
Medium and long-term incentive compensation plans			
RSUs: Annual bonus converted into RSUs	155,145	114,857	78,474
Employer share converted into RSUs	93,087	68,914	90,925
PSUs	457,800	382,800	174,000
Stock options	0	0	0
SARs	0	0	0
Total direct compensation	1,162,352	976,198	644,341
Pension plans			
Annual cost of retirement benefits	76,000	65,000	44,000
Benefit plans and perquisites			
Car allowance and related expenses	35,949	35,784	28,842
Group insurance and other perquisites	775	0	0
Total compensation	1,275,076	1,076,982	717,183

* Mr. Therrien was hired on January 9, 2012.

Fixed vs Variable Compensation

The table below indicates the proportion of Mr. Therrien's fixed and variable compensation for fiscal year 2014.

Fixed Compensation	Variable Compensation	
	Annual Bonus	RSUs and PSUs
Base Salary		
\$301,175	\$155,145	\$706,032
26%	13%	61%
	74%	

Shareholding

As defined in the "Minimum Shareholding Requirements" section above, Mr. Therrien's level of shareholding as at October 31, 2014 is indicated below.

Shareholding Requirement (x salary)	Base Salary Set at the Beginning of Fiscal year 2015	Shares (#)	Share Units (#)	Total Value (Note 1)	Attainment Level
3	\$325,000	768	30,896	\$1,569,901	161%

Note 1: The value as at October 31, 2014 is based on the closing price of the Bank's common share on the Toronto Stock Exchange on that date (\$49.58).



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

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

Performance

2014 Performance Indicators	Attainment of Results	2014 Achievements
Sector-Based Financial Results		
Realization of budgetary objectives in terms of improved profitability and efficiency	X	<ul style="list-style-type: none"> • Despite a difficult economic environment, net income equalled \$10.3 million, representing a slight decrease from the previous year. • Efficiency ratio of 79.4%.
Client Development		
Diversification and optimization of revenues	√	<ul style="list-style-type: none"> • Development efforts allowed for a better contribution of each business line to the year's results.
Projects and Strategic Plan		
Expansion of the distribution network	X	<ul style="list-style-type: none"> • Despite a slight increase, growth objectives were not fully achieved.
Governance and Risk Management		
Governance and management of market, operational and regulatory risk	√	<ul style="list-style-type: none"> • In spite of a difficult environment, overall market and operational risk management activities were effective throughout the year. • Numerous improvements were made to the regulatory risk management program. • From a governance standpoint, Mr. Trudeau demonstrated leadership and agility within a difficult financial and regulatory context.
Human Capital Management		
Performance management program and employee development	√	<ul style="list-style-type: none"> • Objectives were established, and mid-year and annual reviews were completed. • Several teams improved their level of knowledge and competency.
Improvement of the organizational climate	√	<ul style="list-style-type: none"> • The engagement survey results showed an improvement. • Key points to focus on have been identified subsequent to the survey.
Implementation of a talent management process	√	<ul style="list-style-type: none"> • Plans were completed and talent evaluations conducted.

The HR Committee considered Mr. Trudeau's overall performance in 2014 to have met expectations.

Compensation

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

	2014 (\$)	2013 (\$)	2012 (\$)
Short-term compensation			
Base salary	263,539	261,000	260,000
Short-term incentive compensation not converted into RSUs	343,785	369,752	308,321
Medium and long-term incentive compensation plans			
RSUs: Annual bonus converted into RSUs	115,193	126,323	99,995
Employer share converted into RSUs	0	0	0
PSUs	156,000	156,000	156,000
Stock options	0	0	0
SARs	0	0	0
Total direct compensation	878,517	913,075	824,316
Pension plans			
Annual cost of retirement benefits	0	0	0
Benefit plans and perquisites			
Car allowance and related expenses	36,009	35,784	36,356
Group insurance and other perquisites	1,528	1,017	54
Total compensation	916,054	949,876	860,726

Fixed vs Variable Compensation

The table below indicates the proportion of Mr. Trudeau's fixed and variable compensation for fiscal year 2014.

Fixed Compensation	Variable Compensation	
	Annual Bonus	RSUs and PSUs
Base Salary		
\$263,539	\$343,785	\$271,193
30%	39%	31%
	70%	

Shareholding

As defined in the "Minimum Shareholding Requirements" section above, Mr. Trudeau's level of shareholding as at October 31, 2014 is indicated below.

Shareholding Requirement (x salary)	Base Salary Set at the Beginning of Fiscal year 2015	Shares (#)	Share Units (#)	Total Value (Note 1)	Attainment Level
3	\$267,000	2,137	20,751	\$1,134,787	142%

Note 1: The value as at October 31, 2014 is based on the closing price of the Bank's common share on the Toronto Stock Exchange on that date (\$49.58).

SUMMARY COMPENSATION TABLE

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

Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$) (Note 1)	Option-Based Awards (\$) (Note 2)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$) (Note 4)	All Other Compensation (\$) (Note 5)	Total Compensation (\$)
					Annual Incentive Plans (Note 3)	Long-term Incentive Plans			
Réjean Robitaille President and Chief Executive Officer	2014	598,361	1,823,469	0	678,228	0	1,243,000	48,014	4,391,072
	2013	609,868	1,857,635	0	792,116	0	6,000	44,626	3,310,245
	2012	598,361	990,000	0	900,000	0	21,000	47,826	2,557,187
Michel C. Lauzon Executive Vice-President and Chief Financial Officer	2014	333,886	520,156	0	273,054	0	91,000	37,363	1,255,459
	2013	337,461	553,986	0	219,152	0	66,000	39,654	1,216,253
	2012	331,094	264,936	0	219,120	0	65,000	36,200	916,350
François Desjardins Executive Vice-President, Laurentian Bank and President and Chief Executive Officer, B2B Bank	2014	336,377	693,451	0	381,504	0	71,000	246,269	1,728,601
	2013	336,579	725,539	0	321,798	0	27,000	242,067	1,652,983
	2012	316,519	262,950	0	292,500	0	118,000	254,945	1,244,914
Stéphane Therrien Executive Vice-President, Business Services	2014	301,175	550,887	0	310,290	0	76,000	36,724	1,275,076
	2013	294,770	451,714	0	229,714	0	65,000	35,784	1,076,982
	2012	222,468	264,925	0	156,948	0	44,000	28,842	717,183
Michel C. Trudeau Executive Vice-President, Capital Markets, Laurentian Bank and President and Chief Executive Officer, Laurentian Bank Securities	2014	263,539	156,000	0	458,978	0	0	37,537	916,054
	2013	261,000	156,000	0	496,075	0	0	36,801	949,876
	2012	260,000	156,000	0	408,316	0	0	36,410	860,726

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

- Restricted Share Units (RSUs) granted under the *Restricted Share Unit Plan for Senior Management of Laurentian Bank of Canada*. Only amounts corresponding to the employer share are included in this column; amounts corresponding to the employee share appear in the "Annual Incentive Plans" column (see Note 3 below). Under the RSU plan, the named executive officers (except Mr. Trudeau) must convert 50% of their annual bonus into RSUs. The employer contributes an additional amount equal to 30% of the annual bonus, which is also converted into RSUs (Mr. Trudeau must convert 30% of the annual bonus paid to him into RSUs — between \$75,000 and \$500,000 — as well as 40% of any amount in excess thereof, and the employer does not contribute an additional amount). The number of RSUs is based on the share price, which is the arithmetic average of the weighted average closing price of the Bank's common share on the Toronto Stock Exchange for the five trading days that precede the date on which the units are awarded. RSUs are part of executive compensation for 2014, 2013 and 2012, as the case may be, but were granted after the fiscal year-end.
- Performance Share Units (PSUs) granted under the *Performance Share Unit Plan for Senior Management of Laurentian Bank of Canada*. Under the PSU plan, PSUs are granted based on a percentage of the annual base salary of the named executive officer. The number of PSUs is based on the share price, which is the arithmetic average of the weighted average closing price of the Bank's common share on the Toronto Stock Exchange for the five trading days that precede the date on which the units are awarded.

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

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

Note 2: These amounts represent the grant date fair value of the following awards:

- Stock options granted under the *Stock Option Purchase Plan for the Officers of the Laurentian Bank of Canada and its Subsidiaries*. No stock options were granted to named executive officers in 2014, 2013 and 2012.
- Stock appreciation rights (SARs) granted under the *Phantom Shares Plan for the Officers of the Laurentian Bank of Canada and its Subsidiaries*. No SARs were granted to named executive officers in 2014, 2013 and 2012.

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

Note 3: Amounts of the annual bonuses paid under the Bank's Short-Term Incentive Compensation program. 50% of this annual bonus (30% of the annual bonus paid in the case of Mr. Trudeau — between \$75,000 and \$500,000 — as well as 40% of any amount in excess thereof) must be converted into RSUs (see Note 1 above). These amounts were earned in 2014, 2013 or 2012, as the case may be, but paid after the fiscal year-end. The Short-Term Incentive Compensation program is more fully described in the "Components of Overall Executive Compensation" section.

Note 4: Amounts corresponding to compensatory changes, including annual cost of retirement benefits and effect of changes of base salary, plan changes or grants of years of service credited, as detailed in the "Defined Benefit Plans Table". In the case of Mr. Robitaille, the effect of the terms agreed to with the Bank and outlined in the below section Pension Plan Benefits is included.

Note 5: These amounts mainly represent car allowances and reimbursement of parking, as well as group insurance premiums. The amounts are detailed under the heading "Performance and Total Compensation of Named Executive Officers" above. Mr. Desjardins receives a monthly allowance of \$16,667 (\$200,000 annually) for his accommodation in Toronto as well as and his travels between Montréal and Toronto.

INCENTIVE PLAN AWARDS

Outstanding Share-Based Awards and Option-Based Awards

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

Name	Option-Based Awards (Note 1)				Share-Based Awards (Note 2)		
	Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value Of Unexercised In-the-Money Options (\$) (Note 3)	Shares or Units of Shares not Vested (#)	Market Or Payout Value of Share-Based Awards not Vested (\$) (Note 4)	Market Or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed (\$) (Note 4)
Réjean Robitaille	20,000	29.472	Dec. 13, 2016	402,160	0	0	491,166
Michel C. Lauzon	12,500	35.929	Dec. 4, 2018	170,638	24,311	1,205,324	832,096
François Desjardins	0	0	-	0	32,786	1,625,540	1,064,217
Stéphane Therrien	0	0	-	0	21,839	1,082,794	276,044
Michel C. Trudeau	0	0	-	0	7,155	354,726	198,104

Note 1: Stock option and SAR awards. Stock option awards are indicated in bold and SAR awards are indicated in regular typeface. No stock options or SARs were awarded to named executive officers in 2014, 2013 or 2012. The grant rate for options as a percentage of shares outstanding is 0% for 2014, 2013 and 2012. Mr. Robitaille is the only employee of the Bank that holds stock options. The dilution level of stock options as a percentage of shares outstanding as at October 31, 2014 is 0.1% (based on 28,838,627 common shares outstanding).

Note 2: RSU and PSU awards including dividend equivalents.

Note 3: Value based on the difference between the exercise price of the stock options and SARs and the closing price of the Bank's common share on the Toronto Stock Exchange on October 31, 2014 (\$49.58).

Note 4: Value based on the closing price of the Bank's common share on the Toronto Stock Exchange on October 31, 2014 (\$49.58).

Incentive Plan Awards - Value Vested or Earned During the Year

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

Name	Option-Based Awards - Value Vested During the Year (\$) (Note 1)	Share-Based Awards - Value Vested During the Year (\$) (Note 2)	Non-Equity Incentive Plan Compensation - Value Earned During the Year (\$) (Note 3)
Réjean Robitaille	0	1,159,583	678,228
Michel C. Lauzon	0	223,346	273,054
François Desjardins	0	195,882	381,504
Stéphane Therrien	0	0	310,290
Michel C. Trudeau	0	189,368	458,978

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

Note 2: These amounts represent the aggregate value realized upon vesting of RSUs (Employer Share only) and PSUs on the vesting date occurring during the fiscal year. The Employee Share of RSUs vests from the date of the award. During the fiscal year, the RSUs granted for fiscal year 2010, as well as PSUs granted for fiscal year 2011 became vested. The value is based on the closing price of the Bank's common share on the Toronto Stock Exchange on the vesting date (\$44.61).

Note 3: Amounts of annual bonuses. 50% of such bonuses (30% of the annual bonus paid in the case of Mr. Trudeau — between \$75,000 and \$500,000 — as well as 40% of any amount in excess thereof) must be converted into RSUs.

PENSION PLAN BENEFITS

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

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

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

Mr. Trudeau does not participate in any pension plan.

Terms Applicable to Certain Named Executive Officers

Analyses of the competitiveness of the President and Chief Executive Officer’s global compensation was conducted in 2011 and 2012 which resulted in the HR Committee prioritizing modifications to short- and medium-term incentive compensation. A further analysis was conducted in 2014 which showed a gap of Mr. Robitaille’s pension arrangements when compared to market conditions. His pension was positioned under the 25th percentile of the reference market, while the Bank’s philosophy is to position each element of compensation close to the 50th percentile.

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

Defined Benefit Plans Table

The table below sets out the years of participation in the plans as at October 31, 2014 for each named executive officer, annual benefits payable, and changes in the present value of defined benefit obligations from October 31, 2013 to October 31, 2014, including compensatory and non-compensatory changes concerning their participation in the plans for fiscal year 2014.

Name	Number of Years of Credited Service (#) (Note 1)		Annual Benefits Payable (\$)		Opening Present Value of Defined Benefit Obligation (\$) (Note 4)	Compensatory Change (\$) (Note 5)	Non-Compensatory Change (\$) (Note 6)	Closing Present Value of Defined Benefit Obligation (\$) (Note 4)
	Officers’ Plan	Suppl. Plan	At Year-End (Note 2)	At Age 65 (Note 3)				
Réjean Robitaille	26.3	26.3	400,000	557,000	3,748,000	1,243,000	444,000	5,435,000
Michel C. Lauzon	5.8	5.8	38,000	95,000	433,000	91,000	47,000	571,000
François Desjardins	18.8	18.8	116,000	246,000	1,358,000	71,000	156,000	1,585,000
Stéphane Therrien	2.8	2.8	17,000	106,000	130,000	76,000	27,000	233,000

Note 1: Three years of participation in the supplemental plan are credited for each year accrued from the start of participation in the plan, up to the number of years of participation in the officers’ plan. The number of actual years of service of each named executive officer (with the exception of Mr. Trudeau who does not participate in any pension plan) as at October 31, 2014 is equal to the number of years of service credited for the purposes of the officers’ plan.

Note 2: These amounts represent deferred payments accumulated as at October 31, 2014 and payable under both plans assuming retirement at age 60 and that the Named Executive Officer is eligible to receive payments or benefits at year-end. Pensions are net of amounts assigned to a spouse.

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

Note 4: The present value of the defined benefit obligation represents the actualised value of the retirement benefit for the years of participation as at October 31, 2013 or October 31, 2014, as the case may be. This value was calculated using the same assumptions as for the Bank’s financial statements, using an actualisation rate of 4.55% and 4.25% for the fiscal years ending October 31, 2013 and October 31, 2014 respectively. Furthermore, a compensation increase rate of 2.75% was used for the fiscal years ending October 31, 2013 and 2014. No compensation increase was used for Mr. Robitaille due to the terms agreed to by the Bank and described above. One of these terms stipulates that the compensation for the supplemental plan is limited to \$600,000. The assumptions used are outlined in Note 18 to the Consolidated Financial Statements found in the Annual Report.

Note 5: The variation attributable to compensation elements include the annual cost of retirement benefits and the effect of changes of base salary, plan changes or grants of years of service credited. The amount appearing in this column may also be found in the “Pension Plan Value” column of the “Summary Compensation Table” above. In the case of Mr. Robitaille, the effect of the terms agreed to with the Bank and outlined above on the accrued benefit obligation is included in the compensation component.

Note 6: The variation attributable to non-compensation elements includes amounts attributable to interest on the present value of the opening balance of the accrued defined benefit obligation, actuarial gains and losses (other than those associated with compensation) and changes in actuarial assumptions. Of those, the most important element for fiscal year 2014 is the decline of the actualisation rate, which dropped from 4.55% to 4.25%.

TERMINATION AND CHANGE OF CONTROL BENEFITS

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

The table below sets out the effect of certain events of termination on the different components of the named executive officers' compensation.

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

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

Note 2: The benefits for Mr. Robitaille in the event of cessation of employment call for compensation equivalent to 24 months of base salary. In addition, he would receive the average of the annual bonuses paid during the three years preceding the cessation of employment in the event that the Bank terminates his employment without cause.

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

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

The table below sets out additional amounts that would have been payable under each component of the compensation of the Named Executive Officers, assuming termination effective on October 31, 2014.

Name	Compensation Components	Resignation / Termination with Cause (\$)	Termination without Cause (\$) (Note 3)	Retirement (\$) (Note 4)	Termination in the Year Following a Change of Control (\$)
Réjean Robitaille	Base salary	0	1,200,000	0	1,200,000
	Short-term incentive compensation	0	1,580,000	0	1,580,000
	RSUs, PSUs, stock options and SARs (Note 1)	0	1,620,000	0	1,620,000
	Pension plans (Note 2)	0	1,804,000	0	1,804,000
	Benefit plans and perquisites	0	82,095	0	118,095
	Total	0	6,286,095	0	6,322,095
Michel C. Lauzon	Base salary	0	335,500	0	503,250
	Short-term incentive compensation	0	–	0	333,886
	RSUs, PSUs, stock options and SARs (Note 1)	0	620,885	0	1,205,324
	Pension plans (Note 2)	0	87,000	0	137,000
	Benefit plans and perquisites	0	–	0	80,047
	Total	0	1,043,385	0	2,259,507
François Desjardins	Base salary	0	–	–	562,500
	Short-term incentive compensation	0	–	–	434,599
	RSUs, PSUs, stock options and SARs (Note 1)	0	812,951	–	1,625,540
	Pension plans (Note 2)	0	0	–	0
	Benefit plans and perquisites	0	–	–	82,030
	Total	0	812,951	–	2,704,669
Stéphane Therrien	Base salary	0	305,000	–	457,500
	Short-term incentive compensation	0	–	–	289,997
	RSUs, PSUs, stock options and SARs (Note 1)	0	530,961	–	1,082,794
	Pension plans (Note 2)	0	21,000	–	55,000
	Benefit plans and perquisites	0	–	–	75,030
	Total	0	856,961	–	1,960,321
Michel C. Trudeau	Base salary	0	–	–	394,500
	Short-term incentive compensation	0	–	–	609,992
	RSUs, PSUs, stock options and SARs (Note 1)	0	179,944	–	354,726
	Pension plans (Note 2)	–	–	–	–
	Benefit plans and perquisites	0	–	–	64,875
	Total	0	179,944	–	1,424,093

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

Note 2: Amounts of retirement benefits. In the columns “Termination without Cause” and “Termination in the Year Following a Change of Control”, the amount of retirement benefits is the additional value compared with the value presented in the column “Closing Present Value of Defined Benefit Obligation” in the “Defined Benefit Plans Table” above, assuming a termination on October 31, 2014. This additional value is nil for Mr. Desjardins as the value of his rights, including additional months of participation in the pension plans, is less than the value presented in the “Defined Benefit Plans Table”. Mr. Trudeau does not participate in a pension plan.

Note 3: Except for Messrs. Robitaille, Lauzon and Therrien, whose employment contracts have specific provisions for such circumstances, indemnities payable to the named executive officers in the event of termination without cause would be those provided by common law. These amounts are not indicated in the table.

Note 4: The age of Messrs. Desjardins and Therrien is below the minimal retirement age under the pension plans and, thus, they are not eligible for retirement. No additional amount would have been payable to Messrs. Robitaille and Lauzon if they had retired on October 31, 2014. Mr. Trudeau does not participate in a pension plan.

PART F – CORPORATE GOVERNANCE

BOARD OF DIRECTORS

The text of the functions of the Bank’s Board of Directors can be found in the “Corporate Governance” section of the Bank’s website.

Under the Bank’s General By-Laws, the number of Directors is set at 13. Under the *Bank Act (Canada)*, the Bank must have a fixed number of Directors, as its General By-Laws provide for cumulative voting for the election of Directors.

Independence of Board Members

Other than Mr. Réjean Robitaille, President and Chief Executive Officer of the Bank, all members of the Board of Directors and proposed nominees for election as Directors are independent within the meaning of *Regulation 58-101 Respecting Disclosure of Corporate Governance Practices* and the criteria adopted by the Board of Directors. The Chairman of the Board, Ms. Isabelle Courville, is an independent Director.

Mr. Robitaille is a non-independent Director by virtue of his functions with the Bank.

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

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

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

Competencies and Expertise of Board Members

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

	Corporate Elements											Operational Elements							Others	
	Finance	Audit	Technology	Compliance	Pension Plan Management	Risk Management	Corporate Governance	Human Resources	Accounting Rules	Mergers and Acquisitions	Corporate Social Responsibility and Sustainability	Banking Services	Credit	Derivatives	Insurance	Securities	Treasury	Marketing		Business Development
Lise Bastarache	√	√				√	√	√				√	√	√		√	√			√ ¹
Jean Bazin				√		√	√	√										√	√	√ ²
Richard Bélanger	√	√	√			√		√	√	√	√	√		√	√			√	√	√ ³
Michael T. Boychuk	√	√	√	√	√	√	√	√	√	√	√		√		√	√			√	
Isabelle Courville	√		√			√	√	√		√								√	√	
Pierre Genest	√	√		√	√	√	√			√	√	√	√	√	√				√	
Michel Labonté	√	√	√	√		√	√		√	√		√	√	√		√	√		√	√ ⁴
A. Michel Lavigne	√	√		√	√	√	√		√	√		√	√		√	√			√	√ ⁴
Jacqueline C. Orange	√	√					√	√				√			√			√	√	√ ⁵
Réjean Robitaille	√	√		√		√	√	√	√	√		√	√	√		√	√	√	√	
Michelle R. Savoy	√				√	√	√	√						√		√	√	√	√	√ ⁴
Jonathan I. Wener	√		√			√	√	√		√	√		√		√			√	√	√ ⁶
Susan Wolburgh Jenah				√		√	√	√		√						√		√	√	√ ⁵

¹ Economics

² Labour Law and Employment / Public Affairs

³ International Commerce (WTO, NAFTA) / Business Administration

⁴ Strategic Planning / Public Company / Business Administration

⁵ Strategic Planning / Government Relations

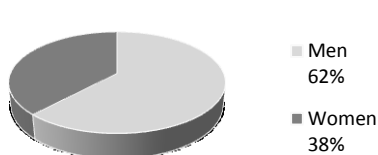
⁶ Real Estate / Urban Development

Selection of Directors Nominees for the Board of Directors

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

In order to assure optimal composition of the Board, the HR Committee has established a matrix of required competencies in accordance with which it evaluates each Director. When filling a seat on the Board, the Committee determines the sought-after profile based on existing competencies and expertise. Various other selection criteria are also applied, such as geographic representation and diversity.

Laurentian Bank has played a leadership role among Canadian banks with respect to female representation on its Board. In fact, it was the first institution of its kind in the country to name a woman as Chairperson when it appointed Mrs. Jeannine Guillevin-Wood in 1997. Subsequently, Ms. Isabelle Courville became the second woman to assume that role in 2013. Today, the Bank ranks among the enterprises within its sector having the highest female representation, with five of its 13 Board members (38%) being women. Excluding the President and Chief Executive Officer (the only non-independent member of the Board), the Bank would have a distribution of seven men and five women. Moreover, two of the five female Directors (40%) sit on each of the Board's Committees — the HR Committee, the Audit Committee, and the Risk Management Committee. Although the Bank has not adopted a written policy on the search and selection of candidates for the Board, nor has it established a target for the number of women Directors, it has always supported and continues to pursue its efforts to promote female representation, as evidenced by the aforementioned proportions. In its work related to Board composition, the HR Committee takes female representation and diversity into account.



Candidates who meet the previously mentioned criteria are first met by the Chair of the HR Committee, then by the Board Chair and by the President and Chief Executive Officer. Following these meetings, the Chairs of the HR Committee and Board of Directors jointly recommend a candidacy to the Committee, and then to the Board.

Orientation and Ongoing Training

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

Risk Management and Audit Committee documentation is made available to all Directors and they can participate in meetings of Committees they do not sit on. These initiatives all serve to promote the development of their knowledge of the Bank's affairs. In view of the confidential nature of the information discussed at HR Committee meetings, documentation is only available to Directors who sit on that Committee.

Most Board meetings include presentations on subjects of interest to Directors. During fiscal year 2014, Directors obtained training on social media, as well as an external session focused on strategic developments in the financial sector. Furthermore, all Directors who wish to improve their knowledge and skills so as to be able to better fulfill their responsibilities as Board members can do so at the Bank's expense via outside training.

Evaluation

The Board of Directors has adopted a process to evaluate its effectiveness and the contribution of its members. The Board has entrusted the application of this process to the HR Committee, and the evaluation is conducted by means of a questionnaire and personal meetings held by the Board Chair with each Director. Every Director completes a questionnaire to evaluate the Board and its Committees, the Board Chair and Chair of each Committee, as well as themselves. The Board Chair then meets individually with each Director to discuss the results. As a member of the Board, the Bank's President and CEO participates in all facets of the evaluation as the other Directors do. Finally, the Board Chair presents a report on these evaluations to the HR Committee, thus enabling it to make certain improvements or review the composition of the Board when required.

The Bank's Board of Directors has not adopted a policy prescribing the age of retirement or duration of mandates of Directors. Instead, it prefers an approach based on competencies, the contribution of each Director to its work and that of its Committees, and on the evaluation process in order to determine whether or not a Director should step down. The HR Committee sees to it each year that there are 13 Directors sitting on the Board and that the duration of their mandates is appropriate. Over the past 10 years, the Bank has appointed 10 new independent members which supports the process even in the absence of specific policies. Ultimately, the members of the Board believe that the existing process constitutes the best means of evaluating Directors, and they do not see the need to adopt formal policies.

Directors Sitting on the Same Boards of Outside Reporting Issuers

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

Summary of Board Meetings Held

	Number of Meetings Held	Number of Meetings Held without Members of Management
Board of Directors	9	9

The attendance record of each Director at Board and Committee meetings held during the Bank's last completed fiscal year is presented in Part C - Director Nominees¹.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

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

Director Expertise

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

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

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

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

¹ Ms. Poulin resigned as director on June 5, 2014. During fiscal 2014, she attended, before she left, 6 out of 6 Board meetings and of all the Human Resources and Corporate Governance meetings (7).

Mr. Pierre Genest sits on the Board of Socodevi, a cooperative organization working on international development that has extensive expertise in the areas of sustainable forestry and agroforestry. Mr. Genest also sits on the Conseil québécois de la coopération et de la mutualité, whose mission is to participate in the province's social and economic development. In addition, he is involved in the community through his involvement on the Boards of diverse organizations like I Musici de Montréal and the Le Portage Foundation. In addition, Mr. Genest has served as Chairman of the Orchestre symphonique de Québec and Université Laval and was President of Centraide's fundraising campaign in 1996.

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

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

Diversity

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

Among the Bank's and its subsidiaries' 62 Executives, 20 (or 32%) are women. The Bank has not established a specific target with respect to the number of women that should be on its Executives' team because it has always maintained good practices in this area. In that connection when the time comes to select a candidate for a new position or as a replacement, the Bank takes female representation into account as part of its selection factors.

Social Responsibility Report

Laurentian Bank has been producing a Social Responsibility Report each year since 2007. This publication presents an overview of the organization's practices with respect to governance, ethical and respectful relations, employee development, community involvement and reduction of its ecological footprint. The Report draws upon *Global Reporting Initiatives* (GRI) performance indicators, and the number of indicators for which information is reported is now 68. In line with its commitment to environmental protection, the Social Responsibility Report is available in electronic format on the Bank's website.

BOARD COMMITTEES

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

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

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

The composition of the Board and its Committees underwent certain changes subsequent to the departure of Ms. Marie-France Poulin in June 2014 and the arrival of Ms. Susan Wolburgh Jenah in December 2014. Ms. Wolburgh Jenah was appointed to the Risk Management Committee, while Ms. Michelle R. Savoy joined the HR Committee.

Summary of Committee Meetings Held

	Number of Meetings Held	Number of Meetings Held without Members of Management
Audit Committee	8	8 (Note 1)
Risk Management Committee	7	6 (Note 2)
Human Resources and Corporate Governance Committee	9	7

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

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

Committee Members

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

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

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

Committee Reports

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

REPORT OF THE HUMAN RESOURCES AND CORPORATE GOVERNANCE COMMITTEE

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

<p><i>Human Resources</i></p>	<ul style="list-style-type: none"> ➤ The Committee reviewed and approved the Bank's Executive Compensation Policy, the main provisions of which are presented in "Part E - Executive Compensation", as well as amendments to the text of the Restricted and Performance Share Unit Plans. ➤ The Committee evaluated the performance of the President and Chief Executive Officer for the last fiscal year and fixed his objectives for the current year. It also approved the amendments to the President and Chief Executive Officer's pension plan. The Committee reviewed the evaluations of the members of the Management Committee and their objectives for the upcoming year. It reviewed executive compensation, including base salary and long-, medium- and short-term incentive compensation. A detailed report on these subjects can be found in "Part E - Executive Compensation" of this Circular and under the same heading in the Management Proxy Circular dated February 12, 2014. ➤ The Committee reviewed the target bonus of the Short-Term Incentive Compensation program applicable to Executives. The Bank's Short-Term Incentive Compensation program is described in greater detail in "Part E - Executive Compensation" of this Circular. The Committee also approved salary increases for non-unionized Bank employees. ➤ In collaboration with the Risk Management Committee, the Committee examined the risk analysis of the compensation programs, which was prepared as part of the requirements and in accordance with the principles and standards of the Financial Stability Board. ➤ The Committee approved the employee salary budget for the year 2014 recommended by management and reviewed employee participation under the Bank's stock purchase plan. ➤ The Committee approved the compensation of the Bank's Executives, as well as the evaluations of the members of the Management Committee in accordance with the Hay scoring method. ➤ The Committee also reviewed the pension plans' capitalization policy and received the report on pension plans. ➤ The Committee approved the compensation policy for Capital Markets employees and the policy on financial advantages on the Bank's products. ➤ The Committee approved the 2014 incentive compensation program for Treasury specialists. ➤ The Committee approved the Bank's new organizational structure and the appointment of Executives recommended by management. ➤ In the context of the Basel requirements (Basel II, Pillar 3), the Committee approved the text of a report that was published on the Bank's website, thereby rendering public some information on the compensation of Executives.
<p><i>Pension Plan Governance</i></p>	<ul style="list-style-type: none"> ➤ The Bank has developed a governance structure for all of its pension plans to ensure the continuous and rigorous monitoring thereof. The governance structure deals with the allocation of responsibilities among different parties who are involved with pension plans. The Committee has the prime responsibility of monitoring all of the Bank's pension plans and delegates the governance of the plans to the Bank's Management Committee. To ensure rigorous management of investments, the Committee delegates some day to day responsibilities related to asset management to the Bank's Investment Committee, which is composed of Executives whose duties are related to asset management. The Management Committee reports to the Committee at least twice a year detailing the governance activities which were carried out. The report covers the participation, the financial situation of the plans, the monitoring of investments and the proposed amendments to the investment policy. In addition, the Bank administers its plans by retaining the services of actuarial and asset management consulting firms. ➤ In order to oversee asset management of the plans and to manage financial risk, the Bank has an investment policy as well as a capitalization policy. It has also put a risk reduction plan in place that results in a better alignment of the plans' assets and liabilities. In addition, actuarial evaluations and audited financial statements of the plans are produced annually. These evaluations and statements are audited by an external accounting firm, and the audited financial statements are approved by the Audit Committee. The plans' assets are kept separate from those of the Bank by an external custodian. ➤ The Bank administers and finances its pension plans in accordance with all applicable laws and regulations, in addition to providing information to the Office of the Superintendent of Financial Institutions (Canada), the <i>Régie des rentes du Québec</i>, and to the Canada Revenue Agency. The defined benefit plans are well capitalized and the Bank pays the required contributions in accordance with actuarial evaluation reports. In the past, the Bank has even exceeded minimal contributions on more than one occasion. Furthermore, Note 18 of the Bank's 2014 financial statements includes information on the financial situation of the Bank's plans. ➤ Finally, the Bank regularly provides plan participants with information on the financial situation of the plans, the monitoring of investments, as well as the terms of the plans via statements of contributions, websites that are available to participants and information sessions. In addition, a Retirement Committee composed of employer and employee representatives, reports on a quarterly basis to union representatives on activities conducted and amendments made to the pension plan of unionized personnel.

<i>Corporate Governance</i>	<ul style="list-style-type: none"> ➤ The Committee reviewed the compensation and composition of the Board of Directors, as well as the selection of Director nominees, as is more fully described under section “Selection of Directors Nominees for the Board of Directors” in Part F- Corporate Governance. ➤ The Committee approved changes to Director compensation, as is more fully described in “Part D – Compensation of Directors” of this Circular. ➤ The Committee approved the new Director’s expense account policy and recommended that the Board approve the policy regarding the use of external advisors by Directors. ➤ It also reviewed the Bank’s corporate governance practices in comparison with best market practices, including the functions of the Board of Directors, the number of members, the term of their mandate, the independence criteria for Directors, the composition of the Committees, the competencies of the Audit Committee and the Directors’ Code of Conduct, and it made recommendations to the Board of Directors thereon. The functions of the Board of Directors and mandates of its Committees are set out in the Corporate Governance Section of the Bank’s website of this Circular. ➤ The Committee coordinated the process for evaluating the Board of Directors, the Committees and their members. Further information on this process can be found in “Part F – Corporate Governance” under “Evaluation”. ➤ The Committee kept itself informed on various subjects related to corporate governance, including the coming into force of the Notice of Changes to the Composition of Boards or Senior Management published by the Office of the Superintendent of Financial Institutions (Canada).
<i>Members</i>	<p>Jean Bazin, Chair Isabelle Courville Pierre Genest Marie-France Poulin (until June 5, 2014)</p>

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



Jean Bazin, Chair

REPORT OF THE AUDIT COMMITTEE

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

<i>With Respect to the External Auditor</i>	<ul style="list-style-type: none"> ➤ The Committee reviewed and monitored the external auditor’s mission. It also reviewed the results of the annual audit, the letter of recommendation that followed the annual audit, the quarterly review letters, and the follow-ups thereon. ➤ The Committee also recommended to the Board of Directors the appointment of the external auditor and examined its hiring conditions after having performed its evaluation. ➤ The Committee approved changes to the policy establishing a framework for the prior approval of non-audit services and certain audit services provided by the external auditor. Further details on this policy and the fees of the Bank’s external auditor that were invoiced for the last fiscal year can be found under the heading “Appointment of the Auditor” in “Part B - Business of the Meeting” of this Circular. ➤ In the last fiscal year, the Audit Committee adopted a new Monitoring Policy for the External Auditor in accordance with the recommendation of the Chartered Professional Accountants of Canada (CPA Canada) and the Office of the Superintendent of Financial Institution (OSFI). This new policy sets out a practice that was already in place and will come into force for the fiscal year ending October 31, 2015. ➤ The Committee met on a quarterly basis with those responsible for the external audit in the absence of management.
<i>With Respect to Financial Information</i>	<ul style="list-style-type: none"> ➤ In accordance with its mandate and the Financial Information Disclosure Policy, the Committee reviewed the annual financial statements and the Management’s Discussion and Analysis included in the Bank’s Annual Report before they were approved by the Board of Directors. It also examined the interim financial statements and the Management’s Discussion and Analysis included in the Bank’s press releases before they were submitted to the Board of Directors. In addition, the Committee reviewed the Annual Information Form before it was approved by the Board of Directors. ➤ The Committee received the Financial Information Disclosure Committee’s annual activity report. ➤ The Committee approved changes to the Financial Information Disclosure Policy. ➤ The Committee reviewed the financial statements of the subsidiaries supervised by the Office of the Superintendent of Financial Institutions (Canada) ➤ The Committee also reviewed and approved the financial statements of the Bank’s various pension plans.
<i>With Respect to the Internal Audit Function</i>	<ul style="list-style-type: none"> ➤ As it does every year, the Committee reviewed and approved the mandate and audit plan of the Internal Audit function and ensured the sufficiency on a regular basis of its resources. It also examined the main findings and recommendations and the follow-ups thereon, as well as the internal auditor’s opinion on internal controls. ➤ The Committee met on a quarterly basis with the Bank’s internal auditor in the absence of management to discuss all aspects of its mandate and any related issues.
<i>With Respect to Internal Controls</i>	<ul style="list-style-type: none"> ➤ The Committee received a letter of certification from management covering all of the Bank’s operations for the fiscal year ended October 31, 2014 and for each of the quarters of fiscal 2014. ➤ The Committee reviewed the work of the financial certification group and the reports on internal control.
<i>With Respect to Regulatory Authorities</i>	<ul style="list-style-type: none"> ➤ On an ongoing basis, the Committee ensured that follow-ups were conducted on the recommendations and questions of the regulatory authorities and representatives of OSFI met with members of the Board in the absence of management in order to discuss their recommendations.

<i>Members</i>	Richard Bélanger, Chair Michael T. Boychuk Isabelle Courville A. Michel Lavigne Jacqueline C. Orange
----------------	--

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



Richard Bélanger, Chair

REPORT OF THE RISK MANAGEMENT COMMITTEE

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

<i>Oversight Functions</i>	<ul style="list-style-type: none"> ➤ The Committee reviewed and approved changes made to the following policies, plans, procedures and codes under its responsibility and recommended their approval by the Board of Directors, as required: <ul style="list-style-type: none"> • Framework on Risk Appetite and Management • Credit Policies • Change Approval Policy • Operational Risk Management Policy • Professional Responsibility Risk Management Policy • Policy Concerning Money Laundering and Terrorist Activity Financing • Regulatory Risk Management Policy • Cost of Funds Transfer Pricing Management Policy • Treasury and Capital Markets Risk Management Policies of the Bank and its Subsidiaries • Liquidity and Financing Management Policy • Capital Management and Adequacy Policy • Pledging Management Policy • Reputational Risk Management Policy • Business Continuity Management Policy • Policy on Gross Income Distribution for Regulatory Capital • Residential Mortgage Loans Subscription Policy • Information Security Management Policy • Financial Instruments Fair Valuations Policy • Policy on Insiders and Prohibited Transactions on Bank Securities • Personal Information Protection Policy • Outsourcing Risk Management Policy • Capital Plan • Liquidity Contingency Plan • Privacy Code for the Protection of Personal Information • Code of Ethics • Complaint Investigation Procedures ➤ The Committee closely monitored changes in the Bank's loan portfolio, in particular impaired loans and watch list loans, as well as the status of loan losses and the adequacy of loan loss provisions. ➤ The Committee reviewed and, when appropriate, approved certain loans that exceeded the limits set out in the credit policies. ➤ The Committee examined cases that were brought to its attention where the limits specified in the Treasury Risk Management Policies were exceeded and, when required, referred them to the Board of Directors. ➤ The Committee reviewed and approved the 2014 mandate of the Integrated Risk Management function. ➤ Jointly with the Human Resources and Corporate Governance Committee, the Committee examined the risk analysis of the compensation programs, which was prepared as part of the requirements and in accordance with the principles and standards of the Financial Stability Board. ➤ The Committee ensured that follow-ups were conducted on material aspects of regulatory risk management. In particular, the Committee received and reviewed the annual and semi-annual reports on regulatory risk management and ensured that the Regulatory Risk Management function had sufficient resources. ➤ The Committee kept itself informed of the Bank's activities aimed at detecting and deterring money laundering and terrorist activity financing, and it reviewed the annual and semi-annual reports before their filing thereof. ➤ The Committee also kept itself informed on a regular basis on the regulation regarding capital and liquidity risk governance, including the implementation of the new capital rules (Basel III). ➤ The Committee approved the capital adequacy ratio/ICAAP demonstrating that the Bank was adequately capitalized. ➤ Each quarter, the Committee received an integrated risk management report from the Chief Risk Officer, which enables it to assess whether the Bank has an adequate and effective process for managing major risks. The report covers strategic, business, credit, liquidity and funding, structural interest rate, market (arbitrage and secondary liquidities) risks, operational risks as well as reputational and insurance risks. ➤ The Committee reviewed the crisis simulation framework, whose objective is to test the Bank's resistance to the various risks to which it is exposed. ➤ The Committee received the Ombudsman's annual report. ➤ The Committee monitored the implementation of the internal ratings method at the Bank. ➤ The Committee kept itself informed on findings and recommendations of the Office of the Superintendent of Financial Institutions.
----------------------------	--

<i>Conduct Review Functions</i>	<ul style="list-style-type: none"> ➤ As required, the Committee reviewed the decisions of the Bank’s Self-Dealing Review Committee to ensure that they were reasonable. ➤ The Committee also approved the Directors’ report on the work of the Risk Management Committee for its conduct review functions and its submission to the Office of the Superintendent of Financial Institutions.
<i>Members</i>	<p>Michel Labonté, Chair Lise Bastarache Richard Bélanger Michelle R. Savoy Jonathan I. Wener</p>

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



Michel Labonté, Chair

POSITION DESCRIPTIONS

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

CORPORATE ETHICS AND INTEGRITY

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

The Bank has also adopted a set of values that serve as guidelines in making decisions aligned with the organization’s culture. Among these values is integrity, which is central to all the Bank’s actions and allows it to earn and maintain the confidence of its clients and shareholders. For their part, all Bank personnel must adhere to the Employee Code of Ethics and respect the Code of Confidentiality governing the protection of personal information.

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

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

COMPENSATION

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

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

ADDITIONAL INFORMATION

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

PART G – OTHER INFORMATION

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Aggregate Indebtedness

The following table sets forth the aggregate indebtedness to the Bank or its subsidiaries of all existing and former executive officers, Directors and employees of the Bank or its subsidiaries as at January 31, 2015.

Purpose	Aggregate Indebtedness (\$)	
	To the Bank or its Subsidiaries	To Another Entity
Stock Purchase	0	0
Other	202,060,150	0

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

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

Name and Principal Position	Involvement of the Bank or Subsidiary	Largest Amount Outstanding during Most Recently Completed Fiscal Year (\$)	Amount Outstanding as at January 31, 2015 (\$)	Financially Assisted Securities Purchases during Most Recently Completed Fiscal Year	Security for Indebtedness (Securities Purchase Programs Only)	Amount Forgiven during Most Recently Completed Fiscal Year (\$)
François Desjardins, Executive Vice-President of the Bank and President and Chief Executive Officer of B2B Bank	B2B Bank and Laurentian Bank Securities (lenders)	827,500 (Note 1)	723,000	–	–	0
Réjean Robitaille, President and Chief Executive Officer of the Bank	Bank (lender)	1,135,696 (Note 2)	994,840	–	–	0
Michel C. Trudeau« Executive Vice-President, Capital Markets of the Bank and President and Chief Executive Officer of Laurentian Bank Securities	Laurentian Bank Securities (lender)	180,000 (Note 3)	153,000	–	–	0

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

Note 2: Mortgage loans on principal residence at interest rates of 1.95%, 1.65% and 1.14%.

Note 3: Line of credit against security portfolio at prime rate +1%.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Bank has purchased liability insurance for the benefit of its Directors and officers and those of its subsidiaries as a group. The limit of such insurance, which expires on December 1, 2015, is \$50,000,000. The deductible is \$1,000,000 per event. The yearly premium is \$209,320.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

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

CODE OF PROCEDURE

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

MINUTES

A copy of the minutes of the Bank's last annual meeting of shareholders held on April 2, 2014 was sent to shareholders together with this Circular. The minutes are also available at www.laurentianbank.ca.

ADDITIONAL INFORMATION

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

REMOTE VIEWING OF THE ANNUAL MEETING

The video of the 2015 annual meeting of shareholders will be available in the "Investor Relations" section of the Bank's Website under the "Presentations and Events" tab.

DIRECTORS' APPROVAL

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



Lorraine Pilon
Secretary

Montréal, Québec, February 11, 2015

SCHEDULE A

ADVISORY VOTE ON NAMED EXECUTIVE OFFICER COMPENSATION

“IT WAS RESOLVED, in an advisory capacity and without limiting the role and responsibility of the Board of Directors, that shareholders accept the approach to named executive officer compensation disclosed in the Bank’s Management Proxy Circular for the 2015 annual shareholders’ meeting.”

SCHEDULE B

SHAREHOLDER PROPOSALS

PROPOSAL SUBMITTED TO A SHAREHOLDER VOTE

[TRANSLATION]

Compensation Report

It is proposed that the Bank adopt a senior executive compensation policy including the use of a pay equity ratio as an annual benchmark for setting compensation to ensure shareholders that the compensation strategy for its senior executives is fair and equitable.

Based on our analyses of management proxy circulars, we conclude that the practice of setting senior executive compensation relies heavily on horizontal benchmarking with peers at companies considered similar. Such a method leads to continuous increases in compensation, as this method results in an increase each time that a company grants a compensation package that exceeds the group's median. A number of good-governance observers have denounced the quasi-exclusive use of this method. It has created a growing gap in compensation between the most senior executive and the average employee, generating injustice within the company and a malfunctioning economy, as fewer workers have enough buying power to consume what the economy is capable of producing — a contributing factor to the recent financial crisis.

As Yvan Allaire has stated:

Until only recently, however, compensation systems were designed in a spirit of internal equity, not on the basis of a supposed “talent” pool. Compensation systems must once again be adopted to help promote and protect solidarity, mutual trust and a sense of fairness within and around the company, and give members of the organization the sense of “being all in the same boat,” and instil in them a long-term view of the company¹.

In response to the concerns raised by this method, Canada's six major banks asked compensation firm Meridian to analyze this issue and make recommendations last year. While defending the relevance of horizontal benchmarking, the firm suggested:

While vertical benchmarking is unlikely to be sufficient as a primary basis for setting executive compensation, it can provide important context for a Committee, particularly in assessing trends in pay disparity².

Considering the advantages of benchmarking executive compensation to the compensation of other Bank employees, we propose that systematic use of a pay equity ratio be provided for in the Bank's policy, that is, the ratio between the Chief Executive Officer's total compensation and median compensation of employees of the Bank.

¹ <http://www.lesaffaires.com/blogues/yvan-allaire/le-noeud-gordien-de-la-remuneration-des-dirigeants/544879>

² <http://www.td.com/document/PDF/corporateresponsibility/Canadian-Banks-Horizontal-Benchmarking.pdf>

The Bank's Recommendation

In conducting its compensation review exercise, the Bank takes several factors into account for each position — including that of the President and Chief Executive Officer — such as demonstrated competencies, level of responsibility, performance, individual contribution, compensation offered in the market, internal equity and the Bank's results. This approach is aimed at meeting the following objectives:

- Consistently promote the alignment of employee and executive interests with those of shareholders, via compensation programs
- Promote transparency with respect to compensation management
- Attract and retain competent and motivated employees and executives
- Establish competitive compensation tied to the Bank's performance
- Assure sound compensation practices in terms of internal/external equity and prudent risk management

In order to achieve these objectives, the Bank conducts an in-depth analysis of the aforementioned factors. This analysis, combined with a fair and accurate interpretation of the information, allows for the establishment of equitable compensation policies for employees, including executives.

It is important to note that, in the determination of compensation policies, the Bank takes into account the relative importance of job levels. This approach is consistent with the spirit of the proposal submitted. However, instead of using a single ratio as the only criteria for establishing compensation, the Bank has chosen a more balanced approach based on a global analysis which takes into consideration numerous factors. The proposed use of a ratio comparing the compensation of the President and Chief Executive Officer to the median salary of employees is considered too restrictive and fails to add value to the compensation policy analysis.

In particular, various elements considered important at the Bank, such as competencies, responsibilities and performance are not taken into consideration in the ratio, and various aspects of the Bank's business strategy are excluded from the measure. For example, the choice of whether or not to outsource certain services has a direct and significant impact on the ratio. Consequently, the Bank prefers to use a comprehensive approach that promotes an understanding and interpretation of data that goes beyond one single ratio.

Finally, the Bank uses a proven system — one that is relied on by thousands of organizations — to measure the difference between jobs and the salary impact of these differences. The system implemented with the help of the Hay Group evaluates positions based on strategic criteria that are important for the Bank and assures internal equity between all levels. This system is used for all job levels, including the President and CEO, executives, management personnel and unionized professionals.

PROPOSAL SUBMITTED FOR INFORMATION PURPOSES ONLY

[TRANSLATION]

Deficient Competency of Directors in the Areas of Corporate Social Responsibility and Sustainability

It is proposed that the Board add, as soon as possible, a certain number of Directors having knowledge and expertise in the areas of corporate social responsibility and sustainability.

A review of the areas of expertise of Directors contained in the 2014 Management Proxy Circular indicates the following:

Competencies	Number of Directors
Risk Management	12
Finance	11
Human Resources	10
Mergers and Acquisitions	8
Corporate Social Responsibility and Sustainability	0

Moreover, the paragraph concerning continuing education of Directors in 2013 (p. 44 of the circular) makes no mention of any training related to corporate social responsibility and sustainability. As such, it is questionable whether the Bank's Directors have the capacity to properly evaluate and discern such issues when making decisions in the long-term interests of the organization. The importance of this observation was highlighted by the Canadian Bankers Association in its April 9, 2014 bulletin:

“Environmental sustainability is a key part of Canada’s banks’ social responsibility efforts. Banks have established environmental policies, goals and practices that help guide their activities inside and out. Environmentally-oriented thinking is incorporated into a range of bank operations, lending, products and services and community activities.”¹

It should be noted that Bank of Montreal and Toronto Dominion Bank have clearly demonstrated their preoccupation with corporate social responsibility by indicating this competency in the competency and experience matrix for their Directors. One can therefore presume that they assign particular importance to this dimension in the recruitment of their Directors, as well as in their decision-making process.

¹ <http://www.cba.ca/en/component/content/category/62-banks-and-the-environment>

The Bank's Position

Given that the Bank has undertaken to provide additional disclosure in the Circular relating to corporate social responsibility and sustainability, MEDAC has agreed that this proposal not be submitted to a shareholder vote. Therefore, it is being presented for information purposes only.

The additional disclosure can be found in Part F – “Corporate Governance” and includes: i) a heading entitled “Corporate Social Responsibility and Sustainability”, which refers to the Bank's Social Responsibility Report, the creation of a Diversity Committee and the relevant experience of the Directors in the area, and ii) the “Corporate Social Responsibility and Sustainability” competency in the competencies and expertise chart of Board members.

SCHEDULE C

STOCK OPTION PURCHASE PLAN

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

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

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

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

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

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

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

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

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

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

SCHEDULE D

CODE OF PROCEDURE

1. Application

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

2. Role of the Chairman

The Chair of the meeting shall preside over its deliberations and ensure its orderly conduct. The Chair has all powers necessary to ensure that the meeting is able to effectively conduct the business for which it was called. To this end, the Chair shall interpret this Code and his/her decisions shall be without appeal. Whether or not a shareholder, everyone attending the meeting must comply with the Chair's instructions.

3. Expression of Resolutions

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

4. Right to Speak

Every shareholder has the right to address the meeting. A shareholder wishing to exercise this right shall ask the Chair for the floor.

5. Speaking Time

Except as provided otherwise in this Code, no shareholder may speak for more than five minutes at a time. However, the Chair may allow a longer speaking time in exceptional circumstances.

6. Pertinence and Good Order

A shareholder who has the floor must speak to the matter before the meeting. Shareholders addressing the meeting must speak soberly and avoid language that is violent, insulting or injurious to anyone. The Chair may direct a shareholder to keep to the matter under discussion or to comply with this standard of conduct. Failing compliance, the Chair may deprive the shareholder of the floor.

7. Shareholder Proposal

The shareholder who, under the Act, submitted notice of a proposal set out in the Circular is entitled to speak first when the proposal comes before the meeting. This shareholder must formally move for the adoption of the proposal at the beginning or end of his or her presentation and may speak for a maximum of 10 minutes. At the end of the debate, the mover has a three-minute right of reply.

8. Debate on a Shareholder Proposal

Every shareholder is entitled to speak during a debate on a shareholder proposal, but only once. The representative of management may speak as often as he/she deems appropriate, but for no more than 10 minutes for his/her main speaking time, and no more than two minutes for other remarks.

9. Amendment of a Shareholder Proposal

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

10. General Matters

In the period open to shareholder questions, any shareholder may address a question to management, state an opinion or raise a matter of general interest to the Bank. Such a question or remark may be the object of a supplementary question or brief reply, but it may not give rise to a debate.



LAURENTIAN
BANK