

Annual Information Form

December 10, 2021



CAUTION REGARDING FORWARD-LOOKING STATEMENTS

From time to time, Laurentian Bank of Canada (the "**Bank**") will make written or oral forward-looking statements within the meaning of applicable securities legislation, including such as those contained in this Annual Information Form (and in the documents incorporated by reference herein), and in other documents filed with Canadian regulatory authorities, in reports to shareholders, and in other written or oral communications. These forward-looking statements are made in accordance with, and are intended to be forward-looking statements under, current securities legislation in Canada. They include, but are not limited to, statements regarding the Bank's vision, strategic goals, business plans and strategies, priorities and financial performance objectives; the economic and market review and outlook for Canadian, United States (U.S.), European, and global economies; the regulatory environment in which the Bank operates; the risk environment, including, credit risk, liquidity, and funding risks; the anticipated ongoing and potential impact of the coronavirus (COVID-19) pandemic on the Bank's operations, earnings, financial results and financial performance, condition, objectives, and on the global economy and financial markets conditions; the statements under the headings "Outlook", "Impact of COVID-19 Pandemic" and "Risk Appetite and Risk Management Framework" contained in the Bank's 2021 Annual Report for the year ended October 31, 2021 (the "2021 Annual Report"), including the Management's Discussion and Analysis for the fiscal year ended October 31, 2021; and other statements that are not historical facts.

Forward-looking statements typically are identified with words or phrases such as "believe", "assume", "estimate", "forecast", "outlook", "project", "vision", "expect", "foresee", "anticipate", "intend", "plan", "goal", "aim", "target", and expressions of future or conditional verbs such as "may", "should", "could", "would", "will", "intend" or the negative of any of these terms, variations thereof or similar terminology.

By their very nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties, both general and specific in nature, which give rise to the possibility that the Bank's predictions, forecasts, projections, expectations, or conclusions may prove to be inaccurate; that the Bank's assumptions may be incorrect (in whole or in part); and that the Bank's financial performance objectives, visions, and strategic goals may not be achieved. Forward-looking statements should not be read as guarantees of future performance or results, or indications of whether or not actual results will be achieved. Material economic assumptions underlying the forward-looking statements contained in this document are set out in the 2021 Annual Report under the heading "Outlook", which assumptions are incorporated by reference herein.

We caution readers against placing undue reliance on forward-looking statements, as a number of risk factors, many of which are beyond the Bank's control and the effects of which can be difficult to predict or measure, could influence, individually or collectively, the accuracy of the forward-looking statements and cause the Bank's actual future results to differ significantly from the targets, expectations, estimates or intentions expressed in the forward-looking statements. These risk factors include, but are not limited to, risks relating to: credit; market; liquidity and funding; insurance; operational; regulatory compliance (which could lead to us being subject to various legal and regulatory proceedings, the potential outcome of which could include regulatory restrictions, penalties, and fines); strategic; reputation; legal and regulatory environment; competitive and systemic risks; and other significant risks discussed in the risk-related portions of the Bank's 2021 Annual Report, such as those related to: the ongoing and potential impacts of the COVID-19 pandemic on the Bank, the Bank's business, financial condition and prospects; Canadian and global economic conditions; geopolitical issues; Canadian housing and household indebtedness; technology, information systems and cybersecurity; technological disruption, privacy, data and third-party related risks; competition and the Bank's ability to execute on its strategic objectives; the economic climate in the U.S. and Canada; digital disruption and innovation (including, emerging fintech competitors); Interbank offered rate (IBOR) transition; changes in currency and interest rates (including the possibility of negative interest rates); accounting policies, estimates and developments; legal and regulatory compliance and changes; changes in government fiscal, monetary and other policies; tax risk and transparency; modernization of Canadian payment systems; fraud and criminal activity; human capital; insurance; business continuity; business infrastructure; emergence of widespread health emergencies or public health crises; emergence of COVID-19 variants; development and use of 'vaccine passports'; environmental and social risks; climate change; and the Bank's ability to manage, measure or model operational, regulatory, legal, strategic or reputational risks, all of which are described in more detail in the section titled "Risk Appetite and Risk Management Framework" beginning on page 50 of the 2021 Annual Report, including the Management's Discussion and Analysis for the fiscal year ended October 31, 2021, which information is incorporated by reference herein.

The Bank further cautions that the foregoing list of factors is not exhaustive. Additional risks, events, and uncertainties not currently known to us or that we currently deem to be immaterial may also have a material adverse effect on the Bank's financial position, financial performance, cash flows, business or reputation the Bank. When relying on the Bank's forward-looking statements to make decisions involving the Bank, investors and others should carefully consider the foregoing factors, uncertainties, and current and potential events.

The forward-looking information contained in this Annual Information Form (and in the documents incorporated by reference) is presented for the purpose of assisting investors, financial analysts, and others in understanding the Bank's financial position and the results of the Bank's operations as at, and for the period ended on, the date presented, as well as the Bank's financial performance objectives, vision and strategic goals, and may not be appropriate for other purposes.

Any forward-looking statements contained in this document represent the views of management only as at the date hereof, are presented for the purposes of assisting investors and others in understanding certain key elements of the Bank's current objectives, strategic priorities, expectations and plans, and in obtaining a better understanding of the Bank's business and anticipated operating environment and may not be appropriate for other purposes. We do not undertake to update any forward-looking statements, whether oral or written, made by the Bank or on its behalf whether as a result of new information, future events or otherwise, except to the extent required by applicable securities regulations. Additional information relating to the Bank can be located on the SEDAR website at www.sedar.com. References in this document to "this Annual Information Form" or "this AIF" mean this Annual Information Form dated as of December 10, 2021.

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Note: Unless otherwise specified, all information presented herein is as at October 31, 2021. Copies of this Annual Information Form and the Bank's 2021 Annual Report are available on SEDAR at www.sedar.com. The content of any website referred to in this Annual Information Form is not incorporated by reference in, and does not form part of, this Annual Information Form. All dollar amounts are in Canadian dollars, unless otherwise stated.

1. CORPORATE STRUCTURE

Name, Address and Incorporation

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

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

Intercorporate Relationships

Information about intercorporate relationships with principal subsidiaries, including place of incorporation and percentage of securities owned by the Bank, is provided on page 99 of the Bank's 2021 Annual Report, which information is incorporated by reference herein.

2. DESCRIPTION OF THE BUSINESS

General Summary

The Bank provides diversified and advice-based financial solutions and services throughout Canada, to its personal and commercial banking customers, under three broad business segments:

- Personal Banking;
- Commercial Banking; and
- Capital Markets.

In addition, the Bank provides financial solutions and services to commercial banking customers in the United States.

Personal Banking

The Bank's Personal Banking segment provides its customers with financial advice for their day-to-day banking, financing, protection and investing needs. The products and services include bank accounts, transactional packages, term deposits, mutual funds, credit cards, unsecured credit, residential real estate secured financing and creditor protection. The distribution network consists of a branch network located in the Province of Québec and of a Private Banking team that offers wealth management and financial planning services.

The Bank also operates B2B Bank as a separate Schedule I bank since 2012 with regional representation across Canada.

B2B Bank's focus is on serving the needs of the following network of financial professionals and their customers:

- financial advisors and their firms;
- deposit and mortgage brokers and their firms;
- mutual funds and insurance businesses; and
- Mutual Fund Dealers Association of Canada, Autorité des marchés financiers and Investment Industry Regulatory Organization of Canada members.

B2B Banks offers financial professionals, directly or indirectly, various services including investment loans, registered savings plans loans, tax-free savings account loans, savings accounts, short and long term guaranteed investment certificates, mortgage solutions, individual and group registered and non-registered investment accounts, investment products, and consolidated statements and tax reporting.

Personal Banking also launched in November 2021 a national Loyalty team to serve its customers.

The Bank also provides its Personal Banking customers with digital banking services, offering online access to many daily banking services including digital high-interest savings accounts, digital guaranteed investment certificates (GICs), digital chequing accounts, online bill payment, and automated banking machine (ABM/ATM) access. Customers can also access a range of transactional services including bill payments, transfers, mortgage and credit card information and Interac e-transfers. The Bank's ABM/ATMs are affiliated with a network established by several banks and credit unions across Canada (THE EXCHANGE® Network), allowing card users (including Bank card users) to use ABM/ATMs of other banks and credit unions.

Additional information on Personal Banking products and services can be found below under the heading "Additional Information Relating to the Business - Products and Services".

Commercial Banking

The Bank's Commercial Banking segment assists commercial clients and customers, from entrepreneurs to business leaders, across Canada, and in certain regions and markets in the U.S., with their commercial financial needs. The Bank's Commercial Banking business specializes in four main areas:

- real estate financing (project financing of residential or commercial properties as well as land financing; primarily through construction and term loans);
- equipment financing (financing and leasing solutions for the acquisition or refinancing of equipment through its LBC Capital Inc. subsidiary) and inventory financing (inventory financing solutions through the Northpoint Commercial Finance subsidiary);
- commercial small and mid-sized business (SME) financing; and
- syndication (participation in loan syndicates with major Canadian Banks).

At present, the Bank's real estate financing group holds a higher concentration of loans within the Commercial Banking unit. The Bank entered the equipment and inventory financing business in 2016 by acquiring the Canadian equipment financing and corporate financing activities ("CIT Canada") of CIT Group Inc., a U.S. company. CIT Canada, later reorganized under the LBC Capital Inc. subsidiary, which in 2017 acquired Northpoint Commercial Finance, an inventory finance solutions specialist in the U.S. with a growing presence in Canada.

Capital Markets

The Bank's Capital Markets business, primarily operated through its Laurentian Bank Securities Inc. subsidiary, offers its institutional and retail customers a range of services, from research and underwriting to brokerage and asset management, including:

- primary market access in governmental and other high frequency issuers as well as selected industry verticals;
- multi-asset trading capabilities for institutional, commercial and retail customers;
- back office support and carrying broker activities for Mutual Fund Dealers Association of Canada, Investment Industry Regulatory Organization of Canada and Autorité des marchés financiers regulated advisors; and
- full-service retail brokerage, discount brokerage and other wealth management services.

Other Businesses

Trust Businesses

The Bank operates, through various subsidiaries, trust businesses which are authorized to act as, and carry on the business of, trustees for customers of the Bank wanting to invest in registered plans, including tax-free savings accounts, registered retirement savings plans, registered education savings plans, lifelong learning plans, registered retirement income funds, life income funds and locked-in retirement accounts.

Revenues

The Bank derives the largest percentage of its revenues from interest income from its loan portfolios. Other major contributors to Bank revenue are (i) revenue from brokerage and other financial services (including fees and securities brokerage commissions and commissions from the sale of mutual funds); (ii) fees and commissions on loans and deposits (including lending fees, service charges and card service revenues); and (iii) revenue from trading activities. For fiscal 2021, the Bank generated \$1,002 million in revenues.

Assets

As at October 31, 2021, the Bank had \$45.1 billion in balance sheet assets and \$30.1 billion in assets under administration.

Additional Information Relating to the Business

Competitive Conditions

On a total asset basis, the Bank is the 7th largest Schedule 1 bank and competes with other Canadian chartered banks in the provision of financial services and products. The Bank operates throughout Canada and in certain regions and markets in the U.S., competing with other financial service and product providers, including foreign banks, trust and loan companies, financial services cooperatives, insurance companies, alternative financing companies, mutual fund companies, independent brokers and securities brokers. Increasingly, the Bank also faces competition from new entrants, including fintech companies and large entities not generally considered to be banks or financial services companies.

Despite the competitive landscape, the Bank's product and service offerings enable it to compete effectively within the financial services sector, in large part because of its smaller relative size and its Schedule I bank status. By focusing its efforts on, and excelling in, its core strength areas, the Bank is able to remain competitive in the mid-tier financial services market. The Bank offers an alternative to the

larger six Canadian banks, with its ability to leverage its size and offer flexible solutions to its customers, while remaining flexible in assessing new opportunities. As technological evolution is radically altering the competitive landscape of banking and financial services, the Bank's digital capabilities remain an increasing area of focus which is expected to provide leverage to compete more effectively in the future.

The Bank's deep roots and footprint in the Province of Quebec allow for further enhancement of the Bank's brand and the provision of increased customer-focused solutions. The Bank's deposits allow it to offer customers a cost-efficient funding source. The Bank's Personal Banking segment competes with other banks, credit unions and monolines in banking products, digital offerings in mortgages and real estate secured lending, as well as in branding and net promoter scores; and with digital banks in digital wealth and other digital banking products.

Products and Services

Lending - General

The Bank provides various lending services and related products by offering (i) personal loans, (ii) residential mortgage loans and (iii) commercial loans. Information on the Bank's investment policies and lending and investment restrictions can be found under the heading "Risk Appetite and Risk Management Framework" on page 50 of the Bank's 2021 Annual Report, which information is incorporated by reference herein.

Personal Loans

While the Bank's personal loan portfolio includes a range of consumer credit products such as investment loans, home-equity lines of credit (HELOCs), registered retirement saving plan loans, credit cards, personal lines of credit and other consumer loans, investment loans represent the largest segment of the Bank's personal loan portfolio.

The Bank's personal loan underwriting process generally takes into consideration a customer's credit risk and investment collateral values. Loans may then be authorized on the basis of a customer's loan servicing ability and overall financial strength, determined mainly through that customer's credit score. In addition, some of these loans are collateralized through a comprehensive list of eligible mutual and segregated funds. Stricter credit criteria are applied to borrowers as loan-to-value ratios increase. For loans where disbursements are significant, additional personal income and net worth information are usually required of a customer.

Residential Mortgage Loans

The Bank's residential mortgage loan portfolio includes residential mortgage loans secured by one- to four-unit dwellings. In recent years, the Bank has expanded its geographical footprint across Canada, to which the residential mortgage loan portfolio has contributed significantly. The Bank's residential mortgage loan underwriting process takes into consideration a number of factors, including the value of the property and customer credit risk.

Commercial Loans

The Bank's commercial loan portfolio, including customers' liabilities under acceptances, is targeted to specific markets, enabling the Bank to compete more efficiently across Canada, as well as in certain regions and markets of the U.S. The Bank's commercial loans are generally secured by a wide range of assets such as real estate, equipment, and inventories. In certain cases, additional security for commercial loans, in the form of collateral mortgages on real estate and other fixed assets, may be required by the Bank before a loan will be processed.

The Bank's real estate financing loans are secured by specific mortgages. These can include multiple unit dwellings, commercial properties, office buildings, shopping centres as well as land. The Bank's real estate financing business is originated exclusively in Canada.

The Bank's inventory financing portfolio offers financing solutions for manufacturers of, and dealers in, recreational vehicles, marine transport, trailers, manufactured housing, light construction, power sports, outdoor power equipment, technology, consumer electronics and appliances.

The Bank's equipment financing portfolio offers equipment financing and leasing solutions (primarily through loan and lease facilities) for dealers and end users in the acquisition or refinancing of technology office equipment, transportation equipment, construction equipment and corporate aircraft.

The Bank's commercial SME portfolio segment services executives and small to mid-size (and mostly private and family-owned) business owners operating primarily in the daycare, manufacturing and distribution industries in Canada.

The Bank's syndication portfolio business offers financing solutions to mid-sized businesses in diversified industries, throughout Canada for working capital, fixed assets, mergers and acquisitions and real estate construction projects. The syndication segment also includes Bank participation in loan syndicates with other Canadian banks. The real estate lending group is lead lender in many projects.

Capital Markets

The Bank's Capital Markets business offers services and products to institutional and retail customers.

Institutional customer services are comprised of the following segments:

- fixed income and foreign exchange (consisting of fixed income sales and trading, securitized products, foreign exchange sales and trading, government finance, debt capital markets, and economics and strategy);
- institutional equity and capital markets (consisting of equity sales and trading, equity research, investment banking and advisory services, and government and corporate underwriting); and
- institutional and dealer services (consisting of Mutual Fund Dealers Association of Canada, Investment Industry Regulatory Organization of Canada and Autorité des marchés financiers (AMF) dealer services; trade execution; margin lending; retail structured products; and immigrant investor program).

Retail customer services are comprised of the following segments:

- retail brokerage services (full-service retail brokerage including investment and wealth management services);
- financial planning and insurance services;
- portfolio management services;
- discount brokerage services; and
- corporate support/corresponding business services (including middle office and back office operations and support).

New Product and Service Development

The Bank is focused on simplifying banking transactions and improving the banking experience for its customers through the provision of quality advice and through the increased support and convenience of digital transactions. The Bank in the near term is concentrating its efforts on the enhancement of existing products and services. In addition, through its "One Bank" strategy, the Bank is gradually aligning its Commercial Banking business with its Personal Banking and Capital Markets businesses, to further deepen customer relationships.

Additional information on the Bank's product and service developments and enhancements is contained in the Bank's 2021 Annual Report under the heading "Other Business Highlights" on page 30, which information is incorporated by reference in this Annual Information Form.

Specialized Skills and Knowledge

It is critical for the Bank's employees to have a broad range of skills, knowledge and expertise so they can address the challenges posed by the increasing complexity of modern banking, where technology plays a crucial role. To meet these challenges, the Bank routinely hires new employees with existing specialized skill sets and knowledge and provides continuous training to existing employees, facilitating effective knowledge transfer. The Bank employs these specialists in each of its business segments and in support, corporate and leadership roles. These specialists ensure that the Bank's operations run as efficiently as possible, and that it is continuously developing and expanding products and services to best meet the needs of its customers.

Cycles

The Bank's business generally follows the same business cycles and seasonal variations as many other Canadian banks. Seasonal variations in the Bank's business are relatively minor. Some Bank businesses, such as those involved in financial intermediation, are not as affected by seasonal variation. Others, such as the Capital Markets trading, are subject to more volatility, which affects the income of those businesses accordingly. Variations in market interest rates, equity markets, or credit conditions can also influence the Bank's results. Non-recurring events, such as business acquisitions or specific regulatory development, are not part of the Bank's normal business cycle and can therefore have a significant impact on the Bank's revenues and expenses. Extraordinary events, such as the COVID-19 pandemic, are also not part of the Bank's normal business cycle and may affect the Bank in unpredictable ways. Further information on the Bank's business cycle can be found under the heading "Analysis of Quarterly Results" on page 39 of the Bank's 2021 Annual Report, which information is incorporated by reference in this AIF.

Intangible Properties

The Bank uses intangible assets in its day-to-day operations. These include software, intangible assets under development, and intangible assets related to Bank's acquisitions. Information on the Bank's intangible assets can be found on page 126 of the Bank's 2021 Annual Report, in Note 9 "Software and Other Intangible Assets" of the Bank's Consolidated Financial Statements as at October 31, 2021, which note is incorporated by reference in this AIF.

Number of Employees

The Bank had 2,871 full-time equivalent employees at the end of fiscal year 2021. In April of 2021, the Bank announced that the Canada Industrial Relations Board (CIRB) had revoked the union certification governing the Bank's unionized employees, following a majority vote in favour of the revocation, and withdrawal of related complaints filed by the union. Approximately 20% of the Bank's employees were represented by the union certification prior to its revocation. These previously unionized roles are based in the Bank's Quebec branches or in its corporate offices in Montreal.

Economic Dependence

The Bank's business does not substantially depend on any single contract.

Changes to Contracts

No aspect of the Bank's business was materially affected by the termination or renegotiation of any contract or subcontract in fiscal 2021. However, please refer to the discussion under the heading "Number of Employees" above for details on the change, in 2021, to the status of the Bank's unionized employees previously governed under a collective agreement. For a discussion on the changes to the administration of the Bank's pension plans, as of October 2021, and the related purchase by the Bank of group annuity contracts from a Canadian insurer in fiscal 2021 to cover benefit obligations under the plans, please refer to page 31 of the Bank's 2021 Annual Report, which information is incorporated by reference in this Annual Information Form.

Foreign Operations

The Bank owns a U.S. inventory finance business, operating as Northpoint Commercial Finance, which the Bank acquired in August of 2017. The Bank is not dependent on this business for its viability. For additional information on the Bank's U.S. equipment and inventory finance business, see the discussion under the above heading "Products and Services – Commercial Loans".

Risk Factors

Information regarding the Bank's significant risk factors is presented in the Bank's 2021 Annual Report under the headings "Outlook" (page 31) and "Risk Appetite and Risk Management Framework" (page 50), and in Note 24 "Financial Instruments – Risk Management" to the Bank's Consolidated Financial Statements as at October 31, 2021, on page 146 of the Bank's 2021 Annual Report, which information is incorporated by reference in this AIF. Reference is also made to "Caution Regarding Forward-Looking Statements" on page 2 of this Annual Information Form.

For a discussion on the impacts of the COVID-19 pandemic on the Bank, and the Bank's response, readers should refer to pages 31 and 32 of the Bank's 2021 Annual Report under the headings "Economic Outlook" and "Impact of COVID-19 Pandemic", and page 57 under the heading "COVID-19 Impact on Credit Risk and Measurement Uncertainty of Expected Credit Loss Estimates", which information is incorporated by reference herein.

Information on how the Bank manages environmental and social risk is available in the Bank's 2021 Annual Report under the headings "Other Risks that may Affect Future Results" on page 73; and "Environmental and Social Risk" on page 78, which information is incorporated by reference in this Annual Information Form.

Supervision and Regulation in Canada

The Bank is a federally regulated financial institution governed by the *Bank Act* (Canada). The Office of the Superintendent of Financial Institutions ("OSFI") reports to the Minister of Finance (the "Minister") and is responsible for the supervision of federally regulated financial institutions, including the Bank. OSFI is required to review the affairs and business of the Bank for the purpose of determining whether the Bank is in sound financial condition and is complying with its statutory requirements. OSFI conducts an annual examination and submits its report on the examination to the Minister once completed.

In addition to the *Bank Act* (Canada), the Bank is subject to regulation under the *Financial Consumer Agency of Canada Act*, which authorizes the Financial Consumer Agency of Canada to regulate and enforce consumer-related provisions of federal statutes governing financial institutions.

The Bank is also a member of the Canada Deposit Insurance Corporation (CDIC), which insures certain deposits held at the member institutions.

The Bank is subject to oversight by the Financial Transaction and Reports Analysis Centre of Canada (FINTRAC), which administers the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and its regulations. In addition, the activities of the Bank's dealer, trust, loan and insurance subsidiaries are regulated under provincial laws in the provinces in which they operate, including oversight by provincial securities commissions, the Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association of Canada (MFDA).

Asset-Backed Securities Outstanding

Information regarding the Bank's asset-backed securities outstanding can be found under the heading "Off-Balance Sheet Arrangements and Structured Entities" on page 44 of the Bank's 2021 Annual Report, which information is incorporated by reference in this Annual Information Form. Additional information on the Bank's Limited Recourse Capital Notes and Covered Bond programme (as those terms are, respectively, later defined in this Annual Information Form) can be found in Part 5 of this Annual Information Form.

3. GENERAL DEVELOPMENT OF THE BUSINESS

Three-Year History

The information contained in this part of the Annual Information Form covers the Bank's three most recently completed fiscal years. For additional information on the general development of the Bank's business and strategies for the upcoming year, please refer to the Management's Discussion and Analysis for the year ended October 31, 2021, which can be found on pages 25 to 86 of the Bank's 2021 Annual Report.

2021 Fiscal Year

During the fiscal year 2021, the Bank established three strategic guiding pillars which are to cultivate a "Customer First" culture, to foster an "Agile and Innovative" mindset, and to engage and empower Bank employees to work as "One Team". Flowing from these pillars, three key priorities were identified for 2021; renew the Bank's senior leadership team and organizational structure, increase efforts on cost discipline while pivoting to take advantage of structural cost opportunities, and conduct a thorough review of the Bank's operations to inform a new strategic plan. The Bank has, as of the date of this AIF, made significant progress with each priority.

On July 19, 2021, Mr. Beel Yaqub was appointed as the Bank's Executive Vice President and Chief Information Technology Officer.

On June 15, 2021, the Bank redeemed all its Non-Cumulative Class A Preferred Shares, Series 15 (Non-Viability Contingent Capital (NVCC)) (the "Preferred Shares Series 15") then outstanding. The Preferred Shares Series 15 were redeemed at a redemption price of \$25.00 per share, together with any declared and unpaid dividends.

On May 7, 2021, the Bank closed its domestic public offering of 5.30% Limited Recourse Capital Notes, Series 1 (Non-Viability Contingent Capital (NVCC)) (Subordinated Indebtedness) for an aggregate principal amount of \$125 million. See the section entitled "Capital Structure - Limited Recourse Capital Notes" in this AIF.

On May 6, 2021, the Bank issued its inaugural \$250.0 million covered bonds which bear interest at an annual coupon of 1.603%. See the section entitled "Capital Structure - Covered Bond Programme" in this AIF.

On April 21, 2021, the Bank established a \$2.0 billion legislative covered bond programme pursuant to the Canadian Registered Covered Bond Programs Guide issued by Canada Mortgage and Housing Corporation.

On April 21, 2021, the Bank announced that the Canada Industrial Relations Board (CIRB) revoked the union certification covering the unionized employees of the Bank, following the vote of its employees in

favour of the revocation and withdrawal of complaints filed by the Syndicat des employées et employés professionnels-les et de bureau.

On April 6, 2021, Ms Suzanne Gouin was appointed as an independent director of the Bank.

On April 1, 2021, the Bank announced the appointment of two key executives. Ms. Karine Abgrall-Teslyk was appointed Executive Vice President, Personal Banking, and Mr. Éric Provost was appointed President, Quebec Market, in addition to his responsibilities as Executive Vice President and Head of Commercial Banking.

On February 4, 2021, the Bank announced senior executive appointments. Mr. Sébastien Bélair was appointed Executive Vice President and Chief Human Resource Officer, Mr. Yves Denommé was appointed Executive Vice President, Operations and Mr. Adam Swinemar was appointed Senior Vice President, Digital Banking.

On January 8, 2021, Mr. Yvan Deschamps was appointed Executive Vice President and Chief Financial Officer effective April 6, 2021 following the retirement of Mr. François Laurin, who had previously occupied the role.

On December 31, 2020, Mr. Stephane Therrien retired as Executive Vice President, Commercial and Personal Banking of the Bank and the Bank announced that it would be dividing its Commercial and Personal Banking segments into two distinct units.

2020 Fiscal Year

On October 30, 2020, Ms. Rania Llewellyn was appointed President and Chief Executive Officer and to the Board of Directors of the Bank.

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

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

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

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

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

On March 11, 2020, the outbreak of COVID-19 was officially declared a pandemic by the World Health Organization (WHO). The COVID-19 pandemic has had a significant adverse effect on the global economy, and negatively impacted the Bank's results for fiscal 2020.

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

2019 Fiscal Year

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

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

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

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

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

4. DIVIDENDS

Dividends and Distributions

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

Restrictions

Restrictions to the declaration and payment of dividends are described on pages 129 to 132 of the Bank's 2021 Annual Report in Note 16 "Share Capital" of the Bank's Consolidated Financial Statements as at October 31, 2021, which note is incorporated by reference herein. The Bank may not declare dividends on its preferred or common shares if the payment of such dividends would contravene provisions of the *Bank Act* (Canada) governing capital adequacy and liquidity or under the provisions of other regulations. In addition, the Bank may only pay dividends on the common shares if it has paid all dividends declared and payable on the Bank's preferred shares or if the Bank has set aside sufficient funds to do so. The Board of Directors determines the amount and payment of future dividends. The decision of the Board of Directors depends on the Bank's activity, financial situation and cash flow requirements, future regulatory restrictions on the payment of dividends and other factors that the Board of Directors considers relevant.

In addition, in connection with the measures announced by OSFI over the months of March and April 2020 to afford financial institutions further flexibility in addressing current conditions due to COVID-19, OSFI communicated on March 13, 2020, its expectation that all federally regulated financial institutions halt dividend increases and share buybacks. However, effective November 4, 2021, institutions may again increase regular dividends. Additionally, subject to the existing requirement for Superintendent approval, institutions may once again repurchase shares.

Policy

The Bank seeks to regularly declare a dividend on its common shares that falls within the range of 40% to 50% of adjusted net income available to common shareholders¹. The dividend payout ratio could, however, fall outside this range when:

- management believes it is necessary to ensure that capital is maintained at an optimal level for both supporting the Bank's operations and complying with regulatory requirements (for example, where the Bank must make significant investments in technology);
- net income available to common shareholders is affected by operations or events of a non-recurring nature;
- net income available to common shareholders is at an atypical level and the forecasts indicate a return of net earnings per share to a normal level.

For additional information on the Bank's dividends, please refer to page 49 of the Bank's 2021 Annual Report, which page is incorporated by reference herein.

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

Dividends Declared			
	2021	2020	2019
	Per share (\$)	Per share (\$)	Per share (\$)
Common shares	1.60	2.14	2.62
Class A Preferred Shares			
Series 13	1.03	1.03	1.06
Series 15	1.10 (Note 1)	1.46	1.46

Note 1: The Preferred Shares Series 15 were redeemed on June 15, 2021. The final dividend declared in fiscal 2021 was \$0.25 per share.

¹ Adjusted net income available to common shareholders is a non-GAAP financial measure. The most directly comparable financial measure that is disclosed in the primary financial statements of the Bank to which this measure relates is net income available to common shareholders. Non-GAAP financial measures are not standardized financial measures under the financial reporting framework used to prepare the financial statements of the Bank to which the non-GAAP financial measures relate and might not be comparable to similar financial measures disclosed by other issuers. For more information, refer to the "Non-GAAP Financial and Other Measures" section beginning on page 28 of the 2021 Annual Report, including the Management's Discussion and Analysis (MD&A) for the fiscal year ended October 31, 2021, which page is incorporated by reference herein. The MD&A is available on SEDAR at www.sedar.com.

5. CAPITAL STRUCTURE

General Description of Capital Structure

The authorized capital of the Bank consists of an unlimited number of Class A Preferred Shares, without par value, which may be issued in series, and an unlimited number of common shares, without par value. The following summary of share capital is qualified in its entirety by the Bank's by-laws and the actual terms and conditions of such shares. For more detail on the Bank's capital structure, see Notes 15 and 16 of the Bank's Consolidated Financial Statements as at October 31, 2021, which notes are incorporated by reference herein.

Common Shares

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

Certain Provisions of Class A Preferred Shares

Issuance in Series

The Class A Preferred Shares are issuable in series and rank *pari pasu* among themselves as to the payment of dividends and return of capital. The Board of Directors of the Bank has the right, by resolution, subject to the *Bank Act* (Canada), the provisions contained in the rights, privileges, restrictions and conditions attaching to the Class A Preferred Shares as a class and any conditions attaching to any series of Class A Preferred Shares outstanding, to determine the number of shares in, and to determine the respective designation, rights, privileges, restrictions and conditions of, each series of Class A Preferred Shares. As at the date hereof, there are 5,000,000 Non-Cumulative Class A Preferred Shares, Series 13 (the "Preferred Shares Series 13") issued and outstanding.

In connection with the issuance of Limited Recourse Capital Notes, the Bank issued 125,000 Non-Cumulative 5-Year Fixed Rate Reset Class A Preferred Shares, Series 17 (Non-Viability Contingent Capital (NVCC)) (the "Preferred Shares Series 17") to a Limited Recourse Trust to be held as trust assets in connection with the Limited Recourse Capital Notes structure. The Preferred Shares Series 17 are treasury shares eliminated on the Bank's consolidated balance sheet prior to a recourse event. See the section entitled "Limited Recourse Capital Notes" below.

Dividends

The holders of any series of Class A Preferred Shares are entitled to receive, in priority to the holders of common shares of the Bank and of shares of any other class of the Bank ranking as to the payment of dividends junior to the Class A Preferred Shares, if any, dividends, as declared by the Board of Directors of the Bank, in the amounts specified or determinable in accordance with the provisions of such series, and such dividends may be cumulative or non-cumulative and payable in cash or by way of stock dividend or in any other manner provided for by the Board of Directors of the Bank.

Liquidation or Dissolution

In the event of the liquidation or dissolution of the Bank, or any other distribution of its assets to its shareholders with a view to winding up its business, before any amount is paid or any assets distributed to the holders of common shares of the Bank or of shares of any other class of shares of the Bank ranking junior to the Class A Preferred Shares, the holders of Class A Preferred Shares shall be entitled to receive to the extent provided for with respect to each series (i) an amount equal to the price at which such shares were issued, (ii) such premium, if any, as has been provided for with respect to such series, (iii) in the case of cumulative Class A Preferred Shares, all unpaid cumulative dividends, and (iv) in the case of non-cumulative Class A Preferred Shares, all declared and unpaid non-cumulative dividends. After the payment to the holders of Class A Preferred Shares of the amounts so payable, the holders of Class A Preferred Shares shall not be entitled to share in any further distribution of the assets of the Bank.

Voting Rights

Subject to the *Bank Act* (Canada) and except as otherwise expressly provided in the rights, privileges, restrictions and conditions attaching to any series of Class A Preferred Shares, the holders of Class A Preferred Shares do not, as such, have any voting rights for the election of directors of the Bank or for any other purpose, nor are they entitled to receive any notice of or attend shareholders' meetings.

Restrictions on the Creation or Issue of Additional Shares Having a Prior or Equal Rank

The Bank shall not, without the prior approval of the holders of Class A Preferred Shares, as a class given as hereinafter specified (but subject to such approval as may be required by the *Bank Act* (Canada) or any other legal requirement), create any class ranking in priority to or *pari passu* with Class A Preferred Shares. The Bank shall not, without the prior approval of the holders of Class A Preferred Shares as a class as provided for hereinafter (but subject to such approval as may be required by the *Bank Act* (Canada) or any other legal requirement), issue any additional series of Class A Preferred Shares or shares of any other class ranking in priority to or *pari passu* with Class A Preferred Shares, unless at the date of issue all cumulative dividends, including the dividend payment for the last complete period for which such cumulative dividend is payable, shall have been declared and paid or set apart for payment in respect of each series of cumulative Preferred Shares then outstanding and all declared and unpaid non-cumulative dividends shall have been paid or set apart for payment in respect of each series of non-cumulative Class A Preferred Shares then outstanding.

Shareholder Approval

The approval of the holders of Class A Preferred Shares in regard to any question, particularly concerning amendments to conditions attaching to Class A Preferred Shares as a class, may be given in writing by the holders of all outstanding Class A Preferred Shares or by a resolution carried by not less than two thirds of the votes cast by the holders of Class A Preferred Shares, at a duly held meeting of such shareholders. The holders of the majority of issued and outstanding Class A Preferred Shares present or represented by proxy at the meeting constitutes the requisite quorum for any meeting of the holders of Class A Preferred Shares, provided that there are no quorum requirements with respect to a reconvened meeting. At any meeting of the holders of Class A Preferred Shares as a class, each holder shall be entitled to one vote for each Class A Preferred Shares held.

Contingent Conversion of Certain Series of Class A Preferred Shares

Effective January 1, 2013, in accordance with capital adequacy requirements adopted by OSFI, non-common capital instruments issued after January 1, 2013, including Class A Preferred Shares, must include terms providing for the full and permanent conversion of such securities into common shares upon the occurrence of certain trigger events relating to financial viability. The Preferred Shares Series 13 and Preferred Shares Series 17 contain non-viability capital provisions necessary to qualify as Tier 1 regulatory capital and are convertible into common shares upon the occurrence of a non-viability contingent capital trigger event.

Limited Recourse Capital Notes

On May 7, 2021, the Bank issued \$125 million aggregate principal amount of 5.30% Limited Recourse Capital Notes, Series 1 (Non-Viability Contingent Capital (NVCC)) (Subordinated Indebtedness) (the "Limited Recourse Capital Notes"), which represent Tier 1 capital. The Limited Recourse Capital Notes are compound financial instruments that have both equity and liability features and are classified as equity in our Consolidated Financial Statements as at October 31, 2021.

The Limited Recourse Capital Notes will bear interest at a rate of 5.30% annually, payable semi-annually, for the initial period from the date of issue to, but excluding, June 15, 2026. Thereafter, the interest rate on the Limited Recourse Capital Notes will reset every five years at a rate equal to the prevailing 5-year Government of Canada yield plus 4.334%. The Limited Recourse Capital Notes will mature on June 15, 2081.

In connection with the issuance of the Limited Recourse Capital Notes, the Bank also issued the Preferred Shares Series 17 to be held by Computershare Trust Company of Canada, as trustee of LBC LRCN Limited Recourse Trust (the "Limited Recourse Trust"). In case of non-payment of principal of, or interest on, the Limited Recourse Capital Notes when due, the recourse of each noteholder will be limited to that holder's proportionate share of the Limited Recourse Trust's assets in respect of the Limited Recourse Capital Notes which, except in limited circumstances, will consist of Preferred Shares Series 17.

The Bank may redeem the Limited Recourse Capital Notes during the period from May 15 to and including June 15, commencing in 2026 and every five years thereafter, only upon the redemption by the Bank of the Preferred Shares Series 17 held in the Limited Recourse Trust, in accordance with the terms of such shares and with the prior written approval of the Superintendent of Financial Institutions (Canada), in whole but not in part on not more than 60 days and not less than 10 days notice.

Further details of the Limited Recourse Capital Notes may be found in Note 16 to the Bank's Consolidated Financial Statement as at October 31, 2021, which note is incorporated by reference herein.

Covered Bond Programme

On April 21, 2021, the Bank established a \$2.0 billion legislative covered bond programme (the "Programme") pursuant to the Canadian Registered Covered Bond Programs Guide, published by Canada Mortgage and Housing Corporation ("CMHC"). Under the Programme, the Bank may, from time to time, issue covered bonds ("Covered Bonds") under such terms and conditions as determined by the Bank at the time of issuance and in accordance with prevailing market conditions. The Covered Bonds to be issued by the Bank will have the benefit of an unconditional and irrevocable guarantee from LBC Covered Bond (Legislative) Guarantor Limited Partnership (the "Guarantor LP"). The Bank will periodically transfer mortgages to the Guarantor LP to support funding activities and asset coverage requirements under the Programme. The Covered Bonds guaranteed by the Guarantor LP are direct, unsecured and unconditional obligations of the Bank; therefore, investors have a claim against the Bank which will continue if the Covered Bonds are not paid by the Bank and the mortgage assets in the Guarantor LP are insufficient to satisfy the obligations owing on the Covered Bonds.

The issuances of Covered Bonds pursuant to the Programme will be in accordance with the requirements specified by OSFI for covered bond programs of federally regulated financial institutions, including that total assets of the Bank pledged for Covered Bonds must not represent more than 5.5% of the Bank's on-balance sheet assets.

On May 6, 2021, the Bank issued CBL1 Covered Bonds in the principal amount of \$250,000,000, under the Programme. The CBL1 Covered Bonds will bear interest at a rate of 1.603% annually, payable semi-annually, until maturity on May 6, 2026.

Further details of the Programme may be found on page 123 of the 2021 Annual Report, including the Management's Discussion and Analysis for the fiscal year ended October 31, 2021, in Note 7 to the Bank's Consolidated Financial Statements as at October 31, 2021, which information is incorporated by reference herein.

Subordinated Capital Notes

As at the date hereof, the Bank currently has outstanding \$350 million 4.25% subordinated Non-Viability Contingent Capital ("NVCC") notes ("Subordinated Capital Notes").

The Subordinated Capital Notes will bear interest at a fixed rate of 4.25% per annum, paid semi-annually, until June 22, 2022 and, thereafter, at the three-month CDOR plus 2.73% per annum, paid quarterly, until maturity on June 22, 2027.

The Bank may, at its option, with the prior approval of the Superintendent of Financial Institutions (Canada), redeem the Subordinated Capital Notes on or after June 22, 2022, at par, in whole at any time or in part from time to time, on not less than 30 days and not more than 60 days notice to registered holders thereof.

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

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

For more details on the Subordinated Capital Notes, please see Note 16 of the Bank's Consolidated Financial Statements as at October 31, 2021, which note is incorporated by reference herein.

Constraints

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

person and by any person associated or acting jointly or in concert with that person is more than 20% of that class of voting shares; or (ii) the aggregate number of shares of any class of non-voting shares beneficially owned by that person, by entities controlled by that person and by any person associated or acting jointly or in concert with that person is more than 30% of that class of non-voting shares.

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

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

Ratings

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

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

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

As at October 31, 2021, the Bank has the following solicited ratings from the rating agencies listed below:

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

On April 15, 2021, DBRS confirmed the Bank's ratings and changed its outlook from "Negative" to "Stable".

On April 16, 2021, S&P affirmed the Bank's ratings and revised the Bank's rating outlook from "Negative" to "Stable".

On April 30, 2021, S&P assigned its 'BB-' issue-level rating to the Limited Recourse Capital Notes and the Preferred Shares Series 17.

On May 6, 2021, DBRS finalized its provisional rating of AAA on the Covered Bonds.

On May 7, 2021, DBRS finalized its provisional rating on the Bank's Limited Recourse Capital Note at BB (high) with a Stable Trend.

An explanation of the categories of each rating as at October 31, 2021, has been obtained from each respective rating agency's website and is outlined below, and more details may be obtained from the applicable rating agency.

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

Additional information about the credit ratings assigned to Bank securities is provided under "Credit Ratings" on page 68 of the Bank's 2021 Annual Report.

S&P

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

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

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

DBRS

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

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

6. MARKET FOR SECURITIES

Trading Price and Volume

The common shares and Preferred Shares Series 13 of the Bank are listed for trading on the Toronto Stock Exchange. The Preferred Shares Series 15 of the Bank were delisted from the Toronto Stock Exchange following the redemption of such shares by the Bank on June 15, 2021. The tables below set out the applicable trading price ranges and volume for each class or series of listed shares for the most recently completed financial year.

Price Range and Volume Traded			
Laurentian Bank of Canada (Common Shares) Symbol: "LB" on the TSX			
Month	High (\$)	Low (\$)	Volume
November 2020	34.260	26.110	6,462,384
December 2020	33.820	30.550	4,662,604
January 2021	33.190	30.850	3,683,824
February 2021	35.230	30.930	4,798,675
March 2021	41.390	34.980	9,058,546
April 2021	43.550	39.690	4,198,019
May 2021	44.300	42.030	2,600,782
June 2021	45.130	42.580	4,311,788
July 2021	44.200	41.120	1,818,491
August 2021	43.190	41.510	2,245,112
September 2021	43.250	39.950	4,533,917
October 2021	42.410	39.860	3,125,496
Total			51,499,638

Price Range and Volume Traded			
Laurentian Bank of Canada (Class A Preferred Shares Series 13) Symbol: "LB.PR.H" on the TSX			
Month	High (\$)	Low (\$)	Volume
November 2020	16.110	13.820	96,421
December 2020	16.460	15.410	120,702
January 2021	16.420	15.670	77,290
February 2021	19.200	16.010	140,571
March 2021	19.490	18.620	109,804
April 2021	20.330	19.310	88,645
May 2021	22.750	20.340	244,211
June 2021	22.920	22.200	179,175
July 2021	23.490	22.320	292,715
August 2021	23.820	22.600	66,461
September 2021	23.930	22.650	102,072
October 2021	24.100	22.870	97,303
Total			1,615,370

Price Range and Volume Traded

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

Month	High (\$)	Low (\$)	Volume
November 2020	25.190	24.600	70,083
December 2020	25.200	24.780	86,367
January 2021	25.460	25.060	52,112
February 2021	25.440	25.060	67,527
March 2021	25.500	24.960	156,099
April 2021	25.350	25.170	177,272
May 2021	25.450	25.300	124,402
June 2021 ⁽¹⁾	25.380	24.990	98,270
Total			733,960.27

(1) The Preferred Shares Series 15 were redeemed by the Bank on June 15, 2021.

Prior Sales

For information about the Bank's issuance of securities since October 31, 2020, that are not listed or quoted on a marketplace, see the sections entitled "Capital Structure – Limited Recourse Notes" and "Capital Structure – Covered Bond Programme" in this Annual Information Form.

7. ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

Designation of Class	Number of securities held in escrow or that are subject to contractual restriction on transfer	Percentage of Class
Non-Cumulative 5-Year Fixed Rate Reset Class A Preferred Shares, Series 17 (Non-Viability Contingent Capital (NVCC)) ¹	125,000	100% of the Non-Cumulative 5-Year Fixed Rate Reset Class A Preferred Shares, Series 17 (Non-Viability Contingent Capital (NVCC))

Note 1: The Preferred Shares Series 17 are held in a limited recourse trust and are restricted from being transferred except to satisfy the recourse of holders of the Limited Recourse Capital Notes in respect of non-payment by the Bank of the principal amount of, or interest in, the Limited Recourse Capital Notes when due. See "Capital Structure – Limited Recourse Notes" in this AIF.

8. DIRECTORS AND OFFICERS**Directors**

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

Name	Place of residence	Director since	Principal Occupation
Sonia Baxendale	Ontario, Canada	2016	Corporate Director
Andrea Bolger	Ontario, Canada	2019	Corporate Director
Michael T. Boychuk	Quebec, Canada	2013	Corporate Director
Suzanne Gouin	Quebec, Canada	2021	Corporate Director and Chair of the Board of Management of the Canada Revenue Agency (since 2017)
Rania Llewellyn	Ontario, Canada	2020	President and Chief Executive Officer, Laurentian Bank of Canada

David Morris	Quebec, Canada	2017	Corporate Director
David Mowat	British Columbia, Canada	2019	Corporate Director
Michael Mueller	Ontario, Canada	2018	Corporate Director
Michelle R. Savoy	Ontario, Canada	2012	Corporate Director
Susan Wolburgh Jenah	Ontario, Canada	2014	Corporate Director
Nicholas Zelenczuk	Ontario, Canada	2020	Corporate Director

All directors are elected annually and hold office until the next annual meeting of common shareholders of the Bank or until the election or appointment of their successors.

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

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

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

Executive Officers

As the date of this Annual Information Form, the executive officers of the Bank are:

Name	Position	Place of Residence
Karine Abgrall-Teslyk	Executive Vice President, Head of Personal Banking	Ontario, Canada
Sébastien Bélair	Executive Vice President and Chief Human Resources Officer	Quebec, Canada
Yves Denommé	Executive Vice President, Operations	Ontario, Canada
Yvan Deschamps	Executive Vice President and Chief Financial Officer	Quebec, Canada
Kelsey Gunderson	Executive Vice President, Capital Markets of the Bank President and Chief Executive Officer, Laurentian Bank Securities Inc.	Ontario, Canada
Rania Llewellyn	President and Chief Executive Officer	Ontario, Canada
William Mason	Executive Vice President and Chief Risk Officer	Ontario, Canada
Éric Provost	Executive Vice President, Commercial Banking and President, Quebec Market	Quebec, Canada
Beel Yaqub	Executive Vice President and Chief Information Technology Officer	Ontario, Canada

The positions they have held prior to joining the Bank in the last five years are listed below:

- Mr. Beel Yaqub who was, prior to July 2021, Chief Data Officer and Senior Vice President of Royal Bank of Canada.
- Ms. Karine Abgrall-Teslyk who was, prior to April 2021, Regional Vice President, Toronto Region, of The Bank of Nova Scotia.
- Mr. Yves Denommé who was, prior to February 2021, Senior Vice President of Registries of Teranet Inc.

- Mr. Sébastien Bélair who was, prior to February 2021, Senior Vice President, Retail Banking Operations, Strategy and Transformation of National Bank of Canada.
- Ms. Rania Llewellyn who was, prior to October 2020, Executive Vice President, Global Business Payments of The Bank of Nova Scotia.
- Mr. William Mason who was, from 2016 to 2018, a Managing Director and Lead Supervisor at the Office of the Superintendent of Financial Institutions (OSFI). Prior to this, he held a variety of senior banking roles in Canada and the U.S., including Senior Vice President, Head of Asset Liability Management and Senior Vice President, Risk Management at Canadian Imperial Bank of Commerce.
- Mr. Kelsey Gunderson who was, prior to April 2019, Global Head of Trading Products at BMO Capital Markets where he held various management positions for more than a decade.

Shareholdings of Directors and Executive Officers

To the Bank's knowledge, as at October 31, 2021, the directors and executive officers of the Bank as a group, beneficially owned, directly or indirectly, or exercised control or direction over 39,560 common shares of the Bank (representing approximately 0.09% of the issued and outstanding common shares of the Bank).

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as set out below, to the Bank's knowledge, no director or executive officer of the Bank is, as the date of this Annual Information Form, or has been, within the 10 years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company that: (i) while that person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or (ii) was subject to such an order that was issued, after that person ceased to be a director or chief executive officer or chief financial officer, and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. Except as set out below, to the Bank's knowledge, no director or executive officer of the Bank is, as the date of this Annual Information Form, or has been, within the 10 years before the date of this Annual Information Form, a director or executive officer of any company that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. To the Bank's knowledge, no director or executive officer of the Bank has, within the 10 years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer. To the knowledge of the Bank, no director or executive officer of the Bank has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

- Based on information provided by Mr. Michael T. Boychuk, 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*.
- Based on information provided by Ms. Michelle R. Savoy, Ms. Savoy served as a director of 2172079 Ontario Inc., a private company operating a franchise restaurant, when the company initiated creditor protection proceedings under section 49 of the *Bankruptcy and Insolvency Act* (Canada) on December 3, 2013.
- Based on information provided by Mr. Michael Mueller, between April 2019 and August 16, 2019, Mr. Mueller was a director of Eureka 93 Inc. ("Eureka 93"), a public company trading on the Canadian Securities Exchange (the "CSE"). On February 14, 2020, Eureka 93 filed a Notice of Intention to Make a Proposal pursuant to the provisions of Part III of the *Bankruptcy and Insolvency Act* (Canada) (the "Eureka Notice of Intention"). As a result, Eureka 93's trading on the CSE has been suspended and a cease trader order is in place. Pursuant to the Eureka Notice of Intention, Deloitte Restructuring Inc. was appointed as the trustee in Eureka 93's proposal proceedings. As of the date of this Annual Information Form, Eureka 93's proposal proceedings remain ongoing.

Conflicts of Interest

To the knowledge of the Bank, no director or executive officer of the Bank has an existing or potential material conflict of interest with the Bank or any of its subsidiaries.

9. LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

In the ordinary course of business the Bank and its subsidiaries are involved in various legal proceedings. A description of certain legal proceedings to which the Bank is a party is set out beginning on page 156 of the Bank's 2021 Annual Report in Note 29 "Commitments, Guarantees and Contingent Liabilities" of the Bank's Consolidated Financial Statements as at October 31, 2021, which note is incorporated by reference herein.

Regulatory Proceedings

On April 16, 2020, a Hearing Panel of the Investment Industry Regulatory Organization of Canada (IIROC) accepted a Settlement Agreement, with sanctions, between IIROC staff and Laurentian Bank Securities Inc. ("LBS"). Specifically, LBS allegedly failed to implement and maintain an adequate trading supervision system and failed to comply with its trading supervision obligations. LBS agreed to a fine in the amount of \$250,000 and costs in the amount of \$25,000 to IIROC.

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

10. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the best of the knowledge of the Bank, there were no directors or executive officers or any associate or affiliate of a director or an executive officer with a material interest in any transaction within the three most recently completed financial years or during the current financial year that has materially affected the Bank or is reasonably expected to materially affect the Bank.

11. TRANSFER AGENTS AND REGISTRARS

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

12. MATERIAL CONTRACTS

Except as set forth below, the Bank has not entered into any material contracts, other than those contracts entered into in the ordinary course of business, within the last financial year, or before the last financial year and since January 1, 2002 that is still in effect.

A product distribution agreement was entered into on October 14, 2011 between Mackenzie Financial Corporation, the Bank and the Bank's wholly-owned subsidiary LBC Financial Services Inc. (the "Distributor") pursuant to which Mackenzie Financial Corporation appointed the Distributor, as principal distributor for the distribution of certain Mackenzie Mutual Funds.and,

The Bank's material contracts are available under the Bank's issuer profile on SEDAR at www.sedar.com.

13. INTERESTS OF EXPERTS

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

14. AUDIT COMMITTEE DISCLOSURE

Mandate of the Audit Committee

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

Composition of the Audit Committee

The Audit Committee of the Bank consists of:

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

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

Relevant Education and Experience

Michael T. Boychuk, FCPA, FCA - Mr. Boychuk is a Corporate Director. From July 2009 until his retirement in June 2015, he was President of Bimcor Inc., the pension fund investment manager for the Bell Canada group of companies. From 1999 to 2009, Mr. Boychuk was Senior Vice President and Treasurer of BCE Inc./Bell Canada, responsible for all treasury, corporate security, environment and sustainability activities and of the BCE Group of companies' pension plans.

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

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

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

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

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

David Mowat - Mr. Mowat is the former President and CEO of ATB Financial, a position he has held from June 2007 to June 2018. Prior to that, he was the CEO of Vancouver City Savings Credit Union from 2000 until 2007. In 2015, he was named chair of the Alberta Royalty Review panel. Mr. Mowat holds a Bachelor of Commerce from the University of British Columbia. In 2015, he received an Honorary Bachelor of Business Administration from the Southern Alberta Institute of Technology and in 2017 he received an honorary doctorate of laws from the University of Alberta.

Mr. Mowat was appointed to the Audit Committee of the Bank on April 6, 2021.

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

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

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

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

Nicholas Zelenczuk, FCPA, FCA - Mr. Zelenczuk is a Corporate Director. He has over 35 years of experience in banking, capital markets and investment management. He has served in Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Operating Officer (COO) and Treasurer positions for leading companies such as CPP Investment Board, BCE Inc., CIBC Wood Gundy, Citibank and Deutsche Bank (Canada). He also worked on two occasions at KPMG, first as an auditor and later as partner in risk consulting. At BCE Inc., he served as head of audit and risk, reporting to the CFO of the company; his risk management role was enterprise wide in scope. This was also true as CFO, and later COO, at the Canada Pension Plan Investment Board (CPPIB). As COO of CPPIB, he also had oversight responsibilities for such functions as human resources, technology, data management, public affairs, investment operations and corporate strategy. He brings expertise in the areas of audit, finance and capital markets. His experience in terms of the latter is a combination of corporate treasurer and investment banker. He earned a CPA designation and is a fellow of the Association of International Certified Professional Accountants.

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

Pre-Approval Policy

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

External Auditor Service Fees

The following table presents by category the fees billed by the external auditor Ernst & Young LLP for the fiscal years ended October 31, 2021 and 2020.

Fee category	2021 (\$)	2020 (\$)
Audit fees	3,445,000	2,965,000
Fees for audit-related services	602,000	722,000
Fees for tax services	177,000	368,000
Other fees	138,000	95,000
Total	4,362,000	4,150,000

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

"Fees for audit-related services" include all fees of Ernst & Young LLP for certification services and other related services traditionally carried out by the independent auditor, which are mainly services related to the production of reports concerning the effectiveness of internal controls for contractual or commercial purposes, specified procedures related to various trusts and other entities required in the context of securitization of mortgage loans receivables and translation fees for services other than for audited financial statements and prospectuses. Services for 2020 also include consultations on the implementation of new accounting standards not classified as "Audit fees".

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

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

15. ADDITIONAL INFORMATION

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

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

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

SCHEDULE A

Mandate of the Audit Committee

1. Purpose of the Audit Committee

The Audit Committee (in this mandate, also referred to as the “Committee”) has been established by the Board of Directors (the “Board”) in order, broadly, to review the adequacy and effectiveness of the work carried out by Laurentian Bank of Canada’s (the “Bank”) external auditor relating to:

- a. Management’s preparation and presentation of the Bank financial statements,
- b. the Bank accounting and financial reporting principles, and
- c. the Bank internal controls.

The Committee also assists the Board in its supervision of financial oversight matters, including financial statement integrity; external auditor qualifications; internal audit and compliance requirements; and communication and disclosure of financial information.

Committee members are mindful of the importance of environmental, social and governance principles adopted and managed by the Bank and their application to the duties of the Committee.

Reference in this mandate to “external auditor” means the Bank’s external auditor.

The Committee reviews its mandate as required, but in any event no less than annually.

2. Appointment, Membership, Financial Literacy and Independence

The Committee must consist of no less than three directors.

At the Board meeting following each annual meeting of shareholders (the “Annual Meeting”), the Board appoints Committee members and, from among them, the chair of the Committee (the “Committee Chair”). No Committee member can be an employee or officer of the Bank or any of its subsidiaries; in addition, a majority of the members cannot be affiliated with the Bank. All Committee members must meet the independence requirements established by the Board and must be “financially literate” as that term is defined under *National Instrument 52-110 – Audit Committees*.

Unless they are replaced earlier by the Board, Committee members remain in office until the next Annual Meeting.

3. Compensation

Compensation for Committee members is set by the Board from time to time and may consist of a base fee, deferred compensation units, or a mix of both.

4. Meetings

The Committee meets no less than four times a year following the end of each financial quarter.

Committee meetings may also be held without notice (provided the members waive such notice) and, subject to minimum quarterly meeting requirements set out above, as often as Committee members deem appropriate and at a location determined by them.

The Committee Chair, the external auditor, and the Bank’s President and Chief Executive Officer, Chief Financial Officer, or Senior Vice President, Internal Audit, can call for a meeting to be held.

The external auditor will receive notice of, and must attend, all regular quarterly Committee meetings. The external auditor will also receive notice of, be invited to, and may attend, any other meeting of the Committee.

5. Quorum

Committee meeting quorum is no less than a majority of the members. Where a Committee member has left for a portion of a meeting due to a conflict of interest, the member will nonetheless be considered to have been present for that meeting.

6. Chair

The Committee Chair chairs Committee meetings. In the Committee Chair's absence from a meeting, the members present may elect a chair from among themselves for the entire, or a portion of a, meeting.

7. Procedure

Procedure for Committee meetings is the same as that applied for Board meetings.

8. Powers of the Committee

The Committee may:

- a. call a meeting of directors;
- b. communicate or meet privately with any officer or employee of the Bank, as well as with its internal or external auditors;
- c. invite to any Committee meeting any director, officer or employee of the Bank or such other person as it deems appropriate in order to carry out its responsibilities, and may also exclude from any Committee meeting any person it deems appropriate in order to carry out its responsibilities; and
- d. call on the services of independent third-party advisors subject to the requirements of applicable Bank policy regarding their retainer.

9. Secretary

The Bank's Corporate Secretary or any other officer designated by the President and Chief Executive Officer of the Bank carries out corporate secretarial duties for the Committee and Committee Chair.

10. Duties

The Committee fulfills the following statutory and Board-delegated duties:

10.1 Oversight

Oversight of the external auditor

- 10.1.1 Recommending the appointment or removal of the external auditor to the Board.
- 10.1.2 Reviewing the external auditor's suitability, competency, independence, performance and sufficiency of its audit-assigned resources; reviewing and, if applicable, approving the scope and other matters set out in the letter of engagement; and recommending external auditor compensation to the Board.
- 10.1.3 Reviewing the competency and independence of the external auditor's partner charged with responsibility for the Bank's account, and reviewing the timing of any periodic rotation of that partner.
- 10.1.4 Approving any external audit plan and ensuring its scope is appropriate.
- 10.1.5 Approving the oversight policy of the external auditor.
- 10.1.6 Approving the external auditor's service policy regarding the hiring of partners, employees and former partners and employees of external auditors.
- 10.1.7 Determining from time to time whether a comprehensive evaluation of the external auditor is required.

- 10.1.8 Disclosing to the Board results of the external auditor's annual evaluation, as well as the processes and criteria used to arrive at that evaluation.

Oversight of financial reporting

- 10.1.9 Overseeing the integrity and quality of financial statements and the prudence and appropriateness of the Bank's accounting practices.
- 10.1.10 Reviewing with the external auditor the quality of financial statements, including whether they fairly present the Bank's financial situation, results, and cash flows.
- 10.1.11 Reviewing with Bank's management and the external auditor the audit results, financial statements and related documents (including management's discussion and analysis), audit report and any concerns of the external auditor relating the audit in general.
- 10.1.12 Meeting with the external auditor (without the presence of Bank management) to understand all issues arising from meetings between the external auditor and management in the course of an audit and how those issues were or are to be resolved, as well as determining which Bank-used accounting practices are appropriate to address issues.
- 10.1.13 Reviewing, following the Bank's annual audit but no less than annually, the external auditor's recommendation letter (and subsequent follow-up letters or correspondence), reviewing significant changes to accounting practices, and reviewing main value judgments on which the financial reports are based and how these reports are drafted.
- 10.1.14 Reviewing the annual and interim financial statements, results and related press releases and management discussion and analysis (or such other reports as may be required under relevant law from time to time), the relevant portions of the annual information form, as well as any public statement or document required by regulatory authorities prior to publication by the Bank, and recommending adoption of all such documents by the Board.
- 10.1.15 Reviewing Bank-issued securities offering documents, including prospectuses.
- 10.1.16 Reviewing all investments, transactions and conditions determined by the external auditor (or the Bank's internal auditor or other officer of the Bank), as being not satisfactory and requiring rectification under Section 328 of the Bank Act (Canada), and meeting with the external auditor to discuss them.
- 10.1.17 Recommending the declaration of dividends to the Board and reviewing any related press release.
- 10.1.18 Reviewing the annual financial statements of each Bank subsidiary supervised by the federal Office of the Superintendent of Financial Institutions and recommending their adoption by the Board.
- 10.1.19 If applicable, reviewing and approving tax transfers between the Bank and its subsidiaries.
- 10.1.20 Reviewing and approving financial statements of any pension plans provided by the Bank for its employees.

Oversight of the Bank's internal audit function

- 10.1.21 Approving the internal audit charter.
- 10.1.22 Approving the selection of the Bank's Senior Vice President, Internal Audit, and ensuring the suitability and independence of that officer.
- 10.1.23 Ensuring that internal audit activities are accorded the necessary organizational importance, degree of independence and visibility, and ensuring periodic review of those activities.
- 10.1.24 Approving the internal audit plan and ensuring the appropriateness of its scope, its risk approach, and that it addresses major areas of concern and that it is reviewed with appropriate frequency.
- 10.1.25 Discussing material findings and recommendations from the internal audit with the Bank's Senior Vice President, Internal Audit, and following up on them.

- 10.1.26 Periodically reviewing the performance of the Bank's Senior Vice President, Internal Audit.

Oversight of internal controls

- 10.1.27 Ensuring that appropriate internal controls and management information systems are implemented by management and reviewing, assessing, approving and ensuring the integrity and effectiveness of those systems, as required under any related certification by Bank officers under relevant law.
- 10.1.28 Meeting with the external auditor, the officer in charge of internal audits and management to discuss the effectiveness of implemented internal controls and management information systems together with any measures taken to rectify any material weaknesses and deficiencies.
- 10.1.29 Ensuring that procedures are implemented by management regarding the receipt, retention and handling of complaints received about accounting, and audit controls, including anonymous employee submissions regarding questionable accounting or audit matters.
- 10.1.30 Approving any policy regarding the handling of complaints and comments about suspicious accounting activities and ensuring adherence to that policy.

Oversight of requirements of regulatory authorities

- 10.1.31 Where applicable, meeting with applicable Bank regulatory authorities to discuss findings and recommendations, and following up on them with Bank management.

Oversight of financial information in environmental, social and governance disclosure

- 10.1.32 Recommending to the Board approval of any financial information contained in any report or other disclosure required of or adopted by the Bank regarding its environmental, social and governance principles, including climate-related financial disclosure.

10.2 Communication and Disclosure

- 10.2.1 Approving any other Bank shareholder and stakeholder communications which includes financial information derived or excerpted from the Bank's financial statements.
- 10.2.2 Ensuring that adequate procedures are in place to review the public disclosure and communication of financial information excerpted or derived from financial statements.
- 10.2.3 Recommending to the Board the approval of any financial information disclosure policy and ensuring policy adherence.

11. Reporting

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

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

12. Delegation

The Committee may, at its discretion, designate one member, or a sub-committee comprised of several members, to review and report back to the Committee on any matter raised by a Committee member or during a Committee meeting.

13. Policies

The Committee reviews, and if applicable, approves those policies identified by the Board as reviewable or approvable by the Committee.

This mandate should be read together with other Bank policies and internal documents to ensure (i) an understanding of the Bank's overall governance framework and (ii) a consistent application of procedural requirements including, without limitation, the Bank's Whistleblower Policy.