Annual Information Form

December 4, 2025

LAURENTIAN BANK

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

From time to time, Laurentian Bank of Canada and, as applicable its subsidiaries (collectively referred to as the Bank) will make written or oral forward-looking statements within the meaning of applicable Canadian and United States (U.S.) securities legislation, including, forward-looking statements contained in this document (and in the documents incorporated by reference herein), as well as in other documents filed with Canadian and U.S. regulatory authorities, in reports to shareholders, and in other written or oral communications. These forward-looking statements are made in accordance with the “safe harbor” provisions of, and are intended to be forward-looking statements in accordance with, applicable Canadian and U.S. securities legislation. 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, market, and regulatory review and outlook for Canadian, U.S. and global economies; the regulatory environment in which the Bank operates; the risk environment, including, credit risk, liquidity, and funding risks, and legal and regulatory risks; statements under the heading “Risk Appetite and Risk Management Framework” contained in the Bank's 2025 Annual Report (the 2025 Annual Report), including, the Management’s Discussion and Analysis for the fiscal year ended October 31, 2025 (the MD&A), 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 the Bank 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 such forward-looking statements are set out in the 2025 Annual Report under the heading “Outlook”, which assumptions are incorporated by reference herein.

Specifically, statements regarding the anticipated benefits of the Acquisition Transaction (as defined in the 2025 Annual Report) and the National Bank Transactions (as defined in the 2025 Annual Report) (collectively, in this section only, the “Transactions”) for Laurentian Bank, Laurentian Bank Shareholders (as defined in the 2025 Annual Report), other Laurentian Bank stakeholders, Fairstone Bank (as defined in the 2025 Annual Report), and National Bank (as defined in the 2025 Annual Report), including, plans, objectives, expectations and intentions of Laurentian Bank, Fairstone Bank or National Bank; statements regarding the timing and receipt of Laurentian Bank Shareholder approval in respect of the Acquisition Transaction or regulatory approvals in respect of the Transactions; anticipated timing of the Meeting (as defined in the 2025 Annual Report); the satisfaction of the conditions precedent to the Transactions; the proposed timing and completion of the Transactions; the closing of the Transactions and the delisting from the TSX; and other statements that are not statements of historical facts are all considered to be forward-looking statements.

The Bank cautions readers against placing undue reliance on forward-looking statements, as a number of 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 factors include, but are not limited to general and market economic conditions; inflationary pressures; the dynamic nature of the financial services industry in Canada, the United States, and globally; the risk that the Transactions will not be completed on the terms and conditions, or on the timing, currently contemplated; that the Transactions may not be completed at all, due to a failure to obtain or satisfy, in a timely manner or otherwise, required Laurentian Bank Shareholder in respect of the Acquisition Transaction and regulatory approvals and other conditions to the closing of the Transactions or for other reasons; the risk that competing offers or acquisition proposals will be made; the negative impact that the failure to complete the Transactions, for any reason, could have on the price of the Laurentian Bank Shares or on the business of Laurentian Bank; the possibility of adverse reactions or changes in business relationships resulting from the announcement or completion of the Transactions; risks relating to Laurentian Bank’s ability to retain and attract key personnel during and following the interim period; the possibility of litigation relating to the Transactions; credit, market, currency, operational, liquidity and funding risks generally and relating specifically to the Transactions, including changes in economic conditions, interest rates or tax rates; and those other risks discussed in greater detail under the “Other Risks That May Affect Future Results” section of Laurentian Bank’s 2025 Annual Report; risks relating to credit, market, liquidity, funding, insurance, operational and regulatory compliance (which has

resulted in, or which could lead to, the Bank being subject to various legal and regulatory proceedings, the potential outcome of which could include regulatory restrictions, and orders to pay damages, penalties, and fines); reputational risks; exposure to, and resolution of, significant litigation or regulatory matters, the appeal of favourable outcomes and our ability to successfully appeal adverse of such matters, and the timing, determination and recovery of amounts related to such matters; competitive and systemic risks; supply chain disruptions; geopolitical events and uncertainties; government sanctions and tariffs (both domestic and foreign); conflict, war, or terrorism; and various other significant risks discussed in the risk-related portions of the Bank's 2025 Annual Report, such as those related to: Canadian and global economic conditions; Canadian housing and household indebtedness; technology, information systems and cybersecurity; technological disruption, privacy, data and third-party related risks; competition; the Bank's ability to execute on its strategic objectives; digital disruption and innovation (including, emerging fintech competitors); changes in government fiscal, monetary and other policies; tax risk and transparency; fraud and criminal activity; human capital; business continuity; emergence of widespread health emergencies or public health crises; environmental and social risks including, climate change; and various other significant risks, as described in the relevant pages of the 2025 Annual Report, including the MD&A, which information is incorporated by reference herein. The Bank further cautions that the foregoing list of factors is not exhaustive. When relying on the Bank's forward-looking statements to make decisions involving the Bank, investors, financial analysts, and others should carefully consider the foregoing factors, uncertainties, and current and potential events.

Any forward-looking statements contained herein or incorporated by reference represent the views of management of the Bank only as at the date such statements were or are made, are presented for the purposes of assisting investors, financial analysts, and others in understanding certain key elements of the Bank’s financial position, current objectives, strategic priorities, expectations and plans, and in obtaining a better understanding of the Bank’s business and anticipated financial performance and operating environment and may not be appropriate for other purposes. The Bank does not undertake any obligation to update any forward-looking statements 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 legislation. Additional information relating to the Bank can be located on SEDAR+ at www.sedarplus.ca.

GLOSSARY

Terms and abbreviations used in this AIF are defined as follows:

AC	The Audit Committee of the Board
AIF	The Bank's Annual Information Form dated December 4, 2025
Annual Meeting	The Annual Meeting of shareholders of the Bank
Annual Report	The Bank's 2025 Annual Report dated December 4, 2025
***Bank Act* (Canada)**	*Bank Act*, SC 1991, c 46 (as amended) and all applicable rules and regulations
***Bankruptcy and Insolvency Act* (Canada)**	*Bankruptcy and Insolvency Act*, RSC, 1985, c. B-3
Board	The Board of Directors of Laurentian Bank of Canada
Canada Deposit Insurance Corporation Act	*Canada Deposit Insurance Corporation Act*, RSC, 1985, c. C-3
CDIC	Canada Deposit Insurance Corporation
CDOR	Canadian Dollar Offered Rate
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Chair	Chair of the Board or chair of a committee of the Board
CIA	Chief Internal Auditor
Circular	Laurentian Bank of Canada's Management Proxy Circular
CIRO	Canadian Investment Regulatory Organization
CORRA	Canadian Overnight Repo Rate Average administered and published by the Bank of Canada (or any successor administrator)
DBRS	DBRS Morningstar, a credit rating agency
ESG	Environmental, Social, and Governance
EVP	Executive Vice President
EY	Ernst & Young LLP, the Bank's auditor for the 2025 fiscal year
FCAC	Financial Consumer Agency of Canada
Financial Consumer Agency of Canada Act	*Financial Consumer Agency of Canada Act*, SC 2001, c. 9
FINTRAC	Financial Transactions and Reports Analysis Centre of Canada
GAAP	Generally Accepted Accounting Principles, which means IFRS Accounting Standards for the Bank
HRGC	The Human Resources and Governance Committee of the Board
ITC	The Information Technology Committee of the Board
Laurentian Bank, Bank, LBC, we, our, and us	Laurentian Bank of Canada and, where applicable, the Bank's subsidiaries
LRCN	Limited Recourse Capital Notes
MD&A	Management Discussion and Analysis
N/A	Non applicable
NVCC	Non-Viability Contingent Capital
OSFI	Office of the Superintendent of Financial Institutions
***Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada)**	*Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, SC 2000, c. 17
RMC	The Risk Management Committee of the Board
S&P	S&P Global Ratings, a credit rating agency
SEDAR+	System for Electronic Document Analysis and Retrieval
Share	Common share of the Bank
Shareholder, you and your	Holders of common shares of the Bank
SVP	Senior Vice President
***Trust and Loan Companies Act* (Canada)**	*Trust and Loan Companies Act*, SC 1991, c. 45
TSX	Toronto Stock Exchange

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Unless otherwise specified, all information presented herein is dated as at October 31, 2025. This AIF and the 2025 Annual Report are available on SEDAR+ at www.sedarplus.ca. The content of any website referred to in this AIF is not incorporated by reference in, and does not form part of, this AIF. All dollar amounts expressed in this AIF are in Canadian dollars, unless otherwise stated.

1. CORPORATE STRUCTURE

1.1 Name, Address and Incorporation

Laurentian Bank of Canada (the **Bank**), a Schedule I chartered bank subject to the provisions of the *Bank Act* (Canada), was founded in Montréal 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 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, it 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 Act* (Canada) is the Bank's charter and governs its operations.

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

1.2 Intercorporate Relationships

Information about intercorporate relationships with significant subsidiaries, including place of incorporation and percentage of securities owned by the Bank, is provided on page 136 of the Bank's 2025 Annual Report, which information is incorporated by reference herein.

1.3 Acceleration of Strategic Shift to Specialty Commercial Bank

Subsequent to year-end, the Bank announced on December 2, 2025 a significant acceleration of its 2024 Strategic Plan toward its specialty commercial bank model, resulting in its exit from the retail and SME banking business. This transformation will position the Bank as a commercially oriented bank, concentrating on commercial real estate lending, inventory and equipment financing, intermediary services and capital markets activities.

National Bank of Canada (directly or through one or more affiliates) has entered into a definitive agreement to acquire the Bank’s retail and SME banking portfolios. The Bank and National Bank have also entered into a definitive agreement in respect of the sale to National Bank of the Bank’s syndicated loan portfolio.

In parallel, Fairstone Bank of Canada, Canada’s leading alternative lender and a Schedule I bank, has entered into a definitive agreement to acquire all issued and outstanding common shares of the Bank.

Additional Information about the transactions can be found on page 83 of the Bank’s 2025 Annual Report and in Note 1.1: “TRANSACTIONS ANNOUNCED ON DECEMBER 2, 2025” of the Bank's Consolidated Financial Statements as at October 31, 2025, which information is incorporated by reference.

2. DESCRIPTION OF THE BUSINESS

2.1 General Summary

The Bank provides diversified and advice-based financial solutions and services throughout Canada, mainly in Québec and Ontario, to its customers under two business segments, Personal & Commercial Banking and Capital Markets. In addition, the Bank provides financial solutions and services to commercial customers in the United States.

2.1.1 Personal & Commercial Banking

The Personal & Commercial Banking segment provides a broad range of financial services and advice-based solutions for personal and commercial banking customers across Canada and the United States.

Personal Banking

The Bank provides its personal banking 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 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, digital chequing accounts, online bill payment, and automated banking machine access. Customers can also access a range of transactional services including bill payments, transfers, mortgage and credit card information and Interac e-transfers. In addition, personal banking customers can access various daily banking services by phone, via the mobile app, or online through LBC*Direct* and the online credit card platform.

The Bank also operates B2B Bank as a separate Schedule I bank with regional representation across Canada. B2B Bank offers financial professionals and their customers, directly or indirectly, various products and 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.

Commercial Banking

The Bank assists its commercial banking clients across Canada, and in certain markets in the United States, 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 and inventory financing;
- commercial small and mid-sized business financing; and
- syndication.

On October 29, 2024, the Bank announced that its LBC Capital and Northpoint Commercial Finance subsidiaries are uniting under one brand, Northpoint Commercial Finance (Northpoint), as of November 1, 2024. The merging of these two brands delivers streamlined efficiencies and offerings for its customers throughout North America.

2.1.2 Capital Markets

Primarily operating through its subsidiary, Laurentian Bank Securities Inc., the Bank’s capital markets segment offers its institutional and commercial customers a range of services and products, including:

- fixed income;
- foreign exchange services;
- primary market access in governmental and other high frequency issuers as well as selected industry verticals;
- multi-asset trading capabilities for institutional and commercial customers; and
- back office support and carrying broker activities.

Laurentian Bank Securities Inc. divested its retail and discount brokerage businesses, completed after close of markets on August 2, 2024, and November 29, 2024, respectively.

2.1.3 Other Businesses

The Bank operates trust businesses, through various subsidiaries, 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.

2.2 Revenues and Assets

The Bank derives the largest percentage of its revenue from net interest income from its loan and deposit portfolios. Other major contributors to the Bank's revenue are: (i) fees and commissions on loans and deposits (including lending fees, service charges, and card service revenues); (ii) financial markets related revenue (including income from financial instruments and fees and securities brokerage commissions); and (iii) income from mutual funds. For the fiscal year 2025, the Bank generated $983.7 million in total revenues.

As at October 31, 2025, the Bank had $50.1 billion in balance sheet assets and $25.5 billion in assets under administration.

2.3 Additional Information Relating to the Business

2.3.1 Products and Services

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”, beginning on page 40 of the Bank’s 2025 Annual Report, which information is incorporated by reference herein.

Personal Loans

The Bank’s personal loan portfolio includes a range of consumer credit products, such as investment loans, home-equity lines of credit, 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 funds 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 is 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. The residential mortgage loan portfolio is geographically diversified across Canada, but predominantly in Québec and Ontario. The Bank's residential mortgage loan underwriting process takes into consideration a number of factors, including the value of the property and the customer's 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 United States. 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, may be required by the Bank.

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

The Bank's inventory financing portfolio offers financing solutions to 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) to dealers and end users in the acquisition or refinancing of technology office equipment, transportation equipment, construction equipment, and corporate aircraft.

The Bank's commercial small to mid-size business portfolio offers services to small to mid-size business owners operating primarily in diversified industries, including but not limited to, daycare, manufacturing and distribution industries in Canada.

The Bank's syndication portfolio business offers financing solutions to mid-sized and large businesses in diversified industries, throughout Canada for working capital, fixed assets, mergers and acquisitions. This segment mainly includes the Bank's participation in loan syndicates with other Canadian banks.

2.3.2 New Products and Service Developments

Commercial specializations continue to be the Bank's core business and growth engine, with a nationally-scaled lending platform. The Bank maintains a disciplined approach in its business mix and continues to grow organically into those segments to drive scalability.

In Personal Banking, the Bank combines digital capabilities with a network of advisors and brokers to offer personalized service to its customers.

The Bank's Capital Markets division offers a focused and aligned suite of services to institutions and commercial customers, supporting the establishment and development of deep relationships.

Additional information on the Bank’s product and service developments and enhancements is contained in the Bank’s 2025 Annual Report under the heading “Business Highlights”, beginning on page 22, which information is incorporated by reference herein.

2.3.3 Competitive Conditions

In Canada, the Bank competes with other Canadian chartered banks and multiple other financial institutions in providing commercial financial services and retail banking products. In the United States, the Bank operates in niche markets through Northpoint Commercial Finance.

In the financial services industry, the Bank competes with other foreign banks, digital banks, trust and loan companies, credit unions, monoline financial organizations, financial services cooperatives, insurance companies, alternative financing companies, mutual fund companies, independent brokers and securities brokers and dealers. The Bank also faces growing competition from emerging fintech companies. Despite the competitive landscape, the Bank's product and service offerings enable it to compete effectively within the financial services industry. 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 has positioned itself as an alternative to the larger six Canadian banks, allowing the Bank to use its size to its advantage and offer flexible solutions to its customers, while remaining agile in assessing new opportunities. In addition, the Bank's strategy regarding digital banking remains an important area of focus.

2.3.4 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 of the Bank's businesses, such as those involved in financial intermediation are not as affected by seasonal variation. Other businesses, such as the capital markets trading business, 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 and divestitures 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.

Further information on the Bank's business cycle can be found under the heading "Analysis of Quarterly Results", beginning on page 30 of the Bank's 2025 Annual Report, which information is incorporated by reference.

2.3.5 Number of Employees and Specialized Skills or Knowledge

The Bank had approximately 2,800 employees at the end of the fiscal year 2025. 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 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.

The Bank is committed to transparency and ongoing communication with employees and stakeholders. After the transactions announced on December 2, 2025, described in section 1.3 of the AIF, Fairstone Bank, the Bank and National Bank will work together to ensure a smooth transition. Detailed integration plans will be shared in due course to provide clarity and support throughout the transition period. Pursuant to the National Bank transactions, the Bank's branches and employees will not be transferred to National Bank. Once the transactions are completed, affected Bank employees who are interested will be able to apply for open roles at National Bank through a dedicated channel.

2.3.6 Intangible Properties

The Bank uses intangible assets in its day-to-day operations, including software and assets that are either purchased or internally developed. Information on the Bank's intangible assets can be found on page 108 of the Bank's 2025 Annual Report and in Note 9 "Goodwill, Software and Other Intangible Assets" of the Bank's Consolidated Financial Statements as at October 31, 2025, which information is incorporated by reference.

2.3.7 Economic Dependence and Changes to Contracts

The Bank's business does not substantially depend on any single contract. No aspect of the Bank's business was materially affected by the termination or renegotiation of any contract or subcontract in the fiscal year 2025.

2.3.8 Foreign Operations

The Bank acquired a United States inventory finance business in August 2017, operating today as Northpoint Commercial Finance LLC.

2.3.9 Social or Environment Policies

The Bank's strategic plan is underpinned by a commitment to foster prosperity for its customers and to deliver on ESG initiatives that reflect the environmental and social consciousness of its employees, customers, and shareholders. The Bank has appointed Sonia Hernandez, a member of its leadership team, as the Bank's ESG Champion, and the Bank's Board and committee mandates include oversight of ESG. Further information about the Bank's ESG approach, policies, and performance can be found in the MD&A under the "Environmental and social risk" section, beginning on page 64, which information is incorporated by reference.

2.4 Risk Factors

Information regarding the Bank's significant risk factors is presented in the Bank's 2025 Annual Report under the headings "Outlook" (page 24) and "Risk Appetite and Risk Management Framework" (page 40), and in Note 23 "Financial Instruments – Risk Management" to the Bank's Consolidated Financial Statements as at October 31, 2025 (page 126), which information is incorporated by reference. Reference is also made to the "Caution Regarding Forward-Looking Statements" on page 2 of this AIF.

Further information about how the Bank manages environmental and social risk is available in the Bank's 2025 Annual Report under the headings "Other Risks that may Affect Future Results", beginning on page 60; and "Environmental and social risk", beginning on page 64, which information is incorporated by reference.

For additional information about the risks related to the transactions announced on December 2, 2025, please refer to the MD&A which can be found on pages 17 to 72 of the 2025 Annual Report.

2.5 Supervision and Regulation

Laurentian Bank of Canada is a federally regulated financial institution named in Schedule I of the *Bank Act* (Canada). B2B Bank is also a federally regulated financial institution named in Schedule I of the *Bank Act* (Canada).

OSFI is an independent agency of the Government of Canada and reports to the Minister of Finance, and is responsible for the supervision of federally regulated financial institutions in Canada, including the Bank and B2B Bank. OSFI is required, at least once a year, 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 the requirements of the *Bank Act* (Canada). OSFI conducts an annual examination of the Bank and submits a report to the Minister of Finance.

The Bank is also subject to certain provisions of the *Financial Consumer Agency of Canada Act*, which empowers and authorizes FCAC to enforce consumer-related provisions of federal statutes that apply to financial institutions.

The Bank is a member of CDIC, which insures certain deposits held at the member institutions.

The Bank is subject to oversight by FINTRAC, which administers the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and its regulations. In addition, certain subsidiaries of the Bank that engage in dealer/broker, trust, loan and insurance distribution activities are regulated under provincial or state laws in the provinces in which each operates, including oversight by certain provincial securities commissions, and CIRO (which carries out the regulatory functions of the Investment Industry Regulatory Organization of Canada and the Mutual Fund Dealers Association of Canada).

2.6 Asset-Backed Securities Outstanding

For more detail on the Bank's asset-backed securities, see Note 7 “Securitization and Structured Entities” of the Bank's Consolidated Financial Statements as at October 31, 2025, beginning on page 104 of the 2025 Annual Report, which note is incorporated by reference.

3. GENERAL DEVELOPMENT OF THE BUSINESS

Below is a description of how the Bank's business has developed over the last three 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 MD&A which can be found on pages 17 to 72 of the 2025 Annual Report.

2025 Fiscal Year

On December 2, 2025, the Bank announced a significant acceleration of its 2024 Strategic Plan toward its specialty commercial bank model, resulting in its exit from the retail and SME banking business. This transformation will position the Bank as a commercially oriented bank, concentrating on commercial real estate lending, inventory and equipment financing, intermediary services and capital markets activities. For more information, please refer to section 1.3 of the AIF.

On November 1, 2024, the Bank announced the appointment of Mr. Robert Ouellette as a new Corporate Director of the Bank. This appointment was part of the Board's commitment to ongoing renewal to enhance its overall effectiveness, which ensures an appropriate balance between skills and experience, and a diversity of perspectives.

On January 10, 2025, Anna Dell'Api was appointed General Counsel and Corporate Secretary.

On April 8, 2025, the Bank took the opportunity to provide an update on the progress of its strategic plan at its Annual Meeting. The conveyed message reinforced the Bank's commercial specialization focus and the important progress in terms of technology, overall resilience and redundancy.

2024 Fiscal Year

On February 7, 2024, the Bank announced the appointment of three new Corporate Directors of the Bank: Johanne Brunet, Jamey Hubbs and Paul Stinis. These appointments are part of the Board’s commitment to enhance its overall effectiveness and ensures an appropriate balance between skills and experience and a diversity of perspectives.

On February 29, 2024, the Bank created the Strategy and Transformation Office and appointed Marie-Christine Custeau as Chief Strategy and Transformation Officer. Her mandate includes overseeing the development, implementation and evolution of the Bank's strategic plan, as well as the management of the Bank's transformation roadmap and organizational priorities.

On April 2, 2024, the Bank announced that Kelsey Gunderson, then Executive Vice President & Head of Capital Markets, had made the decision to leave the Bank. Brian Doyle assumed the role of Acting Head of Capital Markets and Acting President & Chief Executive Officer of Laurentian Bank Securities Inc. (LBS).

On April 4, 2024, the Bank announced the sale of assets under administration of LBS' retail full-service investment broker division to iA Private Wealth Inc., completed after close of markets on August 2, 2024. On August 12, 2024, the Bank also announced the sale of assets under administration of LBS' Discount Brokerage division to CI Investment Services Inc., completed after close of markets on November 29, 2024. These transactions underscore the Bank's strategic focus on simplification, in line with its plan to concentrate on areas of business where it can win and be more competitive.

On May 23, 2024, the Bank announced the retirement of its Chief Risk Officer (CRO), William Mason, and the appointment of Christian De Broux as his successor. Christian De Broux became CRO on June 17, 2024.

On May 31, 2024, the Bank hosted an Investor Day and unveiled its strategic plan: *Our Path Forward*, announcing to the market the Bank's ambition to foster prosperity for all customers through specialized commercial banking and low-cost banking services to grow savings for middle-class Canadians. The plan defines the Bank's approach in the financial services sector and outlines what sets it apart from its competition, including its specialized approach to Commercial Banking and a simple, digitally led everyday banking experience.

On June 6, 2024, 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, 2024, and ending on June 14, 2029, was set at 6.196% per annum.

On September 9, 2024, the Bank announced expanded mandates for:

- Thierry Langevin, who was appointed Chief of Personal and Commercial Banking;
- Marie-Christine Custeau, Chief Strategy and Transformation Officer, who added the Digital Experience and Payments to her purview;
- Macha Pohu, Chief Human Resources Officer, who assumed responsibility for Corporate Affairs and Legal Affairs and was given the title of Chief Human Resources Officer and Corporate Affairs; and
- Christian De Broux, Chief Risk Officer, who was given additional oversight of the company's compliance teams.

In the context of this transformation, the Chief Operating Officer and Chief Legal Officer functions were eliminated and as such, Sébastien Bélair and Bindu Cudjoe, respectively, departed the organization.

On October 29, 2024, the Bank announced that its LBC Capital and Northpoint Commercial Finance (Northpoint) subsidiaries are uniting under one brand, Northpoint Commercial Finance, as of November 1, 2024, under the leadership of Dan Radley, President and CEO, reporting directly to Éric Provost.

2023 Fiscal Year

In March 2023, the Bank released its 2022 ESG report, highlighting the launching of its first-ever Sustainable Bond Framework and further diversifying Commercial Banking's portfolio to increase its focus on ESG industries.

In April 2023, the Bank also broadened its reach across Québec and the rest of Canada by launching digital account opening, allowing customers from across the country to open an account without speaking to an advisor or visiting a branch. By using size to its advantage, the Bank delivered this simplified account opening solution through its strategic partnership with thirdstream (2017) Inc.

On June 5, 2023, Bindu Cudjoe was appointed Executive Vice President, Chief Legal Officer, Chief Inclusion & Equity Officer and Corporate Secretary.

In July 2023, having completed two years of its three-year strategic plan, coupled with a changing macroeconomic environment, the Bank announced that it was conducting a review of strategic options aimed at maximizing shareholder and stakeholder value. This process was completed on September 14,

2023, with the Board concluding that the best path forward was to embark on an accelerated evolution of its current strategic plan with an increased focus on efficiency and simplification.

In this context, on September 14, 2023, the Bank provided larger mandates to two proven executive leaders. Sébastien Bélair was appointed as Chief Administrative Officer and Éric Provost was appointed as Group Head of Personal & Commercial Banking.

On September 24, 2023, an unexpected mainframe outage occurred during a planned IT maintenance update at the Bank. Although the outage led to an interruption of many banking services, customer data and financial information remained secure throughout the situation. By September 28, 2023, most banking services were restored.

On October 1, 2023, Michael T. Boychuk was appointed as the new Chair of the Board of Directors of the Bank, and Éric Provost was appointed by the Board as the new President and CEO of the Bank and a member of the Board of Directors.

On October 12, 2023, the Bank announced new appointments and expanded mandates for its leadership team. Under this new structure, the mandate of Sébastien Bélair was expanded to become Chief Operating Officer and Thierry Langevin was appointed Executive Vice President, Commercial Banking for the Bank.

4. DIVIDENDS

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

4.1 Restrictions on Dividends and Distributions

Restrictions to the declaration and payment of dividends are described on page 112 of the Bank's 2025 Annual Report in Note 15 “Share Capital” of the Bank's Consolidated Financial Statements as at October 31, 2025, 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) or OSFI guidelines and requirements governing capital adequacy and liquidity or under the provisions of other applicable 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 determines the amount and payment of future dividends. The decision of the Board depends on the Bank's activity, financial situation and cash flow requirements, OSFI supervisory expectations, future regulatory restrictions on the payment of dividends and any other factors that the Board considers to be relevant.

4.2 Policy on Dividends and Distributions

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 shareholders[1]. The dividend payout ratio could, however, fall outside this range when:

[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 20 of the 2025 Annual Report, including the Management’s Discussion and Analysis for the fiscal year ended October 31, 2025, which page is incorporated by reference herein. The MD&A is available on SEDAR+ at www.sedarplus.ca.

- 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;
- net income available to common shareholders is affected by operations or events of a non-recurring nature; or
- net income available to common shareholders is at an atypical level and the forecasts indicate a return to a normal level.

For additional information on the Bank's dividends, please refer to page 112 of the Bank's 2025 Annual Report, which information is incorporated by reference herein.

The Bank's common shares are eligible shares under the Bank's Shareholder Dividend Reinvestment and Share Purchase Plan (the "Plan"). Consequently, the holders of such shares may elect to reinvest their dividends in newly issued common shares of the Bank. Such purchases will be made at the applicable investment price as defined in the Plan, at no discount, and no brokerage commissions or service charges of any kind will apply.

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

	Dividends Declared ($ per share)		
	2025	2024	2023
Common shares	1.88	1.88	1.86
Class A Preferred Shares, Series 13	1.55	1.16	1.03

5. CAPITAL STRUCTURE

5.1 General Description of Capital Structure

The authorized capital of the Bank consists of an unlimited number of common shares, without par value and an unlimited number of Class A Preferred Shares, without par value, which may be issued in series. The following summary of share capital is qualified in its entirety by the Bank's by-laws and the actual terms and conditions of the shares as issued. 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, 2025, which notes are incorporated by reference herein.

5.1.1 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, 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.

5.1.2 Certain Provisions of Class A Preferred Shares

Issuance in Series

The Class A Preferred Shares are issuable in series and rank *pari passu* amongst themselves as to the payment of dividends and return of capital. The Board 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 in May 2021, the Bank issued 125,000 Non-Cumulative 5-Year Fixed Rate Reset Class A Preferred Shares, Series 17 (NVCC) (the **Preferred Shares Series 17**) to the Limited Recourse Trust to be held as trust assets in connection with the Limited Recourse Capital Notes Series 1. See section 5.1.3. below.

Dividends

The holders of any series of Class A Preferred Shares are entitled to receive dividends as declared by the Board, if any, 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, in the amounts specified or determinable in accordance with the provisions of such series. 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.

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 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 Class A 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 no 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.

5.1.3 Limited Recourse Capital Notes

In May 2021, the Bank issued $125 million aggregate principal amount of 5.30% Limited Recourse Capital Notes, Series 1 (NVCC) (Subordinated Indebtedness) (the **Limited Recourse Capital Notes**), which represent Additional 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 the Bank's Consolidated Financial Statements as at October 31, 2025.

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 issuance to, but excluding, June 15, 2026. Thereafter, the interest rate on the Limited Recourse Capital Notes will reset every 5 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 certain circumstances, including, in the 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 OSFI, 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 15 to the Bank's Consolidated Financial Statement as at October 31, 2025, which note is incorporated by reference herein.

5.1.4 Subordinated Capital Notes

As at the date hereof, the Bank currently has outstanding $350 million 5.095% subordinated NVCC notes (**Subordinated Capital Notes**).

The Subordinated Capital Notes will bear interest at a fixed rate of 5.095% per annum, paid semi-annually, until June 15, 2027, and thereafter, at daily compounded CORRA plus 0.32138% (representing the spread adjustment for 3-month CDOR) plus 2.42% per annum, paid quarterly, until maturity on June 15, 2032.

The Bank may, at its option, with the prior approval of OSFI, redeem the Subordinated Capital Notes on or after June 15, 2027, 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 14 of the Bank's Consolidated Financial Statements as at October 31, 2025, which note is incorporated by reference herein.

5.2 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 65% 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 the outstanding shares 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 the outstanding shares 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 His Majesty in right of Canada or of a province, an agent of His Majesty, a foreign government, or an agent of a foreign government.

5.3 Ratings

Information regarding the credit ratings assigned to the Bank is determined by credit rating agencies. As is common industry practice, the Bank pays fees to rating agencies to assign ratings based on the 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 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.

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.

Additional information about the credit ratings assigned to the Bank's securities is provided under "Credit Ratings" on page 55 of the Bank's 2025 Annual Report.

As at December 4, 2025, 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	BBB	BBB
Covered Bonds	AA (high)	n/a
Short-term instruments	R-2 (high)	A-2
NVCC Subordinated debt	BB	BB+
NVCC Additional Tier 1 (AT1) LRCNs	BB (low)	BB-
NVCC Preferred shares	Pfd-4 (high)	BB-
Outlook	Under Review With Positive Implications	Negative

An explanation of the categories of each rating as at December 4, 2025, has been obtained from the respective rating agency's website and is outlined in Schedule A, and more details may be obtained from the relevant rating agency.

6. MARKET FOR SECURITIES

6.1 Trading Price and Volume

The common shares and Preferred Shares Series 13 of the Bank are listed for trading on the TSX. 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			**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**	**High ($)**	**Low ($)**	**Volume**
November 2024	29.65	26.25	381,611	21.74	20.20	4,481
December 2024	30.57	28.54	438,390	22.07	20.71	4,862
January 2025	29.18	28.00	268,185	21.80	21.05	17,509
February 2025	27.90	26.78	306,135	21.15	20.62	9,096
March 2025	27.56	26.30	276,687	21.10	20.34	4,557
April 2025	27.36	25.25	312,394	20.75	19.90	4,835
May 2025	30.60	27.02	318,687	22.70	20.65	3,751
June 2025	31.21	29.89	247,103	22.75	22.12	5,049
July 2025	31.34	30.69	226,928	23.44	22.68	3,867
August 2025	31.68	30.43	280,059	23.65	23.23	2,286
September 2025	33.57	30.61	472,094	24.50	23.70	3,139
October 2025	33.30	31.81	320,628	24.00	23.45	3,088
Total			**3,848,901**			**66,520**

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 (NVCC)*	125,000	100% of the Non-Cumulative 5-Year Fixed Rate Reset Class A Preferred Shares, Series 17 (NVCC)

* 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 LRCN in respect of non-payment by the Bank of the principal amount of, or interest in, the LRCN when due. See "Capital Structure – Limited Recourse Capital Notes" section in this AIF.

8. DIRECTORS AND OFFICERS

8.1 Directors

As at the date of this AIF, the Board is comprised of the following directors:

Name	Residence	Director since	Tenure Expiry	Role	Standing Committees*
Sonia Baxendale	Ontario, Canada	2016	2028	Corporate Director	HRGC, RMC
Andrea Bolger	Ontario, Canada	2019	2031	Corporate Director	RMC (Chair), ITC
Michael T. Boychuk	Québec, Canada	2013	2028**	Corporate Director	Chair of the Board
Johanne Brunet	Québec, Canada	2024	2036	Corporate Director	AC, HRGC
Laurent Desmangles	New York, United States	2023	2035	Corporate Director	AC, RMC
Suzanne Gouin	Québec, Canada	2021	2033	Corporate Director	RMC, ITC
Jamey Hubbs	Ontario, Canada	2024	2036	Corporate Director	RMC, HRGC
David Mowat	British Columbia, Canada	2019	2031	Corporate Director	HRGC (Chair), ITC
Robert Ouellette	Québec, Canada	2024	2036	Corporate Director	ITC (Chair), AC
Éric Provost	Québec, Canada	2023	2035	President and CEO	N/A
Paul Stinis	Québec, Canada	2024	2036	Corporate Director	AC, HRGC
Nicholas Zelenczuk	Ontario, Canada	2020	2032	Corporate Director	AC (Chair), ITC

* The Board is comprised of four standing committees: the RMC, the AC, the HRGC, and the ITC.

** Laurentian Bank's *Board Governance Policy* has a standard term limit of 12 years. However, the policy allows for an extension of up to 15 years in exceptional circumstances. Michael Boychuk's term reflects this permitted extension.

All directors are elected annually and hold office until the next Annual Meeting 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 Éric Provost, who, prior to October 2023, was Group Head, Personal and Commercial Banking at the Bank and Sonia Baxendale who is currently President and CEO of the Global Risk Institute.

8.2 Executive Officers

As the date of this AIF, the executive officers of the Bank are:

Name	Position	Residence
Benoit Bertrand	Chief Information Officer	Québec, Canada
Geneviève Coutu	Head of Capital Markets	Québec, Canada
Marie-Christine Custeau	Chief Strategy and Transformation Officer	Québec, Canada
Christian De Broux	Chief Risk Officer	Québec, Canada
Yvan Deschamps	Chief Financial Officer	Québec, Canada
Thierry Langevin	Chief, Personal and Commercial Banking	Québec, Canada
Macha Pohu	Chief Human Resources Officer and Corporate Affairs	Québec, Canada
Éric Provost	President and Chief Executive Officer	Québec, Canada
Daniel Radley	President and Chief Executive Officer of Northpoint Commercial Finance	Georgia, United States

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

- Benoit Bertrand was, prior to February 2024, Global Vice President, Digital & Innovations at Saputo Inc.
- Geneviève Coutu was, prior to November 2025, Acting Head of Capital Markets. Prior to June 2025, she was Managing Director at Laurentian Bank Securities.
- Marie-Christine Custeau was, prior to February 2024, Vice President, Marketing and Business Solutions (Personal and Commercial Banking) at the Bank.
- Christian De Broux was, prior to June 2024, Vice President Credit and Risk at Element Fleet Management (as of January 2020). Prior to that he was Senior Vice President and Chief Credit Officer at the Bank.
- Yvan Deschamps was, prior to April 2021, Senior Vice President, Finance, Accounting and Corporate Development at the Bank.
- Thierry Langevin was, prior to September 2024, Executive Vice President, Commercial Banking at the Bank and President of LBC Capital Inc. (now Northpoint Commercial Finance Capital Inc.).
- Macha Pohu was, prior to September 2024, Chief Human Resources Officer, Vice President - Talent Partners and Management Consultant at the Bank. Prior to that she was Vice President - Talent Acquisition and Culture at Raymond Chabot Grant Thornton (until December 2021).
- Éric Provost was, prior to 2023, Group Head Personal and Commercial Banking, EVP Commercial Banking, and SVP Commercial Banking at Laurentian Bank of Canada.
- Daniel Radley has been President and CEO of Northpoint Commercial Finance since 2017.

8.3 Shareholdings of Directors and Executive Officers

To the Bank's knowledge, as at October 31, 2025, the directors and executive officers of the Bank as a group, beneficially owned, directly or indirectly, or exercised control or direction over 40,395 common shares of the Bank (representing approximately 0.09% of the issued and outstanding common shares of the Bank).

8.4 Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as set out below, no director or executive officer of the Bank has within the ten (10) years prior to the date of this AIF, been a director, CEO or CFO 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 CEO or CFO, and which resulted from an event that occurred while that person was acting in their capacity as director, CEO or CFO.

Except as set out below, to the Bank's knowledge, no director or executive officer of the Bank is, as the date of this AIF, or has been, within the 10 years before the date of this AIF, 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 AIF, 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;

- 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.

8.5 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. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

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.

10. LEGAL PROCEEDINGS AND REGULATORY ACTIONS

10.1 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 133 of the Bank's 2025 Annual Report in Note 26 "Commitments, Guarantees and Contingent Liabilities" of the Bank's Consolidated Financial Statements as at October 31, 2025, which note is incorporated by reference herein.

Since October 31, 2024, (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.

11. 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.

On December 2, 2025, the Bank and National Bank (directly or through one or more affiliates) have entered into a definitive agreement to acquire the Bank's retail and SME banking portfolios. The Bank and National Bank have also entered into a definitive agreement in respect of the sale to National Bank of the Bank's syndicated loan portfolio.

On December 2, 2025, Fairstone Bank has entered into a definitive agreement to acquire all issued and outstanding common shares of Laurentian Bank.

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.

The Bank's material contracts are available under the Bank's issuer profile on SEDAR+ at www.sedarplus.ca.

12. INTERESTS OF EXPERTS

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

13. AUDIT COMMITTEE DISCLOSURE

13.1 Mandate, Composition, Relevant Education and Experience

The mandate of the Audit Committee of the Bank can be found in **Schedule B** of this AIF.

The Audit Committee consists of five members who, according to the evaluation made by the Governance and Compliance Committee, are independent and financially literate within the meaning of *National Instrument 52-110*, as described further below.

Nicholas Zelenczuk is a Corporate Director. He has over 35 years of experience in banking, capital markets and investment management. He has served in CEO, CFO, Chief Operating Officer and executive positions for leading companies such as CPP Investment Board, BCE Inc., CIBC Wood Gundy, Citibank and Deutsche Bank (Canada). He also worked at KPMG in risk consulting. Nicholas Zelenczuk has been a member of the Audit Committee of the Bank since May 28, 2020, and has been Chair of the Audit Committee since October 1, 2023.

Johanne Brunet is a Corporate Director. Professor at the Department of Marketing of HEC Montréal, Johanne Brunet conducts courses in the Master of Business Administration (MBA) program, the Executive MBA (EMBA McGill-HEC Montréal) program, and the Executive Education School. She is a

member of the Order of Chartered Professional Accountants of Québec and holds a doctorate in Industrial and Business Studies from the University of Warwick (United Kingdom), a Master's Degree in Business Administration (MBA) in Marketing and International Management from HEC Montréal, and a Certificate in Corporate Governance from the Collège des administrateurs de sociétés of Université Laval, making her a certified corporate director. She has extensive experience in corporate governance as Chair of the Board, Chair of the Audit Committee and Corporate Director. Johanne Brunet has been a member of the Audit Committee of the Bank since February 2024.

Laurent Desmangles is a Corporate Director. He has over 30 years of expertise in corporate strategy, large-scale transformation, and digital innovation. He has held significant leadership roles at Boston Consulting Group (where he currently serves as Senior Advisor) from 2009 until his retirement in 2023, including Senior Partner and Managing Director and led the Retail Banking segment for North America. He holds a Bachelor of Engineering degree from McGill University and Master of Business Administration (MBA) from Ivey Business School at Western University. Laurent Desmangles has been a member of the Audit Committee of the Bank since February 2024.

Robert Ouellette is a Corporate Director. He brings over 35 years of international experience across Professional Services, Metals & Mining, and Financial Services. Throughout his career, he has held leadership roles focused on Information Technology, Process Optimization, Risk Management, and Shared Services. He has served on the Board of Directors and Advisory Committees of two technology start-ups and was a member of the IT Advisory Committee for the Quebec government. He currently is a member of the Board of Directors, Chair of the Risk Committee, and member of the Audit Committee of Promutuel Insurance. He holds a Bachelor of Engineering in Electrical Engineering from École Polytechnique de Montréal. Robert Ouellette has been a member of the Audit Committee of the Bank since February 2025.

Paul Stinis is a Corporate Director. He is currently Chair, Pension Investment Committee for the McGill University Pension Plan. He was, until June 2025, Vice Chair of the Board of Directors, member of the Audit Committee, and member of the Investment and Major Projects Committee of Hydro-Québec. He also was Senior Vice President and Corporate Treasurer of BCE Inc. and Bell Canada, as well as President of Bimcor Inc., the pension fund asset manager for the BCE group of companies. He holds a Bachelor in Engineering from McGill University and a Master in Business Administration from Concordia University. Paul Stinis has been a member of the Audit Committee of the Bank since February 2024.

13.2 Pre-Approval Policy Regarding External Auditors

The Bank has adopted a policy governing the services that can be provided by its external auditor. The policy 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. The policy also sets out restrictions on the hiring of personnel who have worked for the external auditor.

13.3 External Auditor Service Fees

The following table presents by category the fees billed by the external auditor EY for the fiscal years ended October 31, 2025, and 2024.

Fee category	2025 ($)	2024 ($)
Audit fees	3,306,320	3,416,876
Fees for audit-related services	720,947	669,930
Fees for tax services	56,920	447,346
Other fees	932,705	88,590
Total	5,016,891	4,622,742

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

Fees for audit-related services include all fees of EY for certification services and other related services traditionally carried out by the independent auditor, which are mainly services related to the production of reports concerning the effectiveness of internal controls for contractual or commercial purposes, specified procedures related to various trusts and other entities required in the context of securitization of mortgage loans receivables, limited assurance procedures on the Bank's ESG report, audit procedures on the Bank's pension plan and translation of the quarterly and annual management's discussion and analysis.

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

Other fees mainly relate to permissible consulting services and translation services of documents other than consolidated financial statements and management's discussion and analysis.

14. TRANSFER AGENTS AND REGISTRARS

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

15. ADDITIONAL INFORMATION

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. 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.

Additional information relating to the Bank may be found on SEDAR+ at www.sedarplus.ca.

SCHEDULE A
Explanation of Ratings and Outlooks

Institution	Rating	Outlook
DBRS	Each rating category may be denoted by the subcategories (high) and (low). The absence of either a (high) or (low) designation indicates the rating is in the middle of the category. AAA Highest credit quality. The capacity for the payment of financial obligations is exceptionally high and unlikely to be adversely affected by future events. AA Superior credit quality. The capacity for the payment of financial obligations is considered high. Credit quality differs from AAA only to a small degree. Unlikely to be significantly vulnerable to future events. BBB Adequate credit quality. The capacity for the payment of financial obligations is considered acceptable. May be vulnerable to future events. BB Speculative, non-investment grade credit quality. The capacity for the payment of financial obligations is uncertain. Vulnerable to future events. R-1 (low) Good credit quality. The 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. May be vulnerable to future events, but qualifying negative factors are considered manageable. R-2 (high) Upper end of adequate credit quality. The capacity for the payment of short-term financial obligations as they fall due is acceptable. May be vulnerable to future events. Pfd-3 Preferred shares rated Pfd-3 are generally of adequate credit quality. While protection of dividends and principal is still considered acceptable, the issuing entity is more susceptible to adverse changes in financial and economic conditions, and there may be other adverse conditions present which detract from debt protection. Pfd-3 ratings generally correspond with issuers with a BBB category or higher reference. Pfd-4 Preferred shares rated Pfd-4 are generally speculative, where the degree of protection afforded to dividends and principal is uncertain, particularly during periods of economic adversity. Issuers with preferred shares rated Pfd-4 generally correspond with issuers with a BB category or higher reference point.	Rating Trends provide guidance in respect of DBRS Morningstar's opinion regarding the outlook for a rating. The Rating Trend indicates the direction in which DBRS Morningstar considers the rating may move if present circumstances continue, or in certain cases as it relates to the Corporate Finance sector, unless challenges are addressed by the issuer.
S&P	BBB An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation. BB An obligation rated 'BB' 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 that could lead to the obligor's inadequate capacity to meet its financial commitments on the obligation. Long-term ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories. A-2 A short-term obligation rated 'A-2' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the obligor's capacity to meet its financial commitments on the obligation is satisfactory.	An S&P Global Ratings outlook assesses the potential direction of a long-term credit rating over the intermediate term, which is generally up to two years for investment grade and generally up to one year for speculative grade.

SCHEDULE B
Mandate of the Audit Committee

PART A - PURPOSE AND DUTIES OF THE COMMITTEE

1. Purpose

The Audit Committee (the **Committee**) is responsible for assisting the Board of Directors (the **Board**) of Laurentian Bank of Canada (the **Bank**) in its oversight of:

i. The integrity of the Bank's financial reporting;

ii. The effectiveness of internal controls;

iii. The qualifications, performance and independence of the Bank's external auditors;

iv. The qualifications, performance and independence of the Bank's internal audit function; and

v. Compliance with legal and regulatory requirements.

The organization of the Committee and its authority are subject to any restrictions, limitations or requirements set out in the Bank's constating documents, including its articles and by-laws, as well as any restrictions and limitations or requirements set out under applicable laws, including without limitation the *Bank Act* (Canada), the *Trust and Loan Companies Act* (Canada), Canadian securities laws as well as the standards, policies and guidelines of the stock exchange on which the Bank's securities are listed (collectively, the **Applicable Law**).

This mandate should be read together with other Bank policies and procedures 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 policies about whistleblowing complaints.

2. Duties

The Committee performs the duties set out in this mandate and such other duties as may be necessary or appropriate.

In fulfilling its duties, the Committee is mindful of the importance of environmental (including climate), social and governance principles (**ESG**) adopted and managed by the Bank.

2.1 Financial Reporting

2.1.1 Overseeing the appropriateness of the accounting principles applied to the financial statements, the clarity of disclosure in the financial statements and whether the financial statements present fairly, in accordance with GAAP, the Bank's financial condition, operational results, and cash flows.

2.1.2 Reviewing and discussing with key members of senior management and the external auditor of the Bank the annual and interim financial statements, the external auditor's report thereon and related documents (including management's discussion and analysis) and upon satisfactory completion of its review, recommending to the Board their approval.

2.1.3 Reviewing with the external auditor (without the presence of senior management) any concerns that may be brought forward by the external auditor, including any difficulties encountered in conducting their audit, as well as senior management's response to such concerns.

2.1.4 Reviewing, following the Bank's annual audit and no less than annually, the external auditor's recommendation letter (and subsequent follow-up letters or correspondence), explaining significant changes to accounting practices, main value judgments on which the financial reports are based and how these reports are drafted.

2.1.5 Reviewing the Bank's earnings press releases, the annual information form and other financial information and related reports or presentations to be provided to analysts, rating agencies and the public and such other periodic disclosure documents as requested by

regulators or required by Applicable Law, and upon satisfactory completion of its review, recommending to the Board their approval.

2.1.6 Reviewing and recommending to the Board approval of any financial information contained in any report or other disclosure required of or adopted by the Bank regarding ESG.

2.1.7 Reviewing Bank-issued securities offering documents, including prospectuses, and recommending their approval by the Board if required.

2.1.8 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.

2.1.9 Reviewing the annual financial statements of each Bank subsidiary supervised by OSFI and upon satisfactory completion of its review, recommending to the Board their approval.

2.1.10 Reviewing and approving tax transfers between the Bank and its subsidiaries, when required.

2.1.11 Reviewing financial statements of any pension plans provided by the Bank for its employees and upon satisfactory completion of its review, recommending to the Board their approval.

2.1.12 Reviewing and recommending to the Board the declaration and payment of dividends including any related press release.

2.2 Internal Controls

2.2.1 Overseeing management's implementation of appropriate internal controls and management information systems 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.

2.2.2 Overseeing the effectiveness of implemented internal controls and management information systems together with any measures taken to rectify any material weaknesses and deficiencies, namely by way of meetings with the external auditor, the Chief Internal Auditor (**CIA**) and management.

2.2.3 Reviewing management's certifications and assessment of the design and effectiveness of the Bank's internal controls and procedures.

2.2.4 Overseeing and approving policies and procedures regarding the receipt, retention and handling of complaints received about accounting and audit controls, including anonymous employee submissions regarding questionable accounting or audit matters and overseeing compliance with their provisions.

2.3 Public Disclosure of Material Information

2.3.1 Reviewing reports on any litigation matters which could significantly affect the financial position of the Bank.

2.3.2 Overseeing that adequate procedures are in place to review the public disclosure and communication of financial information excerpted or derived from financial statements and periodically assessing the adequacy of these procedures.

2.3.3 Reviewing and recommending to the Board the approval of the Bank's Disclosure Policy and overseeing compliance with its provisions.

2.3.4 Reviewing and approving the mandate of the Bank's Disclosure committee.

2.3.5 Reviewing, on a quarterly basis, the Disclosure committee's report to the Committee pertaining to its activities for the previous quarter.

2.3.6 Reviewing, as required, the Disclosure committee's assessment of the Bank's disclosure procedures, including any control deficiencies, and its recommendations on corrective measures to be taken to correct these deficiencies.

2.4 External Auditor

Subject to the shareholders' powers conferred under Applicable Law, the Committee will recommend the appointment (or revocation thereof) of the external auditor engaged to prepare or issue an audit report or to perform other audit, review or attest services.

The Committee will fix the remuneration and oversee the work of the external auditor, including the resolution of disagreements with management regarding financial reporting.

The external auditor reports directly to the Committee.

As part of its oversight of the external auditor, the Committee is responsible for:

2.4.1 Reviewing the external auditor's suitability, competency, independence, performance and sufficiency of its audit-assigned resources.

2.4.2 Reviewing and, if applicable, approving the scope and other matters set out in the external auditor letter of engagement.

2.4.3 Reviewing the competency and independence of the external auditor's lead partner charged with responsibility for the Bank's account and reviewing the timing of any periodic rotation of that partner.

2.4.4 Overseeing the comprehensive evaluation of the external auditor, when required.

2.4.5 Reporting annually to the Board on the results of the external auditor's evaluation, as well as the processes and criteria used to arrive at that evaluation.

2.4.6 Approving all audit engagement fees and terms, as well as the terms of any permitted non-audit services to be provided by the external auditor to the Bank, with such approvals to be given specifically or pursuant to preapproval policies and procedures adopted by the Committee in accordance with Applicable Law.

2.4.7 Reviewing and discussing with the external auditor the annual audit plan, the results of the audit, the auditor's report with respect to the annual statement, and all other reports, returns and transactions as required by Applicable Law.

2.4.8 Reviewing and approving the Policy on oversight of the external auditor.

2.4.9 Overseeing and approving policies and procedures regarding pre-approval of fees for non-audit services of external auditors and the hiring of partners, employees and former partners and employees of external auditors.

2.5 Internal Audit Function

2.5.1 Reviewing and approving the internal audit charter.

2.5.2 Supporting the Human Resources and Governance Committee (**HRGC**) in reviewing and recommending to the Board the appointment or dismissal of the CIA, if required.

2.5.3 Reviewing and approving the mandate of the CIA annually and ensuring their competency, qualifications and independence.

2.5.4 Providing feedback to the HRGC on the performance and compensation of the CIA annually.

2.5.5 Providing feedback to the HRGC on the succession plan for the CIA.

2.5.6 Ensuring that internal audit activities are accorded the necessary organizational importance and resources, degree of independence and visibility, and ensuring periodic review of the activities and resources.

2.5.7 Approving the internal audit plan and ensuring the appropriateness of its scope, its risk approach, that it addresses major areas of concern and that it is reviewed with appropriate frequency.

2.5.8 Reviewing material findings and recommendations from the internal audit with the Bank's CIA and monitoring their resolution.

2.6 Finance Function

2.6.1 Supporting the HRGC in reviewing and recommending to the Board the appointment or dismissal of the Chief Financial Officer (**CFO**), if required.

2.6.2 Reviewing and approving the mandate of the CFO annually and ensuring their competency, qualifications and independence.

2.6.3 Providing feedback to the HRGC on the performance of the CFO annually.

2.6.4 Providing feedback to the HRGC on the succession plan for the CFO.

2.6.5 Ensuring that finance activities are accorded the necessary organizational importance and resources, degree of independence and visibility, and ensuring periodic review of the activities and resources.

2.7 Regulatory Authorities

2.7.1 Reviewing, when required, regulatory authorities' findings and recommendations, and monitoring their resolution with senior management.

2.8 Policies

2.8.1 Recommending, and if applicable, approving such other policies identified by the Board as may be recommended or approved by the Committee.

PART B - COMMITTEE COMPOSITION AND PROCEDURES

3. Appointment, Membership, Financial Literacy and Independence

The Committee shall consist of no less than three directors.

Following each annual meeting of shareholders, the Board shall appoint Committee members and, from among them, the chair of the Committee (the **Committee Chair**). No Committee member can be an officer or employee of the Bank or any affiliate of the Bank. All Committee members must meet the independence requirements under Applicable Law as well as those established by the Board and must be "financially literate" as that term is defined under *National Instrument 52-110 – Audit Committees*.

Each member will remain a member until a successor is appointed, unless the member resigns, is removed or ceases to be a director. The Board may fill a vacancy that occurs in the Committee at any time.

4. Compensation

Compensation for Committee members is set by the Board from time to time.

5. 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.

Each of the Committee Chair, the external auditor and the Bank's President and Chief Executive Officer (the **President and CEO**), the CFO, and the CIA 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.

6. Quorum

Quorum at Committee meetings 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.

7. 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.

8. Procedure

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

9. 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) retain the services of independent third-party advisors subject to the requirements of applicable Bank policy regarding their retainer.

10. Secretary

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

11. Reporting

The Committee reports to the Board on its activities (i) verbally at any Board meeting which normally follows a Committee meeting, and (ii) through presentation to the Board, for review, of any Committee-approved minutes of a Committee meeting. The Committee also reports on its activities annually to shareholders in 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. Review of Mandate

The Committee reviews its mandate as required and, in any event no less than annually and recommends it for approval to the Board.