



Mandate of the Board of Directors

Approved by the Board of Directors on August 28, 2024

The Board of Directors (the **Board**) of the Laurentian Bank of Canada (the **Bank**), directly and through its committees, oversees the management of, and provides stewardship over, the Bank's affairs. The Board's primary goal is to act in the best interests of the Bank to enhance long-term shareholder value while considering the interests of the Bank's various stakeholders, including shareholders, employees, customers, suppliers and the community. The Board delegates the day-to-day management of the Bank's activities to management, under the direction and oversight of the President and Chief Executive Officer (the **President and CEO**).

The Board sets the tone with respect to the culture of integrity and ethical behaviour across the Bank, and is responsible for defining the corporate purpose of the Bank. The Board oversees and approves Bank strategy and the management of risk, including opportunities and risks related to environment (including climate), social and governance developments (**ESG**).

The organization of the Board and its authority are subject to any restrictions, limitations or requirements set out in the Bank's constituting 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), 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

As part of its general responsibility for supervising the management of the Bank, and in addition to carrying out its statutory obligations, the Board exercises the following functions directly or through its committees:

1. Strategic Planning

- 1.1 Overseeing the Bank's strategic planning process, annually approving the strategic plan, capital plan, financial plan, and technology strategy plan and monitoring performance against such plans proposed by Bank management, taking opportunities and risks into account as well as emerging trends and the competitive environment in the industry.
- 1.2 Reviewing, approving and monitoring performance against the Bank's financial objectives, including significant capital allocations and expenditures outside of capital and financial plans.
- 1.3 Approving the declaration and payment of dividends as required.
- 1.4 Approving non-ordinary course transactions and significant changes in orientation or strategy.

2. Risk Management and Internal Controls

- 2.1 Overseeing processes in place to identify the Bank's principal risks and requiring the implementation of systems capable of managing them appropriately.
- 2.2 Approving material risk frameworks, plans and policies, including the Bank's risk appetite framework.

- 2.3 Overseeing the integrity and effectiveness of internal control and management information systems.
- 2.4 Overseeing the mandates, resources and budgets of the Bank's internal oversight functions, including internal audit, enterprise risk management and regulatory compliance management.
- 2.5 Recommending the appointment of the external auditor to shareholders, approving the external auditor's mission and compensation, and reviewing its competence, independence, and the adequacy of its resources.
- 2.6 Overseeing the Bank's crisis management and recovery plans in accordance with Applicable Law.
- 2.7 Reviewing and approving significant policies and practices that require respect for, and compliance with, applicable legal, regulatory and internal requirements and obtaining reasonable assurance about the Bank's compliance.
- 2.8 Approving the delegation of general authority (including signing authority) for and to Bank officers and employees as required.

3. Organizational Structure

- 3.1 Reviewing the overall organizational structure of the Bank periodically and approving any significant changes, if required.

President and CEO

- 3.2 Approving and overseeing the appointment or removal of the President and CEO, if required.
- 3.3 Approving and overseeing the mandate for the President and CEO, which includes establishing objectives and employment terms and conditions.
- 3.4 Approving, overseeing and reviewing the performance and compensation of the President and CEO.

Executives reporting directly to the President and CEO

- 3.5 Approving and overseeing the appointment and removal of Group Head, Executive Vice President, Head of Complaints Resolution and other executives reporting directly to the President and CEO, and establishing their objectives.
- 3.6 Approving and overseeing the performance and compensation of executives reporting directly to the President and CEO.
- 3.7 Reviewing and overseeing the appointment, removal and compensation of the officers in charge of internal oversight functions (including internal audit, enterprise risk management and regulatory compliance management) and their performance, competence, independence, and the adequacy of their resources.
- 3.8 Approving an overall compensation framework (including, among other things, incentive compensation and pension plans) for all officers and employees.

Succession Planning

- 3.9 Approving and overseeing the succession plan for the President and CEO.

- 3.10 Approving and overseeing the succession plan for other executives reporting directly to the President and CEO, including the officers in charge of internal oversight functions.
- 3.11 Approving and overseeing the succession plan for the Board.

Pension plans

- 3.12 Approving any changes to the pension plans with budget impact over \$1M.

4. Conduct and Culture

- 4.1 Approving a Code of Conduct applicable to Board members, Bank officers and employees, and overseeing compliance with its provisions.
- 4.2 Overseeing that the President and CEO and other executives reporting directly to the President and CEO demonstrate and create a culture of integrity throughout the Bank.
- 4.3 Reviewing health, well being and safety of employees and related measures implemented by management in this regard.

5. Corporate Governance

- 5.1 Approving and overseeing the development of the Bank's approach to corporate governance, including adopting corporate governance principles.
- 5.2 Establishing appropriate structures and procedures to allow the Board to function independently of management.
- 5.3 Approving the Board's membership, compensation and size.
- 5.4 Establishing Board committees to assist the Board in carrying out its duties and responsibilities.
- 5.5 Approving committee mandates and membership, as required.
- 5.6 Overseeing the recruitment, orientation, integration and ongoing education of Board members for election by the shareholders of the Bank.
- 5.7 Approving a Board and committee assessment process to evaluate the effectiveness of Board members' performance.
- 5.8 Approving position descriptions for the chair of the Board and the chair of each committee.
- 5.9 Reviewing and setting expectations and responsibilities of directors, including attendance at, preparation for, and participation in meetings.
- 5.10 Overseeing Board structure and governance activities of the Bank's subsidiaries.

6. Communication and Public Disclosure

- 6.1 Reviewing and approving, at a minimum, the following disclosure documents:
 - the annual and interim financial statements, results and related press releases and management discussion and analysis (or such other reports as may be required under relevant law from time to time);

- relevant portions of the annual information form and other public disclosure documents; and
 - shareholder communications that require Board approval prior to publication by the Bank.
- 6.2 Reviewing the effectiveness of the Bank's communications, including measures for receiving feedback from shareholders and other stakeholders.
- 6.3 Approving the disclosure policy and ensuring the integrity of the disclosure documents prepared in accordance with the policy.
- 6.4 Reviewing with regulatory authorities their findings and recommendations, and overseeing implementation by management, as required.

7. Meetings

- 7.1 The Board shall meet no less than four (4) times each year as required by the *Bank Act* (Canada).
- 7.2 The procedures for calling and conducting Board meetings shall be followed as set out in the Bank's by-laws.
- 7.3 The Board may invite to any Board meeting any 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 Board meeting any person it deems appropriate in order to carry out its responsibilities.

8. Review and Approval

- 8.1 Reviewing and approving the mandate of the Board as required and at least annually.