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## **MANAGEMENT INFORMATION CIRCULAR**

Notice of Annual Meeting of Shareholders  
and Management Information Circular  
May 15, 2020

Your vote is important. This document tells you who can vote,  
what you will be voting on and how to vote.



TSX.EQB | EQB.PR.C



**Dear Shareholder,**

On behalf of the Board of Directors, management and employees of Equitable Group Inc. (Equitable), we are pleased to invite you to participate in Equitable's annual meeting of shareholders which will take place on Friday, May 15, 2020 at 10:00 a.m. (Eastern) in a virtual-only format.

As part of our corporate social responsibility and our preparedness plans in response to Covid-19, we believe holding a virtual meeting is in the best interests of all stakeholders. As a shareholder, you have the right to participate in and vote your shares at the meeting.

At the meeting, we will review our financial position, business operations and the value we are delivering to shareholders. We also look forward to responding to your questions, which the virtual meeting will allow.

The Board's goal remains to deliver long-term value for Equitable's shareholders and fulfill our responsibilities to our broader group of stakeholders. We pay particular attention to long-term strategy and value creation, risk oversight, governance practices, and management succession – areas we see as fundamental to Equitable's sustainability and future success. Our intention is to continue investing for long-term advantage and value creation despite current market conditions.

The attached management information circular provides information about the business of the meeting, the voting process, this year's director nominees, our corporate governance practices, our approach to executive compensation, and our 2019 compensation decisions.

**Please take the time to vote**

As a shareholder, you have the right to vote your shares on all items that come before the meeting. Your vote is important and we facilitate voting by enabling you to vote by proxy at any time prior to the meeting. We encourage you to do so and have arranged for voting on the Internet, by phone or by mail. You can also vote by attending the virtual meeting. Please refer to the instructions in the management information circular.

Thank you for your continuing support and we look forward to your attendance at this year's meeting.

Sincerely,

A handwritten signature in black ink, appearing to read "D. LeGresley", written in a cursive style.

**David LeGresley**  
Chair, Board of Directors

A handwritten signature in black ink, appearing to read "A. Moor", written in a cursive style.

**Andrew Moor**  
President and Chief Executive Officer

## Notice of 2020 Annual Meeting of Shareholders

### When

Friday, May 15, 2020  
10:00 a.m. (Eastern)

### Where

**VIRTUAL only MEETING**  
via live audio webcast online at  
<https://web.lumiagm.com/225652488>

### For the purposes of

1. receiving Equitable's 2019 consolidated financial statements and the auditors' report on the statements;
2. electing the directors for the ensuing year;
3. appointing KPMG LLP as auditors for the ensuing year and authorizing the directors to fix their remuneration;
4. considering any other business that may properly come before the meeting, and any adjournment thereof.

Only shareholders of record at the close of business on March 24, 2020 will be able to vote at the meeting.

This year, out of an abundance of caution to proactively deal with the unprecedented public health impact of the COVID-19 outbreak, and in order to comply with the measures imposed by the federal and provincial governments, Equitable is holding the meeting in a virtual-only format conducted by a live audio webcast. Registered shareholders and duly appointed proxyholders will have the opportunity to attend the meeting online, submit questions, and vote in real time provided they are connected to the Internet at all times and follow the instructions in the accompanying management information circular (circular). Non-registered (or beneficial) shareholders who have not appointed themselves as proxyholder will be able to attend the meeting as guests, but will not be able to vote or ask questions. Shareholders will not be able to attend the meeting in person. See the section on How to Vote – At the virtual meeting on page 5 of the circular for detailed instructions.

### Notice-and-Access

Equitable is using the "notice-and-access" rules adopted by Canadian securities regulators in an effort to be more environmentally friendly and reduce printing and mailing costs. Instead of receiving the notice of meeting, the circular and annual consolidated financial statements (meeting materials) by mail, registered and beneficial shareholders received a Notice of Availability of Proxy Materials for the meeting with instructions for accessing the meeting materials online and for requesting paper copies. Shareholders also received the form of proxy or voting instruction form permitting them to exercise their voting rights using the various voting methods provided. The meeting materials can be viewed online at EnVision ([www.envisionreports.com/EQB2020](http://www.envisionreports.com/EQB2020)), on our website ([www.equitablebank.ca](http://www.equitablebank.ca)) and on SEDAR ([www.sedar.com](http://www.sedar.com)).

### Your vote is important

As a shareholder, it is very important that you read the circular carefully and then vote your shares. We recommend you vote by proxy using the various voting methods provided to ensure your vote is received prior to the meeting. Detailed voting instructions for registered and beneficial shareholders begin on page 5 of the circular. Your vote must be received by our transfer agent, Computershare Investor Services Inc., by 10:00 a.m. (Eastern Time) on May 13, 2020.

By order of the Board of Directors,



Michael Mignardi  
Vice-President and General Counsel

March 31, 2020

# Management Information Circular

This management information circular (circular) is furnished in connection with the solicitation of proxies by management of Equitable for use at Equitable Group Inc.'s annual meeting of shareholders to be held on May 15, 2020 at 10:00 a.m. (Eastern), or at any adjournment thereof, for the purposes set forth in the accompanying Notice of 2020 Annual Meeting of Shareholders. Each shareholder who is entitled to attend and vote at the meeting is encouraged to participate in the meeting, and is also urged to vote by proxy. The meeting will be held as a completely virtual meeting, which will be conducted via live audio webcast. Shareholders will not be able to attend the meeting in person. The information shareholders will need to attend the virtual meeting is provided in this circular.

All information in this management information circular is as at March 31, 2020, unless indicated otherwise.

## Where to find it

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## Glossary of Acronyms

<b>Bank:</b> Equitable Bank	<b>Executive Officer:</b> Direct reports of the CEO
<b>Board:</b> Board of Directors	<b>FSB:</b> Financial Stability Board's Principles for Sound Compensation Practices
<b>shares/common shares:</b> EGI Common shares	<b>HRCC/HR Committee:</b> Human Resources & Compensation Committee
<b>CD&amp;A:</b> Compensation Discussion & Analysis	<b>LTI:</b> Long-term Incentive
<b>CEO:</b> Chief Executive Officer	<b>MD&amp;A:</b> Management's Discussion & Analysis
<b>CFO:</b> Chief Financial Officer	<b>NEO:</b> Named Executive Officer
<b>CIO:</b> Chief Information Officer	<b>Option:</b> Stock Option
<b>Circular:</b> Management Information Circular	<b>PSU:</b> Performance Share Unit
<b>Code:</b> Code of Conduct	<b>ROE:</b> Return on Equity
<b>CRO:</b> Chief Risk Officer	<b>RSU:</b> Restricted Share Unit
<b>CSA:</b> Canadian Securities Administrators	<b>SEDAR:</b> System for Electronic Document Analysis and Retrieval
<b>DSU:</b> Deferred Share Unit	<b>STI:</b> Short-term Incentive
<b>EGI:</b> Equitable Group Inc.	<b>SVP:</b> Senior Vice-President
<b>EPS:</b> Earnings Per Share	<b>TSR:</b> Total Shareholder Return
<b>Equitable/our/we/the Company:</b> Equitable Group Inc. Consolidated	<b>TSX:</b> Toronto Stock Exchange
<b>ERM:</b> Enterprise Risk Management	
<b>Executive:</b> Executive Officer	

# Voting Information

## Notice and Access

Again this year, in compliance with Canadian securities regulators rules, Equitable is using the notice-and-access procedures for the delivery of the circular issued by Equitable's management in connection with the solicitation of proxies, to be held at the time and place and for the purposes indicated in the Notice of Meeting.

Therefore, instead of receiving the circular and annual financial statements by mail, registered and beneficial shareholders who hold EGI common shares on March 24, 2020, the record date for the meeting, have access to the circular online at EnVision ([www.envisionreports.com/EQB2020](http://www.envisionreports.com/EQB2020)), on our website ([www.equitablebank.ca](http://www.equitablebank.ca)) and on SEDAR ([www.sedar.com](http://www.sedar.com)).

Shareholders will still receive by mail, along with the Notice of Availability of Proxy Materials, a form of proxy or voting instruction form permitting them to exercise their voting rights using the various voting methods provided (internet, telephone, mail). If you would like to receive a paper copy of our circular and annual financial statements, please follow the instructions below.

Notice and Access allows for faster access to the circular, helps reduce high printing and postage costs and demonstrates environmental responsibility by decreasing the large volume of paper documents generated by printing the meeting materials.

Equitable has not adopted a stratification procedure in relation to the use of the Notice and Access provision.

## How to obtain a paper copy of the meeting materials

Shareholders may request to receive paper copies of the meeting materials by mail at no cost for up to one year from the date the circular was filed on SEDAR. Requests for paper copies may be made using your Control Number as it appears on your enclosed form of proxy or voting instruction form. Please note that if you do request a paper copy, you will not receive another form of proxy or voting instruction form, so you should keep the original form sent to you in order to vote.

To request a paper copy before the meeting date, please follow the instructions below. A paper copy will be sent to you within three business days of receiving your request.

### Shareholders with a 15 digit control number

Toll Free, within North America: 1-866-962-0498  
Outside of North America: (514) 982-8716

Enter your Control Number as indicated on your voting instruction form or form of proxy.

### Shareholders with a 16 digit control number

Toll Free, within North America: 1-877-907-7643  
Outside of North America: (905) 507-5450

Enter your Control Number as indicated on your voting instruction form.

To obtain paper copies of the meeting materials after the meeting date, please contact 1-866-407-0004. The meeting materials will be sent to you within 10 calendar days of receiving your request.

To ensure you receive the meeting materials in advance of the voting deadline and meeting date, all requests must be received no later than **April 30, 2020**.

You are also encouraged to use electronic delivery (e-delivery) to receive Equitable's other continuous disclosure documents, including the annual financial statements and interim reports. You will be notified by email when a new document is made available, at which time it can be accessed on our website.

The process to sign up is as follows:

Beneficial shareholders	Registered shareholders
Go to <a href="http://www.proxyvote.com">www.proxyvote.com</a> using the control number found on your voting instruction form and follow the instructions.	Go to <a href="http://www.investorcentre.com">www.investorcentre.com</a> , enter your Holder Account Number from your form of proxy and click on "Sign up for eDelivery".

## Who is soliciting my proxy

Proxies will be solicited by Equitable management by electronic mail, by telephone or in person. We pay all costs for soliciting proxies.

## Who can vote

The Board has fixed the record date for the 2020 annual meeting of shareholders at the close of business on March 24, 2020. If you held shares on that date, you are entitled to receive notice of and vote those shares at the virtual meeting.

## Designating a proxyholder to represent you at the virtual meeting

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

The proxyholders designated on the form of proxy or voting instruction form are Management nominees. If you wish to appoint as your proxyholder someone else, you may do so by striking out the names appearing thereon and inserting such other person's name in the blank space provided, and follow the instructions for submitting your form of proxy or voting instruction form.

**You must also register the proxyholder with Computershare after submitting your voting instruction form according to the instructions provided. Registering your proxyholder is an additional step once you have submitted your form or proxy or voting instruction form.** To register a proxyholder, shareholders must visit <https://www.computershare.com/EQGQ> and provide Computershare with the proxyholder's contact information by 10:00 a.m. on May 13, 2020, so that Computershare may provide the proxyholder with a username via email after the proxy voting deadline has passed. **Failure to register the proxyholder will result in the proxyholder not receiving the control number from Computershare that is required in order to participate and vote at the meeting.**

If the registered or beneficial shareholder is a business corporation or a corporate entity, the form of proxy or voting instruction form must be signed by a duly authorized officer or agent of the registered or beneficial shareholder. Your proxyholder does not have to be a shareholder of Equitable.

## How your shares will be voted

On the form of proxy or voting instruction form you can indicate how you want your shares voted, or you can let your proxyholder decide for you. Your proxyholder must vote according to your voting instructions. If you have not specified your voting instructions on a particular matter, then your proxyholder can vote your shares as he or she sees fit on such matter.

**Unless you provide contrary instructions and you have appointed Management designees, David LeGresley and Andrew Moor, as your proxy, they will vote your shares as follows:**

- **FOR** the election of our director nominees; and
- **FOR** the appointment of KPMG LLP as our independent auditors.

If there are any amendments to the items of business in this circular or other items of business properly come before the meeting, your proxyholder will decide how to vote them.

As at the date of this circular, we are not aware of any variation, amendment or other matter that will be brought before the meeting.

## How to vote

How you vote depends on whether you are a registered or non-registered shareholder:

### Beneficial (non-registered) Shareholder

You are a **beneficial** shareholder if your shares are registered in the name of an intermediary such as a bank, trust company, investment dealer, clearing agency, or other institution. Most of our shareholders are non-registered holders.

### Registered Shareholder

You are a **registered shareholder** if your shares are registered in your name.

#### Option 1 - By proxy (voting instruction form) before the meeting – *the easiest way to vote!*



Internet

Go to [www.investorvote.com](http://www.investorvote.com) and follow the instructions.



Phone

Call 1-866-734-VOTE (8683) Toll Free and follow the instructions. You will need your Control Number located in the lower left corner of the proxy form.



Mail

Return the completed voting instruction form in the prepaid envelope provided.

If you vote by telephone or internet, do NOT complete or return the voting instruction form. **Your voting instructions must be entered by 10:00 a.m. (Eastern) on Wednesday May 13, 2020.**

Most intermediaries allow you to send your instructions as noted above but each has their own process so make sure you follow the instructions on the form. Your intermediary must receive your instructions in enough time to act on them before the May 13, 2019 deadline.

#### Option 1 - By proxy (form of proxy) before the meeting – *the easiest way to vote!*



Internet

Go to [www.investorvote.com](http://www.investorvote.com) and follow the instructions.



Phone

Call 1-866-732-VOTE (8683) Toll Free and follow the instructions. You will need your Control Number located in the lower left corner of the proxy form.



Mail

Return the completed voting instruction form in the prepaid envelope provided.

Computershare must receive your proxy form or you must have voted by telephone or Internet **no later than 10:00 a.m. (Eastern) on Wednesday May 13, 2020.**

#### Option 2 - At our Virtual Meeting

If you are a non-registered shareholder and wish to vote at the meeting, you must first appoint yourself as proxyholder by following the instructions under *Designating a proxyholder to represent you at the virtual meeting* on the preceding page. You will receive a 15-digit control number by email from Computershare, which is your user name to participate in the meeting.

1. Log in at <https://web.lumiagm.com/225652488> at least 15 minutes before the meeting starts
2. Click on "I have a login"
3. Enter your 15-digit control number (which is your user name) and the password: **equitable2020** (case sensitive)

Non-registered shareholders who do not appoint themselves as proxyholder will not be able to vote during the meeting but will be able to participate as a guest. This is because Equitable and Computershare do not have a record of Equitable's non-registered shareholders and, as a result, will have no knowledge of your

#### Option 2 - At our Virtual Meeting

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

- Log in at <https://web.lumiagm.com/225652488> at least 15 minutes before the meeting starts
2. Click on "I have a login"
  3. Enter your 15-digit control number (which is your user name) and the password: **equitable2020** (case sensitive)

If you log in to the online meeting and accept the terms and conditions, you will be revoking any and all previously submitted proxies. If you do NOT wish to revoke your previously submitted proxy, do NOT accept the terms and conditions, in which case you can only enter the meeting as a guest.

You have to be connected to the internet at all times to be able to vote- it's your responsibility to make sure you stay connected for the entire meeting.

<p>shareholdings or entitlement to vote unless you appoint yourself as your proxy.</p> <p>Guests will be able to listen to the meeting but will not be able to vote. To attend the meeting:</p> <ol style="list-style-type: none"> <li>1. Log in at <a href="https://web.lumiagm.com/225652488">https://web.lumiagm.com/225652488</a> at least 15 minutes before the meeting starts</li> <li>2. Click "I am a guest" and complete the online form.</li> </ol> <p>You have to be connected to the internet at all times to be able to vote when balloting commences - it's your responsibility to make sure you stay connected for the entire meeting.</p> <p>More information about online participation in our annual meeting is detailed in our Virtual AGM User Guide which was included with the meeting materials, and available on our website at <a href="http://www.equitablebank.ca">www.equitablebank.ca</a></p>	<p>More information about online participation in our annual meeting is detailed in our Virtual AGM User Guide included in the Notice package, and available on our website at <a href="http://www.equitablebank.ca">www.equitablebank.ca</a></p>
<p><b>By proxyholder</b></p> <p>The voting instruction form allows you to appoint a proxyholder to represent you at the meeting and exercise your voting right there. See the section <i>Designating a proxyholder to represent you at the virtual meeting</i> on the preceding pages.</p>	<p><b>By proxyholder</b></p> <p>The form of proxy allows you to appoint a proxyholder to represent you at the meeting and exercise your voting right there.</p>

### How do I change my vote?

If you are a registered shareholder and have voted by proxy, you may revoke your proxy by providing new voting instructions on a proxy form with a later date, or at a later time if you are voting by telephone or on the internet. Any new instructions, however, will only take effect if received by Computershare **no later than 10:00 a.m. (Eastern) on Wednesday, May 13, 2020**, or if the meeting is adjourned or postponed, by 10:00 a.m. on the second-last business day before the date of the reconvened meeting.

You may also revoke your proxy and vote in person at the meeting, or at any adjournment thereof, by delivering a notice to this effect signed by you or your authorized attorney to Computershare at any time up to 10:00 a.m. (Eastern) on Wednesday, May 15, 2020.

If you are a non-registered shareholder, you may revoke your proxy or voting instructions by contacting your intermediary.

If you have followed the process for attending and voting at the meeting online, voting at the meeting online will revoke your previous proxy.

### Is my vote by proxy confidential?

Computershare counts and tabulates the votes to maintain confidentiality. They will only refer proxies to us when it is clear that a shareholder wants to communicate with the Board or management, the validity of the form is in question, or the law requires it.

### How can I vote if I hold Employee shares?

If you are an Equitable employee and hold shares purchased through the Employee Share Purchase Plan, you will have received a voting instruction form in your Notice Package. Please follow the instructions provided for non-registered shareholders on the previous pages.

### Questions?

If you have any questions regarding the meeting, please contact Computershare by telephone at 1-800-564-6253 or by email at [service@computershare.com](mailto:service@computershare.com).



## Quorum

We need to have at least two people present at the meeting who hold, or represent by proxy, at least 25% of the issued and outstanding shares entitled to be voted at the meeting.

## Outstanding shares

As at March 24, 2020, 16,807,317 EGI common shares were issued and outstanding. Each share carries the right to one vote.

## Principal Holders of Voting Shares

To the knowledge of Equitable, as at March 24, 2020, no person or company beneficially owned, directly or indirectly, or exercised control or direction over, 10% or more of those common shares except as set out below:

	Number of common shares	Percentage of outstanding common shares
Stephen Smith <sup>1</sup>	3,224,100	19.18%
Oakwest Corporation Limited <sup>2</sup>	1,800,000	10.71%

1. Stephen Smith indirectly owns, or exercises control or direction over these shares through his private holding company, First National Securities Corporation. These shares were acquired for investment purposes.
2. Eric Beutel, a director of Equitable, beneficially owns, or exercises control or direction over these shares as an officer and a director of Oakwest. These shares were acquired by Oakwest in the ordinary course of business and not with the purpose of influencing or changing the control of EGI.

## Additional Information

### Cease Trade Orders and Bankruptcies

To our knowledge, no nominee director of Equitable is, as of the date of this circular, or has been within the last 10 years:

- (a) a director, chief executive officer (“CEO”) or chief financial officer (“CFO”) of any company that was subject to a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of 30 consecutive days that was issued:
  - (i) while the proposed director was acting in the capacity as a director, CEO or CFO;
  - (ii) after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO;
- (b) a director or executive officer of any company, including Equitable, that while acting in that capacity or within a year of 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; or
- (c) 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 proposed director.

### Penalties or Sanctions

Furthermore, to the knowledge of Equitable, after due inquiry, no nominee director has been subject to: (a) any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a nominee director.

# BUSINESS OF THE MEETING

## Consolidated Financial Statements

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Our audited consolidated financial statements for the year ended December 31, 2019 and the report of the auditors thereon will be presented at the meeting. We mailed these financial statements to those registered and beneficial shareholders who requested to receive a copy. You will also find these financial statements on SEDAR ([www.sedar.com](http://www.sedar.com)), on Envision ([www.envisionreports.com/EQGQ2020](http://www.envisionreports.com/EQGQ2020)), and on our website ([www.equitablebank.ca](http://www.equitablebank.ca)).

## Election of Directors

The Board has fixed the number of directors at ten in accordance with the by-laws. At the meeting we will ask you to vote for the election of ten directors to serve on our Board until the close of the next annual meeting or until their successors are elected or appointed. All nominees were elected at last year's annual meeting.

You can read more about the nominated directors beginning on page 11.



## Majority Voting for Directors

Our majority vote policy, which can be found on our website, requires any nominated director who is not elected by at least a majority of votes cast (50% plus 1 vote) to tender his or her resignation to the Chair of the Board immediately following the meeting. Absent exceptional circumstances, the Board will accept the offer of resignation. There are very limited circumstances under which the Governance and Nominating Committee can, however, recommend retaining the director provided that active steps are taken to resolve the circumstances in the following year. The director offering to resign will not participate in the discussion. The Board shall issue, within 90 days of receiving the final voting results, a press release announcing the resignation of the director in question or its rationale for not accepting the resignation.

This policy applies only to uncontested elections (elections where the number of nominated directors is the same as the number of directors to be elected).

Shareholders should note that, as a result of this policy, a “withhold” vote is effectively the same as a vote against a director nominee in an uncontested election.

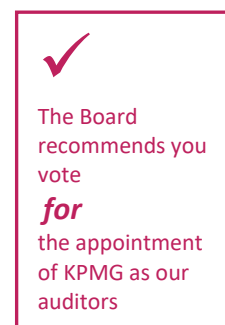
## Appointment of Auditors

KPMG LLP (KPMG) has been our independent auditors since 2004.

In early 2020, the Audit Committee assessed the performance, service quality and independence of the audit engagement team using a framework recommended by the Chartered Professional Accountants of Canada and the Canadian Public Accountability Board. Based on the satisfactory results of the assessment, the Audit Committee and the Board recommend that KPMG be reappointed as our independent auditors and authorize the directors to fix the auditors' remuneration for the ensuing year.

The resolution for the appointment of the auditors must be adopted by a majority of the votes cast by the holders of common shares or represented by proxy and entitled to vote at the meeting.

Last year, 99.93% of shareholders voted *for* KPMG as our auditors.



## Summary of billings and services provided by the independent auditors for 2019 and 2018

Fees billed for services provided by KPMG for the years ended December 31, 2019 and December 31, 2018 are listed in the table below. The Audit Committee pre-approves all audit and permitted non-audit services (including the fees and conditions) as permitted within the scope of the policies and procedures approved by the Committee.

Category	2019 <sup>1</sup>	2018 <sup>1</sup>
Audit Fees	\$560,999	\$516,850
Audit-related Fees	\$83,000	\$90,000
Tax Fees	\$65,198	\$51,875
Other Fees	-	109,850
<b>Total</b>	<b>\$709,197</b>	<b>\$768,575</b>

<sup>1</sup> Amounts exclude HST, CPAB fees, and disbursements

### ***Audit Fees***

Audit fees include amounts paid or accrued for professional services rendered by the auditors in connection with the audit of Equitable's annual consolidated financial statements, the review of Equitable's interim financial statements, and accounting advisory services related to the audited financial statements.

The increase of \$45,402 in 2019 from 2018 is due to the expanded scope of the audit as a result of consolidating Bennington Financial Corp. which was acquired on January 1, 2019.

### ***Audit-related Fees***

Audit-related fees of \$83,000 paid in 2019 and \$90,000 paid in 2018 relate to specified procedures reports to support Equitable's participation in CMHC sponsored securitization programs.

### ***Tax Fees***

Tax fees for professional services primarily related to the review of Equitable's corporate tax returns and commodity tax return.

### ***Other Fees***

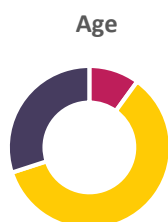
Other fees in 2018 include amounts of \$100,000 paid in connection with a review of Equitable's mortgage lending processes and \$9,850 related to its acquisition activities. No Other Fees were paid in 2019.

## About the nominated Directors

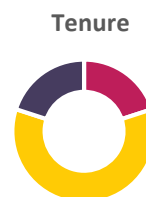
At the meeting, there are ten (10) directors proposed for election to the Board to serve until the next annual meeting of shareholders, or until their successors are duly elected or appointed.

Nine of the ten directors are independent. Andrew Moor is not independent, as he is Equitable’s President and CEO.

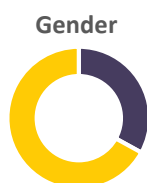
	E. Beutel	M. Emory	S. Ericksen	K. Kapoor	D. LeGresley	L. McDonald	A. Moor	R. Saunders	V. Sera	M. Stramaglia
Board Tenure (in years)	26	6	1.5	3.5	9	9	13	7	7	6
Independent	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓
Age	57	64	61	63	61	68	59	55	63	60
Gender	M	M	F	M	M	F	M	M	F	M



■ 50-55 years ■ 56-61 years ■ 62 & above



■ 0-5 years ■ 6-10 years ■ 11+ years



■ Women ■ Men

## Director Profiles

### Eric Beutel

Toronto, Ontario

Age: 57

Director since: 2004

#### Independent

#### Areas of expertise:

- Accounting/Finance
- Risk Management
- Real Estate
- Governance

Total Compensation for 2019: \$105,000



Eric Beutel is Vice-President of Oakwest Corporation Limited, a private investment holding company. He holds a Bachelor of Arts degree from York University and a Master of Business Administration degree from the University of Ottawa.

Board / Committee Memberships	2019 Attendance	Overall
Board <sup>9</sup>	7 / 9	78%
Audit <sup>9</sup>	3 / 4	75%
Risk and Capital <sup>9</sup>	3 / 4	75%
Credit Risk Sub-Committee <sup>9</sup> (Chair)	21 / 26	81%

Current public company directorships	Past public company directorships (last five years)
• In-Touch Survey Systems Ltd. (2013 – present)	None
• CHAR Technologies Ltd. (2014 - present)	

Voting Results of annual meeting	Votes for	Votes withheld	Total votes cast
Number of votes	12,517,061	203,141	12,720,202
Percentage of votes	98.40	1.60	76.48

#### Equity Ownership and total market value as at March 15, 2020 and 2019

Year	Common shares <sup>1</sup>	DSUs	Total common shares and DSUs	Total value of common shares and DSUs (\$) <sup>2</sup>	Meets Share Ownership Requirement <sup>4</sup>
2020	27,700	10,055	37,755	2,841,441	Yes (9.47x)
2019	28,700	8,565	37,265	2,513,524	Yes (8.38x)

### Michael Emory

Toronto, Ontario

Age: 64

Director since: 2014

#### Independent

#### Areas of expertise:

- Governance
- Human Resources/ Compensation
- Real Estate
- Risk Management
- Senior Executive
- Strategic Planning

Total compensation for 2019: \$115,000



Michael Emory has been President and Chief Executive Officer and a trustee of Allied Properties REIT since 2003. He has been continuously active in the commercial real estate business since 1988. Prior to that time, Mr. Emory was a partner with the law firm of Aird & Berlis LLP, specializing in corporate and real estate finance. Mr. Emory received his Bachelor of Arts (Honours) degree from Queen's University and his J.D. from the University of Toronto.

Board / Committee Memberships	2019 Attendance	Overall
Board	9 / 9	100%
Governance & Nominating	5 / 5	100%
HR & Compensation	4 / 5	80%
Credit Risk Sub-Committee	26 / 26	100%
Special Committee <sup>8</sup>	5/5	100%

Current public company directorships	Past public company directorships (past five years)
• Allied Properties REIT (2003 – present)	None

Voting Results of 2019 annual meeting	Votes for	Votes withheld	Total votes cast
Number of votes	12,568,059	152,143	12,720,202
Percentage of votes	98.80	1.20	76.48

#### Equity Ownership and total market value as at March 15, 2020 and 2019

Year	Common shares	DSUs	Total common shares and DSUs	Total value of common shares and DSUs (\$) <sup>2</sup>	Meets Share Ownership Requirement <sup>4</sup>
2020	1,600	3,952	5,552	417,844	Yes (1.39x)
2019	1,600	3,205	4,805	324,097	Yes (1.08x)

## Susan Ericksen

Denver, Colorado, USA

Age: 61

Director since: 2018

**Independent**

**Areas of expertise:**

- Technology
- Risk Management
- Strategic Planning
- Retail Banking
- Human Resources/  
Compensation
- Governance

Total compensation for 2019: \$100,000



Susan Ericksen is a Corporate Director. She has had a distinguished 35-year career with Fortune 500 companies, serving as a Chief Technology Officer for Fiserv, Inc., and most recently as a Managing Director, Global Technology Operations, at The Coca-Cola Company in Atlanta. Ms. Ericksen has also served as a Chief Information Officer or Chief Technology Officer at New York Life, Merrill Lynch Bank and Trust, Merrill Lynch Bank USA, CitiFinancial, and Citi Cards. Ms. Ericksen received her Master of Science degree in Computer Science from the University of Colorado and a Bachelor of Arts degree in Business Administration from Mount St. Mary's College, Los Angeles.

Board / Committee Memberships	2019 Attendance	Overall
Board	9/9	100%
Governance & Nominating	5/5	100%
HR & Compensation	3/3	100%
Risk & Capital	4/4	100%

Current public company directorships	Past public company directorships (past five years)
None	None

Voting Results of 2019 annual meeting	Votes for	Votes withheld	Total votes cast
Number of votes	12,713,524	6,678	12,720,202
Percentage of votes	99.95	0.05	76.48

### Equity Ownership and total market value as at March 15, 2020 and 2019

Year	Common shares	DSUs	Total common shares and DSUs	Total value of common shares and DSUs (\$) <sup>2</sup>	Meets Share Ownership Requirement <sup>4</sup>
2020	900	1,843	2,743	206,438	On track (0.69x)
2019	0	536	536	36,153	(0.12x)

## Kishore Kapoor

Toronto, Ontario

Age: 63

Director since: 2016

**Independent**

**Areas of expertise:**

- Governance
- Accounting/Finance
- Risk Management
- Senior Executive
- Strategic Planning

Total compensation for 2019: \$130,000



Mr. Kapoor currently serves as Interim President and Chief Executive Officer of GMP Capital Inc. Mr. Kapoor also serves as a director and a member of the Audit Committee of Richardson Financial Group Limited and Morneau Shepell Inc., and as a director and Chair of the Audit Committee of Richardson GMP. From May 2006 to March 2017 he served as a director of Manitoba Telecom Services and Audit Committee Chair. Until 2011 he was President of Wellington West Holdings Inc., the parent company of a number of subsidiaries that provided wealth management and corporate finance services to retail and institutional clientele in Canada. From November 2003 to June 2005 Mr. Kapoor was Executive Vice-President of Corporate Development at Loring Ward International Inc., a public company formed to hold the U.S. operations of Assante Corporation, previously one of the largest wealth management firms in Canada, and served as its Executive Vice-President, Corporate Development from March 1994 until November 2003. Mr. Kapoor has a Bachelor of Science degree from the University of Manitoba and is a Chartered Accountant and former tax partner with KPMG LLP.

Board / Committee Memberships	2019 Attendance	Overall
Board	8 / 9 <sup>7</sup>	89%
Audit (Chair)	4 / 4	100%
Risk and Capital	4 / 4	100%
Special Committee <sup>8</sup>	3/5	60%

Current public company directorships	Past public company directorships (past five years)
• GMP Capital Inc. (2018 – present)	• Manitoba Telecom Services Inc. (2006 – 2017)
• Morneau Shepell Inc. (2018 – present)	

Voting Results of 2019 annual meeting	Votes for	Votes withheld	Total votes cast
Number of votes	12,711,244	8,958	12,720,202
Percentage of votes	99.93	0.07	76.48

### Equity Ownership and total market value as at March 15, 2020 and 2019

Year	Common shares	DSUs	Total common shares and DSUs	Total value of common shares and DSUs (\$) <sup>2</sup>	Meets Share Ownership Requirement <sup>4</sup>
2020	1,425	3,882	5,307	399,405	Yes(1.33x)
2019	1,425	2,598	4,023	271,351	On track (0.90x)

## David LeGresley

Toronto, Ontario

Age: 61

Director since: 2011

**Independent**

**Areas of expertise:**

- Capital Markets
- Financial Services
- Governance
- Risk Management
- Human Resources/Compensation
- M & A
- Strategic Planning

Total compensation for 2019: \$226,250



David LeGresley is Chair of the Board of both the Company and the Bank. He is also a Corporate Director and currently serves as a Director and Chair of the Human Resources, Health and Compensation Committee of Pembina Pipeline Corporation. Mr. LeGresley has over 30 years of experience in the financial services industry, including as a senior executive of National Bank Financial for 12 years in several positions including Head of Corporate and Investment Banking and most recently as Vice Chairman from 2006 to 2008. Mr. LeGresley received a Bachelor of Applied Science degree in Engineering from the University of Toronto and a Master of Business Administration degree from Harvard Business School. He is a member of the Institute of Corporate Directors with the ICD.D designation.

Board / Committee Memberships	2019 Attendance	Overall
Board	9 / 9	100%
Special Committee <sup>8</sup>	5 / 5	

Current public company directorships	Past public company directorships (past five years)
Pembina Pipeline Corp. (2010 – present)	None

Voting Results of 2019 annual meeting	Votes for	Votes withheld	Total votes cast
Number of votes	12,717,999	2,203	12,720,202
Percentage of votes	99.98	0.02	76.48

### Equity Ownership and total market value as at March 15, 2020 and 2019

Year	Common shares	DSUs	Total common shares and DSUs	Total value of common shares and DSUs (\$)²	Meets Share Ownership Requirement <sup>4</sup>
2020	18,000	12,858	30,858	2,322,373	Yes (3.52x)
2019	18,000	10,452	28,452	1,919,087	Yes (3.20x)

## Lynn McDonald

Toronto, Ontario

Age: 68

Director since: 2011

**Independent**

**Areas of expertise:**

- Accounting/Finance
- Financial Services
- Governance
- Human Resources/Compensation
- Risk Management

Total compensation for 2019: \$115,000



Ms. McDonald, a Corporate Director, is a former Managing Director at CIBC World Markets and a former Deputy Minister and Executive Director of the Office of the Premier and Cabinet Office for the Ontario Government. She currently serves as an independent director of the Ontario Hospital Association and its wholly-owned subsidiary, OHA Legacy Fund, where she also serves as Chair. She previously served as Chair of the Board of Frontier College, a national literacy organization, and as Chair of the College's Finance and Audit Committee. She is also a former director and Chair of the Finance and Audit Committee of Bridgepoint Active Care Foundation, and a former Governor of Trent University and Chair of the University's Investment and Audit Committee. Ms. McDonald earned a Bachelor of Arts (Honours) degree in Economics from the University of Waterloo and is a member of the Institute of Corporate Directors.

Board / Committee Memberships	2019 Attendance	Overall
Board	9 / 9	%
Audit	4 / 4	%
HR & Compensation (Chair)	5 / 5	%
Risk & Capital	4 / 4	%

Current public company directorships	Past public company directorships (past five years)
None	None

Voting Results of 2019 annual meeting	Votes for	Votes withheld	Total votes cast
Number of votes	12,327,422	392,780	12,720,202
Percentage of votes	96.91	3.09	76.48

### Equity Ownership and total market value as at March 15, 2020 and 2019

Year	Common shares	DSUs	Total common shares and DSUs	Total value of common shares and DSUs (\$)²	Meets Share Ownership Requirement <sup>4</sup>
2020	4,050	7,109	11,159	839,826	Yes (2.80 x)
2019	4,050	5,965	10,015	675,512	Yes (2.25x)



## Andrew Moor

Toronto, Ontario

Age: 59

Director since: 2007

### Non-Independent

#### Areas of expertise:

- Accounting/Finance
- Financial Services
- Governance
- Real Estate
- Strategic Planning

Total compensation for 2019: \$2,956,250



Andrew Moor has served as Equitable's President and Chief Executive Officer since March 2007. Before joining Equitable he served as President and Chief Executive Officer of Invis Inc. from 2002 to 2007 and prior to that as President and Chief Financial Officer of SMED International Inc. Mr. Moor is currently a director and Chair of the Human Resources and Compensation Committee of Sleep Country Canada Holdings Inc. He also serves as a member of the Executive Committee of the Canadian Bankers' Association, as Chairman of the Trust Companies Association, as a member of the advisory council of the Smith School of Business at Queen's University, and as a member of the Business Council of Canada. Mr. Moor holds an MBA from the University of British Columbia and a Bachelor of Science degree in Engineering from University College, London. He is a member of the Institute of Corporate Directors with the ICD.D designation.

Board / Committee Memberships	2019 Attendance	Overall
Board	9 / 9	100%

Current public company directorships	Past public company directorships (past five years)
• Sleep Country Canada Holdings (2015 – present)	None

Voting Results of 2019 annual meeting	Votes for	Votes withheld	Total votes cast
Number of votes	12,711,151	9,051	12,720,202
Percentage of votes	99.93	0.07	76.48

### Equity Ownership and total market value as at March 15, 2020 and 2019

Year	Common shares	PSUs	Total common shares and PSUs	Total value of common shares and PSUs (\$)²	Meets Share Ownership Requirement³
2020	219,382	23,952	243,334	18,313,337	Yes (5.05x)
2019	188,529	22,804	211,333	14,281,796	Yes (6.80x)

## Rowan Saunders

Toronto, Ontario

Age: 55

Director since: 2013

### Independent

#### Areas of expertise:

- Governance
- Risk Management
- Senior Executive
- Strategic Planning

Total compensation for 2019: \$100,000



Rowan Saunders has been President and Chief Executive Officer of Economical Mutual Insurance Company since November 2016. Previously he was President and Chief Executive Officer of Royal & Sun Alliance Insurance Company of Canada (RSA) for 12 years. Mr. Saunders has over 30 years of international P&C industry experience, holding progressive leadership roles in the areas of underwriting, marketing, sales and finance. He is a past Chairman and current member of the board of directors of the Insurance Bureau of Canada, and a past member of the Financial Services Commission of Ontario's CEO Advisory Committee. Mr. Saunders holds a Bachelor of Arts degree from York University as well as the Canadian Risk Management designation and is a Fellow of the Insurance Institute of Canada.

Board / Committee Memberships	2019 Attendance	Overall
Board	8 / 9 <sup>7</sup>	89%
Audit	4 / 4	100%
Governance & Nominating	5 / 5	100%

Current public company directorships	Past public company directorships (past five years)
• None	None

Voting Results of 2019 annual meeting	Votes for	Votes withheld	Total votes cast
Number of votes	12,718,914	1,288	12,720,202
Percentage of votes	99.99	0.01	76.48

### Equity Ownership and total market value as at March 15, 2020 and 2019

Year	Common shares	DSUs	Total common shares and DSUs	Total value of common shares and DSUs (\$)²	Meets Share Ownership Requirement <sup>4</sup>
2020	2,000	5,796	7,796	586,727	Yes (1.96 x)
2019	2,000	4,430	6,430	433,704	Yes (1.45x)



## Vincenza Sera

Toronto, Ontario

Age: 63

Director since: 2013

**Independent**

**Areas of expertise:**

- Accounting/Finance
- Financial Services
- Governance
- Real Estate

Total compensation for 2019: \$136,875



Vincenza Sera is a Corporate Director. She is Chair of the Board of DREAM Industrial REIT and serves on the Board of DREAM Unlimited Corporation, and Investment Management Corporation of Ontario. She served on the Board of the Ontario Pension Board for 13 years, including nine as Chair of the Board. Ms. Sera has more than 25 years of experience in capital markets, corporate finance and corporate governance holding senior positions with National Bank Financial First Marathon Securities and Canadian Imperial Bank of Commerce. She holds a Master of Business Administration degree from the University of Toronto and completed the Institute of Corporate Directors – Rotman School of Management’s Director Education Program.

Board / Committee Memberships	2019 Attendance	Overall
Board	9 / 9	100%
Governance & Nominating (Chair)	5 / 5	100%
Risk & Capital	2 / 2	100%
Credit Risk Sub-Committee	26 / 26	100%
Special Committee <sup>8</sup>	5 / 5	100%

Current public company directorships	Past public company directorships (past five years)
• DREAM Industrial REIT (2012 – present)	None
• DREAM Unlimited Corp. (2013 – present)	

Voting Results of 2019 annual meeting	Votes for	Votes withheld	Total votes cast
Number of votes	12,498,145	222,057	12,720,202
Percentage of votes	98.25	1.75	76.48

### Equity Ownership and total market value as at March 15, 2020 and 2019

Year	Common shares	DSUs	Total common shares and DSUs	Total value of common shares and DSUs (\$)²	Meets Share Ownership Requirement⁴
2020	2,000	4,687	6,687	503,264	Yes (1.68x)
2019	2,000	3,930	5,930	399,979	Yes (1.33x)

## Michael Stramaglia

Toronto, Ontario

Age: 60

Director since: 2014

**Independent**

**Areas of expertise:**

- Accounting/Finance
- Financial Services
- Governance
- Investment Management
- Risk Management
- Senior Executive

Total compensation for 2019: \$115,000



Michael Stramaglia is President and Founder of Matrisc Advisory Group, a risk management consulting firm. He is currently Executive in Residence at the Global Risk Institute and is a director of the Economical Insurance Group, Foresters Financial, and the Canadian property & casualty subsidiaries of Munich Reinsurance Company of Canada. He also serves as a member of the Ontario Internal Audit Committee. Mr. Stramaglia has over 30 years of financial services experience, including prior executive leadership roles where he served as Executive Vice-President and Chief Risk Officer for Sun Life Financial, Executive Vice-President and Chief Investment Officer for Clarica and as President and Chief Executive Officer of the Zurich Life Insurance Company of Canada. Mr. Stramaglia is a qualified actuary and Chartered Enterprise Risk Analyst and holds the ICD.D designation from the Institute of Corporate Directors.

Board / Committee Memberships	2019 Attendance	Overall
Board	9 / 9	100%
HR & Compensation	5 / 5	100%
Risk & Capital	4 / 4	100%

Current public company directorships	Past public company directorships (past five years)
• None	None

Voting Results of 2019 annual meeting	Votes for	Votes withheld	Total votes cast
Number of votes	12,574,862	145,340	12,720,202
Percentage of votes	98.86	1.14	76.48

### Equity Ownership and total market value as at March 15, 2020 and 2019

Year	Common shares	DSUs	Total common shares and DSUs	Total value of common shares and DSUs (\$)²	Meets Share Ownership Requirement⁴
2020	3,000	4,056	7,056	531,035	Yes (1.77x)
2019	3,000	3,205	6,205	418,527	Yes (1.40x)

Notes:

1. Excludes the 1,800,000 EGI common shares held by Oakwest of which Mr. Beutel is an officer, director and a shareholder.
2. For 2020 and 2019, respectively, securities held were as at and valued at the closing price of common shares on the TSX on March 13, 2020 (\$75.26) and March 15, 2019 (\$67.45). Includes DSUs that accrue as dividend equivalents.
3. Andrew Moor meets the share ownership requirement for his position as President and CEO - see page 64.
4. Director share ownership requirement: March 15, 2019 and 2020 - \$300,000.
5. Directors have five years from the date they joined the Board to meet the share ownership requirement.
6. Board Chair share ownership requirement: March 15, 2019 - \$600,000; March 15, 2020 - \$660,000.
7. Kishore Kapoor and Rowan Saunders were each unable to attend one board meeting. Both Messrs. Saunders and Kapoor reviewed the material for this meeting, which was made available for reviewing in advance of the meeting on the Board portal, and provided their commentary on and perspectives regarding the material directly to the CEO.
8. In 2018, the Board formed a Special Committee consisting of Ms. Sera and Messrs. LeGresley, Emory and Kapoor to consider Equitable's strategic direction and other related matters. The Committee was dissolved on April 4, 2019.
9. Mr. Beutel did not attend one meeting each of the Audit Committee and Risk & Capital Committee, 5 meetings of the Credit Risk Sub-Committee, and two Board meetings for appropriate and unforeseen reasons.

## Meeting Attendance

The Chair of the Board, in consultation with the CEO and Corporate Secretary, establish a schedule of meetings of the Board and its Committees each year. Meeting dates are established sufficiently in advance where possible (at least one year and longer, if practical) to minimize conflict with other commitments on Directors' schedules. The Board holds at least seven meetings per year, two of which are dedicated to strategy.

Directors are expected to attend all regularly scheduled meetings of the Board and its Committees, except where personal circumstances beyond the Director's control prevent the Director from doing so. Directors are also required to attend at least 75% of the combined total of Board and Committee meetings and to attend Equitable's annual meeting of shareholders.

The Risk and Capital Committee oversees the Credit Risk Sub-Committee ("CRSC"). The CRSC met 26 times in 2019. These meetings are generally convened with two to three days' notice for the purpose of adjudicating credit applications that exceed management authority.

In late 2018, the Board established a Special Committee to consider and evaluate Equitable's strategic direction and other related matters. The Special Committee met five times in 2019 prior to its dissolution on April 4, 2019.

The table below shows the number of Board and Committee meetings held in 2019.

	Number of Meetings held in 2019
Board	9
Audit Committee	4
Governance and Nominating Committee	5
Human Resources and Compensation Committee	5
Risk and Capital Committee	4
Credit Risk Sub-Committee	26
Special Committee	5

	Board	Audit Committee	Risk & Capital Committee	Governance & Nominating Committee	HRCC	Credit Risk Sub-Comm	Special Comm	Overall Attendance	
								#	%
Eric Beutel	7/9	3/4	3/4	-	-	21/26	-	34	79 <sup>1</sup>
Michael Emory	9/9	-	-	5/5	4/5 <sup>3</sup>	26/26	5/5	49	98
Susan Ericksen	9/9	-	3/3	4/4 <sup>2</sup>	3/3 <sup>2</sup>	-	-	19	100
Kishore Kapoor <sup>4,5</sup>	8/9	4/4	4/4	-	-	-	3/5	19	86
David LeGresley	9/9	-	-	-	-	-	5/5	14	100
Lynn McDonald	9/9	4/4	-	-	5/5	-	-	18	100
Andrew Moor	9/9	-	-	-	-	-	-	9	100
Rowan Saunders <sup>4</sup>	8/9	4/4	-	5/5	-	-	-	17	94
Vincenza Sera	9/9	-	2/2	5/5	-	26/26	5/5	47	100
Michael Stramaglia	9/9	-	-	-	5/5	-	-	14	100

1. Eric Beutel did not attend one meeting each of the Audit Committee and Risk & Capital Committee, 5 meetings of the Credit Risk Sub-Committee and the 2 board meetings for appropriate and unforeseen reasons.
2. Susan Ericksen was appointed to the Human Resources & Compensation Committee on May 15, 2019, and to the Risk and Capital Committee, and Governance and Nominating Committee on February 28, 2019.
3. Michael Emory was unable to attend one meeting of the Human Resources & Compensation Committee due to company business.
4. Kishore Kapoor and Rowan Saunders were each unable to attend one board meeting. Both Messrs. Saunders and Kapoor reviewed the material for this meeting, which was made available for reviewing in advance of the meeting on the Directors' portal, and provided their commentary on and perspectives regarding the material directly to the CEO.
5. Kishore Kapoor was unable to attend 2 Special Committee meetings due to health-related issues.

## Director Compensation

Our Director compensation program is designed to:

- provide an appropriate level of compensation to attract highly qualified individuals with the desired competencies, experience and attributes, and the ability to meet the demanding responsibilities and time required of Board members
- provide a significant portion of compensation in equity (DSUs) to align Directors' interests with the interests of our shareholders

The Governance and Nominating Committee is responsible for reviewing and making recommendations with respect to non-executive Director compensation. The Committee benchmarks Director compensation every two years to ensure that it remains competitive and appropriate given the risks, time commitment, increasing intensity of regulatory oversight, workload and complexity of decision-making required of the Board.

### Compensation Structure

The compensation structure for non-executive Directors consists of annual retainers and an annual equity grant provided in the form of DSUs. A DSU is a notional unit that has the same value as an EGI common share. DSUs are not payable until a Director retires from the Board and because they have the same upside potential and downside risk as common shares, they serve to align the interests of our Directors and shareholders. The companies used for benchmarking consist of the same companies used for benchmarking executive compensation as well as a broader industry group of public companies of comparable size in different industries.

The annual Director's retainer for non-executive Directors is for serving on the Boards of both EGI and its wholly-owned subsidiary, Equitable Bank. The annual Director's retainer also includes serving as a member of two Board Committees, excluding serving as the Chair of the Committee. The Chair of the Board receives a separate all-inclusive annual retainer. Additional retainers are paid to Committee Chairs to recognize their additional responsibilities, to members of the Credit Risk Sub-Committee in consideration of the number of meeting held in a year, and to any Director who may serve on a special committee. Equitable believes this simple flat fee structure is easy to understand and more reflective of the continuous nature of our Directors' contributions through the year.

The Governance and Nominating Committee has the authority to retain consultants, including compensation consultants and advisors, as they may determine necessary or advisable to carry out its responsibilities.

## Program Elements

The table below shows our fee schedule for 2019. All non-executive Directors, including the Chair, receive half of their annual retainer in DSUs and may elect to receive the cash portion of their annual retainer(s) in the form of DSUs.

Based on a benchmarking review of the Board Chair retainer that was undertaken by the Governance and Nominating Committee in November 2018, it was determined that the retainer continued to be below the median of both the peer and reference group. The Committee recommended and the Board approved a \$20,000 increase in the annual Board Chair retainer to \$220,000 to competitively position the retainer, which became effective following the annual and special meeting of shareholders in May 2019.

Mr. Moor does not receive fees for serving as a Director because he is compensated in his role as President and CEO.

In addition, Directors are reimbursed for travel and other expenses they incur to attend meetings or conduct company business.

	Before May 15, 2019 (\$)	After May 15, 2019 (\$)
<b>Annual retainer</b>		
Chair of the Board (one half granted in DSUs)	200,000	220,000
All other Directors (one half granted in DSUs)	100,000	100,000
<b>Committee retainers</b>		
<i>Committee Chairs</i>		
• Audit Committee	20,000	20,000
• Human Resources and Compensation Committee	15,000	15,000
• Governance and Nominating Committee	10,000	10,000
• Risk and Capital Committee	15,000	15,000
<i>Committee member</i>		
• Credit Risk Sub-Committee	5,000	5,000

## 2019 Director Compensation

The following table shows the compensation Equitable paid to its non-executive Directors in 2019 in respect of membership on the Board and its Committees:

	Annual Director / Board Chair Retainer		Committee Retainer		Portion of cash retainer(s) taken as DSUs (%)	All Other Compensation (\$)	Total (\$)
	In cash (\$)	In DSUs (\$)	Committee Chair	Special Committee <sup>3</sup>			
Eric Beutel <sup>1</sup>	55,000	50,000	-		100	-	<b>105,000</b>
Michael Emory <sup>1</sup>	55,000	50,000	-	10,000	0	-	<b>115,000</b>
Susan Ericksen	50,000	50,000	-		100	-	<b>100,000</b>
Kishore Kapoor	50,000	50,000	20,000	10,000	0	-	<b>130,000</b>
David LeGresley <sup>2</sup>	106,250	110,000	-	10,000	50	-	<b>226,250</b>
Lynn McDonald	50,000	50,000	15,000		50	-	<b>115,000</b>
Rowan Saunders	50,000	50,000	-		100	-	<b>100,000</b>
Vincenza Sera <sup>1</sup>	51,875	50,000	10,000	25,000	0	-	<b>136,875</b>
Michael Stramaglia	50,000	50,000	15,000		25	-	<b>115,000</b>
<b>TOTAL</b>	<b>518,125</b>	<b>510,000</b>	<b>60,000</b>	<b>55,000</b>	-	-	<b>1,143,125</b>

1. Includes the retainer for serving as a member of the Credit Risk Sub-Committee.
2. As Chair of the Board, Mr. LeGresley's annual retainer increased from \$200,000 to \$220,000 effective May 15, 2019.
3. The Special Committee was established in late 2018 and was dissolved on April 4, 2019. The Board approved a retainer for members of the Special Committee, as follows: \$25,000 (all-inclusive) for the Special Committee Chair and \$10,000 for the members.

In November 2019, the Committee undertook its biennial benchmarking review of Director compensation against Equitable's comparator group and the reference group. No changes were recommended for 2020.

## About DSUs

DSUs are notional units that have the same value as shares. DSUs vest immediately and accrue dividend equivalents when dividends are paid on common shares. DSUs are only redeemable after a Director leaves the Board and are payable in cash on an after-tax basis. The redemption value of a DSU equals the market value of a common share at the date of redemption. The cash payment at redemption is calculated by multiplying the number of DSUs by the then current market value of an EGI common share, pursuant to the terms of the DSU Plan. No redemption date may be later than December 15 of the calendar year following the calendar year in which the Director retired from the Board.

Upon joining the Board, new Directors will receive a pro-rated DSU grant based on the date they join the Board.

## Director share ownership requirements

All non-executive Directors are required to own at least three times the annual Director retainer. The Chair of the Board's ownership requirement is measured based on his higher total retainer amount. Common shares and DSUs count towards share ownership requirements and are valued at the higher of the acquisition or grant value or market value. The Governance and Nominating Committee reviewed the adequacy of director share ownership at their meeting held on February 21, 2020 and confirmed that it remained appropriate.

The share ownership requirement for the CEO was increased to five times his base salary effective February 24, 2020. See page 64 for more detail.

Equitable Directors must meet the director share ownership requirement within five years of joining the Board or appointment as Chair of the Board.

All Directors have met the ownership requirement with the exception of Susan Ericksen. Ms. Ericksen joined the Board on November 8, 2018 and therefore has until November 8, 2023 to meet the requirement.

The actual number of shares and DSUs owned or controlled by each non-executive Director as at March 15, 2019 and March 15, 2020, as well as their total market value on those dates, can be found in Director Profiles on pages 11 to 15.

## Director share-based awards

Below is a summary of share-based awards for each non-executive Director as at March 15, 2020. All share-based awards granted were vested on March 15, 2020. Information regarding share-based awards for Andrew Moor can be found on page 65.

	Number of DSUs that have vested <sup>1</sup> (#)	Market value of DSUs not paid out or distributed as at March 15, 2020 <sup>2</sup> (\$)	Value granted on May 22, 2019 (\$)
Eric Beutel	10,055	756,739	50,000
Michael Emory	3,952	297,428	50,000
Susan Ericksen	2,743	138,704	50,000
Kishore Kapoor	3,882	292,159	50,000
David LeGresley	12,858	967,693	110,000
Lynn McDonald	7,109	535,023	50,000
Rowan Saunders	5,796	436,207	50,000
Vincenza Sera	4,687	352,744	50,000
Michael Stramaglia	4,056	305,255	50,000

1. Includes dividend equivalents credited to each Director's account from the date of grant to March 15, 2020.

2. The closing price of EGI's common shares on the TSX on March 13, 2020 was \$75.26.

## Corporate governance practices

We are committed to high standards of corporate governance as we believe it improves corporate performance, benefits all stakeholders, and helps to ensure Equitable's long-term sustainability.

Our Board sets the tone at the top, promoting a strong culture of integrity and ethical behaviour throughout the organization. Our governance policies and practices are consistent with the requirements of authorities that regulate Equitable, including OSFI, the Canadian Securities Administrators and the TSX.

### WHAT WE DO

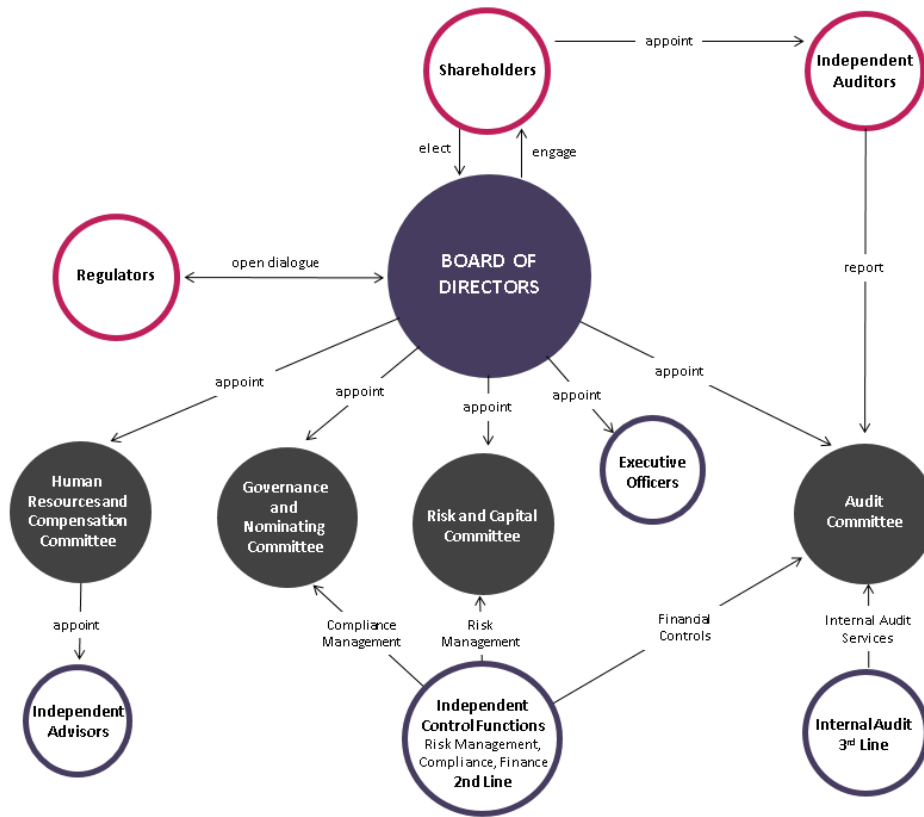
- ✓ Separate Chair and CEO positions
- ✓ Fully independent Board Committees
- ✓ *In camera* sessions at each Board and Committee meeting
- ✓ Majority voting policy for the election of Directors
- ✓ All Directors required to certify compliance with our Code of Conduct annually
- ✓ Directors elected annually and individually
- ✓ Director retirement age
- ✓ Clawback policy for senior executives
- ✓ Share ownership requirements for Directors
- ✓ Directors cannot hedge their Equitable securities
- ✓ 33% of the Board's independent members are women, and a diversity policy requiring a minimum of 30% of each gender representing the Board's independent members
- ✓ Financial and risk management experience on every Board Committee
- ✓ Formal Board evaluation annually
- ✓ Board skills matrix used for Director recruitment and succession planning
- ✓ Meeting attendance requirements for Directors

### WHAT WE DON'T DO

- ✓ No slate voting – Directors are individually elected
- ✓ No monetization or hedging

### Our governance structure

Below are the fundamental relationships among the Board, Board Committees, management, shareholders and other stakeholders. Formal mandates are approved for the Board, each Committee, the Chair of the Board, Committee Chairs, and the control functions. These mandates set out the key responsibilities and accountabilities for each role, Committee and function.



## Board Independence

The independence of our Directors is determined annually by the Board on the recommendation of the Governance and Nominating Committee. The Board has adopted a director independence policy which incorporates the definition of “independence” from the CSA rules. Our director independence policy is included in our Corporate Governance Guidelines which can be found in the corporate governance section of our website.

A Director will be considered independent if he or she has no direct or indirect material relationship with Equitable, our independent auditors or our executives. The information required to make this determination is collected from sources such as:

- Director responses to an annual detailed questionnaire
- Director biographical information questionnaires
- internal records and reports on relationships between Directors, entities affiliated with Directors and Equitable
- any material interest declared by a Director in matters that may come before the Board.

The Board has affirmatively determined that nine of the ten Directors standing for election are independent.

## Other independence mechanisms

The Board has established other important governance policies and practices to enhance Board independence.

<b>Independent advisors</b>	Pursuant to their mandates, the Board and each of its Committees may engage their own independent advisors.
<b>Access to management</b>	All independent Directors have unrestricted access to management and employees of Equitable
<b>In Camera sessions</b>	<p>The Board and each of its Committees set aside time for <i>in camera</i> sessions at each of their meetings to facilitate open and candid discussion among non-executive Directors without management present. <i>In camera</i> sessions of the non-executive Directors are held before and/or after every regularly scheduled meeting.</p> <p><i>In camera</i> sessions of the Board are presided over by the Chair of the Board. <i>In camera</i> sessions of the Board Committees are presided over by the independent Committee Chairs.</p>

## Board interlocks and service on other boards

The Board has an interlock policy in place which states that no more than two of our Directors should serve on the same company board unless otherwise agreed to by the Board.

The Governance and Nominating Committee reviews external board and committee memberships of all Directors as part of its annual evaluation of director independence. Currently, there is one interlocking board membership among Equitable's Directors:

Director	Company
Rowan Saunders <sup>1</sup>	Economical Mutual Insurance Company
Michael Stramaglia	

1. Rowan Saunders is President and CEO of Economical Mutual Insurance Company.

The Governance and Nominating Committee has considered this interlock and determined that it does not impair the ability of either Director to exercise independent judgment as members of Equitable's Board.

While there is no fixed limit on the number of boards on which a Director may serve, the position description for our Directors approved by the Board provides that each Director should ensure that they are able to devote sufficient time and energy to carry out their duties effectively. As a guideline, CEO Directors should serve on no more than two public company boards, including their own, and non-CEO Directors should serve on no more than five public company boards. Directors are required to notify the Chair of the Board and the Chair of the Governance and Nominating Committee of any opportunity to join another board prior to accepting any invitation.

## Board Structure

### Role of the Chair of the Board

David LeGresley, the Chair of the Board, is an independent Director. The Chair of the Board presides over all Board and shareholder meetings, and oversees the work of the Board Committees. In carrying out his duties, the Chair of the Board:

- provides leadership to the Board to ensure effective functioning of the Board;
- advises the CEO on major issues and serves as a liaison between the Board and senior management;
- participates in the recruitment and orientation of new directors;
- together with the Governance and Nominating Committee, conducts the Board's annual evaluation process;
- assists the HR Committee in monitoring and evaluating the performance of the CEO;
- regularly attends Board Committee meetings in a non-voting capacity;
- interacts with Directors and senior management throughout the year; and
- meets with regulators, shareholders and other stakeholders on behalf of the Board.



The mandate of the Chair of the Board is available on our website at [www.equitablebank.ca](http://www.equitablebank.ca).

## Role of the Board

The Board's role is to set Equitable's strategic direction, oversee its management, risk management and operations, ensure compliance with legislation and regulations, and ensure its ongoing financial strength. The Board is also responsible for ensuring that principled and ethical corporate conduct is observed through appropriate governance and internal controls, and for ensuring the promotion of a strong corporate culture.

Specific responsibilities of the Board are set out in its mandate which is attached to this circular.

## Strategic Planning

The Board oversees Equitable's strategic planning process, ensuring alignment with Equitable's risk appetite, and annually approves the strategic plan, which takes into account the opportunities and risks of the businesses. The Board also approves the annual financial plan, specific requests for major capital expenditures, and monitors levels of capital and liquidity and the implementation of strategic initiatives. The Board discusses strategy at each of its regularly scheduled meetings. Management reports regularly on Equitable's operational and financial performance.

The Board holds two meetings each year dedicated to strategy – one focused on long-term strategic planning and the other to review and approve the annual business and financial plan.

## Risk Management

The Board is responsible for overseeing the identification and monitoring of the core risks to which Equitable is exposed and for satisfying itself that appropriate policies, procedures and practices are in place to effectively identify, monitor and manage them within our Risk Appetite Framework. The Board delegates responsibility for the execution of certain areas of risk oversight to its Committees in order to ensure that they are treated with appropriate expertise, attention and diligence, with reporting to the Board in the ordinary course.

Our Enterprise Risk Management Framework is designed to enhance the identification and mitigation of risk across the organization, and to assist the Board and the Risk & Capital Committee with their oversight responsibility for risk management.

The Board devotes significant time and attention to systems protection, including cybersecurity and information security risk. The Board oversees management's approach to staffing, processes, and practices to effectively gauge and address this risk. The Risk and Capital Committee receives regular presentations and reports throughout the year that address a broad range of topics, including technology trends, regulatory developments, the threat environment and vulnerability assessments, and specific and ongoing efforts to prevent, detect, and respond to internal and external threats. At least twice each year, the Board discusses cybersecurity and information security risks with the Chief Information Officer.

Each Committee assists the Board in its oversight of risk, as follows:

<b>Audit Committee</b>	<ul style="list-style-type: none"> <li>• oversees the quality and integrity of our financial reporting processes to mitigate our exposure to financial risk.</li> <li>• oversees the quality and effectiveness of our internal controls and the independence of the internal audit function.</li> <li>• oversees the qualifications, independence and performance of the external auditors.</li> </ul>
<b>Governance and Nominating Committee</b>	<ul style="list-style-type: none"> <li>• oversees compliance with legal and regulatory requirements, governance policies and practices, and board succession.</li> <li>• oversees the independence of the Compliance function.</li> </ul>
<b>Human Resources and Compensation Committee</b>	<ul style="list-style-type: none"> <li>• oversees material risks associated with compensation programs, talent retention, and succession planning risk to the senior executive team.</li> </ul>
<b>Risk and Capital Committee</b>	<ul style="list-style-type: none"> <li>• oversees the Bank’s core and emerging risks and implementation of controls to manage risks.</li> <li>• promotes a strong risk culture.</li> <li>• reviews the risk impact of our strategic plan and new business initiatives.</li> <li>• reviews the Bank’s risk profile against the approved risk appetite and has primary oversight for operational risk, business and strategic risk and reputational risk.</li> <li>• oversees the risk function and adherence to risk management policies.</li> </ul>

See the “Risk Management” section starting on page 50 of our 2019 MD&A for a description of our core risks and the structures and processes in place to manage them.

## Succession Planning

Succession planning for the CEO as well as the selection and appointment of the senior management team are key responsibilities of the Board.

The Board and the HR Committee are responsible for ensuring there is an orderly succession plan for the CEO and that the CEO has an emergency succession planning process in place for other key executive roles, such as the CFO, CRO and VP, Internal Audit. This includes a succession plan that would respond to an emergency situation which requires an immediate replacement of the incumbent President and CEO and key Executive Officers.

Annually, the HR Committee reviews the strengths, leadership skills, experience, tenure and development opportunities of potential internal candidates for the CEO position with the CEO and the SVP of Human Resources. During these discussions, the HR Committee may recommend additional development opportunities, mentorship and enhanced responsibilities to accelerate candidates’ growth. The HR Committee reports to the Board on these matters. In addition to the annual review, the HR Committee discusses talent management and succession in the context of performance reviews used to determine executive compensation. At its July meeting, the HR Committee reviewed and confirmed its support for Equitable’s succession and development plans for its senior executive positions. The HR Committee also met *in camera* to discuss CEO succession. In February 2020, the Board engaged in a comprehensive review of the proposed internal candidates for the CEO position.

The HR Committee reviews changes to our organizational structure and its impact on executive roles. The Board encourages the CEO to provide opportunities for the Board to interact with Equitable’s Executive Officers and high potential employees, including through presentations made at Board and Committee meetings, education sessions and at social events, both for succession planning and leadership development purposes and to provide the Board with a broader perspective and context on issues relevant to Equitable.

## Internal Controls

The Board oversees, and monitors the integrity and effectiveness of, Equitable's internal controls and management information systems. The Board also oversees compliance with applicable audit, accounting and regulatory reporting requirements and approves the quarterly and annual consolidated financial statements.

The Audit Committee oversees the Internal Audit function by reviewing the plans and activities, and performance of Internal Audit.

## Communication and Shareholder Engagement

We have a Disclosure Control Policy that establishes guidelines for communicating with our shareholders, analysts, and the public generally. The policy includes measures to avoid selective disclosure of material information, identifies designated Equitable spokespersons and establishes internal review processes for key public communications. Our Code of Conduct addresses Equitable's obligations for continuous and timely disclosure of material information and sets standards requiring Directors, officers and employees trading Equitable shares to comply with applicable laws.

Equitable's disclosure controls and procedures are designed to ensure that material information concerning Equitable is made known to our CEO and CFO. We also have a Disclosure Control Committee whose members are the CEO, CFO and CRO, and the Vice-President and General Counsel. This Committee, which is chaired by the CFO, reviews all annual and quarterly filings and oversees the timely public release of material information about Equitable. The Committee also reviews the design and implementation of procedures to support the financial reporting process and the certification of our financial reports by the CEO and CFO.

The table below outlines the key contacts and methods that shareholders can use to engage with Equitable and access important information:

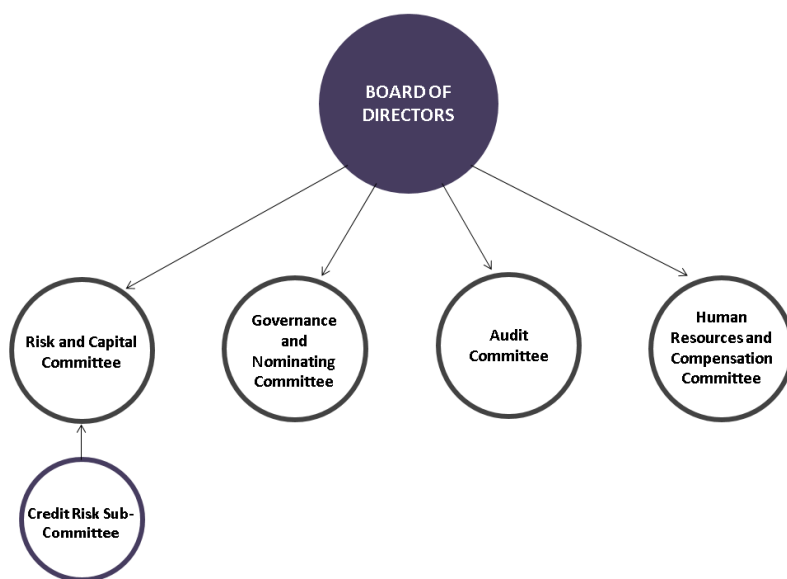
<b>Board of Directors</b>	Shareholders can: <ul style="list-style-type: none"><li>• communicate with the independent Directors as on the back of this circular</li><li>• write to the Chair of the Board at the address on the back of this circular</li></ul>
<b>Meetings, calls and discussions</b>	The CEO and CFO meet regularly with financial analysts, the investment community and/or institutional and retail investors, providing an opportunity for constructive dialogue on various topics including operations, strategy and governance.
<b>Broker-sponsored conferences</b>	The CEO and CFO speak at industry investor conferences about public information on our business and operations.
<b>News releases</b>	Equitable issues news releases to the media throughout the year to report any major changes or developments in its business
<b>Conferences and presentations</b>	Throughout 2019, senior management attended various conferences and presentations to present on a wide array of topics, such as technology and open banking
<b>Quarterly conference calls and webcast</b>	The CEO and CFO hold quarterly earnings calls with the investment community to review our most recently released financial and operating results. The calls are broadcast live and, for a period of 3 months after each call, are archived on our website in the Investor Relations section at <a href="http://www.equitablebank.ca">www.equitablebank.ca</a> .  Shareholders can also access comprehensive information, including on dividends, through the Investors section of our website.

We also periodically engage in dialogue with proxy advisory firms regarding Equitable's governance practices.

## Board Committees

Four standing Committees helps the Board carry out its duties and responsibilities:

- Audit Committee
- Governance and Nominating Committee
- Human Resources and Compensation Committee
- Risk and Capital Committee



From time to time the Board may establish Special Committees on an *ad hoc* basis. In late 2018 the Board established a Special Committee of non-executive Directors to consider Equitable’s strategic direction and other related matters. The Special Committee was dissolved on April 4, 2019.

The Governance and Nominating Committee annually reviews the composition of each Board Committee and the designated Committee Chairs together with the Chair of the Board. Rotation of Committee members is based on continuity, balance, the need for fresh perspective, and the utilization of each Director’s particular experience and expertise. Each Board Committee is 100% independent and each Director serves on a minimum of two Committees. The Chair of the Board regularly attends all Committee meetings in a non-voting capacity.

Each Board Committee reviews its mandate annually and any changes are recommended for approval by the Board. At each regularly scheduled Board meeting, each Committee Chair reports to the Board on material matters considered by the Committee.

Each Board Committee uses an annual work plan to guide its deliberations during the course of the year. The mandate of each Committee and its annual work plan is approved by each Committee on an annual basis. Finally, each Committee has the authority to retain external advisors at Equitable’s expense in connection with its responsibilities. The HR Committee retained Meridian Compensation Partners LLC (Meridian) in 2019 as its independent external executive compensation consultant. A description of Meridian’s work for the HR Committee is on page 46.

Mandates of the Board and each Board committee as well as position descriptions for the Board Chair, a Committee Chair and directors are posted in the corporate governance section of our website.

### Committee Chairs

Each Committee Chair is a non-executive Director with the requisite skills and experience necessary to oversee their Committee’s responsibilities.

## Current Committee Composition

Each Board Committee is composed entirely of non-executive Directors:

Director	Audit	Governance & Nominating	Human Resources & Compensation	Risk & Capital	Credit Risk Sub-Committee
Eric Beutel	✓			✓	Chair
Michael Emory		✓	✓		✓
Susan Ericksen <sup>1</sup>		✓	✓	✓	
Kishore Kapoor	Chair			✓	
David LeGresley					
Lynn McDonald	✓		Chair	✓	
Rowan Saunders	✓	✓			
Vincenza Sera		Chair			✓
Michael Stramaglia			✓	Chair	

1. Susan Ericksen was appointed to the Human Resources & Compensation Committee effective May 15, 2019.

## Ethical Conduct

The Board plays a key role in overseeing our culture, setting the “tone at the top”, and holding management accountable for maintaining high ethical standards and practices which are fundamental to Equitable’s business, assets and reputation. The Board has established standards for the ethical conduct of our business in the Code of Conduct (Code), which applies at all levels of the organization. Together, all Directors, officers and employees are accountable for preserving the Bank’s role as a trusted partner dedicated to service in a safe, fair, honest, respectful and ethical manner. The Code serves as a central guide to connect Equitable’s corporate values to a common understanding of what practices are acceptable and which are not; living these corporate values fosters a positive working environment and is the key to Equitable’s continued success. The Code addresses fundamental topics such as conflicts of interest, confidentiality and protection of corporate information, protection and use of corporate assets, professional conduct and personal integrity, compliance with laws, regulations and other obligations including the reporting of any illegal or unethical behaviour.

All employees and officers, as a condition of employment, and all Directors, upon joining the Board, acknowledge in writing that they have read, understand and agree to comply with the Code. They are also required to review and attest that they have complied with it annually. For the year ended December 31, 2019, the CEO and all members of the Board confirmed in writing their compliance with the Code. Equitable monitors compliance with the Code and the Chief Compliance Officer reports the results to the Governance and Nominating Committee each year.

Regular reporting on ethics and compliance assists the Board in monitoring adherence with the Code. Although waivers to the Code may be granted in exceptional circumstances with the approval of the Board, in fiscal 2019 there were no such waivers sought or granted.

Equitable has adopted a written code of conduct which is available on our website.

## Reporting a concern

Equitable also has a Whistleblower Program to help safeguard the integrity of its financial reporting and business activities, support adherence with the Code, and provides assurances to Equitable’s stakeholders in their reliance on the accuracy of our financial reporting.

All officers and employees are encouraged to immediately raise or report any concerns they may have about unethical behaviour, violations of the Code, a breach of any Equitable policy, financial reporting or suspected fraudulent activity, without fear of retaliation.

The Audit Committee receives regular updates on activities relating to the Hotline

The Program provides multiple communication channels:

- calling the confidential, toll-free hotline or going online to make an anonymous and confidential report (both of which are administered by an independent third party).
- raise any concern with one's manager, another manager or Human Resources; and
- call, email or write a letter marked "Confidential – only to be opened by the addressee" to the Chief Compliance Officer and/or the Chair of the Audit Committee.

All credible allegations are investigated internally or by an independent external party, and appropriate action is taken. Significant concerns are raised with the Chair of the Audit Committee.

## Avoiding Conflicts

Directors seek to avoid situations where their interests might conflict with their duty to act in Equitable's best interest.

Under the Board's policy relating to Director conflicts of interest, Directors have an ongoing obligation to disclose their business and personal relationships with Equitable and other companies they have relationships with, and to promptly report any additions, deletions or other changes to their information. If the change involves a change in the Director's principal occupation or a directorship, the Director must notify the Chair of the Governance and Nominating Committee and the Chair of the Board who will determine whether the change would be inconsistent with the Director's duties as a member of the Equitable Board. In certain circumstances, the Director's resignation may be required.

If a Director is a party to, or has an interest in any party to, a contract or transaction before the Board, regardless of the materiality of the contract or transaction, the Director must immediately advise the Chair of the Board or the particular Committee chair. The Director's conflict or potential conflict is recorded in the minutes of the meeting and the Director is required to absent himself or herself from the meeting for any material discussions or deliberations concerning the matter. The Director is required to abstain from voting on any resolution in respect of such contract or transaction.

The Corporate Secretary ensures that Directors do not receive Board materials in situations where the subject matter of those materials could involve an actual or potential conflict of interest.

## Expectations of our Directors

Each member of the Board is expected to act honestly and in good faith and to exercise business judgment that is in Equitable's best interest. In accordance with the position description for Directors which has been established by the Board, each Director is expected to, among other things:

- ensure personal compliance with Equitable's Code of Conduct and with all policies that apply to Directors
- demonstrate high ethical standards and integrity in their personal and professional dealings
- avoid conflicts of interest
- devote the necessary time and energy to fully assume their responsibilities to Equitable
- develop an understanding of our strategy, business and industry
- participate in continuing education for Directors
- attend at least 75% of all Board and any Committee meetings on which they serve and to come to those meetings fully prepared.

## Composition of the Board, Nomination of Directors and Board Succession

The Governance and Nominating Committee is responsible for making recommendations to the Board regarding the size and composition of the Board and its Committees, taking into consideration legal requirements and scheduled Director retirements, and for identifying and considering qualified candidates for nomination to the Board. It reviews the skills and competencies matrix regularly to ensure the Board has the right mix of skills, experience, gender and age.

The Board is required to have a minimum of seven Directors and a maximum of twelve Directors. The exact size of the Board is set by the Board prior to each annual meeting of shareholders on the recommendation of the Governance and Nominating Committee. The Board size may be changed by the Board from time to time between annual meetings.

## Skills and Experience

The Governance and Nominating Committee maintains a skills and competencies matrix outlining industry specific expertise, business experience and other skills considered necessary for the Board to carry out its mandate effectively. These areas of expertise are intended to dovetail with the general qualifications and attributes the Committee seeks in all Board members and candidates, such as high personal and professional ethics and integrity, practical wisdom, sound business judgment, and a willingness to devote the required amount of time to carry out the duties and responsibilities of Board service.

The Committee reviews the skills matrix on a regular basis to ensure there is a sufficient range of skills, expertise and experience for the Board to meet its current and future needs, and Equitable's strategic priorities. The table below identifies the skills and experience of our Director nominees:

Gender		Skills and Competencies										Age			Years on Board			
		Governance	CEO/Senior Executive	Strategy	Risk Management	Finance/Accounting	Real Estate	Retail Banking	Human Resources/Compensation	Legal/Regulatory	Technology	Marketing/Branding	59 and under	60-65	66-72	0-5 years	6-10 years	11+ years
Eric Beutel	M	✓	✓		✓	✓	✓						✓					✓
Michael Emory	M	✓	✓	✓	✓	✓	✓		✓	✓			✓				✓	
Susan Ericksen	F	✓	✓	✓	✓				✓	✓	✓		✓			✓		
Kishore Kapoor	M	✓	✓	✓	✓	✓		✓	✓	✓		✓	✓			✓		
David LeGresley	M	✓	✓	✓	✓	✓	✓		✓	✓			✓				✓	
Lynn McDonald	F	✓		✓		✓			✓				✓				✓	
Andrew Moor	M	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓						✓
Rowan Saunders	M	✓	✓	✓	✓				✓	✓	✓	✓					✓	
Vincenza Sera	F	✓			✓	✓	✓		✓				✓				✓	
Michael Stramaglia	M	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓				✓	

### Description of Competencies:

- **Governance:** Experience in board and governance practices of a public company or large organization
- **CEO/Senior Executive:** Broad business experience as a senior executive of a public company or large organization
- **Strategic Planning:** Experience in development and implementation of a strategic direction at a large organization
- **Risk Management:** Experience in risk management practices, internal risk controls, risk assessments and reporting; experience on a public company or regulated company board committee that oversees risk management
- **Finance / Accounting:** Experience in financial accounting and reporting, corporate finance and internal financial/accounting controls, and International Financial Reporting Standards
- **Real Estate:** Experience in real estate development and in the real estate industry
- **Retail Banking:** Senior level experience in retail banking or in the online distribution of banking products and related technology issues
- **Human Resources/Compensation:** Experience in succession planning, talent management and retention, compensation program design and structure (in particular executive compensation programs)
- **Legal / Regulatory:** Training and/or experience in law and compliance for regulatory regimes
- **Technology:** Experience in or oversight of technology and operations
- **Marketing/Branding:** Experience as a senior executive in sales and marketing strategies

## Nominating new candidates

In identifying individuals qualified to become candidates the Committee invites suggestions from other Directors and may also retain an external search firm as necessary. Since 2014, the Committee has engaged an external search firm to assist with the recruitment process. The Governance and Nominating Committee also maintains an evergreen list of potential Directors that have skills which the Board may require in the future.

Candidates are considered based on merit, having regard to the skills, experience, background, personal qualities and knowledge in order to contribute to the broad range of issues with which the Board routinely deals. The Governance and Nominating Committee is committed to ensuring that the Board represents a diverse mix of skills, experience, gender, age and ethnicity, as described in our Board Diversity Policy, and that diverse candidates are included in any director search.

Once potential, qualified candidates are identified, they meet with the Chair of the Board, the Chair of the Governance and Nominating Committee, the CEO and two other members of the Committee to discuss the Board's expectations of Director contribution and commitment, as well as to obtain other relevant information required to evaluate the candidate. The Committee assesses the candidate's integrity and suitability by obtaining references, verifying his or her educational background, conducting background checks, and assessing any independence concerns or disclosure issues. The Committee also takes into consideration possible conflicts, and the candidate's ability to devote sufficient time and commitment as a Director. Upon completion of this process, the Committee will make a recommendation to the Board on the appointment of the candidate as a Director, or as a Director nominee for election by the shareholders.

## Nominating existing Directors

In considering whether to recommend an existing Director for re-nomination, the Governance and Nominating Committee reviews the Director's:

- overall performance and continued ability to contribute effectively to the Board and its oversight responsibilities;
- tenure and age;
- attendance at regularly scheduled Board and Committee meetings; and
- compliance with Equitable's Code of Conduct.

## Board Diversity

Our Board is composed of qualified professionals who have the requisite financial acumen and risk management experience to fulfill the Board's mandate, serve on its four Committees and supervise management. The current Directors have a broad range of skills, background, experience and knowledge which are highlighted in the *Director Profiles* section.

The Board acknowledges the value of diversity of all kinds in its composition as it believes diversity provides a broader range of perspectives and relevant experience. As well, we aim to have a combination of longer-serving and newer Directors to give us the appropriate mix of experience and fresh perspective.

Five years ago the Board adopted a written Gender Diversity Policy outlining its approach to diversity considerations such as age, experience and ethnicity, and its commitment to a gender diverse Board. The policy provided that, in identifying and recommending Director nominees to the Board, the Governance and Nominating Committee would consider candidates on merit, based on a balance of skills, background, experience and knowledge. The policy also provided an aspirational target to have 30% of the Board's membership represented by women. Since 2013, with the exception of one year, 30% of the Director nominees have been women.

The Governance and Nominating Committee reviews the policy and its aspirational target annually to assess its effectiveness, and recommends any revisions that may be necessary to the Board for approval. At its February 2020 meeting, the Committee recommended and the Board approved revisions to the policy, which included removing the word "Gender" from the name of the policy, emphasizing the Board's approach to diversity is not limited to gender, and to reframe the objective so that both men and women represent at least 30% of the Board's membership. We continue to meet this objective as 33% of our independent Directors standing for re-election at the meeting are women.

Our written board diversity policy is contained within our corporate governance guidelines, available on our website



## 2020 Director nominees



## Diversity and Inclusivity

Equitable is committed to diversity and inclusion; we know that our organization thrives when we honour, nurture and celebrate our employees' diverse experiences and perspectives.

Celebrating diversity is ingrained in our workplace. From our Diversity & Inclusion Committee to our growing list of Employee Resource Groups, to our employee-led cultural celebrations and days of commemoration – Diwali, Pride, Black History Month, National Indigenous Peoples Day and beyond -- our employees' diverse lives and lived experiences help to create the rich fabric of our workplace culture.

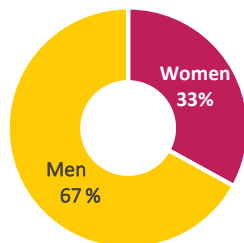
As part of our commitment to inclusion, we actively work to identify and remove systemic barriers in the workplace. This intentional lens is applied throughout our organization, from how we recruit staff, through to our employee mentorships and advancement programs. In addition, we regularly seek out innovative partnerships and opportunities to learn from diverse educators, in order to further provide our senior leaders and people managers with inclusion best practices for our staff.

Diversity also makes us better able to serve our multicultural, multilingual and highly diverse customer base. When our customers and business partners interact with Equitable, they are interacting with a workforce that reflects Canadian society generally, which we think gives us a competitive advantage.

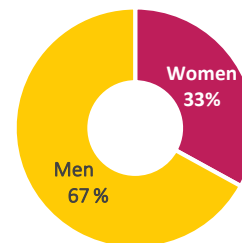
Our Executive team includes three women, representing 33% of the entire team. In identifying candidates for senior management roles, professional experience, educational background, skills and knowledge, as well as diversity considerations such as gender, age and ethnicity, are taken into account.

To date, we have not adopted a target for the number of women in executive officer positions. We do, however, regard the representation of women in these positions as an important issue and we are working diligently to achieve more gender diversity at this level. Our talent management program focuses not only on executive positions but on identifying and developing high potential individuals who are not yet in senior leadership roles.

### Women Executive Officers as at March 15, 2019



### Women Executive Officers as at March 15, 2020



## Retirement and Years of Service

The Board has implemented two primary mechanisms of promoting board renewal: a retirement age and an annual evaluation process, each of which is described in detail below. The Board has not established formal director term limits as it believes they hold the disadvantage of losing valued Directors at a time when Equitable most needs their skills and contributions, as well as their knowledge of the history and culture of the Company. Achieving a balance between this institutional memory and renewal through effective succession planning is particularly important in light of the significant and continuing changes in the business that Equitable experiences as it pursues its Challenger Bank strategy.

The Board sets high standards for the performance of all Directors and relies on its rigorous Board evaluation process and regular review of the skills and competencies matrix to ensure each Director continues to contribute meaningfully. Directors are canvassed periodically on their intention to retire from the Board in order to identify impending vacancies as far in advance as possible.

The Board has a mandated retirement age of 72.

## Board Evaluation

To support Board succession planning, the Governance and Nominating Committee, with input from the Chair of the Board, oversees the annual evaluation of the Board. The evaluation process assists the Board in:

- assessing its overall performance and measuring the contributions made by the Board as a whole, by each Committee, and each Director
- improving the overall performance of the Board by assisting individual Directors to build on their strengths
- identifying gaps in skills and educational opportunities for the Board and individual Directors in the coming year.



The Governance and Nominating Committee reviews the adequacy of the evaluation process annually, with input from the Chair of the Board, and alternates the focus of the questionnaires over a two to three-year period.

The evaluation consists of questionnaires, peer reviews, and one-on-one meetings between each Director and the Chair of the Board.

The Board questionnaire solicits Directors' views on how well they believe the Board and its Committees, including their chairs, are performing. The questionnaire includes questions on Board processes, culture and dynamics, relationship with management, what was done well and what could be done better, the strategic planning process, Board committee work, and what the Board's priorities should be in the coming year.

The peer review solicits Directors' views of the performance of their colleagues, their contributions and participation in Board discussions and debate, knowledge, experience, demonstration of high ethical standards, independent judgment, communication, and persuasion skills.

The questionnaires include open-ended questions on Board and Committee effectiveness so Directors can elaborate on their responses and give candid feedback and constructive comments.

All questionnaires are completed electronically. The Chair of the Board receives the results of the Board evaluation and discusses the findings and any broad themes with the Board. The results from this evaluation inform the Board's objectives for the following year. The Board's progress in meeting these objectives is monitored by the Governance and Nominating Committee and discussed with the Board as a whole.

The Chair of the Board also receives the results of the peer reviews. The Chair meets individually with each Director to discuss the findings from the peer review, the Board evaluation, and any other issue which either may wish to raise. For those Directors who are a Committee Chair, the Chair of the Board will also discuss their contribution and effectiveness in that position.

The Chair of the Governance and Nominating Committee receives the results of the Board Chair evaluation and provides all feedback received to the Chair of the Board.

In 2019 the Directors completed a comprehensive Board questionnaire only. The findings from this evaluation confirmed that all Directors and Committees, and the Board as a whole effectively fulfilled their responsibilities. In addition, the Board's objectives for 2020 were established.

## Orientation

New Directors:

- meet with the Chair of the Board and Chair of the Governance and Nominating Committee to discuss the role of the Board, its Committees, governance, Board dynamics and culture;
- meet with the CEO and other executive officers, including the heads of the control functions to discuss our financial position, our key risks and risk management processes, the regulatory environment, and current issues facing our business;
- are matched with an experienced member of the Board;
- visit the individual business units to observe the business and develop a deeper understanding of the day-to-day operations;
- are encouraged to attend all Board Committee meetings before they are elected or appointed to the Board and during their first year following their election or appointment; and
- receive access to our secure online board portal where they can view our by-laws, Board and Committee mandates, Board policies, Corporate Governance Guidelines, minutes and material from recent Board and Committee meetings, annual reports, our Code of Conduct, Director compensation and share ownership requirements, as well as Equitable's strategic plans and analyst reports.

## Continuing Education

Directors must constantly be broadening their knowledge and understanding of Equitable's operations and regulatory framework.

To support them, Directors receive:

- in-depth presentations provided by management on our business segments, regulatory changes and industry developments at Board and Committee meetings
- timely access to comprehensive materials and relevant information prior to each Board and Committee meeting
- presentations by external guest speakers that provide Directors with updates on key topics including emerging industry and regulatory trends, the marketplace, the economic landscape, and other topics of specific interest
- educational materials and updates between Board meetings on matters that affect our business

From time to time Directors also attend forums and conferences convened by our primary banking regulators.

Directors identify their specific education needs in discussions with management, during the annual Board evaluation exercise, and in Board and Committee meetings. Committee Chairs can also determine the education sessions necessary for their members. In addition, Board dinners are scheduled along with regularly scheduled Board meetings to further our governance objectives by strengthening the collegial working relationships among Directors and senior management. These dinner sessions are serve as further opportunities for Board business discussions.

Many of our Directors are members of the Institute of Corporate Directors (ICD) and have access to ICD publications and events designed to foster director education. The Bank is also a member of the Global Risk Institute (GRI) and encourages Directors to participate in their educational programs.

### 2019 Director education sessions

Date	Topic	Presented by	Attended by
Q1 2019	Dividend Policy and Return of Capital Strategy	External Speaker	Board
	Leasing Industry and related accounting issues	KPMG	Audit Committee
Q2 2019	Open Banking	External Speaker	Board
	AIRB roadmap and implementation	SVP & CRO	Board
Q3 2019	Developments in Executive compensation / governance trends, legislative changes, pay design practices	Meridian	HR Committee
	Internal Audit Process	Management	Audit Committee
	CEO Succession Planning	External Speaker	Board
	Investor Perception of EQB	External Speaker	Board
Q4 2019	EQB's key performance indicators	SVP & CFO	Audit Committee
	Financial Services Marketing	VP, Marketing	Board
	AIRB roadmap and implementation	SVP & CRO	Board
Quarterly	<b>Business Deep Dives</b> <ul style="list-style-type: none"> <li>EQ Bank</li> </ul>	SVP, Digital Banking & Strategy	Board
	<ul style="list-style-type: none"> <li>Cybersecurity</li> </ul>	SVP & CIO	Risk & Capital Committee

# BOARD COMMITTEE REPORTS

## Audit Committee report

The Audit Committee is responsible for overseeing (i) the quality and integrity of our financial statements; (ii) the qualifications, independence and performance of the independent auditors; (iii) the effectiveness of our internal controls, including internal control over financial reporting and disclosure controls, and (iv) the finance and internal audit functions. You can access the full text of the Audit Committee's mandate at [www.equitablebank.ca](http://www.equitablebank.ca). More information on the Audit Committee, including the text of its mandate can be found in the Audit Committee section in our Annual Information Form for the year ended December 31, 2019.

<p><b>Committee Members</b></p> <p>Kishore Kapoor (Chair) Eric Beutel Lynn McDonald Rowan Saunders</p> <p>100% independent and financially literate</p> <p><b>4 meetings in 2019</b></p> <p>At each quarterly meeting the Committee meets <i>in camera</i> with the Chief Financial Officer, the Vice-President of Internal Audit and the external auditor without management present. In addition, the Committee meets <i>in camera</i> without management present.</p>	<p><b>2019 Highlights</b></p> <p><b>Financial Reporting, Internal and Disclosure Controls and Finance function</b></p> <ul style="list-style-type: none"><li>• reviewed and recommended for Board approval the public release and filing of the quarterly unaudited and annual audited consolidated financial statements, the related MD&amp;A and earnings press releases, supplementary financial information, and the annual information form</li><li>• received reports from the Chief Financial Officer related to the quarterly and annual financial performance and operating results relative to results in prior periods and to market expectations</li><li>• reviewed and discussed with management and the external auditor the use of estimates, assumptions and areas of significant judgement to financial statement presentation, and management's allowance for credit losses</li><li>• oversaw the effectiveness of disclosure controls and procedures and internal controls over financial reporting</li><li>• reviewed with management enhancements to our quarterly and annual financial disclosure</li><li>• received education sessions on the leasing industry and related accounting issues, and Equitable's chosen key performance indicators for effective communication of our financial performance and strategy</li><li>• approved the mandate for the Chief Financial Officer and assessed his performance</li><li>• received management's report on the Bank's whistleblower program</li><li>• reviewed the Finance function's activities</li><li>• reviewed and approved the Finance function's budget and resources for 2020</li><li>• received reports on legal actions by and against the Bank</li></ul> <p><b>External Auditor</b></p> <ul style="list-style-type: none"><li>• oversaw the work of the external auditor</li><li>• reviewed and approved the overall scope of the annual audit plan and necessary resources, and monitored the plan's execution</li><li>• reviewed and set the compensation of the external auditor</li><li>• discussed with KPMG its responsibilities in conducting an integrated audit, its determination of areas of significant audit risk</li><li>• received written confirmation from KPMG of the firm's independence, including written disclosure of all relationships with Equitable</li><li>• successfully oversaw the transition of KPMG's lead audit engagement partner</li><li>• recommended their reappointment for Shareholder approval</li><li>• received updates on accounting and auditing developments</li><li>• pre-approved and reviewed all engagements for non-audit services and fees in accordance with the External Auditor Oversight Policy</li><li>• reviewed the annual Canadian Public Accountability Board (CPAB) Audit Quality Insights Report - 2019 Fall Inspections Results</li><li>• reviewed updates on auditing and regulatory developments provided by the external auditor</li></ul> <p><b>Internal Audit</b></p> <ul style="list-style-type: none"><li>• reviewed Internal Audit's three-year plan and the risk assessment scoring model to satisfy itself that the plan was appropriate and addresses the Bank's seven core risks over a measurable cycle</li><li>• approved the annual audit schedule and monitored its execution</li></ul>
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	<ul style="list-style-type: none"> <li>received regular updates from the Vice-President of Internal Audit on internal audit activities, findings and recommendations, and the status of major project audits, effectiveness of key controls, emerging risks, and key audit report follow-ups</li> <li>reviewed the results of the Internal Audit review by the Bank's regulator</li> <li>reviewed and was satisfied with the independence and objectivity of the Internal Audit function and approved its mandate, budget and resources</li> <li>received an education session from the Vice-President of Internal Audit on the internal audit process</li> <li>reviewed the performance of the Vice-President of Internal Audit</li> </ul> <p><b>Subsidiary Oversight</b></p> <ul style="list-style-type: none"> <li>acted as the Audit Committee of the Bank's federally- regulated subsidiary, Equitable Trust</li> </ul>
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The Committee is satisfied that it has fulfilled its mandate for the year ended December 31, 2019.

## Risk and Capital Committee report

The Risk and Capital Committee is responsible for: (i) reviewing and recommending for Board approval the Bank's risk appetite framework; (ii) reviewing, on an enterprise-wide basis, the significant risks to which the Bank is exposed and assessing whether trends and emerging risks have been identified, measured, mitigated, monitored and reported, (iii) approving risk appetite statements in support of the RAF; and (iv) reviewing the Bank's risk profile against the approved risk appetite, and (v) reviewing risk management policies, frameworks, processes and controls and monitoring adherence to regulatory requirements.

<p><b>Committee Members</b></p> <p>Michael Stramaglia (Chair) Eric Beutel Susan Ericksen Kishore Kapoor Lynn McDonald</p> <p>100% independent</p> <p><b>4 meetings in 2019</b> At each quarterly meeting the Committee meets <i>in camera</i> with the Chief Risk Officer without management present. In addition, the Committee meets <i>in camera</i> without management present</p>	<p><b>2019 Highlights</b></p> <p><b>Enterprise Risk and Risk Appetite Framework</b></p> <ul style="list-style-type: none"> <li>reviewed and recommended for Board approval the Bank's risk appetite framework and its alignment with the strategic plan</li> <li>reviewed and approved risk management policies, including risk appetite statements, measurements and targets</li> <li>received regular reporting on the assessment of the Bank's risk profile against risk appetite and monitored the Bank's capital targets and ratios</li> <li>reviewed reports from the Chief Risk Officer on his enterprise-wide view of the Bank's core risks and risk profile, including reviews of credit, market, liquidity, operational, fraud, enterprise risk stress testing and regulatory and internal capital risks</li> <li>reviewed the status of impaired and problem loans and received in-depth reviews of the Bank's mortgage portfolio</li> <li>received updates on the Bank's progress towards AIRB implementation and the evolution of the Bank's credit risk appetite</li> <li>reviewed the CRO's assessment of the alignment of the compensation program and practices with the Financial Stability Board's Compensation Principles and sound risk management principles and practices</li> </ul> <p><b>Governance, Risk, Control and Culture</b></p> <ul style="list-style-type: none"> <li>engaged in comprehensive presentations on cybersecurity, including updates on the evolving threat landscape, program maturity, application security, threat detection and intelligence, enhancements to controls, incident response and resiliency capabilities, the establishment of key risk indicators, and the migration to cloud technology</li> <li>reviewed reports from the Vice-President of Internal Audit on topics relevant to the Risk and Capital Committee</li> <li>approved the budget and resources of the Risk Management function and reviewed the function's organizational structure</li> <li>approved the mandate and assessed the performance of the Chief Risk Officer</li> <li>continued to focus on ensuring the Bank supports a culture which promotes accountability, escalating and promptly resolving issues, learnings from past experiences, and encourages open communication and transparency on all aspects of risk taking</li> </ul>
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**Risk Management Activities**

- oversaw Treasury and non-trading market and liquidity risks and related activities
- received progress updates on the development of a Covered Bond Program
- reviewed reports on credit applications approved by the Credit Risk Sub-Committee and Credit Risk Management Committee
- reviewed the adequacy of the Bank's insurance coverage and recommended approval of the insurance program to the Board
- received reports on compliance with risk management policies and limits

**Emerging Risk**

- reviewed emerging risk updates in enterprise risk dashboard reporting
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## Human Resources and Compensation Committee report

The Human Resources and Compensation Committee is responsible for overseeing: (i) the design and operation of the compensation program to ensure alignment with Equitable’s strategy, risk appetite framework, and regulatory requirements; (ii) performance and compensation for the CEO; (iii) the appointment, performance and compensation for Executive Officers; and (iv) succession planning, talent management and leadership development processes.

<p><b>Committee Members</b></p> <p>Lynn McDonald (Chair) Michael Emory Susan Ericksen Michael Stramaglia</p> <p>100% independent</p> <p><b>5 meetings in 2019</b> At each quarterly meeting the Committee meets <i>in camera</i> with the SVP, Human Resources without management present. In addition, the Committee meets <i>in camera</i> without management present and meets <i>in camera</i> regularly with the executive compensation consultant</p>	<p><b>2019 Highlights</b></p> <p><b>CEO and Executive Compensation</b></p> <ul style="list-style-type: none"> <li>recommended performance objectives for the CEO to the Board for approval and evaluated his performance against these objectives</li> <li>reviewed and recommended for Board approval the 2019 corporate performance measures</li> <li>recommended CEO compensation to the Board for approval</li> <li>reviewed and approved the corporate scorecard multiplier for determining the STI payout for all employees, including Executive Officers</li> <li>recommended all grants under Equitable’s long-term incentive plans</li> <li>monitored the alignment between executive pay and Equitable’s strategy and financial performance, risk appetite and market practice</li> <li>reviewed the CEO’s performance assessments of the Executive Officers and the Vice-President of Internal Audit, approved their compensation</li> <li>reviewed the adequacy of the current executive share ownership requirements recommended for Board approval higher share ownership requirements for the CEO, CFO and CRO and a new share ownership requirement for all remaining Executive Officers</li> <li>reviewed and recommended Board approval of the CEO’s mandate</li> </ul> <p><b>New Executive Compensation Consultant</b></p> <ul style="list-style-type: none"> <li>conducted a selection process to engage an independent executive compensation consultant which was led by Ms. McDonald, and included Messrs. LeGresley and Stramaglia.</li> <li>Four compensation advisory firms were considered and Meridian Compensation Partners, Inc. was selected based on its experience in advising compensation committees of a wide range of public and private companies across all sizes and industry sectors, including financial institutions</li> </ul> <p><b>Succession Planning, Talent Management and Leadership Development</b></p> <ul style="list-style-type: none"> <li>reviewed and discussed Equitable’s leadership strategy, approach to high potential talent management, and succession planning</li> <li>continued to refine the CEO succession plan and reviewed the emergency succession plans for key Executive Officers</li> <li>reviewed the organizational structure</li> </ul> <p><b>Compensation Governance</b></p> <ul style="list-style-type: none"> <li>reviewed and discussed with the independent compensation consultant, regulatory, governance and evolving practices in executive compensation, including the expectations of proxy advisory firms such as Institutional Shareholder Services and Glass Lewis</li> <li>completed a competitive review of executive incentive compensation and considered target LTI compensation changes for the Executive Officers for 2020</li> <li>reviewed with the CRO the alignment of the compensation program with the FSB’s Compensation Principles and sound risk management practices</li> <li>reviewed and discussed the results of the 2019 employee engagement survey and management action plans</li> <li>approved amendments to Human Resources policies</li> <li>reviewed the independence of the executive compensation consultant</li> <li>reviewed the Committee’s mandate and annual workplan</li> <li>reviewed and approved the Executive Compensation section of this circular</li> </ul>
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The Committee is satisfied that it has fulfilled its mandate for the year ended December 31, 2019.



## Report of the Governance and Nominating Committee

The Governance and Nominating Committee is responsible for: (i) identifying individuals qualified for Board membership and recommending Director nominees for election or re-election to the Board; (ii) developing a set of corporate governance guidelines, including a code of conduct; (iii) overseeing compensation arrangements for non-executive Directors; (iv) overseeing the evaluation of the Board and Board Committees; (v) overseeing Equitable's compliance with legal and regulatory requirements and its related policies including those of the Financial Consumer Agency of Canada; (vi) overseeing Equitable's environmental sustainability and corporate social responsibility initiatives, and (vii) acting as the conduct review committee for the Bank and for any federally regulated subsidiary of the Bank that requires a conduct review committee.

<p><b>Committee Members</b></p> <p>Vincenza Sera (Chair) Michael Emory Susan Ericksen Rowan Saunders</p> <p>100% independent</p> <p><b>5 meetings in 2019</b> At each quarterly meeting the Committee meets <i>in camera</i> with the CCO without management present. The Committee meets annually <i>in camera</i> with the VP, Internal Audit without management present. In addition, the Committee meets <i>in camera</i> without management present</p>	<p><b>Board Composition and practices</b></p> <ul style="list-style-type: none"> <li>assessed the independence, shareholdings and attendance of each Director and suitability of Directors for re-election, in accordance with applicable regulations</li> <li>reviewed Board composition, gender, age, tenure, skills and experience, and other Board service prior to nominating all Directors for re-election at the annual meeting of shareholders</li> <li>monitored Ms. Ericksen's orientation and sought her feedback with a view to continuous improvements in orienting new Directors to the Board and to Equitable's business</li> <li>reviewed the composition of the Board Committees and recommended Ms. Ericksen's appointment to the Risk &amp; Capital Committee, the Governance &amp; Nominating Committee and to the HR Committee</li> <li>monitored the existing Board interlock to ensure it continues to have no impact on the independence of the Directors concerned</li> <li>reviewed and discussed succession planning for the Board Chair and Directors over the next 5 years</li> <li>reviewed the contingency plan for the Board Chair</li> <li>discussed the advantages and disadvantages of term limits</li> <li>discussed the scope for the 2019 Board evaluation process and reviewed the detailed questionnaire that would be circulated to assess the Board. Following the completion of the questionnaires, the Chair conducted individual interviews with all Directors. No material issues or concerns were raised as part of the evaluation. The Chair with input from all Directors developed the Board's 2020 objectives</li> <li>reviewed and recommended for Board approval the Board's 2019 objectives and monitored the Board's progress against these objectives</li> <li>reviewed and recommended for Board approval amendments to Equitable's Corporate Governance Guidelines</li> <li>obtained assurances that Equitable has processes in place to ensure adherence to the Code of Conduct</li> </ul> <p><b>Director Compensation</b></p> <ul style="list-style-type: none"> <li>reviewed Director compensation and share ownership requirements including benchmarking to the peer group and reference group and recommended no changes to the current compensation structure or to the Director's current ownership requirement</li> </ul> <p><b>Regulatory Compliance and Governance Practices</b></p> <ul style="list-style-type: none"> <li>oversaw the assumption of duties of the Chief Anti-Money Laundering Officer by the CCO</li> <li>received regulatory updates from the CCO on regulatory compliance and the design and operation of the Bank's anti-money laundering/anti-terrorist financing program</li> <li>received reports on consumer protection initiatives</li> <li>reviewed the impact of changing regulations and changing expectations on Equitable's business</li> <li>oversaw the changes to Bank policies and mandates pursuant to the new OSFI Corporate Governance Guideline</li> <li>reviewed the annual report of the Vice-President of Internal Audit on the appropriateness of Compliance methodologies, policies and practices</li> <li>approved the mandates for the CCO and CAMLO</li> <li>reviewed the organizational structure of the Compliance function and approved its budget and resources</li> <li>reviewed internal audit reports relating to the adequacy and effectiveness of the Bank's procedures and controls to manage regulatory compliance risk</li> </ul>
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	<ul style="list-style-type: none"><li>• reviewed the Bank’s corporate sustainability and environmental practices and its approach to conducting business in an ethical and socially responsible manner, as set out in its 2018 Public Accountability Statement</li><li>• discussed the reporting and ranking undertaken by firms such as ISS-ESG on a company’s ESG practices</li><li>• received an update on the insider trading program, and approved the parameters for a pledging program</li><li>• reviewed and approved related party transactions</li></ul> <p><b>Subsidiary Oversight</b></p> <ul style="list-style-type: none"><li>• acted as the conduct review committee of the Bank’s federally-regulated subsidiary, Equitable Trust</li></ul>
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The Committee is satisfied that it has fulfilled its mandate for the year ended December 31, 2019.

# EXECUTIVE COMPENSATION

## Letter to Shareholders

To our shareholders,

On behalf of the Human Resources and Compensation Committee and the Board of Directors of Equitable, we are pleased to share an overview of Equitable's approach to executive compensation, and how it aligns with our performance.

In the Compensation Discussion and Analysis section that follows, we share detailed information on our pay-for-performance philosophy, compensation programs, governance practices and compensation for our Named Executive Officers.

As of the record date, Equitable's share price has declined significantly since February, due largely to concerns over the potential implications of the COVID-19 (Coronavirus) outbreak and the Bank of Canada's related actions on interest rates. We want to remind shareholders that the CD&A focuses principally on Equitable's 2019 compensation programs and decisions relative to Equitable's 2019 performance. For example, the NEOs' annual bonus payouts described in the CD&A considered Equitable's financial results and achievement of key strategic initiatives and individual performance in 2019.

Furthermore, the decisions on 2020 target pay actions were also taken in February 2020, before the decline in the capital markets. As described further in the CD&A, the executive compensation program, through the use of equity-based awards, aligns the NEOs' realizable compensation with the performance of our share price.

### Our philosophy

Our philosophy for executive compensation is simple – we pay for performance. This philosophy is in line with our corporate growth/challenger bank strategy. We believe that executive compensation should have a direct connection to the actual contribution our Executive Officers make in achieving our corporate objectives.

We are pleased to report that 2019 was a year of strong financial performance with good progress in executing our strategic plan.

### Principles and Governance

Our approach to compensation is based on guiding principles that align pay decisions with shareholder interests, while providing incentives and linking rewards to Equitable's longer-term success. We have a strong governance process with an independent HR Committee that in turn engages an independent executive compensation consultant. We carefully review outcomes and may exercise discretion if deemed appropriate.

Equitable is committed to an executive compensation program that aligns with:

- corporate performance
- shareholder interests and long-term value creation
- our risk parameters, culture and values
- comparable financial institutions

Annually the HR Committee actively considers the appropriateness of implementing an advisory vote on executive compensation (Say on Pay). At this time, the Committee feels sufficient feedback is received on the executive compensation framework and will continue to consider Say on Pay in future years.

## 2019 corporate performance

We delivered on our financial objectives.

2019 was a strong year for the organization, as we worked diligently to achieve our annual objectives, and make progress towards our longer-term business strategy. In 2019, we:

- capped off the decade by delivering a 10-year cumulative TSR of 500%, the highest among all Canadian banks on the S&P/TSX Composite Index;
- produced an ROE of 15.9%, adjusted for certain mark-to-market losses (15.5% unadjusted);
- realized the benefits of our branchless operating model, registering an industry-leading Efficiency Ratio of just 40.2%, even while investing heavily in strategic initiatives;
- reported a CET1 Ratio of 13.6%, which remained ahead of most competitive benchmarks and above the middle of our target range;
- joined the S&P/TSX Composite Index on September 23, 2019;
- grew EQ Bank deposit balances to \$2.7 billion, an increase of 22%;
- expanded the EQ Bank customer base by 24,500 or 35% to over 95,000;
- launched an international money transfer service that is up to 8 times cheaper, and is faster and more convenient than those offered by our peer banks;
- enhanced customer experience through website modernization and an upgrade of onboarding, mobile, and web functionality;
- successfully completed the migration of our *EQ Bank* platform and other applications to the cloud in Q4 2019;
- grew both our Retail and Commercial loan portfolios by 13%;
- expanded our equipment lease portfolio by \$58 million since acquiring Bennington and have seen demand build for its higher quality lease offerings;
- further diversified through our leasing, reverse mortgage, Cash Surrender Value (CSV) and specialized finance businesses;
- continued to improve reverse mortgage and CSV line of credit product awareness while refining our offerings in response to market feedback;
- launched the Equitable Bank Reverse Mortgage product in Québec in May 2019, which is part of our broader strategy to build a competitive decumulation business;
- doubled the number of distribution partners for our CSV lending products as we launched partnerships with BMO Insurance, Empire Life, and iA Financial Group;
- introduced Equitable Trust term deposits to the broker channel;
- achieved an almost three-fold increase in deposits from strategic partnerships;
- successfully raised \$350 million through two deposit note issuances with high investor demand and on average 16 bps tightened spreads;
- developed a US\$ High Interest Savings Account (HISA) product for the broker market and subsequently launched it in January 2020;
- began to develop our Covered Bond Program with a goal of a 2020 launch;
- committed to increasing our dividend by 20% to 25% per year through 2024;
- submitted our Advanced Internal Ratings-Based (AIRB) implementation plan to OSFI and continued to progress the overall initiative;
- reduced the size of our secured backstop funding facility to \$400 million and renewed it for a 2-year period at reduced costs; and
- received DBRS' annual rating confirmation, which was held at 'BBB' but with the trend improving to Positive from Stable.

## 2019 key compensation decisions

The HR Committee and the Board considered corporate financial and individual performance for 2019 compensation decisions, as well as relevant experience, internal equity, and competitiveness against the external market when setting both target and actual compensation levels.

As described further on page 56, the HR Committee approved an overall corporate score of 1.27 for the 2019 STI awards; this score was a determinant of STI opportunities for all employees, including the CEO and Executive Officers.

### CEO Compensation

After conducting a review, the HR Committee and the Board changed Mr. Moor's total direct compensation by increasing his LTI target for 2020 by 5 percentage points to 165% of his base salary. Given Equitable's 2019 performance, which saw a 22% increase in EPS and 7.5% improvement in ROE over 2018, Mr. Moor's total direct compensation (the sum of his base salary, his STI payout, and the grant-date value of his LTI awards) was \$2,956,250, which represented a 5.6% increase over his 2018 total direct compensation. His pay is consistent with Equitable's pay-for-performance philosophy and reflects Equitable's solid financial and operating performance under his leadership.

Equitable's 10-year TSR is **500%**, above the S&P/TSX Capped Financials Index at 162% and the S&P/TSX Composite Index at 95% over the same timeframe

A significant portion of the CEO's total direct compensation is conditional on Equitable's financial and share price performance, as shown on page 53. For 2019, over 76% of the CEO's total direct compensation is contingent upon this performance - approximately 40% was provided in long-term incentives.

If you have any comments or questions related to our approach to executive compensation, please provide them in writing to the Chair of the Board at [corporatesecretary@eqbank.ca](mailto:corporatesecretary@eqbank.ca).

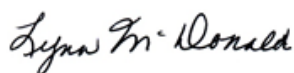
The Board and HR Committee remain committed to a pay-for-performance philosophy and continue to assess the executive compensation framework regularly to ensure alignment with Equitable's short- and long-term business strategy, and risk parameters.

### Looking ahead

The collective strength of our executive team and our dedicated employees is focused on producing strong results and executing our strategy to consistently deliver shareholder value.

We continually monitor market trends and best practices to ensure our compensation program remains aligned with your expectations and our pay-for-performance philosophy.

Your Board, with the support of the HR Committee, is committed to ensuring that our executive compensation continues to support our shareholders' interests and our future success as Canada's Challenger Bank™.



**Lynn McDonald**  
Chair, HR Committee



**David LeGresley**  
Chair of the Board

## COMPENSATION DISCUSSION AND ANALYSIS

The following is a discussion of our executive compensation program. It includes information relating to our philosophy and our approach to executive compensation, the methodologies and market research we use in determining compensation, and the actual compensation paid to Equitable executives for 2019.

### Our Named Executive Officers for 2019

**Andrew Moor**

President and Chief Executive Officer

**Tim Wilson**

Senior Vice-President and Chief Financial Officer

**Ron Tratch**

Senior Vice-President and Chief Risk Officer

**Dan Dickinson**

Senior Vice-President and Chief Information Officer

**Darren Lorimer**

Senior Vice-President, Commercial Lending

## Compensation Philosophy & Principles

Equitable fosters a “pay-for-performance” philosophy. We establish a clear and direct linkage between compensation and the achievement of corporate and personal objectives by providing an appropriate mix of fixed versus “at-risk” compensation, and immediate versus future income linked to our share price performance.

### Guiding Principles

The executive compensation program has been designed based on these guiding principles:

Competitive	Pay-for-performance
<ul style="list-style-type: none"> <li>A competitive compensation program is vital to Equitable’s ability to attract and retain key talent. Executive compensation is regularly compared to compensation of similar positions in the Canadian market and/or Canadian financial services sector</li> <li>The HR Committee considers individual performance, experience, internal equity and retention in its evaluation and decisions</li> </ul>	<ul style="list-style-type: none"> <li>We establish a clear and direct linkage between compensation and both corporate and individual performance</li> <li>A significant portion of an Executive’s total compensation is variable and “at risk” and is provided through incentives tied to Equitable’s success</li> <li>The variable portion reflects the level / nature of the position, generally increasing with seniority</li> </ul>
Effective risk management	Aligned with shareholder interests
<ul style="list-style-type: none"> <li>The HR Committee ensures that plan design does not create an incentive for risk-taking outside of the Bank’s Risk Appetite Framework, and reviews each plan regularly to ensure the plans are operating as intended and are aligned with the FSB Principles</li> </ul>	<ul style="list-style-type: none"> <li>A significant portion of the NEOs’ total direct compensation is contingent upon Equitable’s financial and operational results, and/or on TSR performance</li> <li>We align our incentive plans with performance over short- and mid- to long-term periods with the aim of ensuring our short-term actions lead to long-term increases in shareholder value</li> </ul>

## Compensation Governance and Oversight

The Board oversees the work of the HR Committee, the responsibilities of which include reviewing and approving the compensation arrangements of Equitable’s Executive Officers, and recommending their respective LTI awards for Board approval, as well as reviewing and recommending the compensation of the CEO to the Board for approval. See page 38 for information about the Committee and its activities during the past year.

Four independent directors serve on the Committee, and the average tenure is 4 years.

HR Committee	Committee member since
Lynn McDonald (Chair since 2014)	2011
Michael Emory	2015
Susan Ericksen	2019
Michael Stramaglia	2015

### Qualified Directors

To make sure the Committee has the expertise it needs to carry out its mandate, Committee members are required to have a thorough understanding of issues related to human resources, leadership, talent management, compensation, governance, and risk management. All members have gained experience serving as senior leaders in large organizations.

Additional information about the Committee members can be found in “Director Profiles” section of this circular. Committee members also sit on other Board Committees which helps the HR Committee make more informed decisions on the alignment of compensation policies and practices with sound risk management principles and practices.

### Compensation Governance

The HR Committee has implemented a number of compensation governance practices which we believe are consistent with best practices, support our business objectives and align with shareholder interests.

- ✓ Our HR Committee is composed entirely of independent Directors
- ✓ Compensation is aligned with both individual and corporate performance over the short, medium and long-term
- ✓ Share ownership requirements are in place for our Executive Officers
- ✓ Significant percentage of “at risk” compensation
- ✓ Compensation is linked directly to our strategy, using financial and non-financial metrics, and absolute and relative performance metrics
- ✓ External independent advice
- ✓ Executives are not permitted to use hedging to undermine the risk alignment in our compensation plans
- ✓ Assess / review risk and compliance accountabilities
- ✓ Capped incentive opportunities
- ✓ CRO attestation on alignment of executive compensation with the FSB Principles and sound risk management principles and practices
- ✓ Clawback policy - awards will be clawed back or reduced where there is a material misstatement of our financial results
- ✓ No guaranteed, multi-year bonuses
- ✓ No repeat performance measures across incentive plans
- ✓ No option re-pricing
- ✓ Benchmark executive officer target pay against a relevant comparator group
- ✓ No single trigger voluntary change of control termination provisions in new executive contracts

The HR Committee works with management and with the executive compensation consultant to get an independent view of best practices, Equitable’s executive compensation program, and compensation decisions. The Committee takes into consideration the information and recommendations the executive compensation consultant provides, but also considers other factors and is ultimately responsible for its own decisions.

### Independent advice

The HR Committee benefits from the advice of an external independent compensation consultant with deep expertise in the area of executive compensation and related corporate governance matters. From 2009 to May 2019, the HR Committee retained Willis Towers Watson for this purpose. In keeping with best practices in corporate governance, which supports periodic change, the HR Committee commenced a process to review the compensation consultant engagement. Following a comprehensive search, Meridian Compensation Partners Inc. (Meridian), an independent executive compensation advisory firm that works with a wide range of public and private companies across all sizes and industry sectors as well as financial institutions, was engaged as the HR Committee’s independent consultant. Meridian has no ties to members of the HR Committee or Equitable’s Executive Officers that could jeopardize its independence, and maintains policies and procedures designed to prevent conflicts of interest.

Both Meridian and Willis Towers Watson provided independent compensation advice on meeting content, management’s recommendations, governance trends and other items requested by the HR Committee in 2019 which are noted below:

- reviewing the market competitiveness of CEO compensation and the compensation for other Executive Officers
- providing updates on executive compensation practices, governance and regulatory trends
- providing advice on an appropriate level of target compensation for the CEO and Executive Officers, and on the latest relevant regulatory considerations impacting executive compensation in the compensation cycle and year-end pay decisions
- providing advice on CEO compensation, and the CEO’s compensation recommendations for other Executive Officers based on individual and overall Company performance
- providing advice on corporate scorecard metrics and long-term incentive plan design
- providing advice on the stock option valuation
- reviewing compensation-related materials prepared by management in advance of HR Committee meetings and highlighting potential issues to the HR Committee Chair

The Chair of the HR Committee meets privately with the independent compensation consultant before meetings where compensation is discussed. In addition, the HR Committee meets with Meridian without management present at every meeting where compensation is reviewed.

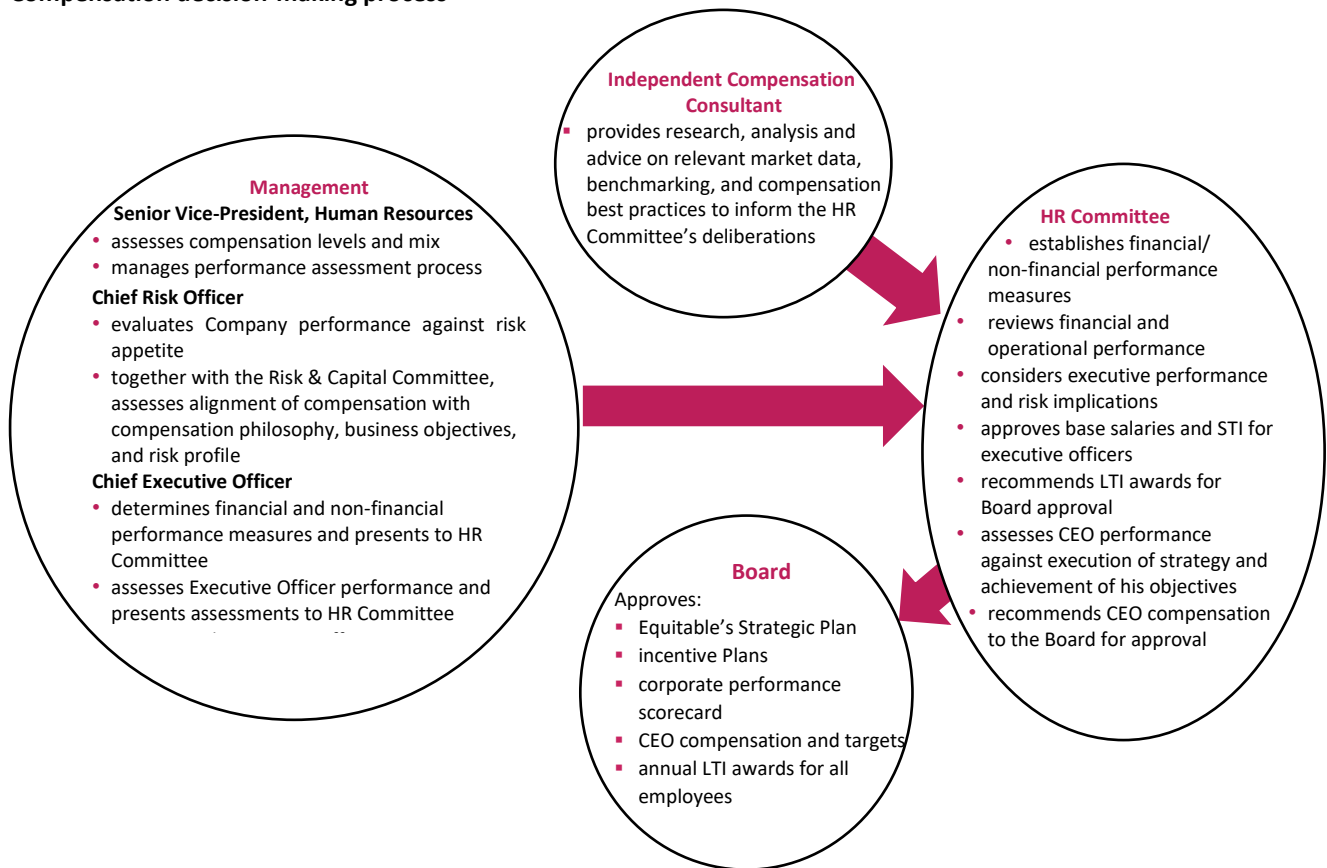
Each year Meridian will provide a letter to the HR Committee confirming its independence and affirming that no advisor at Meridian has any business, professional or commercial relationship with Equitable or any Executive Officer that would impair its independence. The HR Committee will review Meridian’s performance at least annually and has the authority to retain and terminate its independent compensation consultant.

The total fees that Equitable paid to each of Meridian and Willis Towers Watson for their respective services over the past two years are as follows:

Compensation Advisor	Fees paid in 2019 (\$)		Fees paid in 2018 (\$)	
	Executive compensation related fees	All other fees	Executive compensation related fees	All other fees
Meridian	71,445	0	0	0
Willis Towers Watson	22,767	5,311	122,531	0



## Compensation decision-making process



## Compensation risk management practices

Effective risk management is critical to our success and the achievement of our business objectives. Our compensation program is designed to implement our compensation philosophy of motivating our Executive Officers to achieve our business objectives in the short term and to grow our business to create long-term shareholder value for our stockholders. As part of our annual review of our compensation plans, policies and practices, we conduct a risk assessment to ensure that such plans, policies and practices are not encouraging undue risk taking. In addition, we utilize a mix of performance measures, so that undue emphasis is not placed on one particular measure, and employ different types of compensation to provide value over the short and long-term.

The Board regularly reviews the program to ensure its effectiveness. The core risks faced by Equitable are described on pages 50 through 65 of our MD&A for the year ended December 31, 2019.

Equitable seeks to align pay with our business strategy to drive performance, reward prudent management of a financial institution and protection of depositors, maximize long-term shareholder return, and attract and retain key talent, while considering risk appetite.

The performance goals for all employees, including Executive Officers, must incorporate the following:

- understand our risk and compliance management frameworks, policies, guidelines and practices
- ensure all decisions take into account risk / compliance management considerations and adhere to the appropriate related policies
- positively promote an effective risk and compliance management culture in all daily operations and decisions
- proactively approach compliance management and anticipate changes to compliance regulations
- demonstrate awareness of risks and manage responsibilities in a manner consistent with Equitable's Risk Appetite Framework

## Clawback Policy

Since 2013, Equitable has had a clawback policy that allows Equitable to recover or cancel certain incentive compensation awarded to the CEO, CFO and CRO in circumstances where:

1. there has been a material misrepresentation or material error resulting in the restatement of Equitable's financial statements, and
2. in the opinion of the independent directors, the obligation to restate the financial statements was due, in whole or in part, to intentional fraud or willful misconduct by the Executive.

In the circumstances described above, the Board would review all incentive compensation paid or awarded to the executive that is attributable to performance during the time period restated. From this review, the Board may require the Executive to repay all or part of the annual cash bonus and all equity-based compensation awarded to the Executive in the past 12 months, in excess of the amount that would have been received under the restated financial statements, and reduce or eliminate:

- unvested RSUs, PSUs and stock options
- vested but unexercised options
- the RSU and/or PSU award payout based on information that it would have had a negative impact on the size of the award when it was awarded.

Equitable has not had to claw back any compensation under this policy since it was implemented.

## Anti-Hedging

Under Equitable's trading policies, all employees and Directors are prohibited from:

- entering into any transaction that is designed to, or has the effect of, hedging or offsetting a decrease in the market value of awards or EGI securities,
- selling EGI securities they do not own, have not paid for or have the right to own (engaging in a "short sale"),
- trading in put or call options in respect of EGI shares,
- entering into any brokerage arrangements which might result in a sale at a time when the Director is not permitted to trade.

## Executive Share Ownership Requirements

Equitable's Executive Officers are expected to achieve and maintain a specific amount of equity in Equitable. A substantial share ownership level assists in aligning Executive interests with those of shareholders. Share ownership requirements vary by level and are based on a multiple of the Executive's base salary. First time appointed Executive Officers have five years to meet the share ownership requirement; upon promotion to a more senior level, the Executive has three years to meet their requirement.

Until February 2020, share ownership requirements only applied to Equitable's top three Executive Officers. On February 24, 2020, on the recommendation of the HR Committee, the Board approved an increase in the share ownership requirement for the CEO, CFO and CRO, and approved a share ownership requirement of one times base salary for all remaining Executive Officers.

Common shares, unvested RSUs and PSUs, and holdings through our Employee Share Purchase Plan all count towards meeting the requirement; stock options do not count. For the purposes of determining compliance with the share ownership requirement, the value of the Executive's holdings is based on the higher of acquisition cost/grant-date value and the market value as at the date of compliance, which is March 15 annually.

Executive Position	Share ownership requirement	Share ownership requirement
	prior to February 24, 2020	as of February 24, 2020
President and CEO	3x base salary	5x base salary
SVP and CFO	1x base salary	2x base salary
SVP and CRO	1x base salary	2x base salary
SVP and CIO	N/A	1x base salary
SVP, CL	N/A	1x base salary

Based on the foregoing, the HR Committee is satisfied that Equitable's Compensation Policy and program does not encourage the undertaking of risks which could have a material adverse effect on Equitable.

### Aligning Compensation with the FSB Principles

The FSB Principles were designed to enhance the stability and soundness of financial institutions by protecting them against excessive risk taking. The table below sets out how our compensation program and governance framework align with key elements of the FSB Principles, including how risk management is integrated into our compensation process.

	FSB Principles	Our alignment
Effective Governance of Compensation	The Board actively oversees the compensation system's design and operation	<ul style="list-style-type: none"> <li>The HR Committee approves or recommends for Board approval Equitable's compensation philosophy, policy, incentive plans, total payouts and vesting under material incentive plans, and equity grants</li> <li>The HR Committee:               <ul style="list-style-type: none"> <li>is composed entirely of independent directors and has cross-committee membership</li> <li>retains an independent consultant for compensation matters</li> <li>reviews the performance of the Executive Officers</li> <li>determines incentive compensation criteria and awards</li> <li>oversees the hiring, promotion and compensation of Executive Officers</li> <li>ensures effective succession and leadership development planning is in place</li> </ul> </li> </ul>
	The Board monitors and reviews the compensation system to ensure it operates as intended	<ul style="list-style-type: none"> <li>The HR Committee monitors and reviews the compensation system to ensure alignment with risk management principles and practices, including the compensation philosophy, compensation program design, and incentive performance targets / outcomes / payouts</li> <li>The CRO reports to the HR Committee on the alignment of the compensation program and practices with the FSB Principles and the Bank's risk profile, and the Bank's performance against the risk appetite framework</li> </ul>
	Control function employees are compensated in a manner independent of the business areas they oversee	<ul style="list-style-type: none"> <li>Compensation for employees in control functions (such as risk, internal audit, compliance, and finance) is independent of the specific businesses they support.</li> <li>Compensation for employees in the control functions is tied to overall Company performance and their individual performance</li> <li>The CFO, Vice-President - Internal Audit, Chief Compliance Officer and the CRO have ultimate responsibility for their employees, including hiring decisions, performance reviews and compensation</li> <li>The Audit Committee Chair recommends the Vice-President, Internal Audit's compensation</li> </ul>

	FSB Principles	Our alignment
Effective Alignment of Compensation with Prudent Risk Taking	<p><b>Compensation is adjusted for all types of risk</b></p>	<ul style="list-style-type: none"> <li>• There are standard accountabilities regarding risk and compliance behaviours embedded into performance assessments for all Executive Officers</li> <li>• Our STI is based on the Bank's financial performance and includes a discretionary component based on the Bank's strategic objectives</li> <li>• To support the HR Committee's approval of the financial multiplier for determining the annual STI payout, the CRO presents his assessment of the Bank's performance against the Risk Appetite Framework</li> <li>• Incentive threshold, target, and maximum performance levels are reviewed by the HR Committee and are set considering multiple perspectives including historical performance, budget, strategic plan and external factors</li> </ul>
	<p><b>Compensation outcomes are symmetric with risk outcomes</b></p>	<ul style="list-style-type: none"> <li>• Performance-based incentives are based on qualitative and quantitative criteria</li> <li>• Short-term incentives are based on pre-established thresholds, targets, and maximum percentages of base salary by employee level, with no minimums or guaranteed bonuses</li> <li>• The Board may use its discretion to adjust the payout factor when the calculated factor based on the performance metrics employed does not reflect all relevant considerations, taking into account significant events and circumstances (such as a material downturn in financial performance or events outside of management's control, etc.), including the possibility to reduce the STI payout to zero</li> <li>• Performance-based incentive programs are stress tested to assess the impact of maximum bonus payouts on Equitable's capital position</li> <li>• Incentive compensation for all employees is subject to forfeiture if an employee resigns or is terminated for cause</li> <li>• Incentive compensation for the CEO, CFO and CRO is subject to clawback and/or forfeiture in the event of a financial restatement resulting from intentional fraud or willful misconduct</li> <li>• The CRO reviews the compensation programs to ensure alignment with Equitable's risk appetite</li> <li>• Multi-year guaranteed incentive payments are not permitted. One-time awards may be selectively provided to new hire-employees to compensate for the loss of income as a result of deferred compensation foregone from a previous employer</li> </ul>
	<p><b>Compensation payout schedules are sensitive to the time horizon of risks</b></p>	<ul style="list-style-type: none"> <li>• Our compensation program is designed to align the behavior of those Executive Officers who can influence the Bank's risk position with our risk appetite. A significant portion of an Executive Officer's pay is in long-term incentives to ensure alignment of compensation with the risk time horizon and to enhance the focus on longer-term value</li> <li>• Share ownership requirements for the Executive Officers align interests with shareholders</li> <li>• Employees are prohibited from engaging in any hedging transactions with respect to EGI's shares</li> </ul>
	<p><b>The mix of cash, equity and other forms of compensation must be consistent with risk alignment</b></p>	<ul style="list-style-type: none"> <li>• The portion of equity-based compensation increases with seniority</li> <li>• Having a significant portion of compensation subject to vesting and potential reduction or forfeiture at maturity allows the HR Committee to ensure that, over time, actual compensation paid is aligned with risk-adjusted performance</li> <li>• Incentive awards cannot be assigned</li> </ul>

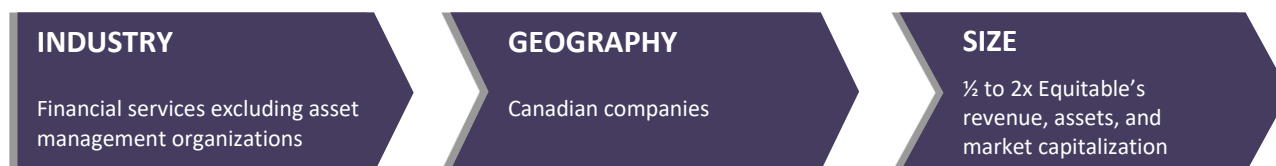
## Competitive Benchmarking

### Comparator Group

The competitive market for executive talent is drawn from businesses within financial services and broader general industry. It is challenging to determine one specific peer group for purposes of benchmarking NEO compensation given our structure, size and scope as well as the inherent imprecision in comparing roles/responsibilities for a position at Equitable, to those for a specific benchmark match. As such, the HR Committee considers comparator group data holistically in conjunction with other factors when making compensation decisions. The HR Committee also uses compensation survey data, reflecting a broader financial services industry sample, which provides an additional point of validation when making compensation decisions. The benchmarking data, along with other relevant factors such as internal equity, are used to develop a target compensation mix and an aggregate compensation package for each executive position. The HR Committee generally seeks to position NEO compensation within a competitive range of the comparator group median.

## Selection of comparator group

The comparator group is made up of Canadian companies within the same industry, across industries, and with which we compete for executive talent (e.g., other large banks but on a position-by-position scope-adjusted basis) are evaluated. The appropriate sample used to assess the competitiveness of pay varies based on role and where talent is recruited and lost. Typically we consider an appropriate range for the size of companies included in our comparator group to be companies with approximately one-half to 2 times Equitable's total revenue.



The comparator group used for 2019 compensation is outlined in the table below. There were no changes from the prior year.

### Canadian Comparator group used for benchmarking

Canadian Western Bank	Genworth MI Canada Inc.
The Co-operators Group Ltd.	Home Capital Group Inc.
Economical Mutual Insurance Co.	Laurentian Bank
First National Financial Corp.	

The comparator group reflects the size, scope and business characteristics of Equitable, with the combination of revenue, assets and market capitalization positioned around the median of the peer group. The HR Committee reviews the companies in the comparator group every two years with the executive compensation consultant and management to ensure they continue to reflect Equitable's characteristics.

## Secondary Reference

Equitable also reviews compensation survey data reflecting a broader financial services industry sample. This information provides an additional point of validation when making compensation decisions.

In 2019, Meridian conducted a detailed compensation review for Equitable's Executive Officers, including each component of target total compensation. The review concluded that Equitable's executive compensation program structure and pay levels were generally aligned with peers and market practice, and with sound compensation principles. There were certain recommended adjustments on select pay elements for 2020 to address changes in job scope, individual performance and positioning relative to market data. These changes are described further under "Elements of Executive Compensation" on the following pages.

## Elements of Executive Compensation

Equitable's compensation program is designed to support Equitable's strategy, pay our Executives for performance and be competitive with the market.

The program is made up of direct compensation components such as base salary and variable compensation as well as indirect compensation components such as employee benefits that promote the well-being of all employees and their families.

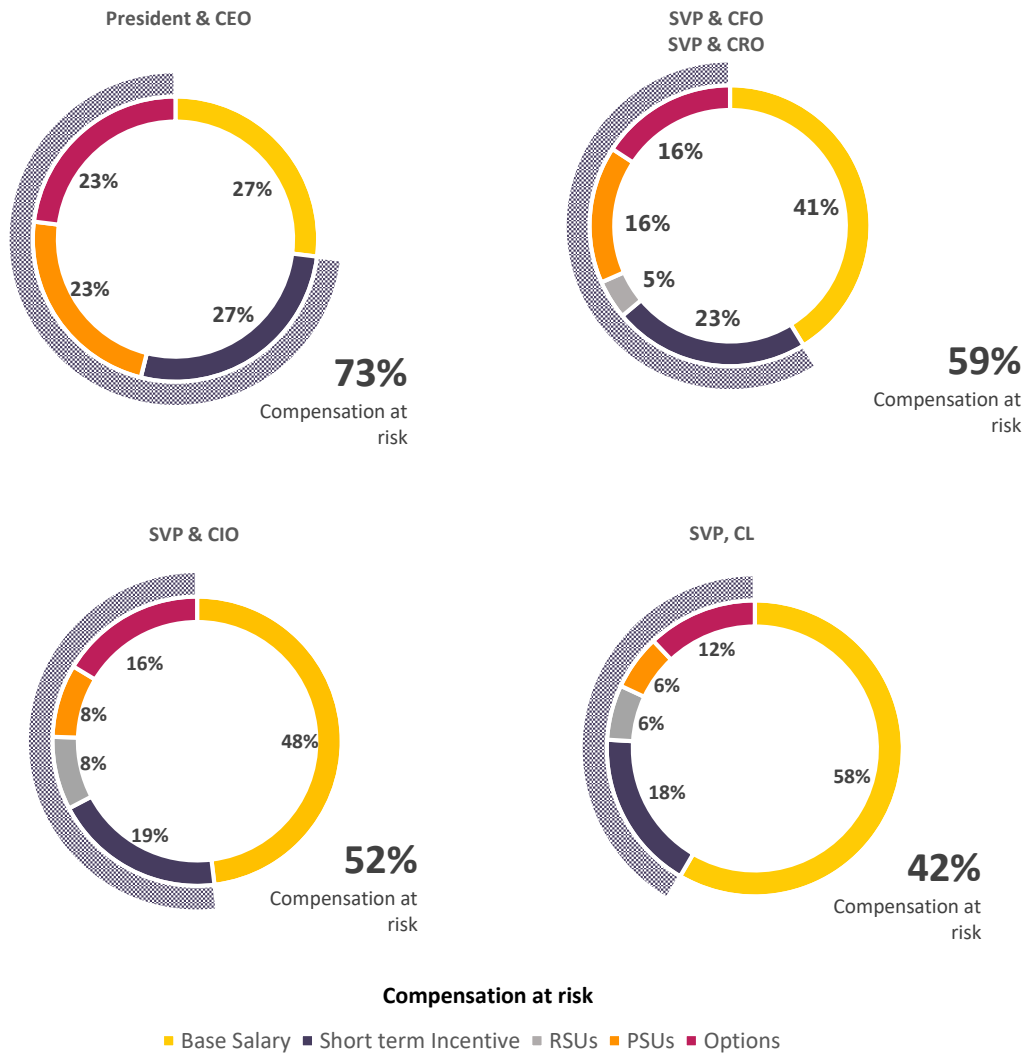
Target total direct compensation is reviewed annually for all Executive Officers. Equitable's philosophy is to set the target compensation generally within a competitive range of the peer or market median, with the opportunity to exceed the median when individual and corporate performance are above expectations. Targets for an individual Executive Officer may be positioned above or below the median to reflect the experience, performance or other factors specific to the Executive or the position.

The table below presents the components of total compensation as well as their respective features and time horizons.

### Total compensation at a glance

Element	Features / Objective	Performance Period
<b>Annual total direct compensation</b>		
<b>Fixed Base Salary</b>	<ul style="list-style-type: none"> <li>base level of pay determined by evaluating the responsibility and scope of the Executive's position, prior experience, breadth of knowledge, and performance.</li> <li>reflects market competitive value of the role versus peers</li> <li>paid in cash</li> </ul>	N/A
<b>Variable Pay</b>		
<i>Short-term Incentive</i>	<ul style="list-style-type: none"> <li>provides an annual cash award based on corporate and individual performance</li> </ul>	1 year
<i>Long-term Incentive</i>		
<b>Restricted Share Units</b>	<ul style="list-style-type: none"> <li>deferred incentive that aligns executive pay with the shareholder experience over the medium term</li> <li>RSU payout provided in cash based on Equitable's share price</li> </ul>	Cliff vest after 3 years
<b>Performance Share Units</b>	<ul style="list-style-type: none"> <li>performance-based deferred incentive rewards executives for creating sustained shareholder value over three years based on relative TSR performance</li> <li>PSU payout provided in cash based on Equitable's share price and TSR performance ranking</li> </ul>	Cliff vest at the conclusion of a three-year performance period
<b>Stock Options</b>	<ul style="list-style-type: none"> <li>performance-based and leveraged deferred incentive to motivate executives to create sustainable shareholder value over the long-term</li> <li>value depends on share price at time of exercise and only holds value to the extent Equitable's share price increases</li> </ul>	7 years Vest over 4 years
<b>Indirect compensation</b>		
<b>Group Benefits ESPP, Group RSP and DPSP</b>	<ul style="list-style-type: none"> <li>provided to support the health and wellbeing of all employees</li> <li>Executive Officers provided comprehensive annual health assessments</li> <li>Group RSP and DPSP help to support funding for income at retirement</li> </ul>	

## Target Total Direct Compensation Mix



## Base Salary

Equitable believes that a competitive base salary is one component of the broader compensation program that is necessary for attracting and retaining qualified Executive Officers. Executive Officer salaries are reviewed annually, with consideration given to the Executive's level of responsibility and scope of the position, competitive market data, internal equity, the Executive's proven capabilities, general market conditions, and individual performance. Annual increases to base salary are generally in line with a range provided to all Equitable employees. Additional increases beyond this percentage may be made to reflect additional responsibilities assigned to the Executive and resulting expanded oversight responsibilities. Executive Officer salaries are benchmarked every two years against data provided by the HR Committee's executive compensation consultant.

In 2019, Meridian provided benchmarking data of executive compensation levels for Executive Officers, including the CEO. Results of the benchmarking analysis indicated that compensation levels for most roles were positioned below the market median. NEO base salaries for 2020 were adjusted as follows:

## 2020 and 2019 Base Salary Decisions

	2020 (\$)	% Increase (2020 - 2019)	2019 (\$)	% Increase (2019 - 2018)	2018 (\$)
Andrew Moor	725,000	3.6%	700,000	0.0%	700,000
Tim Wilson	413,750	3.0%	401,000	3.0%	390,000
Ron Tratch	351,750	5.0%	335,000	8.1%	310,000
Dan Dickinson	340,000	13.3%	300,000	7.1%	280,000
Darren Lorimer	291,750	3.0%	283,250	3.0%	275,000

## Short-Term Incentive Award

The STI award is designed to reward the achievement of business objectives in the short term by providing an annual cash bonus. This element of pay is calculated based on individual and corporate performance.

For NEOs, the target award is based on a percentage of the Executive's base salary and increases with the Executive's seniority. The actual award in any given year will vary as it is linked to Equitable's financial and operational performance, and the Executive's individual performance in the year.

### Corporate Performance

Each year, the Board approves the corporate financial performance measures to be included in the corporate scorecard. It establishes threshold, target and maximum performance levels for each measure to align with payout opportunities. These targets are established in the context of Equitable's business plan and operating environment.

For 2019, corporate financial performance measures were equally weighted:

- Diluted Earnings per Share ("Diluted EPS")
- Return on Equity ("ROE")
- the Bank's Common Equity Tier 1 ("CET1") ratio

These corporate financial performance measures are as described and reported on beginning on page 3 of Equitable's 2019 Management's Discussion and Analysis which is available on SEDAR ([www.sedar.com](http://www.sedar.com)) and on our website ([www.equitablebank.ca](http://www.equitablebank.ca)).

The Corporate Performance Score is determined based on actual results for each financial performance measure and subject to modification by the addition or subtraction of up to 20% based on the HR Committee's year-end assessment of performance against predetermined strategic objectives.

The overall maximum Corporate Performance Score is capped at 1.4x (minimum = 0x), a level that would reflect a score of 1.2x for exceptional corporate financial performance plus an additional 20 points for strategic objectives.

### Individual Performance

The HR Committee reviews individual performance targets for the CEO based on the Company's long-term business and strategic initiatives and leadership goals, and recommends them to the Board for approval. The amount of the CEO's STI award may vary between 0 and 150% of the target award, depending on performance relative to Equitable's financial performance metrics and achievement of strategic initiatives and leadership goals. The individual performance objectives for the remaining NEOs are reviewed and approved by the CEO in consultation with each NEO. Objectives vary based on respective roles and responsibilities.

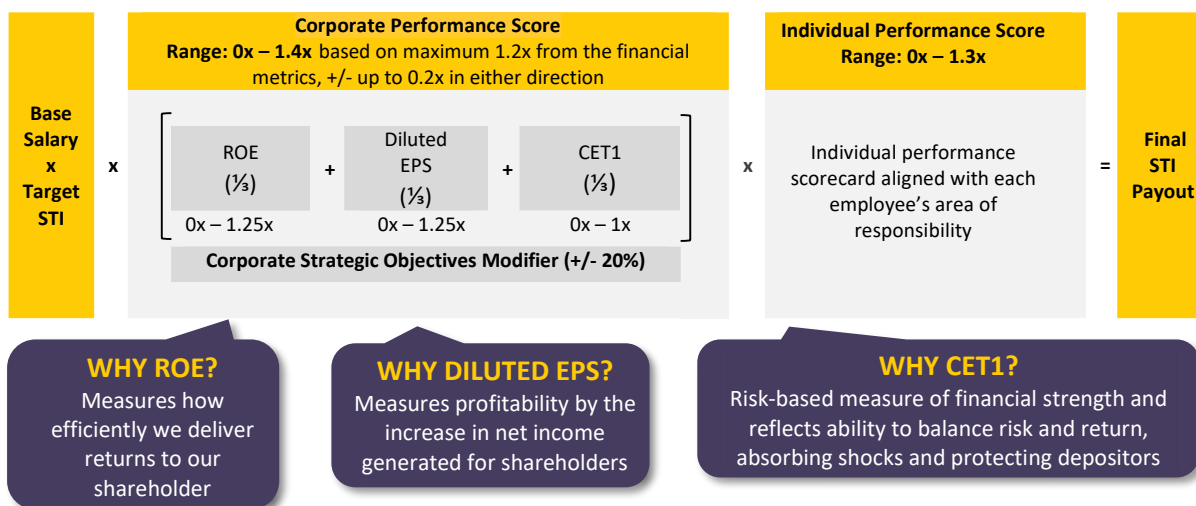
At the end of the year, the CEO summarizes the performance of all direct reports for review and evaluation by the HR Committee. An Individual Performance Score is determined based on an assessment of performance relative to the predetermined objectives.

The maximum Individual Performance Score is capped at 1.3x (minimum = 0), a level that would reflect exceptional individual performance and contributions to Equitable's objectives.



The final STI payout for each employee is then based on a combination of the Corporate Performance Score for the year and the Individual Performance Score. Total final STI payouts are capped at 1.5x target STI even if the maximum possible Corporate Performance and Individual Performance Scores were attained.

The illustration below shows how STI awards are calculated:



## Discretion

The HR Committee believes that although financial performance is an important consideration in determining the STI award, strict adherence to mathematical formulas could lead to unintended results. Accordingly, the HR Committee retains the discretion to adjust STI awards based on qualitative considerations, such as extenuating circumstances or unexpected events that may have arisen over the course of the year that are not within management's control and which impacted the Executive's ability to meet or exceed his or her original objectives, any new objectives that were mutually agreed upon during the year, as well as modifications to individual, departmental and/or corporate deliverables. If circumstances warrant, the total amount of the STI award can be adjusted upwards to the maximum or downwards to zero. As a rule, discretion is expected to be exercised infrequently, symmetrically, and only when necessary to recognize exceptional circumstances.

For the 2020 performance period, the HR Committee approved the following increases in the target STI award for all NEOs, excluding the CEO, based on benchmarking analysis provided by the executive compensation consultant:

	2019 Target	2020 Target
President & CEO	100%	100%
CFO	55%	60%
CRO	55%	60%
CIO	40%	50%
SVP, CL	30%	35%

## 2019 STI Opportunities for NEOs (% of base salary)

	Threshold	Target	Maximum
President & CEO	20%	100%	150%
CFO	11%	55%	82.5%
CRO	11%	55%	82.5%
CIO	5%	40%	60%
SVP, CL	5%	30%	45%

## 2019 Corporate Performance Scorecard

In February 2019, the HR Committee reviewed and approved performance targets and ranges for each of the annual incentive measures.

In February 2020, the HR Committee reviewed the Company's 2019 financial performance relative to the EPS, ROE and CET1 ratio targets and determined a corporate performance multiplier of 1.27 as follows:

Performance Factor	2019 Target <sup>1</sup>	2019 Actual	Corporate Performance Score
Earnings Per Share	\$11.43	\$11.97	1/3 weight x 1.25 score
Return on Equity	14.6%	15.5%	1/3 weight x 1.25 score
CET1 ratio	≥ 13%	13.6%	1/3 weight x 1.0 score
2019 Total financial performance score			1.17
Strategic Objectives	Not disclosed due to competitive sensitivities	Not disclosed due to competitive sensitivities	+10%
<b>2019 Total Corporate Performance Score</b>			<b>1.27x</b>

- For achieving target performance on EPS and ROE measures, the Corporate Performance Score is equal to 1.1x. For achieving target performance on CET1 ratio, the Corporate Performance Score is 1.0x.

The STI awards for NEOs, with the exception of the CEO, were approved by the HR Committee on February 21, 2020. The STI award for the CEO was approved by the Board on February 24, 2020. All STI awards are shown in the Summary Compensation Table on page 73. Individual performance scores were developed as well - please see the individual NEO profiles that follow for a description of their individual performance.

## Long-Term Incentive Awards

Long-term incentive compensation is intended to be forward-looking – it rewards executive officers and other eligible employees for creating sustained performance over a period of three to seven years, and strengthens the alignment between executive officer compensation and the long-term interests of shareholders. The actual amount realized could be greater or less than the grant date amount based on Equitable's financial and share price performance over the next three years, in the case of RSUs and PSUs, and seven years, in the case of options. All LTI awards are granted by the Board on the recommendation of the HR Committee.

LTI compensation consists of RSUs, PSUs and options. It allows Equitable to increase Executives' ownership interest in Equitable and allows Equitable to attract and retain key executives. LTI is administered by the HR Committee which recommends LTI grants for Executive Officers to the Board after considering peer group benchmarking data provided by the HR Committee's executive compensation consultant, the performance and experience of the executive, and the responsibility of the role.

## Restricted Share Unit Awards

RSUs align Executives' and shareholder interests in share return growth. Time vesting supports the retention of Executive Officers to better enable Equitable to execute its long-term strategy.

Each RSU represents one notional common share and earns notional dividends, which are re-invested into additional RSUs when cash dividends are paid on EGI's common shares.

The number of RSUs granted is determined on the grant date by dividing the target award value (based on a percentage of base salary) by the five-day weighted average trading price of an EGI common share prior to the grant date.

### RSU Vesting and Payout

RSUs vest on December 15 of the third calendar year following the calendar year for which the RSUs were awarded ("cliff vest"). The amount received depends on the number of units that vest (including the initial grant and additional RSUs acquired as dividend equivalents) and our share price at the time of vesting:

- vested units are converted to cash using the volume-weighted average trading price of our common shares on the TSX for the five consecutive trading days immediately prior to the vesting date.
- payments are made by December 31 of the year the units vest, and withholding taxes apply. Participants must be employed by Equitable at the time of vesting to receive the cash payment.

### Payout of 2017 RSU Awards

The RSUs awarded to the NEOs on February 28, 2017, based on their performance in 2016, vested on December 15, 2019.

The vesting price was the 5-day volume-weighted average of an Equitable common share on the TSX as at December 15, 2019. The payout value of RSUs received by the NEOs, before taxes, in December 2019, was as follows:

	RSUs awarded in 2017 (#)	Number of dividend equivalent received (#)	Total RSUs (#)	Vesting price (\$)	Payout Value of RSUs on vesting (\$)
Andrew Moor	-	-	-	-	-
Tim Wilson	-	-	-	-	-
Ron Tratch	-	-	-	-	-
Dan Dickinson	214	10	224	112.51	25,187
Darren Lorimer	267	12	279	112.51	31,425

## Performance Share Units

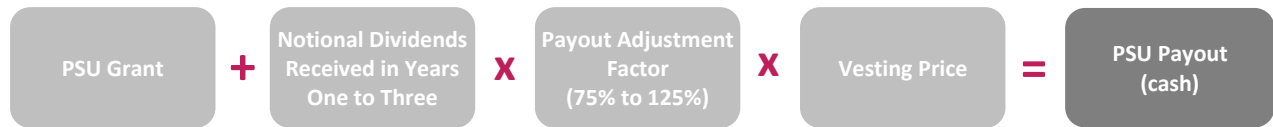
PSUs align Executives' and shareholder interests by linking share price growth over a period of time. Each PSU represents one notional common share and earns notional dividends, which are re-invested into additional PSUs when cash dividends are paid on EGI's common shares.

The number of PSUs granted is determined on the grant date by dividing the target award value (based on a percentage of base salary) by the five-day weighted average trading price of an EGI common share prior to the grant date.

### PSU Vesting and Payout

PSUs vest on December 15 at the end of the three-year performance period based on our performance. The final payout value is tied to the number of PSUs that vested and our share price at the time of vesting.

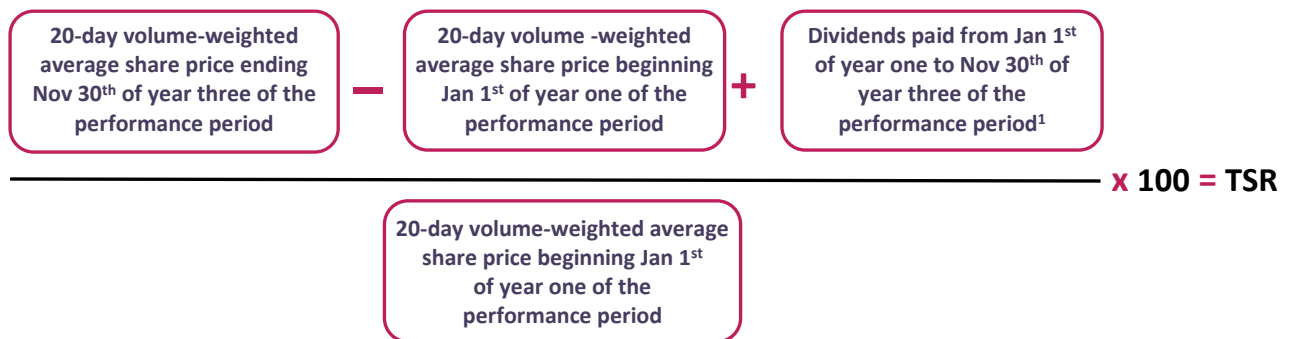
At the end of the performance period for each respective grant of PSUs, a performance multiplier (“payout adjustment factor) is applied to the number of PSUs outstanding on the vesting date such that the total payout value may be greater or less than the value of an equal number of EGI common shares. The value of each common share underlying each PSU held on the vesting date is based on the volume-weighted average trading price of our common shares on the TSX for the five consecutive trading days immediately prior to the vesting date. Payments are made by December 31<sup>st</sup> of the year the PSUs vest, and withholding taxes apply.



Where TSR is negative, the payout adjustment factor is automatically reduced to threshold (75%)

### How we calculate TSR and the Payout Adjustment Factor

TSR is calculated using the formula set out below. Equitable’s TSR is then ranked against that of its Performance Peers, determining the Payout Adjustment Factor to be used in PSU payout calculation.



1. Reinvested at time of receipt.

The peer group for determining TSR for purposes of calculating the PSU payout adjustment factor is as follows:

#### Performance Peer Group

Bank of Montreal  
 Canadian Imperial Bank of Commerce  
 Canadian Western Bank  
 Genworth MI Canada Inc.  
 Home Capital Group Inc.  
 Laurentian Bank  
 National Bank of Canada  
 Royal Bank of Canada  
 The Bank of Nova Scotia  
 The Toronto-Dominion Bank

#### WHY THESE COMPANIES?

Reflects regulated financial institutions in businesses subject to similar risks as Equitable

#### Calculating Payout Adjustment Factor

TSR Relative to Peer Group	Payout Adjustment Factor
1 <sup>st</sup>	125%
2 <sup>nd</sup>	120%
3 <sup>rd</sup>	115%
4 <sup>th</sup>	110%
5 <sup>th</sup>	105%
6 <sup>th</sup>	100%
7 <sup>th</sup>	95%
8 <sup>th</sup>	90%
9 <sup>th</sup>	85%
10 <sup>th</sup>	80%
11 <sup>th</sup>	75%

#### Payout of 2017 PSU Awards

The PSUs awarded to the NEOs on February 28, 2017 vested on December 15, 2019. For these PSUs, the payout value was determined by comparing the TSR of EGI's common shares during the performance period that began on January 1, 2017 and ended on November 30, 2019, against the TSR of the companies in the Performance Peer Group noted above. Equitable's TSR ranked first for the performance period and resulted in a payout adjustment factor of 125%.

The value of PSUs on the vesting date was calculated as the number of PSUs that vested multiplied by 125% multiplied by the vesting date value of \$112.51 (5-day volume-weighted average of an EGI common share on the TSX as at December 15, 2019).

The payout value of PSUs received by the NEOs in December 2019, was as follows:

	PSUs awarded in 2017 (#)	Number of dividend equivalents received (#)	Total PSUs (#)	Vesting price (\$)	Payout Adjustment Factor (%)	Payout value of PSUs on vesting (\$)
Andrew Moor	5,849	269	6,118	112.51	125	860,507
Tim Wilson	1,611	74	1,685	112.51	125	237,011
Ron Tratch	1,122	52	1,174	112.51	125	165,069
Dan Dickinson	214	10	224	112.51	125	31,484
Darren Lorimer	267	12	279	112.51	125	39,281

## 2020 RSU and PSU awards

The RSUs and PSUs awarded to each NEO on March 4, 2020, which were approved by the Board on February 24, 2020, are as follows:

	Number Awarded (#)			Grant Date Fair Value <sup>1</sup> (\$)	Award (% of 2020 base salary)
	RSUs	PSUs	Total		
Andrew Moor	-	6,576	6,576	598,125	82.5
Tim Wilson	483	1,692	2,175	197,824	47.8
Ron Tratch	411	1,438	1,849	168,180	47.8
Dan Dickinson	561	561	1,122	102,000	30.0
Darren Lorimer	321	321	642	58,350	20.0

1. The grant date fair value shown for RSU and PSU awards is based on the volume-weighted average trading price of EGI's common shares on the TSX for the five consecutive trading days prior to March 4, 2020 of \$90.96.

## 2020 Option awards

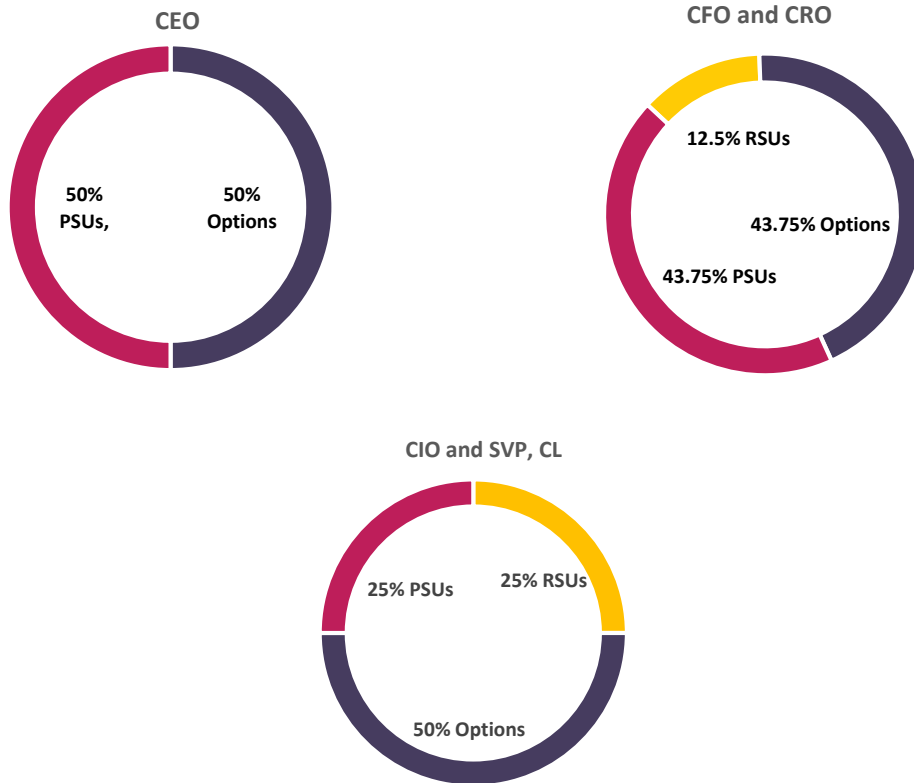
The Option award for each NEO which were granted by the Board on February 24, 2020, with an effective date of the grants being March 4, 2020, is as follows:

	Options Granted <sup>1</sup> (#)	Grant Date Fair Value <sup>2</sup> (\$)	Award (% of 2020 base salary)
Andrew Moor	26,051	598,131	82.5
Tim Wilson	6,701	153,855	37.2
Ron Tratch	5,697	130,803	37.2
Dan Dickinson	4,443	102,011	30.0
Darren Lorimer	2,541	58,341	20.0

1. The number of options granted is determined by dividing the target option award value by the fair value of the Option.
2. The grant date fair value of \$22.96 is calculated based on a Black-Scholes option pricing model, assuming a term of 7 years and vesting over 4 years.

## Target LTI mix

For the 2019 compensation decisions, the LTI awards for the NEOs were as follows:



### Objectives of LTI:

- Align the interests of management with shareholders
- Enhance ability to attract, motivate and retain key Executives
- Provide opportunity for management to build an economic stake in Equitable

### 2020 Target LTI awards (% of base salary)

Position	Target
CEO*	165%
CFO	85%
CRO	85%
CIO	50%
SVP CL	40%

\*The CEO's LTI awards range from 125% - 175% of base salary, depending on factors considered at time of grant.

The HR Committee considers the following when determining individual awards:

- market competitiveness (based on periodic benchmarking)
- position level of the Executive
- responsibilities associated with position level
- retention considerations
- internal equity

The LTI award is forward-looking, so the HR Committee does not consider the value of awards the Executive Officer received in previous years when it is determining new grants.

## Cost of Management Ratio

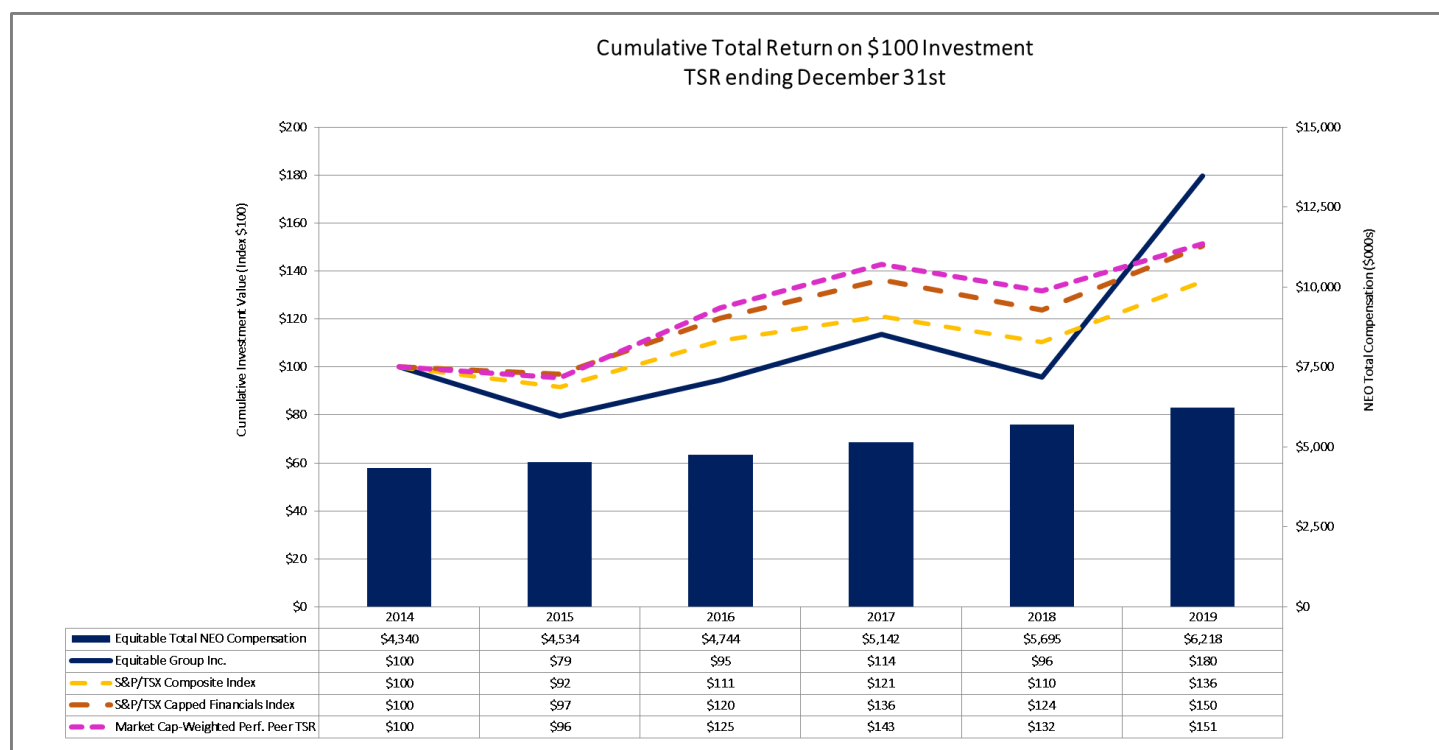
The following table shows the total aggregate compensation awarded to the NEOs as a percentage of net income in each of the last three years:

	2019	2018	2017
Total Aggregate NEO Compensation	\$6,218,150	\$5,694,544	\$5,142,297
Net Income After Tax	\$206,479,000	\$165,626,000	\$160,617,000
Total Aggregate NEO Compensation as a % of Net Income After Tax	3.01%	3.44%	3.20%

## Performance Graph

The following graph illustrates the change in cumulative TSR for \$100 invested in the Company's common shares five years ago on December 31, 2014. The cumulative TSR of the S&P/TSX Composite Index, the S&P/TSX Capped Financials Index, and the Performance Peer Group, is also shown over the same period. It assumes the reinvestment of all dividends and an equal weighting for all companies in the Performance Peer Group.

The graph also includes NEO Total Direct Compensation for the past five years.



1. Total NEO compensation reported in the Summary Compensation Table.



## 2019 Compensation for the Named Executive Officers

### Andrew Moor, President and Chief Executive Officer



Andrew Moor has been President and CEO of Equitable since March 2007. He is responsible for providing leadership, vision and management of Equitable's business and affairs. He is also responsible for the successful execution of Equitable's strategy, the oversight of capital and risk management, compliance with overall governance and regulatory requirements, and Equitable's overall financial performance. In recent years, Mr. Moor's focus has been in positioning Equitable Bank as Canada's Challenger Bank™.

Mr. Moor holds an MBA from the University of British Columbia and a Bachelor of Science degree in Engineering from University College, London.

### 2019 performance highlights

Highlights of Equitable's financial results are set out below:

	2019	2018	Change
Earnings Per Share	\$11.97	\$9.67	24%
Return on Equity	15.5%	14.1%	1.4%
CET1 ratio	13.6%	13.5%	0.1%

Notable highlights of Mr. Moor's performance included:

- achieved the milestone of Equitable Bank's inclusion in the TSX Composite Index
- successfully advanced Equitable's status in the Canadian market as Canada's Challenger Bank™ by providing industry leading perspective on 'open banking'
- advanced the stature of the EQ Bank brand through the migration of certain core platforms to the Cloud and implementing state of the art systems to improve product and service offerings, as well as capitalize on future opportunities in open banking
- in addition to successfully growing Core Single Family Residential and Commercial businesses, led the diversification of Equitable's lending portfolios with the acquisition of Bennington Financial Corp., growth in the Specialized Finance business, and continued refinement of the Reverse Mortgage, and Cash Surrender Value products.

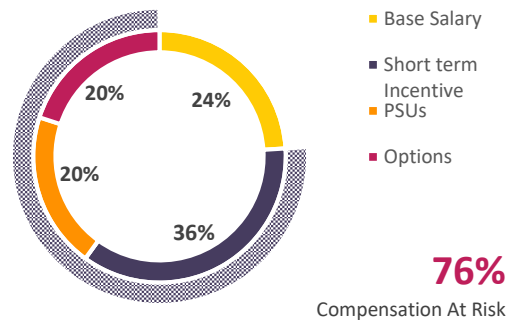
### Compensation awarded

The Board sets the CEO's target level and mix of compensation based on the following – the target and actual compensation of CEOs in the comparator group, his performance and experience in the role, and Equitable's overall performance under his leadership. The HR Committee assessed Equitable's financial performance against the three financial performance metrics and his achievement of strategic initiatives and also assessed his achievement against his personal objectives. On this basis, and on the recommendation of the HR Committee, the Board approved an increase in Mr. Moor's target LTI from 160% to 165% of his base salary, and also approved total variable compensation for Mr. Moor of \$2,256,500, reflecting Equitable's strong performance. The Board further approved a 3.6% increase in Mr. Moor's base salary to \$725,000 effective January 1, 2020.

## Total Direct Compensation

	2019 (\$)	2018 (\$)	2017 (\$)
Base Salary	700,000	700,000	645,000
Short-term incentive	1,060,000	978,700	890,100
• PSUs (rounded)	598,125	559,984	483,797
• Options (rounded)	598,125	559,995	483,754
Long-term Incentive	1,196,250	1,119,979	967,551
<b>Total Direct Compensation</b>	<b>2,956,250</b>	<b>2,798,679</b>	<b>2,502,651</b>

## 2019 Compensation Awarded Mix



## Reported versus realized CEO pay

A significant portion of CEO compensation is conditional on Equitable's financial and share price performance. The following table further demonstrates shareholder alignment of Equitable's compensation program by comparing compensation awarded to Mr. Moor in respect of his performance as CEO to the actual value received as at December 31, 2019.

The actual total direct compensation value includes the realized and realizable value of the awards granted each year as at December 31, 2019:

- realized value: base salary, short-term incentive (earned for performance in the year but paid in the following year) the payout value of PSUs awarded for the period that vested, and gains realized from options exercised;
- realizable value: the value of unvested PSUs and the in-the-money value of unexercised outstanding options.

The table reflects compensation for Mr. Moor for 2015 to 2019 and compares the actual value to the CEO for each \$100 of compensation awarded each year, to the value earned by shareholders over the same period. We have indexed these values at \$100 to provide a meaningful comparison.

Year	Total Direct Compensation Awarded (000s) <sup>1</sup> (\$)	Realized Pay <sup>2</sup> (\$)	Realizable Pay <sup>3</sup> (\$)	Compensation realized and realizable as at December 31, 2019 (\$)	Period	Value of \$100	
						CEO <sup>4</sup> (\$)	Equitable Shareholders <sup>5</sup> (\$)
2015	2,344	3,288	1,753	5,041	Jan 1, 2015 to Dec 31, 2019	215.11	183.65
2016	2,416	3,617	2,439	6,056	Jan 1, 2016 to Dec 31, 2019	250.70	226.12
2017	2,503	1,896	1,190	3,086	Jan 1, 2017 to Dec 31, 2019	123.30	188.48
2018	2,799	2,348	2,883	5,231	Jan 1, 2018 to Dec 31, 2019	186.93	157.42
2019	2,956	7,937	2,500	10,437	Jan 1, 2019 to Dec 31, 2019	353.04	182.72

1. Includes base salary and all incentive compensation awarded in respect of performance in the year as reported in the Summary Compensation Table.
2. Actual value of compensation awarded to Mr. Moor each year, realized between grant and December 31, 2019.
3. Actual value of compensation awarded to Mr. Moor each year, still realizable on December 31, 2019
4. Compensation realized or realizable by Mr. Moor or each \$100 awarded in total direct compensation during the year indicated.
5. Represents the cumulative value of a \$100 investment in common shares made on January 1 in each year indicated, assuming reinvestment of dividends.

## Share Ownership

Values at March 15, 2020 are based on \$75.26, the closing price of our common shares on the TSX on March 13, 2020. Mr. Moor exceeds his share ownership requirement of \$3,625,000.

Common shares (#)	PSUs (#)	Total Value (\$)	Required multiple of base salary	Actual multiple of base salary	Meets requirement
219,382	23,952	18,313,337	5x	25.3x	met

## Tim Wilson, Senior Vice-President and Chief Financial Officer



Tim Wilson has been SVP and CFO of Equitable since January 2012. He is responsible for the overall financial strategy and management of Equitable, including financial analysis, financial and regulatory reporting, accounting, capital management, securitization, treasury, deposit services, tax, and investor relations.

Previously he held the position of President of Visa Canada and had prior experience in a senior executive position with CIBC and as a consultant with Monitor Group. He received his CA designation in 1997 while working with Ernst and Young.

Mr. Wilson holds an MBA from Harvard Business School and a B. Comm from Queen's University.

### 2019 performance highlights

- provided effective capital management, including recommending the rate reset of Equitable's preferred shares
- continued to build and diversify the Bank's funding sources, including beginning to develop a covered bond program and issuing two deposit notes
- successfully renegotiated the secured backstop funding facility at a lower cost and size
- assisted with developing the Bank's long-term approach to dividends that was implemented in the year and communicated to investors effectively
- completed the financial alignment and consolidation of Bennington, after the acquisition on January 1, 2019
- worked with rating agencies to communicate our underlying strength advance and capital position of the Bank to advance our aspiration to improve our ratings

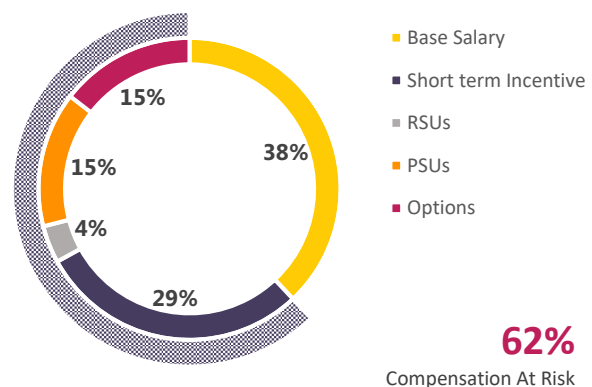
### Compensation awarded

The table below shows the total direct compensation approved for Mr. Wilson for 2019. His 2019 base salary was approved by the HR Committee in February 2019 on the recommendation of the CEO, effective January 1, 2019. The HR Committee established Mr. Wilson's compensation taking into account Equitable's performance and relative performance against our peers, the competitive positioning of his compensation and its alignment with shareholder interests, and his individual performance.

#### Total Direct Compensation

	2019 (\$)	2018 (\$)	2017 (\$)
Base Salary	401,700	390,000	356,400
Short-term incentive	313,000	285,000	260,000
• PSUs (rounded)	153,863	136,489	124,734
• RSUs (rounded)	43,961	38,968	35,622
• Options (rounded)	<u>153,863</u>	<u>136,494</u>	<u>124,739</u>
Long-term Incentive	351,687	311,951	285,095
<b>Total Direct Compensation</b>	<b>1,066,387</b>	<b>986,951</b>	<b>901,495</b>

#### 2019 Compensation Awarded Mix



### Base salary

At its February 2020 meeting, the HR Committee approved a 3% increase in Mr. Wilson's base salary to \$413,750, effective January 1, 2020.

### Short-term incentive

Mr. Wilson's 2019 STI award was approved by the HR Committee and paid in February 2020. It was approximately 42% higher than his target STI award, reflecting strong financial performance and progress on our strategic initiatives, and his individual performance. For 2020, the HR Committee approved an increase to Mr. Wilson's target STI award to 60% of his base salary, effective January 1, 2020.

### Long-term incentive

Mr. Wilson's LTI award was based on his anticipated future contributions, the competitive position of his compensation compared to the peer group, his target range, and alignment with shareholder interests. At the February 2020 meeting, on the recommendation of the HR Committee, the Board approved \$351,687 in long-term incentives for 2020, allocated 43.75% to PSUs, 12.5% to RSUs and 43.75% to stock options. These awards are intended to be forward-looking. The actual amount Mr. Wilson realizes may be greater or less than the grant date amount based on Equitable's financial and share price performance over the next 3-7 years.

### Share Ownership

Values at March 15, 2020 are based on the higher of \$75.26, the closing price of an EGI common share on the TSX on March 13, 2020 or the acquisition/grant price, if such value is higher. Mr. Wilson exceeds his share ownership requirement of \$827,500.

Common shares (#)	PSUs (#)	RSUs (#)	Total Value (\$)	Required multiple of base salary	Actual multiple of base salary	Meets requirement
16,647	6,054	1,728	1,872,692	2x	4.5x	met

## Ron Tratch, Senior Vice-President and Chief Risk Officer



Ron Tratch has been SVP and CRO of Equitable since January 2015. He is responsible for the risk function and for providing oversight of enterprise risk management of the Bank's seven core risks, the Compliance function, and the capital planning process.

Mr. Tratch joined Equitable in August 2011 as Vice-President, Commercial Credit. Before joining Equitable he served as Senior Vice President at GE Capital Canada, and was a partner in a Private Equity firm.

Mr. Tratch holds a B. Comm from the University of Calgary and is a CPA, CMA.

### 2019 performance highlights

- led the continuing advancement of the Bank's AIRB project for capital and risk management
- advanced the Bank's risk management framework and capabilities with notable progress in improving the management and monitoring of operational risk
- oversaw the Chief Compliance Officer's activities and supported the building of enhanced capabilities to reduce compliance and money laundering risk

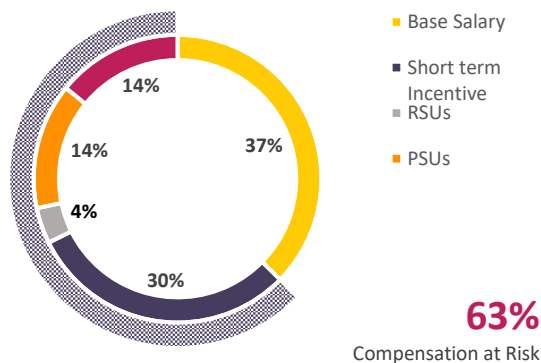
### Compensation awarded

The table below shows the total direct compensation approved for Mr. Tratch for 2019. His 2019 base salary was approved by the HR Committee in February 2019 on the recommendation of the CEO, effective January 1, 2019. The HR Committee established Mr. Tratch's compensation taking into account Equitable's performance and relative performance against our peers, the competitive positioning of his compensation and its alignment with shareholder interests, and his individual performance.

#### Total Direct Compensation

	2019 (\$)	2018 (\$)	2017 (\$)
Base Salary	335,000	310,000	283,000
Short-term incentive	272,000	230,000	205,000
• PSUs (rounded)	130,807	108,500	99,075
• RSUs (rounded)	37,373	30,971	28,275
• Options (rounded)	130,807	108,501	99,053
Long-term Incentive	298,987	247,972	226,403
<b>Total Direct Compensation</b>	<b>905,987</b>	<b>787,972</b>	<b>714,403</b>

#### 2019 Compensation Awarded Mix



### Base salary

At its February 2020 meeting, the HR Committee approved a 5% increase in Mr. Tratch's base salary to \$351,750, effective January 1, 2020.

## Short-term incentive

Mr. Tratch's 2019 STI award was approved and paid in February 2020. It was approximately 47% higher than his target STI award, reflecting strong financial performance and progress on our strategic initiatives, and his individual performance. The HR Committee approved an increase to Mr. Tratch's 2020 target STI award to 60% of base salary, effective January 1, 2020.

## Long-term incentive

Mr. Tratch's LTI award was based on his anticipated future contributions, the competitive position of his compensation compared to the peer group, his target range, and alignment with shareholder interests. At the February 2020 meeting, on the recommendation of the HR Committee, the Board approved \$298,987 in long-term incentives for 2020, allocated 43.75% to PSUs, 12.5% to RSUs and 43.75% to stock options. These awards are intended to be forward-looking. The actual amount Mr. Tratch realizes may be greater or less than the grant date amount based on Equitable's financial and share price performance over the next 3-7 years.

## Share Ownership

Values at March 15, 2020 are based on the higher of \$75.26, the closing price of an EGI common share on the TSX on March 13, 2020 or the acquisition/grant price, if such value is higher. Mr. Tratch's share ownership was increased to 2x his base salary effective February 24, 2020 and he has three years to meet this new requirement. The date of compliance was in the period where stock prices had generally been falling in the face of the COVID-19 pandemic market disruption. Mr. Tratch is on track to meet his share ownership requirement of \$703,500.

Common shares (#)	PSUs (#)	RSUs (#)	Total Value (\$)	Required multiple of base salary	Actual multiple of base salary	Meets requirement
1,310	4,904	1,400	602,058	2x	1.7x	On track

## Dan Dickinson, Senior Vice-President and Chief Information Officer



Dan Dickinson has been SVP and CIO of Equitable since March 2019. In this role he is responsible for all technology strategy, delivery, and related operations at Equitable.

Mr. Dickinson joined Equitable in 2013 as VP Digital Banking and launched EQ Bank, Equitable’s digital banking platform, in January 2016. In January 2017 he took over technology for all aspects of Equitable Bank, and in 2018 also assumed responsibility for project delivery.

Prior to joining Equitable, Mr. Dickinson was Managing Director, Online & Mobile Banking at BMO Bank of Montreal, responsible for channels serving two million active customers.

Mr. Dickinson received a B.Comm and an MBA from Dalhousie University.

### 2019 results and highlights

- led the migration of the core banking system to cloud based infrastructure while simultaneously upgrading the same system to advance the technology platform to support Equitable’s position as Canada’s Challenger Bank™
- advanced the building of a new technology platform to support the Bank’s commercial business line and upgraded a number of critical systems
- strengthened the organizational structure of his areas of accountability with a particular focus on cybersecurity and project execution and management
- promoted the broader vision of Canada’s Challenger Bank™ to reflect our support and commitment to bring the benefits of open banking to Canada

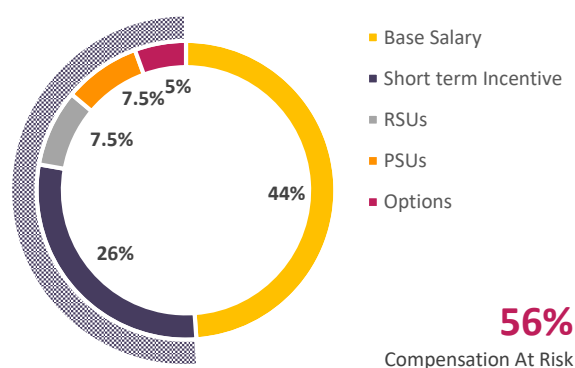
### Compensation awarded

The table below shows the total direct compensation approved for Mr. Dickinson for 2019. His 2019 base salary was approved by the HR Committee in February 2019 on the recommendation of the CEO, effective January 1, 2019. The HR Committee established Mr. Dickinson’s compensation taking into account Equitable’s performance and relative performance against our peers, the competitive positioning of his compensation and its alignment with shareholder interests, and his individual performance.

#### Total Direct Compensation

	2019 (\$)	2018 (\$)	2017 (\$)
Base Salary	300,000	280,000	240,000
Short-term incentive	180,000	140,000	126,000
• PSUs (rounded)	51,000	34,969	30,001
• RSUs (rounded)	51,000	34,969	30,001
• Options (rounded)	<u>102,000</u>	<u>70,005</u>	<u>59,998</u>
Long-term Incentive	204,000	139,943	120,000
<b>Total Direct Compensation</b>	<b>684,000</b>	<b>559,943</b>	<b>486,000</b>

#### 2019 Compensation Awarded Mix



### Base salary

At its February 2020 meeting, the HR Committee approved a 13.3% increase in Mr. Dickinson’s base salary to \$340,000, effective January 1, 2020. This increase was based on benchmarking data provided by Meridian in 2019, the expanding scope of the position and the increasing importance of the role to Equitable.

### Short-term incentive

Mr. Dickinson's 2019 STI award was approved and paid in February 2020. It was approximately 50% higher than his target STI award, reflecting strong financial performance, progress on our strategic initiatives, and his individual performance. The HR Committee approved an increase to Mr. Dickinson's 2020 target STI award to 50% of his base salary, effective January 1, 2020.

### Long-term incentive

Mr. Dickinson's LTI award was based on his anticipated future contributions, the competitive position of his compensation compared to the peer group, his target range, and alignment with shareholder interests. At the February 2020 meeting, on the recommendation of the HR Committee, the Board approved \$204,000 in long-term incentives, allocated 25.0% to PSUs, 25.0% to RSUs and 50.0% to stock options. These awards are intended to be forward-looking. The actual amount Mr. Dickinson realizes may be greater or less than the grant date amount based on Equitable's financial and share price performance over the next 3-7 years.

### Share Ownership

Values at March 15, 2020 are based on the higher of \$75.26, the closing price of an EGI common share on the TSX on March 13, 2020 or the acquisition/grant price, if such value is higher. Mr. Dickinson's share ownership of 1x base salary was implemented on February 24, 2020 and he has five years to meet this new requirement. The date of compliance was in the period where stock prices had generally been falling in the face of the COVID-19 pandemic market disruption Mr. Dickinson is on track to meet his share ownership requirement of \$340,000.

Common shares (#)	PSUs (#)	RSUs (#)	Total Value (\$)	Required multiple of base salary	Multiple of base	Meets requirement
801	1,642	1,642	325,098	1x	0.9x	On track



## Darren Lorimer, Senior Vice-President, Commercial Lending



Darren Lorimer joined the Bank in 2015 as Vice-President, Commercial Lending and was appointed to the position of Senior Vice-President in March 2018. He is responsible for the Bank's commercial lending business which consists of conventional commercial, insured multi-unit residential, specialized financing and equipment leasing assets.

Prior to joining the Bank he spent 21 years at TD Bank in a variety of senior roles. He has a CFA designation, a Bachelor of Arts (Honours) degree from Laurier, and attended the Ivey Executive Program at Western.

### 2019 performance highlights

- championed the development of new technology infrastructure to improve the efficiency of the commercial lending business and support the planned move to AIRB for capital and risk management
- advanced the internal controls in the department to reflect an evolving and more complex commercial business
- built out the Bank's capabilities in the commercial lending area to include a more robust specialized finance business, revolving lines for our business enterprise solutions business and the launch of new approaches to lending on CMHC insured commercial projects

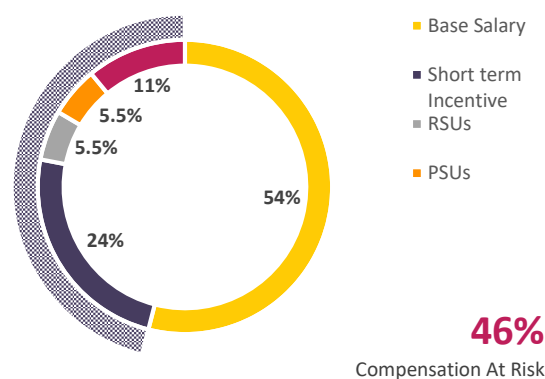
### Compensation awarded

The table below shows the total direct compensation approved for Mr. Lorimer for 2019. His 2019 base salary was approved by the HR Committee in February 2019 on the recommendation of the CEO, effective January 1, 2019. The HR Committee established Mr. Lorimer's compensation taking into account Equitable's performance and relative performance against our peers, the competitive positioning of his compensation and its alignment with shareholder interests, and his individual performance.

#### Total Direct Compensation

	2019 (\$)	2018 (\$)	2017 (\$)
Base Salary	283,250	275,000	265,000
Short-term incentive	125,000	111,000	103,000
• PSUs (rounded)	29,175	24,048	23,210
• RSUs (rounded)	29,175	24,048	23,210
• Options (rounded)	58,350	48,131	46,369
Equity Incentive	116,700	96,227	92,789
<b>Total Direct Compensation</b>	<b>524,950</b>	<b>482,227</b>	<b>460,789</b>

#### 2019 Compensation Awarded Mix



#### Base salary

At its February 2020 meeting, the HR Committee approved a 3% increase in Mr. Lorimer's base salary to \$291,750, effective January 1, 2020.

## Short-term incentive

Mr. Lorimer's 2019 STI award was approved and paid in February 2020. It was approximately 46% higher than his target STI award, reflecting strong financial performance, progress on our strategic priorities and his individual performance. The HR Committee approved an increase to Mr. Lorimer's 2020 target STI award to 35% of base salary, effective January 1, 2020.

## Long-term incentive

Mr. Lorimer's LTI award was based on his anticipated future contributions, the competitive position of his compensation compared to the peer group, his target range, and alignment with shareholder interests. At the February 2020 meeting, on the recommendation of the HR Committee, the Board approved \$116,700 in long-term incentives, allocated 25.0% to PSUs, 25.0% to RSUs and 50.0% to stock options. These awards are intended to be forward-looking. The actual amount Mr. Lorimer realizes may be greater or less than the grant date amount based on Equitable's financial and share price performance over the next 3-7 years.

## Share Ownership

Values at March 15, 2020 are based on the higher of \$75.26, the closing price of an EGI common share on the TSX on March 13, 2020 or the acquisition/grant price, if such value is higher. Mr. Lorimer's share ownership of 1x base salary was implemented on February 24, 2020 and he has five years to meet this new requirement. The date of compliance was in the period where stock prices had generally been falling in the face of the COVID-19 pandemic market disruption. Mr. Lorimer is on track to meet his share ownership requirement of \$291,750.

Common shares (#)	PSUs (#)	RSUs (#)	Total Value (\$)	Required multiple of base salary	Multiple of base salary	Meets requirement
754	1,113	1,113	234,309	1x	0.8x	On track

## Summary Compensation Table

The following table summarizes total compensation received in, or in respect of, the financial years ended December 31, 2019, 2018 and 2017 for each of the NEOs.

Name and Principal Position	Year	Base Salary (\$)	Share-based Awards <sup>1</sup> (\$)	Option-based Awards <sup>2</sup> (\$)	Non-equity Incentive Plan Compensation			Total Compensation (\$)
					Annual Incentive Plans (\$)	Pension Value <sup>3</sup> (\$)	All Other Compensation <sup>4</sup> (\$)	
<b>Andrew Moor</b>	2019	700,000	598,125	598,125	1,060,000	13,615	2,500	2,972,365
President and Chief Executive Officer	2018	700,000	559,984	559,995	978,700	13,250	2,500	2,814,429
	2017	645,000	483,797	483,754	890,100	13,115	2,500	2,518,266
<b>Tim Wilson</b>	2019	401,700	197,824	153,863	313,000	13,615	2,500	1,082,503
Senior Vice President and Chief Financial Officer	2018	390,000	175,457	136,494	285,000	13,250	2,500	1,002,701
	2017	356,400	160,356	124,739	260,000	13,115	2,500	917,110
<b>Ron Tratch</b>	2019	335,000	168,180	130,807	272,000	13,615	2,500	922,103
Senior Vice President and Chief Risk Officer	2018	310,000	139,741	108,501	230,000	13,250	2,500	803,722
	2017	283,000	127,350	99,053	205,000	13,115	2,500	730,018
<b>Dan Dickinson</b>	2019	300,000	102,000	102,000	180,000	13,615	2,500	700,115
Senior Vice President & Chief Information Officer	2018	280,000	69,939	70,005	140,000	13,250	2,500	575,694
	2017	240,000	60,001	59,998	126,000	12,000	2,500	500,499
<b>Darren Lorimer</b>	2019	283,250	58,350	58,350	125,000	13,615	2,500	541,065
Senior Vice President, Commercial Lending	2018	275,000	48,117	48,131	111,000	13,250	2,500	497,998
	2017	265,000	46,420	46,369	103,000	13,115	2,500	476,404

- RSUs and PSUs were awarded in March 2020, March 2019, and March 2018 in recognition of the NEO's performance in 2019, 2018, and 2017, respectively. The grant date fair market value (FMV) of the RSUs/PSUs is based on the volume-weighted average trading price of the Company's common share on the TSX for the five days prior to March 4, 2020 of \$90.96, March 11, 2019 of \$67.77, and March 9, 2018 of \$55.66, respectively.
- The Black-Scholes option pricing model is used to determine both the value of stock options for compensation purposes and the accounting fair value.

In February 2020, the assumptions used in determining the number of options to be granted were an exercise price of \$110.45, a stock volatility of 27.183%, a dividend yield of 1.77%, an option term of 4.75 years, and an interest rate of 1.39%. The fair value of each option granted for compensation purposes for performance in 2019 was \$22.96. The accounting fair value of each option granted for performance in 2019 was \$18.91 for Messrs. Moor, Wilson and Tratch, and \$14.18 for Messrs. Dickinson and Lorimer as a result of a 25% forfeiture assumption applied to options granted to non-Senior Management. The exercise price was equal to the FMV on the grant date.

In February 2019, the assumptions used in determining the number of options to be granted were an exercise price of \$67.05, a stock volatility of 27.8%, a dividend yield of 1.8%, an option term of 4.75 years, and an interest rate of 1.79%. The fair value of each option granted for compensation purposes for performance in 2018 was \$14.71. The accounting fair value of each option granted for performance in 2018 was \$14.87 for Messrs. Moor, Wilson and Tratch, and \$11.15 for Messrs. Dickinson and Lorimer as a result of a 25% forfeiture assumption applied to options granted to non-Senior Management. The exercise price was equal to the FMV on the grant date.

In February 2018, the assumptions used in determining the number of options to be granted were an exercise price of \$62.41, a stock volatility of 26.2%, a dividend yield of 1.5%, an option term of 4.75 years, and an interest rate of 2.13%. The fair value of each option granted for compensation purposes for performance in 2017 was \$13.67. The accounting fair value of each option granted for performance in 2017 was \$12.19 for Messrs.

Moor, Wilson and Tratch, and \$9.14 for Messrs. Dickinson and Lorimer as a result of a 25% forfeiture assumption applied to options granted to non-Senior Management. The exercise price was equal to the FMV on the grant date.

3. Reflects the Company's contribution to the NEO's DPSP.

4. The value of perquisites and benefits for each NEO did not exceed \$50,000 and/or 10% of the total annual salary and bonus.

## Incentive Plan Awards

### Outstanding Option and Share Awards

The following table includes LTI awards granted as at December 31, 2019:

- The value of unexercised in-the-money options equals the closing price of an EGI common share on the TSX on December 31, 2019 (\$109.35) minus the exercise price of the option, multiplied by the number of outstanding options
- The value of unvested RSU and PSU awards on December 31, 2019 equals the closing price of an EGI common share on the TSX on December 31, 2019 (\$109.35) multiplied by the number of units outstanding including dividend equivalents.

Name	Grant Year	Option-based Awards				Share-based Awards	
		Number of securities underlying unexercised options	Option Exercise price (\$)	Option expiration Date	Value of unexercised in-the-money options <sup>1</sup> (\$)	Number of units that have not vested <sup>2</sup> (#)	Market or payout value of share-based awards that have not vested <sup>3</sup> (\$)
Andrew Moor	2019	38,069	67.77	Mar 11, 2026	1,582,909	8,389	917,382
	2018	35,388	55.66	Mar 9, 2025	1,899,982	8,987	982,683
	2017	31,594	71.68	Feb 28, 2024	1,190,146	-	-
	2016	43,403	53.15	Mar 9, 2023	2,439,249	-	-
	2015	35,511	59.98	Mar 5, 2022	1,753,178	-	-
	2014	39,823	52.90	Mar 10, 2021	2,248,008	-	-
Tim Wilson	2019	9,279	67.77	Mar 11, 2026	385,821	2,629	287,438
	2018	9,125	55.66	Mar 9, 2025	489,921	2,979	325,714
	2017	8,704	71.68	Feb 28, 2024	327,880	-	-
	2016	11,667	53.15	Mar 9, 2023	655,685	-	-
	2015	9,142	59.98	Mar 5, 2022	451,341	-	-
	2014	7,406	52.90	Mar 10, 2021	418,069	-	-
Ron Tratch	2019	7,376	67.77	Mar 11, 2026	306,694	2,089	228,485
	2018	7,246	55.66	Mar 9, 2025	389,038	2,366	258,672
	2017	6,059	71.68	Feb 28, 2024	228,243	-	-
	2016	8,667	53.15	Mar 9, 2023	487,085	-	-
	2015	6,155	59.98	Mar 5, 2022	303,872	-	-
	2014	2,464	52.90	Mar 10, 2021	139,093	-	-
Dan Dickinson	2019	4,759	67.77	Mar 11, 2026	197,879	1,048	114,576
	2018	4,389	55.66	Mar 9, 2025	235,645	1,115	121,874
	2017	2,317	71.68	Feb 28, 2024	87,281	-	-
	2016	2,647	53.15	Mar 9, 2023	148,761	-	-
	2015	2,190	59.98	Mar 5, 2022	108,120	-	-
Darren Lorimer	2019	3,272	67.77	Mar 11, 2026	136,050	721	78,826
	2018	3,392	55.66	Mar 9, 2025	182,116	862	94,289
	2017	2,882	71.68	Feb 28, 2024	108,565	-	-
	2016	3,472	53.15	Mar 9, 2023	195,126	-	-
	2015	5,000	55.32	Nov 23, 2022	270,150	-	-

## Incentive Plan Awards – value vested or earned

The following table shows for each NEO:

- the total value that would have been realized on vesting of options in 2019 if the options had been exercised on the vesting date;
- the value of share-based awards received on vesting in 2019
- the annual incentive compensation awards earned for 2019

Name	2019			2018		
	Option-based awards - value vested during the year <sup>1</sup> (\$)	Annual incentive compensation - value earned during the year (\$) <sup>2</sup>	Share-based awards - value vested during the year (\$) <sup>3</sup>	Option-based awards - value vested during the year <sup>1</sup> (\$)	Annual incentive compensation - value earned during the year (\$)	Share-based awards - value vested during the year (\$)
Andrew Moor	302,496	1,060,000	860,507	97,577	978,700	409,885
Tim Wilson	79,486	313,000	237,011	22,253	285,000	110,210
Ron Tratch	58,992	272,000	165,069	12,872	230,000	81,877
Dan Dickinson	24,259	180,000	56,671	5,488	140,000	27,192
Darren Lorimer	90,656	125,000	70,706	18,954	111,000	35,689

1. The value of options that vested in 2019 is based on the difference between the grant price of the options and the closing price of an EGI shares on the TSX on the vesting date (\$112.51).  
If the closing price of EGI's shares was below the exercise price, the option had no current value and is valued at \$0.
2. These are the annual cash incentive awards for 2019. The table includes the full amount of the annual cash bonus.
3. The value of share-based awards that vested during 2019 includes dividend equivalents earned on these awards during the period. Share-based awards are valued using a 5-day volume-weighted average of an EGI common share on the TSX calculated as at December 15, 2019 for both RSU and PSU awards. At vesting, PSU awards received by each NEO paid out at 125%, reflecting Equitable's TSR performance over the 35-month period ending November 30, 2019 relative to the TSR performance of the relevant peer group.

## Options exercised in 2019

Name	Grant Date	Number of options	Exercise Price (\$)	Realized value <sup>1</sup> (\$)
Andrew Moor	March 7, 2013	54,000	36.11	3,908,549
	March 5, 2012	37,692	29.32	1,407,419
Tim Wilson	March 7, 2013	10,000	36.11	477,155
	March 5, 2012	21,500	29.32	789,050
Ron Tratch	March 7, 2013	3,328	36.11	205,468
	March 5, 2012	1,905	29.32	70,828
Dan Dickinson	March 10, 2014	2,046	52.90	122,833
	November 22, 2013	3,000	46.65	73,338
Darren Lorimer	-	-	-	-

1. Represents the difference between the fair market value of EGI shares at the time of exercise and the exercise price of the options, excluding withholding taxes.

## Securities Authorized for Issuance under Equity Compensation Plans

Our Option Plan is the only compensation plan that involves the issuance of equity securities.

The following table shows, as at March 15, 2020:

- shares to be issued when outstanding options are exercised;
- the remaining number of shares available for issue under the Option Plan.

The Option Plan has been approved by the shareholders.

Plan Category	Securities to be issued upon exercise of outstanding options (4.0% of outstanding shares as at March 15, 2020)	Weighted-average price of outstanding options (\$)	Securities remaining for future issuance under equity compensation plans <sup>1</sup> (2.60% of outstanding shares as at March 15, 2020)
Equity compensation plans approved by security holders	670,007	\$65.73	437,619

1. The maximum number of common shares available for issuance under the Option Plan is 2,000,000.

## Dilution, Overhang and Burn Rate

We monitor the outstanding number of options (dilution) and the number of options issued each year (burn rate). The following table outlines the Dilution, Overhang and Burn Rate for the Share Option Plan for the past three years as of December 31, 2019.

	2019	2018	2017
<b>Dilution</b>			
Total number of options outstanding divided by the weighted average number of common shares outstanding	3.46%	4.06%	3.76%
<b>Overhang</b>			
Total number of options available to grant plus options outstanding, divided by weighted average number of common shares outstanding	6.70%	4.92%	5.24%
<b>Burn Rate</b>			
Total number of options granted during the year divided by weighted average number of common shares outstanding for the year	0.87%	0.73%	0.67%

## Share Option Plan

### Issuance Limits

<b>Eligibility</b>	Executive Officers and eligible employees
<b>Maximum number of shares issuable</b>	<ul style="list-style-type: none"> <li>• 2,000,000 shares, representing 11.9% of EGI's issued and outstanding shares as at March 15, 2020</li> </ul>
<b>Currently issued</b>	<ul style="list-style-type: none"> <li>• 670,007 shares issuable upon exercise of outstanding options (representing 4.0% of issued and outstanding shares as at March 15, 2020)</li> </ul>
<b>Available for issue</b>	<ul style="list-style-type: none"> <li>• 437,619 shares remain available for issuance (representing 2.60% of EGI's issued and outstanding shares as at March 15, 2020)</li> </ul>
<b>Other limits</b>	<p>The number of shares issuable to insiders at any time, or issued to insiders within any one-year period, pursuant to all security based compensation arrangements, shall not exceed 10% of EGI's outstanding shares.</p> <p>The maximum number of shares reserved for issue to any one insider cannot exceed 5% of the total number of issued and outstanding shares.</p> <p>As of March 15, 2020 the total number of options granted to an insider was 249,839 shares, representing 1.5% of the total number of shares outstanding.</p>

### Conditions

<b>Maximum term</b>	The Plan provides for a term of ten years. Beginning in 2012, options have been granted for a term of seven years. Should the expiry date occur during a blackout period or within the ten business days immediately following such blackout period imposed by the Company, the expiry date will be extended for 10 business days after the last day of the blackout period.
<b>Exercise price</b>	Volume-weighted average trading price of the common shares for the five consecutive trading days immediately preceding the date of grant
<b>Vesting and exercise of options</b>	Vesting: four year ratable (25% per year commencing on the first anniversary of the grant date) Options must vest before they can be exercised. Options may be exercised in whole or in part before the expiration date set by the Board at the time of the grant.
<b>Expiry of options</b>	The earlier of: (i) The 7 <sup>th</sup> anniversary of the date of grant, regardless of a participant's retirement date (ii) The original expiry date and two years from date of a participant's death or becoming fully disabled
<b>Financial assistance</b>	In the event of termination with/without cause or resignation, options must be exercised within 30 days. All remaining options are then forfeited. None provided
<b>Transfer/assignment</b>	Not assignable – they can only be transferred to a beneficiary or a legal representative if the participant's dies
<b>Change of control</b>	All unvested options vest and become exercisable
<b>Clawback</b>	All or a portion of vested or unvested options held by any one of the CEO, CFO or CRO may be forfeited or cancelled in the event of a financial restatement resulting from intentional fraud or willful misconduct by the respective Executive Officer
<b>Plan Amendments</b>	Shareholders must approve the following changes: <ul style="list-style-type: none"> <li>• Increase the maximum number or percentage of shares that may be reserved for issuance</li> <li>• Reduce the exercise price of outstanding options or issue options at a lower exercise price to the same person</li> <li>• Extend the term of an option beyond the expiry date (except where an expiry date would have fallen within a blackout period of the Company)</li> <li>• Extend eligibility to participate in the Plan to non-employee directors</li> <li>• Any amendments to the amendment provisions</li> </ul>

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The Board can make the following amendments without shareholder approval:

- Changes of an administrative or housekeeping nature
  - Changes to the terms, conditions and mechanics of grant, vesting, exercise and early expiry
  - Any amendments designed to comply with applicable laws, tax or accounting regulations
  - Addition of a cashless feature, payable in cash or securities, which provides for a full deduction in the number of underlying securities from the plan's reserve
  - Any other amendment, fundamental or otherwise, not requiring shareholder approval under applicable laws or the rules, regulations and policies of the TSX
- 

## 2019 Option Plan amendments

In 2019 the Board approved the following amendments to the Plan in accordance with the amendment procedures in the Plan:

- increase the maximum number of shares that may be reserved for issuance pursuant to option grants to two million shares. This increase subsequently received shareholder approval on May 15, 2019.
- delegate authority to the CEO to grant options to new senior level hires pursuant to the terms of the individual's employment agreement with the Bank up to a prescribed annual maximum number of options.

## Benefits

Equitable provides its Executive Officers and all other employees comprehensive medical, dental, life, disability and accident insurance. Executive Officers also participate in an annual comprehensive fitness and medical assessment program.

Equitable does not have a pension plan for its Executive Officers or employees. All employees, including Executive Officers are eligible to participate in our Group Registered Retirement Savings Plan ("RRSP") and Deferred Profit Sharing Plan ("DPSP") (collectively the "Plan"). Equitable will make a maximum contribution to the DPSP equal in value to the greater of (i) 5.5% of an employee's annual base salary during the first five years of employment, (ii) 8% of the employee's base salary after five years of continued employment, and (iii) the Canada Revenue Agency mandated maximum. Equitable's contributions vest after two years of membership in the DPSP. In the event of termination within the initial two-year period of Plan membership, Equitable's contributions under the DPSP are returned to the Company. Equitable does not provide any additional or supplemental pensions, retirement allowances or similar benefits to any Executive Officer.

All employees, including Executive Officers are also eligible to participate in the Employee Share Purchase Plan ("ESPP") which is generally available to all employees. Under the ESPP, Equitable contributes an amount equivalent to 50% of the employee's contribution up to a maximum of \$2,500 per year.

## Termination and Change of Control

Employment agreements in place for all NEOs which set out the details relating to the provision of severance payments upon termination of employment and the consequent obligations of non-competition and non-solicitation. Other obligations arising under various scenarios pursuant to the terms and conditions of the Incentive Plans are described in the table below. Except where stated otherwise, (i) the salaries of each NEO will cease as of the date of termination, and (ii) each NEO is entitled to receive any accrued and outstanding base salary and amounts owing under the Equitable's benefits program, including accrued vacation pay, up to the date of termination.

### Termination for Cause

In the event of termination for cause, none of the NEOs are entitled to any further compensation following the date of termination. In addition, any unvested options are cancelled and any vested options are exercisable for 30 days from the date of termination. The RSUs and PSUs held by such NEO would be immediately forfeited and cancelled.



## Termination without Cause

<b>Severance</b>	<ul style="list-style-type: none"> <li>• Mr. Moor is entitled to salary continuance in an amount equal to his base salary plus the average performance bonus for the immediately preceding three years, for a period equal to the Severance Period (as defined below) or until re-employment. In the event of re-employment, or upon request, Mr. Moor is entitled to a lump sum payment of 50% of salary continuance for the balance of the Severance Period. The Severance Period is equal to 13 months on the fifth anniversary of employment and increases by one additional month on each anniversary of employment thereafter, to a maximum of 24 months. Mr. Moor's Severance Period is 20 months based on 12 years of employment.</li> <li>• Mr. Wilson is entitled to salary continuance in an amount equal to his base salary plus the average performance bonus for the immediate preceding three years, for the earlier of the Severance Period (as defined above) or re-employment. In the event of re-employment, Mr. Wilson is entitled to a lump sum payment of 50% of salary continuance for the balance of the Severance Period. Mr. Wilson's Severance Period is 15 months based on seven years of employment.</li> <li>• Mr. Lorimer is entitled to six months' pay in lieu of notice, to be paid by way of salary continuance, during the first three years of employment, plus one additional month pay in lieu of notice for each year of employment thereafter, up to a maximum of 18 months. Salary continuance is based on salary as at the date of termination plus average bonus over the preceding three years of completed employment or total completed years of employment, whichever is less. In the event of re-employment, Mr. Lorimer is entitled to a lump sum payment of 50% of salary continuance for the balance of the notice period. Mr. Lorimer's notice period is eight months based on four years of employment.</li> <li>• Mr. Dickinson is entitled to six months' notice, plus an additional month of notice for each completed year of employment in excess of three years, up to a maximum of 12 months. Salary continuance is based on salary as at the date of termination plus average bonus over the preceding three years of completed employment. In the event of re-employment, Mr. Dickinson is entitled to a lump sum payment of 50% of salary continuance for the balance of the notice period. Mr. Dickinson's notice period is nine months based on six years of completed employment.</li> <li>• Mr. Tratch is entitled to twelve months' notice, plus one month notice for each year of employment after the first year (or pay in lieu thereof), up to a maximum of 18 months. Salary continuance is based on salary as at the date of termination plus average bonus over the preceding three years of completed employment. In the event of re-employment, Mr. Tratch is entitled to a lump sum payment of 50% of salary continuance for the balance of the notice period. Mr. Tratch's notice period is 18 months based on eight years of employment.</li> </ul>
<b>STI (performance bonus)</b>	<ul style="list-style-type: none"> <li>• If terminated prior to the end of any fiscal year, Mr. Moor and Mr. Wilson are entitled to a payment equal to the average performance bonus earned for the immediately preceding three years, pro-rated to the number of days in that fiscal year to the date of termination. If terminated between January 1<sup>st</sup> and the Board meeting dealing with year-end matters in February of that same year, Messrs. Moor and Wilson each receive a full bonus for the preceding fiscal year.</li> <li>• Messrs. Tratch, Lorimer and Dickinson are not entitled to any pro-rated performance bonus in the year of termination.</li> </ul>
<b>Options</b>	<ul style="list-style-type: none"> <li>• Mr. Moor's unvested options that would have vested in the fiscal year following the date of termination immediately vest and are exercisable for a period of 30 days from the date of termination.</li> <li>• Mr. Wilson is entitled to the acceleration of vesting of those issued but unvested options which will vest on the next date after the date of termination, to be exercised within 30 days of the date of termination.</li> <li>• For Messrs. Tratch, Lorimer and Dickinson, all unvested options are cancelled upon termination and all vested options are exercisable for 30 days following termination.</li> </ul>
<b>RSUs</b>	<ul style="list-style-type: none"> <li>• In the event of termination without cause, all NEOs, except Mr. Moor, who is not awarded RSUs, are entitled to a pro rata number of RSUs based on the number of days during the vesting period prior to termination compared to the entire term of the vesting period. The balance of RSUs are forfeited and cancelled.</li> </ul>
<b>PSUs</b>	<ul style="list-style-type: none"> <li>• All NEOs are entitled to a pro rata number of PSUs based on the number of days during the vesting period prior to termination. The balance of PSUs are forfeited and cancelled.</li> <li>• The Board having regard to the performance of the Company shall determine the extent to which the performance payout criteria have been satisfied as of the date of termination and shall determine the performance payout percentage to be applied in respect of such PSU award at that time.</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>• Messrs. Moor and Wilson are entitled to continued coverage under the Company's benefits program for the duration of the Severance Period or until re-employment, whichever is earlier.</li> <li>• Messrs. Tratch and Dickinson are entitled to continued coverage under the Company's benefits program during the notice period.</li> <li>• Mr. Lorimer is entitled to continued coverage under the Company's benefits program during the minimum statutory notice period and is entitled only to health and dental benefits for the balance of the notice period.</li> </ul>

	<ul style="list-style-type: none"> <li>• Messrs. Moor and Wilson are entitled to outplacement services for a period determined at the sole discretion of the Company.</li> <li>• Additionally, Mr. Moor is entitled to work as a non-executive Director and/or to work in a consulting capacity up to a total maximum gross revenue to him, or to an operating or consulting company he may own for this purpose, of \$200,000 per annum without triggering any re-employment provision.</li> </ul>
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## Change of Control<sup>1</sup>

Severance	<ul style="list-style-type: none"> <li>• If termination occurs within 12 months of a change of control, Mr. Moor is entitled to a lump sum payment of 50% representing base salary in lieu of the Severance Period, plus a payment in respect of the average performance bonus paid in the three years immediately preceding the date upon which notice of termination is provided, prorated to the Severance Period. The Severance Period is equal to 13 months on the fifth anniversary of employment and increases by one additional month on each anniversary thereafter, to a maximum of 24 months. Mr. Moor’s Severance Period is 20 months based on 12 years of employment.</li> <li>• If termination occurs within 12 months of a change of control, Messrs. Wilson, Lorimer and Dickinson are each entitled to the same severance as they would be entitled to upon termination without cause (see previous page).</li> <li>• If termination occurs within 18 months of a change of control, Mr. Tratch is entitled to the same severance as he would be entitled to upon termination without cause (see previous page).</li> </ul>
STI (performance bonus)	<ul style="list-style-type: none"> <li>• If termination occurs within 12 months of a change of control and prior to the payment of the prior year’s performance bonus, Mr. Moor is entitled to payment in respect of the full prior year performance bonus. In addition, he is entitled to a performance bonus in accordance with the short-term incentive plan, prorated, for the period up to and including the date of termination.</li> <li>• If termination occurs within 12 months of a change of control, Mr. Wilson is entitled to the same performance bonus payment as he would be entitled to upon termination without cause (see previous page).</li> <li>• No other NEO is entitled to any performance bonus following a change of control.</li> </ul>
Options	<ul style="list-style-type: none"> <li>• Under the Option Plan, all options vest and become exercisable.</li> </ul>
RSUs	<ul style="list-style-type: none"> <li>• If common shares of the successor corporation <i>are</i> listed on a recognized exchange: the number of RSUs attributed to a NEO will be adjusted by the Board, or the successor board, to preserve the economic position of the award of RSUs. All other terms and conditions of the Restricted Share Unit Plan applicable to RSUs continue to apply for the balance of the vesting period. Vesting is not accelerated.</li> <li>• If common shares of the successor corporation <i>are not</i> listed on a recognized stock exchange: the fair market value of each RSU attributed to the NEO will be deemed to be the value at which the change of control occurred and the value of the RSUs will be crystallized at such value. The Board, or the successor board, may resolve to (i) accelerate the vesting date, or (ii) retain the original vesting date in respect of up to one-half of the crystallized value. If employment is terminated following a change of control, the vesting period will be accelerated and a settlement payment made.</li> <li>• All NEOs, except Mr. Moor, are awarded RSUs.</li> </ul>
PSUs	<ul style="list-style-type: none"> <li>• PSUs are treated in the same manner as RSUs, except that, where the common shares of the successor corporation <i>are not</i> listed on a recognized stock exchange, the Board, having regard to the performance of the NEO and the Company, will also determine (i) the extent to which the performance payout criteria have been satisfied by the NEO as of the date of the change of control and (ii) the performance payout percentage to be applied in respect of such PSU award at that time.</li> <li>• All NEOs are awarded PSUs.</li> </ul>
Other	<ul style="list-style-type: none"> <li>• If termination occurs within 12 months of a change of control, Mr. Moor is entitled to continued coverage under the Bank’s benefits program for the Severance Period.</li> <li>• If termination occurs within 12 months of a change of control, Messrs. Lorimer and Dickinson are entitled to the same benefits coverage as they would be entitled to upon termination without cause (see previous page).</li> <li>• If termination occurs within 18 months of a change of control, Mr. Tratch is entitled to the same benefits coverage as he would be entitled to upon termination without cause (see previous page).</li> <li>• Mr. Wilson is not entitled to any other amounts upon a change of control.</li> </ul>

1. “Change of Control” is defined as the occurrence, without the consent of the NEO in their personal capacity, of either of the following: (i) the acquisition by any person or group of persons, of beneficial ownership of EGI securities which, directly or following conversion or exercise thereof, would entitle the holder or holders thereof to cast more than 50% of the votes attaching to all EGI securities which may be cast to elect directors of the Company, other than the additional acquisition of securities by a person (including its affiliates) beneficially owning EGI securities on the date on which the employment agreement was executed, or (ii) the sale of all or substantially all of Equitable’s assets to another person.

## Death

Severance	<ul style="list-style-type: none"> <li>Salary of a NEO immediately ceases as of the date of death.</li> </ul>
STI (performance bonus)	<ul style="list-style-type: none"> <li>No NEO, other than Mr. Moor, is entitled to receive any amounts related to his performance bonus upon death.</li> <li>Mr. Moor's estate/beneficiary is entitled to payment of any performance bonus, pro-rated to the number of days in that fiscal year up to the date of death.</li> </ul>
Options	<ul style="list-style-type: none"> <li>Under the Option Plan, unvested options vest immediately upon death of the option holder and are exercisable until the earlier of (i) the expiry date of the option, and (ii) 24 months following the date of death.</li> </ul>
RSUs	<ul style="list-style-type: none"> <li>All NEOs, except Mr. Moor, are awarded RSUs. Unvested RSUs held by a NEO at the time of death will vest immediately.</li> </ul>
PSUs	<ul style="list-style-type: none"> <li>Unvested PSUs held by a NEO at the time of death will vest immediately.</li> <li>The Board, having regard to the performance of the Company, shall determine the extent to which the performance payout criteria have been satisfied as of the date of death and shall determine the performance payout percentage to be applied in respect of such PSU award at that time.</li> </ul>
Other	<ul style="list-style-type: none"> <li>No other benefits or payments are provided.</li> </ul>

## Resignation or Retirement<sup>1</sup>

Severance	<ul style="list-style-type: none"> <li>Mr. Moor may terminate his employment upon 60 days' prior written notice. This notice period may be waived by the Board at its sole discretion and, if waived, Mr. Moor is entitled to salary continuance only to the end of the 60 day period.</li> <li>Mr. Wilson may terminate his employment upon 30 days' prior written notice. This notice period may be waived by the Board at its sole discretion and if waived, Mr. Wilson is entitled to salary continuance only to the end of the 30 day period.</li> <li>No NEO is entitled to any severance-related payments upon resignation or retirement.</li> </ul>
STI (performance bonus)	<ul style="list-style-type: none"> <li>No NEO is entitled to any performance bonus upon resignation.</li> </ul>
Options	<ul style="list-style-type: none"> <li>Upon retirement, options continue to vest and are exercisable until the expiry date of the option.</li> <li>Upon resignation, vested options cease to be exercisable within 30 days after the date of resignation, after which all outstanding options are forfeited.</li> </ul>
RSUs	<ul style="list-style-type: none"> <li>All NEOs, except Mr. Moor, are awarded RSUs. All RSUs are forfeited and cancelled upon resignation.</li> <li>Upon retirement of a NEO who is awarded RSUs, unvested RSUs continue to vest per the terms of their award.</li> </ul>
PSUs	<ul style="list-style-type: none"> <li>All PSUs are forfeited and cancelled upon resignation.</li> <li>Upon retirement, unvested PSUs continue to vest per the terms of their award.</li> <li>Upon retirement, the Board, having regard to the performance of the Company, shall determine the extent to which the performance payout criteria have been satisfied as of the date of retirement and shall determine the performance payout percentage to be applied in respect of such PSU award at that time.</li> </ul>
Other	<ul style="list-style-type: none"> <li>In the event that the Board waives the 60 day notice period required of Mr. Moor to voluntarily terminate his employment, Mr. Moor is entitled to continued benefits coverage up to the end of the 60 day period.</li> <li>In the event that the Board waives the 30 day notice period required of Mr. Wilson to voluntarily terminate his employment, Mr. Wilson is entitled to continued benefits coverage up to the end of the 30 day period.</li> <li>In the event Mr. Moor resigns as a result of a material reduction in his status, powers or responsibilities, a reduction in his compensation, perquisites and benefits without his consent, or a failure to pay his base salary or performance bonus in accordance with his performance agreement ("Resignation with Good Reason"), Mr. Moor will be entitled to receive all such benefits and entitlements as if his employment was terminated without cause.</li> <li>None of Messrs. Tratch, Lorimer or Dickinson are entitled to any other payments upon voluntary termination of employment.</li> </ul>

1. A NEO is eligible for retirement under the Option Plan and Share Unit Plan, provided (i) the NEO is at least 60 years old, and (ii) the NEO's age plus years of service with the Company equals 65 years or more.

## Termination and Change of Control Benefits

The following table shows the estimated incremental payments that would be paid to each NEO following the termination of their employment or upon a change of control, assuming the triggering event took place on December 31, 2019:

Event	Andrew Moor (\$)	Tim Wilson (\$)	Ron Tratch (\$)	Dan Dickinson (\$)	Darren Lorimer (\$)
<b>Termination with Cause</b>					
Severance	-	-	-	-	-
Bonus	-	-	-	-	-
Options <sup>2</sup>	-	-	-	-	-
RSU/PSU	-	-	-	-	-
Other <sup>3</sup>	-	-	-	-	-
<b>Termination without Cause</b>					
Severance	2,722,861	833,375	820,000	308,250	255,944
Bonus	933,717	265,000	-	-	-
Options <sup>2</sup>	2,778,368	682,179	-	-	-
RSU/PSU	930,977	303,611	241,181	115,701	86,582
Other <sup>3</sup>	-	-	-	-	-
<b>Change of Control</b>					
Severance	2,722,861	833,375	820,000	308,250	255,944
Bonus	933,717	265,000	-	-	-
Options <sup>2</sup>	4,212,780	1,081,123	834,365	455,444	369,773
RSU/PSU	1,942,221	626,756	497,966	241,696	176,956
Other <sup>2</sup>	-	-	-	-	-
<b>Death</b>					
Severance	-	-	-	-	-
Bonus	933,717	-	-	-	-
Options <sup>2</sup>	-	-	-	-	-
RSU/PSU	930,977	303,611	241,181	115,701	86,582
Other <sup>3</sup>	-	-	-	-	-
<b>Resignation</b>					
Severance	-	-	-	-	-
Bonus	-	-	-	-	-
Options <sup>2</sup>	-	-	-	-	-
RSU/PSU	-	-	-	-	-
Other <sup>3</sup>	-	-	-	-	-
<b>Retirement<sup>4</sup></b>					
Severance	-	-	-	-	-
Bonus	-	-	-	-	-
Options <sup>2</sup>	-	-	-	-	-
RSU/PSU	-	-	-	-	-
Other <sup>3</sup>	-	-	-	-	-

1. The value of the option is the difference between the closing price of an EGI common share on December 31, 2019 on the TSX (\$109.35) and the exercise price of the option.
2. All unvested options vest and become immediately exercisable upon a change of control. The value of the options is the difference between the closing price of an EGI common share on December 31, 2019 on the TSX (\$109.35) and the exercise price of the options.
3. Other incremental payments do not include payments required under the Company's benefits program as such amounts are not determinable.
4. None of the NEOs were Retirement Eligible as at December 31, 2019.

## Compensation of senior managers and other material risk takers

The tables below show the compensation awarded to employees who may have a material impact on Equitable's risk exposure in the last two years in accordance with the Basel Committee on Banking Supervision's Pillar III disclosure requirements for remuneration. This disclosure covers all Vice-Presidents and above.

For the purposes of this disclosure, the Company classified five individuals as “Senior Managers” during 2019. These include the CEO, CFO, CRO, CIO, and CCO. “Other Material Risk Takers” include Senior Vice-Presidents and all Vice-Presidents of the Bank. For the year-ended December 31, 2019, the Company designated 21 individuals as Other Material Risk Takers.

The HR Committee reviews the list of Senior Managers and Other Material Risk Takers to make sure it is complete.

### Total Value of Compensation Awarded

Element of Compensation	Senior Managers				Other Material Risk Takers			
	2019		2018		2019		2018	
	Non-Deferred (\$)	Deferred <sup>1</sup> (\$)	Non-Deferred (\$)	Deferred <sup>1</sup> (\$)	Non-Deferred (\$)	Deferred <sup>1</sup> (\$)	Non-Deferred (\$)	Deferred <sup>1</sup> (\$)
Number of Employees	5		5		21		18	
<b>Fixed Compensation</b>								
Cash-based	1,968,450	-	2,085,937	-	4,642,282	-	3,803,557	-
Shares and Share-linked Instruments	-	-	-	-	-	-	-	-
Other	25,517	-	22,210	-	93,132	-	87,236	-
<b>Total Fixed Compensation</b>	<b>1,993,967</b>	<b>-</b>	<b>2,108,147</b>	<b>-</b>	<b>4,735,414</b>	<b>-</b>	<b>3,890,793</b>	<b>-</b>
<b>Variable Compensation</b>								
Cash-based	1,925,000	-	1,744,408	-	1,663,000	-	1,333,000	-
Shares and Share-linked Instruments	1,331,758	2,098,665	700,149	1,864,850	635,051	1,236,584	435,846	945,525
Other	67,206	-	59,950	-	231,495	-	216,399	-
<b>Total Variable Compensation</b>	<b>3,323,964</b>	<b>2,098,665</b>	<b>4,612,654</b>	<b>1,864,850</b>	<b>2,529,646</b>	<b>1,236,584</b>	<b>1,985,245</b>	<b>945,525</b>
<b>Total Compensation</b>	<b>5,317,931</b>	<b>2,098,665</b>	<b>4,612,654</b>	<b>1,864,850</b>	<b>7,264,960</b>	<b>1,236,584</b>	<b>5,876,038</b>	<b>945,525</b>

1. Deferred Compensation includes options, PSUs and RSUs granted in 2019 and 2018.

## Other Compensation Paid

This table shows aggregate guaranteed incentive awards, sign-on awards, and severance payments to Senior Managers and Other Material Risk Takers in past two years.

Element of Compensation	Senior Managers				Other Material Risk Takers			
	2019		2018		2019		2018	
	Number of Employees	Amount (\$)	Number	Amount (\$)	Number	Amount (\$)	Number of Employees	Amount (\$)
Sign-on Awards	-	-	1	20,000	2	822,681	-	-
Guaranteed Awards	-	-	-	-	1	35,000	-	-
Severance	-	-	-	-	1	182,583	-	-

## Deferred Compensation

Deferred compensation is comprised of options, PSUs and RSUs. The following tables include deferred compensation that remained outstanding as at December 31, 2019 and 2018 and which had not expired, or been forfeited or cancelled. The table also includes previously deferred compensation that was paid out during 2019 and 2018. There was no clawback of any deferred compensation in either year nor was there any similar reversal or downward re-evaluation of outstanding awards.

Element of Compensation	Senior Managers		Other Material Risk Takers	
	2019 (\$)	2018 (\$)	2019 (\$)	2018 (\$)
<b>Outstanding Deferred Compensation</b>				
Vested <sup>1</sup>	9,890,188	3,927,291	3,288,738	612,681
Unvested <sup>2</sup>	9,993,647	1,840,647	5,706,426	1,010,752
Total Outstanding	19,883,835	5,767,938	8,995,164	1,623,433
Payouts during the year <sup>3</sup>	8,373,897	1,769,639	2,401,418	670,262

- Outstanding vested compensation is comprised of options that were exercisable on December 31, 2019 and December 31, 2018, respectively, but that had not yet been exercised. Each outstanding option is valued at the closing price of an EGI common share on the TSX on December 31, 2019 and December 31, 2018 respectively, less the option's exercise price. The amount outstanding is higher in 2019 as the closing share price at the end of 2019 increased to \$109.35 as compared to \$59.12 at the end of 2018.
- Outstanding unvested compensation is comprised of outstanding options that were not exercisable on or before December 31, 2019 and December 31, 2018, respectively, in addition to RSUs and PSUs that had not vested by December 31, 2019 and December 31, 2018, respectively. Outstanding options are valued at the closing price of an EGI common share on the TSX as at December 31, 2019 and December 31, 2018 less the exercise price. Outstanding unvested RSUs and PSUs are valued at the volume-weighted average trading price of an EGI common share on the TSX for the five business days prior to December 31, 2019 and December 31, 2018, respectively, in addition to any dividend entitlement earned on such unvested RSUs and PSUs between the date that they were granted and December 31, 2018 and December 31, 2017, respectively. The amount outstanding is higher in 2019 as a result of an increase in share price. The closing share price at the end of 2019 increased to \$109.35 (2018 - \$59.12) and the weighted average share price of RSUs and PSUs increased to \$111.78 (2018 - \$59.33).
- Payouts during the year include the value of exercised options during the year, in addition to any RSUs and PSUs paid out in 2019 and 2018. For 2019 and 2018, stock option payouts are valued at the sale price of an EGI common share on TSX at the time of the exercise less the exercise price. The value of RSU and PSU payouts is calculated based on the volume-weighted average trading price of an EGI common share on the TSX for each of the five business days up to and including the vesting date, for the vested RSUs and PSUs in addition to any dividend entitlement that was earned on such RSU and PSU between the grant date and the vesting date. The payout for Senior Managers was higher in 2019 as compared to 2018 and the payouts for Other Material Risk Takers were higher in 2019 as compared to 2018.

## Indebtedness of Directors and Executive Officers

The table below shows the indebtedness of each individual who is, or was, during the most recently completed fiscal year, a Director or Executive Officer of Equitable, or a Subsidiary, as well as the indebtedness of each Director nominee of Equitable and of each related person of any such Director, Executive Officer or Director nominee. These loans exclude loans repaid in full and routine indebtedness.

Name and Principal Position	Involvement of issuer or subsidiary	Largest Amount outstanding during the year ended December 31, 2019 (\$)	Amount Outstanding as at March 31, 2020 (\$)	Financially assisted securities purchases during year ended December 31, 2019 (#)	Security for Indebtedness	Amount forgiven during year ended December 31, 2019 (\$)
<b>Securities Purchase Programs</b>						
N/A						
<b>Other Programs (1)</b>						
Tim Wilson SVP and CFO	Equitable Bank (Lender)	820,893	0	21,500 shares	any/all shares purchased using loan proceeds.	0

1. Equitable does not have a securities purchase program in the normal course. In 2019, Equitable approved a one-time, short-term loan to facilitate the purchase of EGI shares pursuant to an expiring grant of options, on market terms. The loan carried a rate of interest equal to the Equitable Prime Rate + 0.5% with a December 31, 2019 maturity. The loan, including interest, was repaid in its entirety prior to the December 31, 2019 maturity date.

## Interest of certain persons in material transactions

There were no material interests, direct or indirect, of any informed person of Equitable, any Director nominee or any associate or affiliate of any informed person or Director nominee in any transaction during 2019 or in any proposed transaction that has or would materially affect Equitable.

## Directors' and Officers' Insurance

Equitable has purchased, at its expense, a liability insurance policy for our Directors and officers which expires on May 31, 2020. This insurance covers each of them individually if there are situations where we are not able or permitted to indemnify them. The policy has a \$40 million limit, and a deductible of \$200,000 if the claim is indemnifiable by Equitable. We pay an annual premium of \$220,000.

## Additional Information

Additional financial information is provided in our 2019 annual information form and the audited consolidated financial statements and MD&A. These documents are available on the [equitablebank.ca](http://equitablebank.ca) and [sedar.com](http://sedar.com) websites.

Printed copies of the information referred to in this section and any document incorporated by reference are available at no charge by contacting our Investor Relations Department at (416) 515-7000 or at [investor@equitablebank.ca](mailto:investor@equitablebank.ca)

## Directors' Approval

Our Board has approved the content and mailing of this circular.



Michael Mignardi  
Vice-President and General Counsel  
March 31, 2020

## Schedule A: Board of Directors' Mandate

This mandate provides terms of reference for the Board of Directors of Equitable Group Inc. (the "Company") and its wholly-owned subsidiary, Equitable Bank (the "Bank" and collectively "Equitable").

### A. ROLE

The Board of Directors (the "Board") is responsible for supervising the management of the business and affairs of Equitable. In carrying out this responsibility the Board has, either directly or through its committees, the duties set out in the mandate.

### B. ACCOUNTABILITIES AND RESPONSIBILITIES

#### Integrity

1. Set and reinforce the "tone at the top" and expect the highest level of personal and professional integrity from the President and Chief Executive Officer ("CEO") and other executive officers, and ensure they foster a culture of integrity, effective risk management and ethical business conduct throughout Equitable.
2. Approve the principles and standards of ethical personal and business conduct in Equitable's Code of Conduct, and ensure there is a continuous, appropriate and effective process for ensuring adherence to the Code.

#### Strategic Planning, and Capital and Liquidity Oversight

1. Adopt a strategic planning process and approve, on an annual basis, the strategic plan and the short-term and long-term strategic initiatives. In carrying out this responsibility, the Board shall review the alignment of the strategic plan with the Bank's risk appetite, risk profile, emerging trends, capital and liquidity levels, and the competitive and regulatory environment.
2. Oversee the implementation of the strategic plan and monitor senior management's execution against the approved plan and risk appetite framework.
3. Approve the Capital Management Policy, internal capital targets, and the Internal Capital Adequacy Assessment Process.
4. Approve and oversee the implementation of liquidity and funding frameworks and policies.
5. Approve and oversee the operating budgets, and monitor Equitable's actual operating results against the approved budget.
6. Approve any significant capital expenditures beyond previously authorized limits.
7. Declare dividends, and review and approve capital transactions, including share issuances.
8. Review and approve significant initiatives.

#### Risk Management and Internal Controls

1. Approve and oversee the implementation of Equitable's Risk Appetite Framework (RAF) and risk appetite statements.
2. Oversee Equitable's risk profile and the identification, measurement, monitoring and control of the principal risks to which Equitable is exposed, and satisfy itself that appropriate frameworks, policies, processes and practices are in place to effectively manage and control those risks. Obtain assurances from management that such frameworks and policies are being adhered to.
3. Oversee the promotion of a strong risk culture that stresses effective risk management throughout Equitable.
4. Ensure the Board receives accurate and timely information from senior management in order to effectively perform its duties.
5. Oversee Equitable's crisis management and recovery plans in accordance with applicable law and regulations.
6. Approve lending limits for the Bank, Credit Risk Management Committee, the sub-committee of the Risk and Capital Committee, and the Chief Risk Officer.
7. Approve Equitable's internal control framework.
8. Oversee adherence to applicable regulatory, corporate and legal requirements, and the integrity and effectiveness of Equitable's internal controls, including those for financial and non-financial reporting, management information systems, and receive reports on the effective design of these systems and reasonable assurance that they are operating effectively.
9. Perform such duties, approve certain matters and review reports as may be required under policies approved by the Board.

#### Oversight of Management

1. Remove or replace the Chief Executive Officer, if required.
2. Approve the selection, appointment, mandate, objectives and compensation of the Chief Executive Officer and monitor progress against those objectives. The mandate shall outline the authority for the Chief Executive Officer to manage Equitable's day-to-day activities within the framework established by the Board, including the power to appoint certain officers.



3. Approve the appointment of executive officers, including the heads of the control functions, and ensure they have the appropriate qualifications and competencies to meet the expectations set by the Board and regulators.
4. Approve and oversee compensation policies and program to ensure alignment with Equitable's business strategy, values and risk appetite.
5. Advise and counsel the President and Chief Executive Officer.
6. Ensure that an appropriate succession planning process is in place for the Chief Executive Officer and key executive officers.
7. Approve any significant changes to Equitable's executive organizational structure.
8. Oversee Equitable's oversight functions having regard to their independence and effectiveness.
9. Establish appropriate processes to periodically assess the assurances provided by management.

#### **Corporate Governance**

1. Oversee Equitable's approach to corporate governance and review and approve Equitable's corporate governance guidelines annually.
2. Establish appropriate structures, policies and procedures to enable the Board to function independently of management and, at least annually, determine the independence of each Board member.
3. Establish Board committees and their mandates to assist the Board in carrying out its responsibilities, and appoint a Chair for each Committee.
4. Oversee a formal orientation program for new directors and the ongoing education of all directors, and annually assess the performance of the Board, each of its Committees, Board and Committee Chairs and all directors. Periodically consider engaging an independent external advisor to assess or assist the Board in conducting such assessments.
5. Understand, assess and monitor Equitable's corporate culture and oversee how culture is embedded throughout Equitable and aligned with strategy.
6. Approve the selection, appointment and mandate of the Chair of the Board.
7. Establish expectations and responsibilities of directors to contribute effectively to Board operations.
8. Review and approve the adequacy and form of compensation for the independent directors at least every two years.
9. Oversee the board structure and governance activities of subsidiaries.

#### **Communication and Public Disclosure**

1. Approve material changes to Equitable's disclosure policy, ensuring that it provides for timely, reliable and accurate disclosure to analysts, shareholders, and the general public.
2. Review and approve annual and quarterly financial statements of Equitable and other public disclosure documents that require Board approval.
3. Ensure appropriate disclosure mechanisms, such as Equitable's management information circular, annual report and the corporate website, provide instructions on how to communicate with the independent directors.

#### **Regulators**

1. Consider reports from management, as required, on material regulatory matters and developments in Equitable's relationship with its regulators.
2. Review the results of Office of the Superintendent of Financial Institutions ("OSFI") supervisory reviews of the Bank and, meet with OSFI to discuss the results as required, and ensure OSFI is promptly notified of substantive issues affecting Equitable, and oversee that OSFI is provided with prior notice of potential changes to Board membership and senior management.

\* \* \* \*

This mandate was last reviewed and approved by the Board on November 5, 2019.

## How to Contact Us

To communicate directly with the independent directors:	To communicate directly with the Chair of the Board:
<p>Corporate Secretary Equitable Group Inc. Equitable Bank Tower 30 St. Clair Avenue West, Suite 700 Toronto, Ontario M4V 3A1 corporatesecretary@eqbank.ca</p>	<p>Chair of the Board Equitable Group Inc. Equitable Bank Tower 30 St. Clair Avenue West, Suite 700 Toronto, Ontario M4V 3A1 corporatesecretary@eqbank.ca</p>
For dividend information, change in share registration, lost share certificates, etc.	For other shareholder inquiries:
<p>Computershare Investor Services Inc. 100 University Avenue, 8<sup>th</sup> Floor Toronto, Ontario M5H 2Y1 service@computershare.com</p>	<p>Investor Relations Equitable Group Inc. Equitable Bank Tower 30 St. Clair Avenue West, Suite 700 Toronto, Ontario M4V 3A1 Tel: 416.515.7000 investor@equitablebank.ca</p>