

# EQUITABLE

## CANADA'S CHALLENGER BANK™

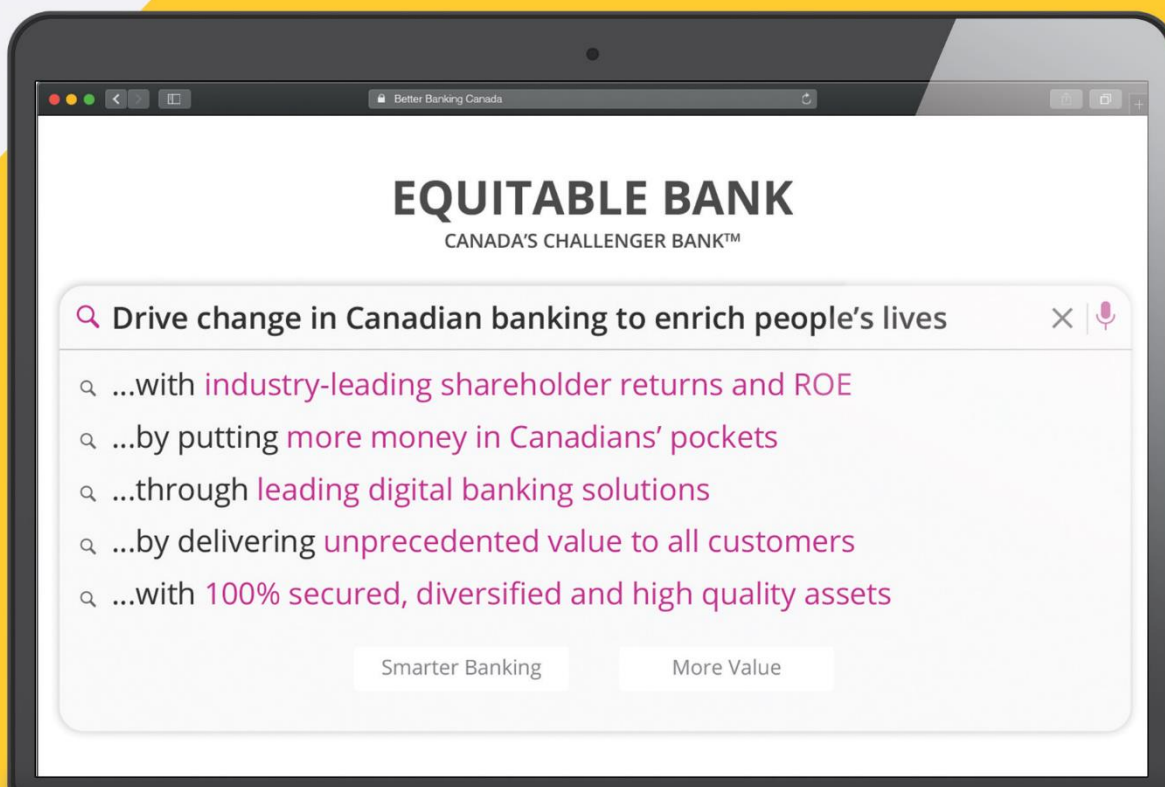
### Management Information Circular

Notice of Annual and Special Meeting of Shareholders

and Management Information Circular

May 12, 2021

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





### **Fellow Shareholders:**

We will host our annual meeting virtually this year to protect your safety and in compliance with public health guidelines aimed at stopping the spread of COVID-19.

Like digital banking through our EQ Bank platform, this virtual forum enables all business to be conducted in a convenient manner from your home computer or smartphone. It also allows you to have a full exchange of views with our Board and senior leaders following business presentations. We encourage you to participate to hear more about Equitable's progress, exciting plans for future growth and to exercise your voting rights.

### **Canada's Challenger Bank™ Delivers**

As a shareholder, you own 100% of Equitable Bank, our operating subsidiary and one of nine large Canadian banks listed on the S&P/TSX Composite Index. In customer markets, Equitable is known as Canada's Challenger Bank, a label that describes our aspiration of providing better service and better value than traditional financial institutions.

In 2020, Equitable delivered on our purpose of driving change in Canadian banking to enrich people's lives and was rewarded with growth in customers – numbering over 246,000 at year end and increasing by the hundreds daily – deposits (\$16.4 billion, up 7.5%) and assets under management (\$36.0 billion, up 8.9%).

Consistent with our strategic priorities, we expanded and enhanced EQ Bank, added depth and breadth to our consumer, broker-based and institutional deposit products and grew our Personal and Commercial Banking asset-gathering operations under a new organizational structure aligned to our key customer segments.

These and other developments improved the Bank's growth potential, strengthened the institution, and provided good returns to our shareholders. With net income of \$12.95 per share diluted, Equitable set a new record for financial performance and paid \$1.48 in common share dividends, 14.7% more than in 2019. We did this while adding to our capital such that at year end, our Common Equity Tier I ratio was 14.6%, 1.10% above the mid-point of our target range of 13-14%. Building capital to this elevated level reflected OSFI guidance issued to Canada's banks at the start of the pandemic to restrict additional increases in dividend payments or any activity to buy back shares.

### **Navigating the Pandemic**

Much to the credit of our employees who worked from home over the past year, Equitable provided uninterrupted support for our customers and achieved customarily high levels of productivity and efficiency. Our modern, secure IT infrastructure remains a key enabler of business continuity as the pandemic enters its second year.

In light of the extraordinary impact of the pandemic on Canada's job market, Equitable offered customers in need the opportunity to defer their loan payments. This support helped 18,700 customers, representing 20% of our mortgage portfolio to recover from job and income losses. Before year end, almost all of these customers resumed payments in advance of or according to scheduled deferral timelines, a good outcome for them and for the Bank.

We also protected the Bank from pandemic-related risk by insuring part of our portfolio, increasing our Prime lending activities and dynamically adjusting underwriting criteria. Consequently, we entered 2021 as we started 2020 – with a high-quality asset book.

### **Long-term Shareholder Value Creation**

Equitable's Total Shareholder Return of 145% over the past five years was the highest of all the banks listed on the S&P/TSX Composite Index. Equitable's five-year average Return on Equity of 15.4% was also higher than the average of all Schedule I banks on the Index. We are committed to maintaining performance leadership through good governance, good execution and the ongoing pursuit of our Challenger Bank purpose.

## **Governance**

Good governance is essential to the creation of value for all Equitable stakeholders. Accordingly, our Board is comprised of invested individuals with diverse expertise in areas that are relevant to the Bank: risk management, strategy, financial services, retail banking, technology, real estate, human resources, compensation, finance and accounting.

True to our organizational values, our Directors respectfully challenge management's thinking and with senior leadership experience, provide guidance that improves our long-term strategies, risk management, workforce development, retention and management succession, Environmental, Social and Governance mandates and targets, including equity, diversity and inclusion. They set the tone for business excellence, integrity and accountability. An active Director education program ensures we keep pace with the Bank's changing needs and the latest best practices in governance, while an annual Board and Director assessment process ensures continued effectiveness.

At this year's annual meeting, our longest-standing Director will retire. Eric Beutel has served Equitable for more than half of its 50-year existence. As a Board member since 1994, he has played a key stewardship role during pivotal moments in our institutional history including our initial public offering in 2004. We thank Eric for his service, friendship and countless contributions to the growth of our company.

We are pleased that after an extensive search, the Board now includes two additional world class leaders: Diane Giard and Yongah Kim who joined in December 2020. Diane brings deep retail and digital banking as well as risk management experience to the Board having served two domestic systemically important banks during her career. Yongah is an Associate Professor of Strategy at the University of Toronto's Rotman School of Management and previously served as a senior partner at McKinsey & Company advising leading financial institutions on a global basis. We welcome them as Directors and shareholders.

## **Equity Diversity and Inclusion**

Over the past decade, Equitable has worked tirelessly to build a workforce that reflects the diversity of our customers. Today, we operate with a Board whose members have broad perspectives and extensive lived experiences. Our workforce is diverse with 50% of employees self-identifying as racialized peoples. Our employees' diverse lives and experiences not only help to create a rich workplace culture, they also bring strength and powerful perspectives. As part of ongoing inclusion-focused work, for 2021 the Board expanded equity diversity and inclusion commitments within its governance systems, and established performance targets for Equitable's Chief Executive Officer in support of achieving equity and inclusivity throughout the organization.

In early 2023, Equitable will move to a new, purpose-built headquarters in Toronto. Preparations are already underway to ensure this facility can accommodate the future of work – post COVID-19. We envision the establishment of creative hubs on each floor where we can fulfill our Challenger Bank mission. The building will be designed to reflect the needs of our diverse workforce and inclusive culture. There will also be dedicated areas where people of faith can fulfill their obligations. We will recognize that our new office will be built on the traditional territories of Canada's indigenous peoples. Like our current headquarters in midtown Toronto, workplace design will support the efficient use of energy and building materials.

## **Social and Environmental Responsibility**

As Canada's Challenger Bank, we strive to play a constructive role in the wellbeing of society. We provide financing to underserved segments including the self-employed, newcomers to Canada, retirees in the wealth decumulation phase of their lives and small businesses. We promote financial literacy. Our charitable giving strategy directs support to long-time community partners and in 2020 provided funding to over 30 worthy causes.

While Equitable has a small environmental footprint, we work to keep it that way through meaningful initiatives in our offices such as the use of paper-free mortgage documentation technology, recycling programs, elimination of single-use plastics and energy-efficient lighting. Our offices are, in all cases, conveniently accessible by public transit in an effort to reduce the carbon footprint of employees travelling to work.

Externally, we do not lend to businesses that are considered high-carbon emitters and employ third-party experts to carry out detailed environmental assessments of our commercial loans. We are rated 'AA' by MSCI ESG. We encourage you to review our annual Sustainability Report and Public Accountability Statement for more information.

## Shareholder Engagement

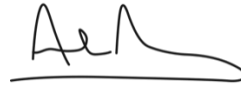
Looking ahead, we have an ambitious growth and performance agenda focused on continuous innovation. A key part of the agenda for both management and the Board is to engage with shareholders and ensure our strategies, objectives and opportunities are well understood so that the market price of our shares reflects what we believe to be the true intrinsic value of the Bank. To this end, we recently enhanced our financial reporting and increased our investor relations efforts.

On behalf of the Board and management, thank you for your investment in and support of Equitable.

Yours sincerely,



**David LeGresley**  
Chair, Board of Directors



**Andrew Moor**  
President and Chief Executive Officer

March 31, 2021

## What's Inside

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This management information circular (circular) is furnished in connection with the solicitation of proxies by management of Equitable Group Inc. ("Equitable") for use at the annual and special meeting of shareholders (the "meeting") to be held on May 12, 2021 at 10:00 a.m. (Eastern), or at any adjournment thereof, for the purposes set forth in the notice of meeting.

All information in this circular is as at March 31, 2021, unless indicated otherwise.

### Shareholder voting matters and recommendations

#### VOTING MATTER

Election of 11 Directors

Appointment of KPMG LLP as Auditors

Confirmation of Amendment to By-law No. 1

#### BOARD VOTE RECOMMENDATION

**FOR** each nominee

**FOR**

**FOR**



## Notice of 2021 Annual and Special Meeting of Shareholders

### When

Wednesday, May 12, 2021  
10:00 a.m. (Eastern)

### Where

**VIRTUAL**-only meeting via live audio webcast online at  
<https://web.lumiagm.com/260010064>

### For the purposes of

1. receiving Equitable's 2020 financial statements and the auditors' report;
2. electing 11 directors to serve until the next annual meeting of shareholders;
3. appointing KPMG LLP as auditors to serve until the next annual meeting of shareholders and authorizing the directors to fix their remuneration;
4. considering and, if determined advisable, confirming, by ordinary resolution, an amendment to Equitable Group Inc.'s By-law No. 1; and
5. considering any other business that may properly come before the meeting, and any adjournment thereof.

Due to the ongoing health impact of the COVID-19 pandemic, we will again be conducting the meeting in a virtual-only format via live audio webcast. Registered shareholders and duly appointed proxyholders will have the opportunity to participate and ask questions, and vote, all in real time, provided they are connected to the Internet and comply with all of the requirements set out in the management information 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. See pages 8 to 11 of the management information circular for information about how to attend, ask questions and vote at the meeting.

### Your vote is important

Please read the circular carefully before voting your shares.

We recommend you vote by proxy using the various voting methods provided to ensure your vote is received prior to the meeting. Your vote must be received by our transfer agent, Computershare Investor Services Inc., by 10:00 a.m. (Eastern) on May 10, 2021.

By order of the Board of Directors,

Michael Mignardi  
Vice-President and General Counsel

March 31, 2021

## Glossary of Acronyms

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In this document, unless indicated otherwise or the context other requires, “**you**” and “**your**” refer to shareholders of Equitable Group Inc., and “**we**”, “**us**”, “**our**” and “**Equitable**” refer to Equitable Group Inc. and its wholly-owned subsidiary, Equitable Bank.

Other terms and abbreviations used in this circular are as follows:

Bank	Equitable Bank	Executive Officer	Direct report of the CEO
Board	Board of Directors	FSB	Financial Stability Board’s Principles for Sound Compensation Practices
CD&A	Compensation Discussion & Analysis	HR & Compensation Committee	Human Resources & Compensation Committee
CEO	Chief Executive Officer	LTI	Long-term Incentive
CFO	Chief Financial Officer	MD&A	Management’s Discussion & Analysis
CHRO	Chief Human Resources Officer	NEO	Named Executive Officer
CIO	Chief Information Officer	Options	Stock Options
circular	Management Information Circular	PSU	Performance Share Unit
Code	Code of Conduct	ROE	Return on Equity
common shares	EGI or Equitable common shares	RSU	Restricted Share Unit
CRO	Chief Risk Officer	SEDAR	System for Electronic Document Analysis and Retrieval
CSA	Canadian Securities Administrators	STI	Short-term Incentive
DSU	Deferred Share Unit	STIP	Short-term Incentive Plan
EGI	Equitable Group Inc.	SVP	Senior Vice-President
EPS	Earnings Per Share	TSR	Total Shareholder Return
ESPP	Employee Share Purchase Plan	TSX	Toronto Stock Exchange
ERM	Enterprise Risk Management		
Executive	Executive Officer		

## **Delivery of meeting materials**

### **Notice and Access**

Again this year, as permitted by Canadian securities regulators, Equitable is using the notice-and-access to deliver our management information circular and annual financial statements (meeting materials) for our annual and special meeting, to both registered and non-registered shareholders.

This means that the meeting materials are being posted online for you to access, rather than being mailed out. This notice includes information on how to access the meeting materials online and how to request a paper copy. Notice-and-access gives shareholders faster access to the circular, reduces our printing and mailing costs, and is environmentally friendly as it reduces paper and energy consumption.

You will find enclosed with this notice a form of proxy or voting instruction form that you can use to vote your shares.

### **How to access the meeting materials online**

The meeting materials will be available online on the website of our transfer agent, Computershare Investor services Inc. at [www.envisionreports.com/EQB2021](http://www.envisionreports.com/EQB2021), on our website at [www.equitablebank.ca](http://www.equitablebank.ca) and on SEDAR at [www.sedar.com](http://www.sedar.com).

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**

You may request a paper copy of the meeting materials at no cost 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 form of proxy or voting instruction form. Please note that you will not receive another form of proxy or voting instruction form; please retain your current one in order to vote.

<b>Shareholders with a 15 digit control number</b>	<b>Shareholders with a 16 digit control number</b>
<b>Before the meeting:</b>	
Toll Free, within North America: 1-866-962-0498 Outside of North America: (514) 982-8716	Toll Free, within North America: 1-877-907-7643 Outside of North America: (905) 507-5450
<b>After the meeting:</b>	
Call 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 **May 3, 2021**.

### **Sign-up for eDelivery**

You can receive shareholder materials, including the notice, form of proxy or voting instruction form, by email. eDelivery reduces paper and energy consumption and gets the documents to you faster.

The process to sign up is as follows:

<b>Beneficial shareholders</b>	<b>Registered shareholders</b>
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 control number on your form of proxy and click on "Receive Documents Electronically"



## Voting information

### Who is soliciting my proxy

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

### Who can vote

You have the right to vote if you owned shares on our record date, March 24, 2021.

### 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.

### How to vote

You can vote before the meeting, online during the meeting or you can appoint someone to attend the meeting and vote your shares for you (called voting by proxy). How you vote depends on whether you are a registered or a non-registered or beneficial shareholder:

Beneficial (non-registered) Shareholder	Registered Shareholder
You are a <b>beneficial</b> shareholder if your shares are registered in the name of an intermediary such as a securities broker, trustee or financial institution. Most of our shareholders are beneficial shareholders.	You are a <b>registered shareholder</b> if your shares are registered in your name with our transfer agent, Computershare Investor Services Inc.

## Voting before the meeting

Beneficial Shareholder	Registered Shareholder
 Go to <a href="http://www.investorvote.com">www.investorvote.com</a> and follow the instructions. <b>Internet</b>	 Go to <a href="http://www.investorvote.com">www.investorvote.com</a> and follow the instructions. <b>Internet</b>
 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 voting instruction form. <b>Phone</b>	 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. <b>Phone</b>
 Complete the voting instruction form and return it in the prepaid envelope provided. <b>Mail</b>	 Complete the form of proxy and return it in the prepaid envelope provided. <b>Mail</b>

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 Monday May 10, 2021.**

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 10, 2021 deadline.

Computershare must receive your proxy form or you must have voted by telephone or Internet **no later than 10:00 a.m. (Eastern) on Monday May 10, 2021.**

## Changed your mind?

If you are a beneficial shareholder, you may revoke your voting instructions by contacting your intermediary to find out what to do.

If your intermediary gives you the option of using the internet or telephone to provide your voting instructions, you can use the internet or telephone to change your instructions, as long as your intermediary receives the new instructions in enough time to act on them **before 10:00 a.m. (Eastern) on Monday, May 10, 2021.**

You may change a vote by:

- voting again on the internet or by telephone **before 10:00 a.m. (Eastern) on Monday, May 10, 2021**
- completing a new proxy form with a later date. Any new instructions must be received by Computershare **before 10:00 a.m. (Eastern) on Monday, May 10, 2021.**
- 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 Monday, May 10, 2021.**

## Voting online at the meeting

### Beneficial Shareholder

If you are a beneficial shareholder and wish to vote at the meeting, you MUST first appoint yourself as proxyholder by following the instructions under *Appointing a proxyholder to represent you at the virtual meeting* on the following page. Once appointed and registered as a proxyholder, 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/260010064> at least 15 minutes before the meeting starts
2. Click on "I have a login"
3. Enter your 15-digit control number (your user name) received from Computershare and the password: **egroup2021** (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 we and Computershare do not have a record of Equitable's beneficial shareholders and, as a result, will have no knowledge of your shareholdings or entitlement to vote unless you appoint yourself as your proxy.

Guests will be able to listen to the meeting but will not be able to vote. To attend the meeting:

1. Log in at <https://web.lumiagm.com/260010064> at least 15 minutes before the meeting starts.
2. Click "I am a guest" and complete the online form.

You have to be connected to the internet at all times to be able to vote when balloting commences – it is your responsibility to make sure you stay connected for the entire meeting.

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 [www.equitablebank.ca](http://www.equitablebank.ca) and at [www.envisionreports.com/EQB2021](http://www.envisionreports.com/EQB2021)

### Registered Shareholder

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

1. Log in at <https://web.lumiagm.com/260010064> 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: **egroup2021** (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 is your responsibility to make sure you stay connected for the entire meeting.

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 [www.equitablebank.ca](http://www.equitablebank.ca) and at Envision at [www.envisionreports.com/EQB2021](http://www.envisionreports.com/EQB2021)

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

## **Appointing a proxyholder (third party) to represent you at the virtual meeting**

You may appoint someone as your proxyholder other than Andrew Moor and David LeGresley, Equitable's proxyholders named in the form of proxy or voting instruction form. This includes beneficial shareholders who wish to appoint themselves as proxyholder to attend, participate or vote at the meeting. **You may appoint anyone as your proxyholder to represent you at the meeting.** Your proxyholder does not have to be a shareholder of Equitable. Your proxyholder must attend the meeting and vote for you.

**Shareholders who wish to appoint someone other than the Equitable proxyholders as their proxyholder to attend and participate at the meeting and vote their shares MUST submit their form of proxy or voting instruction form, as applicable, appointing that person as proxyholder AND register that proxyholder as described below. Registering your proxyholder is an additional step to be completed AFTER you have submitted your form of proxy or voting instruction form. Failure to register the proxyholder will result in the proxyholder not receiving a user name that is required to vote at the meeting.**

**Step 1 – Submit your form of proxy or voting instruction form.** To appoint someone other than Equitable's proxyholders, inserting the person's name in the blank space provided, and follow the instructions for submitting your form of proxy or voting instruction form.

If you are a beneficial shareholder and wish to vote at the meeting, you MUST insert your own name in the space provided on the voting instruction form and follow all applicable instructions provided by your intermediary AND register yourself as proxyholder, as described above. By doing so you are instructing your intermediary to appoint you as proxyholder.

**Step 2 - Register your proxyholder with Computershare** by visiting <http://www.computershare.com/EquitableGroup> and provide Computershare with the proxyholder's contact information by 10:00 a.m. on May 10, 2021, 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.

## **How your shares will be voted**

You can choose to vote "For", "Withhold" or "Against", depending on the item to be voted on, 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;
- **FOR** the appointment of KPMG LLP as our independent auditors; and
- **FOR** the By-law amendment.

If there are any amendments to the items of business in this circular or other items of business that may 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.

## **Submitting questions at the meeting**

Questions may be submitted in advance of the meeting by contacting the Corporate Secretary by email or mail at the contact information provided on the back cover. Questions submitted in advance must be received by 5:00 p.m. (Eastern) on Monday May 10, 2021 to be included in the meeting.

It is recommended that shareholders and duly appointed proxyholders submit their questions as soon as possible during the meeting through the live webcast. Only shareholders and duly appointed proxyholders may ask a question during the question period.

The Board and senior management will answer questions at the end of the meeting, during the question period. We will respond in writing to the shareholder or proxyholder as soon as practical after the meeting to any questions that cannot be answered during the meeting due to time or technical constraints.

### 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 senior management, the validity of the form is in question, or the law requires it.

### How can I vote if I hold shares in the Employee savings plan?

If you participate in Equitable's Employee Share Purchase Plan, you will have received a voting instruction form in your Notice Package. Please follow the instructions provided for beneficial 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).

### Outstanding shares

There were 16,958,586 common shares of EGI outstanding on March 24, 2021. Each share carries the right to one vote.

### Principal Holders of voting shares

To the knowledge of Equitable, as at March 24, 2021, 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	19.01%
Oakwest Corporation Limited <sup>2</sup>	1,800,000	10.61%

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. Oakwest, a private investment holding company, acquired these shares 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

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### Receive our financial statements

Our consolidated financial statements for the year ended December 31, 2020 including the report of the auditors are available on SEDAR ([www.sedar.com](http://www.sedar.com)), on Envision ([www.envisionreports.com/EQB2021](http://www.envisionreports.com/EQB2021)), and on our website ([www.equitablebank.ca](http://www.equitablebank.ca)).

### Elect Directors

The 11 nominees proposed for election to our Board were recommended by the Governance and Nominating Committee. All directors were elected at last year's annual meeting except for Diane Giard and Yongah Kim who were appointed during the year and are standing for election for the first time. Information about the nominated directors can be found beginning on page 16.

**The Board  
recommends you vote  
for  
each director nominee**

Unless authority to do so is withheld, the persons named in the form of proxy or voting instruction form intend to vote **FOR** the election of each director nominee.

### Majority Voting for Directors

The Board believes that each Director should have the confidence and support of our shareholders. Our majority vote policy requires any director nominee who is not elected by *at least* a majority of votes cast (50% plus 1 vote) will be considered to not have received the support of the shareholders and will be required to tender their resignation from the Board immediately following the annual meeting. Such resignation will be referred to the Governance and Nominating Committee for consideration.

Absent exceptional circumstances, the Board will accept the resignation offer. There are very limited circumstances under which the Governance and Nominating Committee can 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 any deliberations on the resignation offer by the Governance and Nominating Committee or Board. 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 director nominees is the same as the number of directors to be elected). This policy can be found on our website.

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.

### Appoint Auditors

You will vote on appointing the external auditors. The Audit Committee of the Board has assessed the performance and independence of KPMG 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 and on the recommendation of the Audit Committee, the Board recommends that KPMG be reappointed as our external auditors for the year ended December 31, 2021 and that the Board be authorized to fix the auditors' remuneration. KPMG has served continuously as our external auditors since 2004.

**The Board  
recommends  
you vote  
for  
the appointment  
of KPMG LLP as  
our auditors**

Unless authority to do so is withheld, the persons named in the form of proxy or voting instruction form intend to vote **FOR** the appointment of KPMG LLP as our external auditors until the close of the next annual meeting of shareholders, and the authorization of the Board, upon the recommendation of the Audit Committee, to fix the remuneration of the auditors.

## External auditor service fees

Fees billed for services provided by KPMG LLP for the years ended December 31, 2020 and December 31, 2019 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.

(\$000s)	2020 <sup>(1)(2)</sup>	2019 <sup>(1)</sup>
Audit fees	\$581,900	\$560,999
Audit-related fees	\$158,500	\$83,000
Tax fees	\$49,600	\$65,198
Other fees	4,000	-
<b>Total</b>	<b>\$794,000</b>	<b>\$709,197</b>

<sup>(1)</sup> Amounts exclude CPAB fees and HST.

<sup>(2)</sup> In accordance with the respective Engagement Letters, the fees reported above are subject to a technology and support charge in the amount of \$55,580.

### **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 its interim financial statements, and accounting advisory services related to the audited financial statements.

### **Audit-related fees**

Audit-related fees relate to specified procedures reports to support Equitable's participation in CMHC-sponsored securitization programs, translation and consent letter for Equitable's shelf-prospectus, AMF Reporting, and support for Equitable Trust's CMHC Issuer Application.

### **Tax fees**

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

### **Other fees**

Other fees paid in 2020 relate to a client due diligence. No other fees were paid in 2019.

## Confirmation of Amendment to By-law No. 1

The *Business Corporations Act* (Ontario), Equitable Group Inc.'s governing statute, permits shareholder meetings to be held by telephone or electronic means, unless a company's bylaws provide otherwise. Equitable's By-law No. 1, which regulates the business and affairs of Equitable, did not specifically provide for shareholder meetings to be held by such means. As such, on February 22, 2021, the Board of Directors, on the recommendation of the Governance and Nominating Committee, amended Equitable's By-law No. 1 to add a provision on Electronic Meetings to provide for meetings of shareholders to be held entirely by telephone, electronic or other communication facility, and for shareholders to participate in meetings of shareholders by telephone, electronic or other communication facility. While the addition of this provision does not necessarily mean that Equitable will hold virtual-only meetings in the future, the Board determined that it was important to add this provision to ensure Equitable has the flexibility to do so in situations where the Board considers it appropriate, especially given the ongoing uncertainty surrounding the COVID-19 pandemic.

The full text of the amendment is reflected in Schedule B – Amended and Restated By-law No. 1.

The amendment to By-law No. 1 is currently in effect and must be confirmed by our common shareholders to remain in effect. The ordinary resolution to confirm the amendment reads as follows:

**RESOLVED**, as an ordinary resolution of the shareholders of Equitable Group Inc., that:

1. The amendment to Equitable’s By-law No. 1, as described in the Management Information Circular dated March 31, 2021, enacted and made by the Board of Directors of Equitable on February 22, 2021, and included in the Amended and Restated By-law No. 1 (attached as Schedule B to the Management Information Circular), be and is hereby confirmed.
2. Any officer of Equitable Group Inc. be and is hereby authorized and directed to take such actions as such officer may determine to be necessary or advisable to implement the foregoing resolution, such determination to be conclusively evidenced by the taking of such actions.

**The Board recommends you vote for the confirmation of the amendment to By-law No. 1**

Unless authority to do so is withheld, the persons named in the form of proxy or voting instruction form intend to vote **FOR** the resolution to confirm the amendment to By-law No. 1.

The amendment and restated By-law No. 1 is also available on our website at [www.equitablebank.ca](http://www.equitablebank.ca).

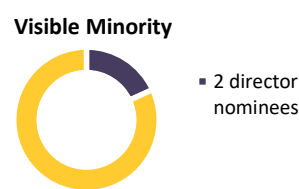
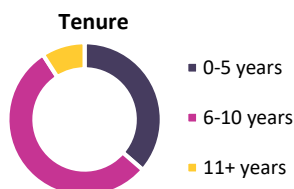
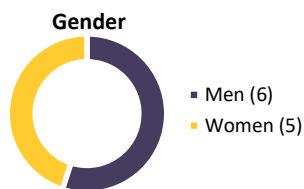
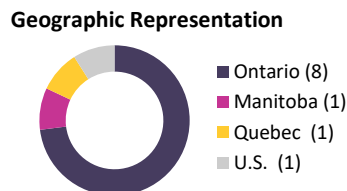
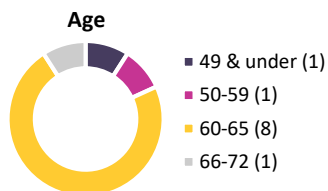
## Director Nominees

The Board is elected by shareholders to oversee management and act in the best interests of Equitable. Key to proper stewardship is assembling a Board that is qualified, experienced, diverse, and operates independently of management.

There are 11 directors nominated for election to the Board to serve until the next annual meeting of shareholders, or until their successors are duly elected or appointed. Ten of the eleven directors are independent. Andrew Moor is not independent as he is Equitable’s President and CEO.

The following director nominee profiles include a summary of each nominee’s career experience, current Board committee memberships and attendance, directorships at other public companies over the past five years, each nominee’s equity ownership in Equitable which is comprised of common shares and DSUs as at March 15, 2021 and 2020. Under current share ownership requirements, the Chair of the Board and other independent directors are required to hold 3x the annual retainer (equal in value to \$660,000 and \$300,000, respectively). Values of common shares and DSUs are based on \$138.91 and \$75.26, the closing price of Equitable’s common shares on the TSX on March 15, 2021 and March 13, 2020.

### Board composition



**50% of our independent director nominees are women**

**Average tenure of our independent director nominees is 5.6 years**

**20% of our independent director nominees self-identify as a member of a visible minority**



## Director Profiles

### Michael Emory

Toronto, Ontario

Age: 65

Director since: 2014

*Independent*

2020 voting results FOR:  
99.03%

**Key areas of expertise/  
experience:**

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



Mr. 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	2020 Attendance	Overall
Board	7 / 7	100%
Governance & Nominating	5 / 5	100%
HR & Compensation	5 / 5	100%
Credit Risk Sub-Committee	40 / 40	100%

**Public company directorships  
for past five years**

Allied Properties REIT (since 2003)

**Current Board committee  
memberships**

None

**Equity Ownership**

Year	Common shares	DSUs	Total common shares and DSUs	Total value of common shares and DSUs (\$)	Meets SOR
2021	1,600	4,934	6,534	907,638	3.03x (Yes)
2020	1,600	3,952	5,552	417,844	1.39x (Yes)

### Susan Ericksen

Cumming, Georgia, USA

Age: 62

Director since: 2018

*Independent*

2020 voting results FOR:  
99.98%

**Key areas of expertise/  
experience:**

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



Ms. 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. She is a member of the National Association of Corporate Directors with the DC designation.

**Board / Committee**

Memberships	2020 Attendance	Overall
Board	7/7	100%
Governance & Nominating	3/3	100%
HR & Compensation	5/5	100%
Risk & Capital	4/4	100%

**Public company directorships  
for past five years**

None

**Current board committee  
memberships**

**Equity Ownership**

Year	Common shares	DSUs	Total common shares and DSUs	Total value of common shares and DSUs (\$)	Meets SOR
2021	900	3,113	4,013	557,446	Yes (1.86x)
2020	900	1,843	2,743	206,438	On track (0.69x)

**Diane Giard**

Shefford, Quebec

Age: 60

Director since: 2020

**Independent****2020 voting results FOR:**

N/A – appointed to the Board after the 2020 annual meeting

**Key areas of expertise/experience:**

- Governance
- Retail Banking
- Senior Executive
- Marketing/Branding
- Risk Management
- Strategic Planning



Ms. Giard is a Corporate Director and was the Executive Vice President – Personal – Commercial Banking and Marketing of National Bank of Canada between March 2017 until her retirement in June 2018. She joined National Bank of Canada in 2011 as Executive Vice President – Marketing and less than a year later became responsible for Personal & Commercial Banking. Ms. Giard has more than 30 years' experience in the banking industry, including several years at the Bank of Nova Scotia (Scotiabank), which she joined in 1982 and where she held various executive positions of increasing responsibility including Senior Vice President of Québec & Eastern Ontario Region. Ms. Giard has a Bachelor's degree in Economics from Université de Montréal and an MBA from Université du Québec à Montréal.

**Board / Committee**

Memberships	2020 Attendance	Overall
Board	1 / 1	100%

**Public company directorships for past five years**

TFI International Inc. (since 2018)  
Bombardier Inc. (since 2017)

**Current board committee memberships**

Audit  
Audit (Chair); Governance & Nominating

**Equity Ownership**

Year	Common shares	DSUs	Total common shares and DSUs	Total value of common shares and DSUs (\$)	Meets SOR
2021	-	252	252	35,005	0.12x (on track)

**Kishore Kapoor**

Winnipeg, Manitoba

Age: 64

Director since: 2016

**Independent****2020 voting results FOR:**

86.9%

**Areas of expertise:**

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



Mr. Kapoor is the President and Chief Executive Officer of RF Capital Group Inc. In addition to the public company directorships set out below, Mr. Kapoor serves as a director and member of the Audit Committee of Richardson Financial Group Limited, and as a director of Richardson Wealth. 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	2020 Attendance	Overall
Board	7 / 7	100%
Audit (Chair)	4 / 4	100%
Risk & Capital	4 / 4	100%

**Public company directorships for past five years**

RF Capital Group Inc. (since 2018)

Morneau Shepell Inc. (2018 – until May 14, 2021)

Manitoba Telecom Services Inc. (2006 – 2017)

**Board committee memberships**

Audit  
Audit (Chair)

**Equity Ownership**

Year	Common shares	DSUs	Total common shares and DSUs	Total value of common shares and DSUs (\$)	Meets SOR
2021	1,425	4,863	6,288	873,466	Yes (2.91x)
2020	1,425	3,882	5,307	399,405	Yes (1.33x)

## Yongah Kim

Toronto, Ontario

Age: 48

Director since: 2020

### Independent

#### 2020 voting results FOR:

N/A – appointed to the Board after the 2020 annual meeting

#### Key areas of expertise/experience:

- Strategic Planning
- Retail Banking
- Governance
- Senior Executive
- Human Resources/Compensation



Ms. Kim is an Associate Professor of Strategic Management at the Rotman School of Management, University of Toronto, and a core faculty member in the Leadership Development Lab and the Self-Development Lab of the Desautels Centre for Integrative Thinking. Prior to joining Rotman, Ms. Kim was a Senior Partner at McKinsey & Company where she spent 25 years working across Canada, US and Asia. She has a very diverse set of experiences that span across digital & analytics transformation, global expansion, performance transformation, and digital marketing, with a particular focus on digital and performance transformations in the financial services sector. She held a number of leadership positions while at McKinsey including leader of multiple industry practices, and Women's Initiatives in Asia and North America. She also served as co-chair of McKinsey's Global Partner Election Committee for several years. She has the distinction of being the first Korean woman elected to Partner and Senior Partner at McKinsey. She has a BA in Business Administration from Yonsei University and a MBA from Harvard Business School. She is currently Vice Chair of the Board of The Hospital for Sick Children.

#### Board / Committee

Memberships	2020 Attendance	Overall
Board	1 / 1	100%

#### Public company directorships for past five years

Current board committee membership
None

#### Equity Ownership

Year	Common shares	DSUs	Total common shares and DSUs	Total value of common shares and DSUs (\$)	Meets SOR
2021	-	236	236	32,783	0.11x (on track)

## David LeGresley

Toronto, Ontario

Age: 62

Director since: 2011

### Independent

#### 2020 voting results FOR:

99.99%

#### Key areas of expertise/experience:

- Governance
- Accounting/Finance
- Financial Services
- Risk Management
- Human Resources/Compensation
- Senior Executive
- Strategic Planning



Mr. LeGresley is Chair of the Board of Directors. Mr. LeGresley is a Corporate Director with extensive experience in the financial services industry and served 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	2020 Attendance	Overall
Board	7 / 7	100%

#### Public company directorships for past five years

Current board committee memberships	
Pembina Pipeline Corp. (since 2010)	. Governance, Nominating & Corporate Social Responsibility . Human Resources, Health & Compensation

#### Equity Ownership

Year	Common shares	DSUs	Total common shares and DSUs	Total value of common shares and DSUs (\$)	Meets SOR
2021	17,000	15,889	32,889	4,568,611	Yes (6.92x)
2020	18,000	12,858	30,858	2,322,373	Yes (3.52x)

**Lynn McDonald**

Toronto, Ontario

Age: 69

Director since: 2011

**Independent****2020 voting results FOR:**  
99.98%**Key areas of expertise/  
experience:**

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



Ms. McDonald is a Corporate Director. Ms. McDonald 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	2020 Attendance	Overall
Board	7 / 7	100%
Audit	4 / 4	100%
HR & Compensation (Chair)	5 / 5	100%
Risk & Capital	4 / 4	100%

**Public company directorships  
for past five years**

None

**Current board committee  
memberships****Equity Ownership**

Year	common		Total common	Total value of	Meets SOR
	shares	DSUs	shares and DSUs	common shares and DSUs (\$)	
2021	4,050	8,620	12,670	1,759,990	Yes (5.87x)
2020	4,050	7,109	11,159	675,512	Yes (2.80x)

**Andrew Moor**

Toronto, Ontario

Age: 60

Director since: 2007

**Non-Independent****2020 voting results FOR:**  
99.22%**Key areas of expertise/  
experience:**

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



Mr. Moor has served as Equitable's President and Chief Executive Officer since March 2007. Before joining Equitable he was President and Chief Executive Officer of Invis Inc. from 2002 to 2007 and prior to that was President and Chief Financial Officer of SMED International Inc. In addition to the public company directorship below, Mr. Moor serves as a member of the Executive Committee of the Canadian Bankers' Association, as Chairman of the Banks and 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	2020 Attendance	Overall
Board	7 / 7	100%

**Public company directorships  
past five years)**Sleep Country Canada Holdings Inc.  
(since 2015)**Current board committee  
memberships**Human Resources and  
Compensation Committee (Chair);  
Audit; Nominating and Corporate  
Governance**Equity Ownership**

Year	common		Total common	Total value of	Meets SOR <sup>1</sup>
	shares	PSUs	shares and PSUs	common shares and PSUs (\$)	
2021	219,921	19,600	239,521	33,271,934	Yes (9.18x)
2020	219,382	23,952	243,334	18,313,337	Yes (5.05x)

**Rowan Saunders**

Toronto, Ontario

Age: 56

Director since: 2013

*Independent*2020 voting results FOR:  
99.99%**Key areas of expertise/  
experience:**

- Governance
- Risk Management
- Senior Executive
- Strategic Planning



Mr. 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 Canada) for 12 years. Mr. Saunders is a past Chairman and current director of the Insurance Bureau of Canada, and a past member of the Financial Services Commission of Ontario's CEO Advisory Committee. Mr. Saunders received a Bachelor of Arts degree from York University, holds the Canadian Risk Management designation and is a Fellow of the Insurance Institute of Canada.

**Board / Committee**

Memberships	2020 Attendance	Overall
Board	7 / 7	100%
Audit	4 / 4	100%
Governance & Nominating	5 / 5	100%

**Public company directorships  
for past five years**

None

**Current board committee  
memberships****Equity Ownership**

Year	common		Total common		Total value of common shares and DSUs (\$)	Meets SOR
	shares	DSUs	shares and DSUs	DSUs		
2021	2,000	7,529	9,529		1,323,673	Yes (4.41x)
2020	2,000	4,687	6,687		503,264	Yes (1.68x)

**Vincenza Sera**

Toronto, Ontario

Age: 64

Director since: 2013

*Independent*2020 voting results FOR:  
98.02%**Key areas of expertise/  
experience:**

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



Ms. Sera is a Corporate Director. She currently serves on the Board of Investment Management Corporation of Ontario, and served 13 years on the Board of the Ontario Pension Board, including nine as Chair. 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	2020 Attendance	Overall
Board	7 / 7	100%
Governance & Nominating (Chair)	5 / 5	100%
Risk & Capital	2 / 2	100%
Credit Risk Sub-Committee	40/40	100%

**Public company directorships  
for past five years**DREAM Industrial REIT (since 2012)  
DREAM Unlimited Corp. (since 2013)**Current board committee  
memberships**Chair of the Board  
Governance & Nominating (Chair),  
Audit, Organization Design &  
Culture, Leaders & Mentors**Equity Ownership**

Year	common		Total common		Total value of common shares and DSUs (\$)	Meets SOR
	shares	DSUs	shares and DSUs	DSUs		
2021	2,000	5,686	7,686		1,067,662	Yes (3.56x)
2020	2,000	4,687	6,687		503,264	Yes (1.68x)



## Michael Stramaglia

Toronto, Ontario

Age: 61

Director since: 2014

### Independent

**2020 voting results FOR:**  
99.99%

### Key areas of expertise/ experience:

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



Mr. Stramaglia is a Corporate Director and President and founder of Matric Advisory Group, a risk management consulting firm. He is currently Executive in Residence at the Global Risk Institute in Financial Services and Program Director for the Schulich Executive Education Centre of Excellence in Governance, Risk Management and Control. Mr. Stramaglia serves on the Board of Directors of the Economical Mutual Insurance Company, Foresters Financial, and the Canadian subsidiaries of Munich Reinsurance Company of Canada. He also serves as Chair of the Ontario Internal Audit Committee. Mr. Stramaglia has extensive financial services experience, including prior executive leadership roles of 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 a Chartered Enterprise Risk Analyst. He holds an Honours Bachelor of Mathematics from the University of Waterloo and holds the ICD.D designation from the Institute of Corporate Directors.

### Board / Committee

Memberships	2020 Attendance	Overall
Board	7 / 7	100%
HR & Compensation	5 / 5	100%
Risk & Capital	4 / 4	100%

### Public company directorships for past five years

None

### Current board committee memberships

### Equity Ownership

Year	Common		Total common		Meets SOR
	shares	DSUs	shares and	Total value of	
			DSUs	and DSUs (\$)	
2021	3,000	5,148	8,148	1,131,839	Yes (3.77x)
2020	3,000	4,056	6,205	418,527	Yes (1.40x)

1. Andrew Moor meets the share ownership requirement for his position as President and CEO - see page 69.

## Retiring Director

Eric Beutel is not standing for re-election as a director of Equitable due to the director term limit the Board implemented in 2020, and he will therefore retire at the end of the meeting. Mr. Beutel has served on our Board since October 1994 and his contributions to the Board and Equitable over the years are greatly appreciated. We wish him all the best.

## Meeting Attendance

We expect Directors to attend, in person or via telephone or videoconference, all Board meetings and committee meetings of which they are a member, except where personal circumstances beyond the Director's control prevent them from doing so. Meeting materials are provided to directors in advance. If a director cannot attend a meeting, they can provide their comments to the Chair of the Board, Committee chair or Management beforehand and that person will ensure the comments and views are considered at the meeting. 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 required to attend at least 75% of the combined total of Board and Committee meetings and to attend Equitable's annual meeting of shareholders.

In 2020 the Board held seven meetings, all of which were regularly scheduled meetings. There were also two informal updates via videoconference that all Directors attended regarding the evolving events of the COVID-19 pandemic, constant communication between the CEO and the Board, especially during the early months of the pandemic, and frequent communication between Committee Chairs and Executive Officers.

The Credit Risk Sub-Committee met 40 times in 2020. These meetings are held through the year to adjudicate credit applications that exceed management authority, and are generally convened with two to three days' notice.

The table below shows the number of Board and Committee meetings held in 2020.

	Number of Meetings held in 2020
Board	7
Audit Committee	4
Governance and Nominating Committee	5
Human Resources and Compensation Committee	5
Risk and Capital Committee	4
Credit Risk Sub-Committee	40

#### Attendance Table

	Number of Meetings held in 2020						Overall Attendance
	Board	Audit Committee	Risk & Capital Committee	Governance & Nominating Committee	HR & Compensation Committee	Credit Risk Sub-Comm	%
Eric Beutel <sup>1</sup>	7/7	4/4	2/2	2/2	-	40/40	100
Michael Emory	7/7	-	-	5/5	5/5	40/40	100
Susan Ericksen <sup>2</sup>	7/7	-	4/4	3/3 <sup>2</sup>	5/5	-	100
Diane Giard	1/1	-	-	-	-	-	100
Kishore Kapoor	7/7	4/4	4/4	-	-	-	100
Yongah Kim	1/1	-	-	-	-	-	100
David LeGresley	7/7	-	-	-	-	-	100
Lynn McDonald	7/7	4/4	4/4	-	5/5	-	100
Andrew Moor	7/7	-	-	-	-	-	100
Rowan Saunders	7/7	4/4	-	5/5	-	-	100
Vincenza Sera <sup>3</sup>	7/7	-	2/2	5/5	-	40/40	100
Michael Stramaglia	7/7	-	-	-	5/5	-	100

1. Mr. Beutel is retiring from the Board on May 12, 2021. He ceased to be a member of the Risk and Capital Committee and was appointed to the Governance and Nominating Committee on May 15, 2020.
2. Ms. Ericksen ceased to be a member of the Governance and Nominating Committee on May 15, 2020.
3. Ms. Sera was appointed to the Risk and Capital Committee on May 15, 2020.

## Director Compensation

Our director compensation program is designed to:

- attract and retain highly qualified individuals to serve as Directors,
- provide an appropriate level of compensation to reflect the risks, responsibilities and time commitment they assume when serving on our Board and Board committees, and
- provide a significant portion of compensation in equity (DSUs) to align Directors' interests with those of our shareholders.

The Governance and Nominating Committee is responsible for reviewing and making recommendations to the Board regarding the amount and form of director compensation. The Governance and Nominating Committee conducts a biennial benchmarking review of director compensation, with assistance from management, to ensure it meets the objectives set out above. The Governance and Nominating Committee benchmarks director compensation levels against Equitable's peer group used to benchmark executive compensation, and a reference group consisting of public companies of comparable size in different industries.

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

## Program Elements

Directors receive an annual retainer for serving on the Boards of both Equitable Group Inc. and Equitable Bank. This retainer also includes serving on two Board Committees. The Chair of the Board receives a separate all-inclusive annual retainer. Additional retainers are paid to Committee Chairs, and to members of the Credit Risk Sub-Committee in consideration of the number of meetings held in a year.

Mr. Moor, as President and CEO of Equitable, does not receive any director compensation.

Directors are reimbursed for all travel and other expenses they incur to attend meetings or to conduct business on behalf of Equitable.

Director compensation has remained unchanged since May 2018. At its meeting held on February 19, 2021, the Governance and Nominating Committee undertook a benchmarking review of director compensation against Equitable's comparator group and the reference group. Based on this review the Committee recommended, and the Board approved, a \$20,000 increase to the director retainer and a \$45,000 increase to the Board Chair retainer to pay more competitively with market. Also approved was a \$5,000 increase to all Committee Chairs, with the exception of the Audit Committee in order to position pay more competitively with market and to acknowledge the expanding workloads of those roles.

The table below shows our 2020 fee schedule and the revised fees scheduled to come into effect following the 2021 annual meeting.

	2020 Compensation (\$)	Compensation payable after May 12, 2021 (\$)
<b>Annual retainer</b>		
Chair of the Board (one half granted in DSUs)	220,000	265,000
All other independent directors (one half granted in DSUs)	100,000	120,000
<b>Committee retainers</b>		
<i>Committee Chairs</i>		
• Audit Committee	20,000	20,000
• Human Resources and Compensation Committee	15,000	20,000
• Governance and Nominating Committee	10,000	15,000
• Risk and Capital Committee	15,000	20,000
<i>Committee member</i>		
• Credit Risk Sub-Committee	5,000	5,000

All Directors, including the Chair of the Board, receive half their annual retainer in the form of DSUs, regardless of whether they have met the share ownership requirement. Under Equitable's Deferred Share Unit Plan, a Director may elect to receive all or a portion of the balance of their annual retainer and any additional retainers they may receive in a combination of cash and/or DSUs, which is paid quarterly. DSUs are phantom share units that have the same value as common shares 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.

DSUs vest immediately and accrue additional DSUs 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.



	Total Number of DSUs held as at March 15, 2021 (#)	Market value of DSUs not paid out or distributed as at March 15, 2021 <sup>1</sup> (\$)
Eric Beutel	11,948	1,659,697
Michael Emory	4,934	685,382
Susan Ericksen	3,113	432,437
Diane Giard	252	35,005
Kishore Kapoor	4,863	675,519
Yongah Kim	236	32,783
David LeGresley	15,889	2,207,141
Lynn McDonald	8,620	1,197,404
Rowan Saunders	7,529	1,045,853
Vincenza Sera	5,686	789,842
Michael Stramaglia	5,148	715,109

1. The closing price of an EGI common share on the TSX on March 15, 2021 was \$138.91.

## Director Compensation Table

The following table summarizes compensation paid to Directors in 2020:

	Annual Director / Board Chair Retainer			Portion of cash retainer(s) taken as DSUs (%)	All other compensation (\$)	Total (\$)
	In cash (\$)	In DSUs (\$)	Committee Chair Retainer			
Eric Beutel <sup>1</sup>	55,000	50,000	-	100	-	105,000
Michael Emory <sup>1</sup>	55,000	50,000	-	0	-	105,000
Susan Ericksen	50,000	50,000	-	0	-	100,000
Diane Giard <sup>2</sup>	3,125	21,271	-	100	-	24,396
Kishore Kapoor	50,000	50,000	20,000	0	-	120,000
Yongah Kim <sup>2</sup>	3,125	21,271	-	50	-	24,396
David LeGresley	110,000	110,000	-	50	-	220,000
Lynn McDonald	50,000	50,000	15,000	50	-	115,000
Rowan Saunders	50,000	50,000	-	100	-	100,000
Vincenza Sera <sup>1</sup>	50,000	50,000	10,000	0	-	110,000
Michael Stramaglia	50,000	50,000	15,000	0	-	115,000
<b>TOTAL</b>	<b>526,250</b>	<b>542,542</b>	<b>50,000</b>	-	-	<b>1,138,792</b>

1. Includes the retainer for serving as a member of the Credit Risk Sub-Committee.

2. Ms. Giard and Ms. Kim were appointed to the Board on December 9, 2020 and received pro-rated fees.

## Director share ownership requirements

All non-employee 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, and market value.

Directors must meet their share ownership requirement within five years of joining the Board, or being appointed Chair of the Board.

All Directors have met the ownership requirement with the exception of our newest directors, Diane Giard and Yongah Kim who have until December 9, 2025 to meet the requirement.

## Corporate governance practices

We are committed to high standards of corporate governance and believe it to be an essential foundation for strong corporate performance, fundamental to our success, build trust with our stakeholders, and promote 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

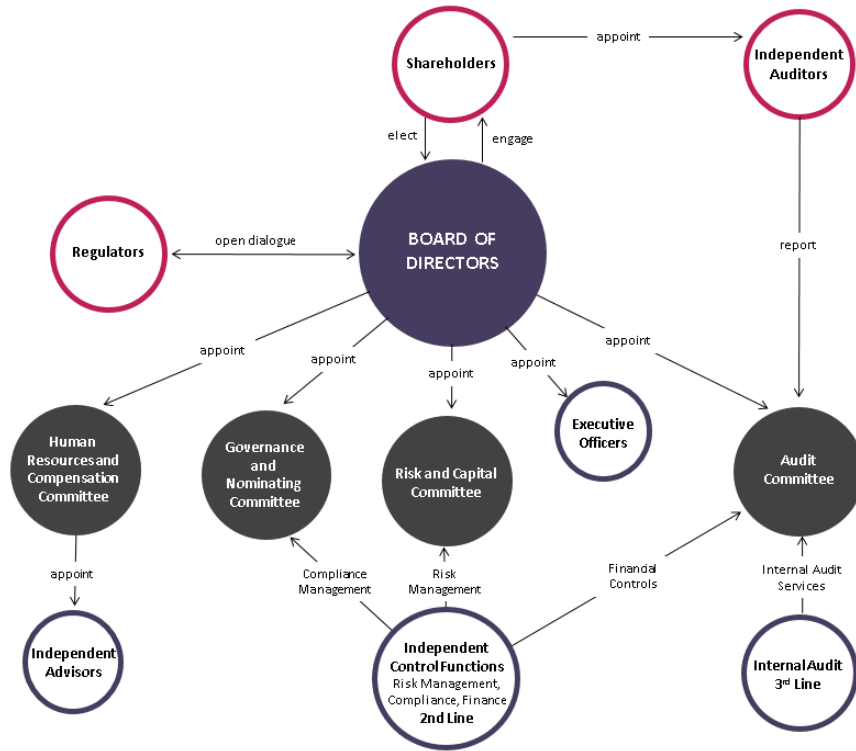
- ✓ Separate Chair and CEO
- ✓ Fully independent Board Committees
- ✓ *In camera* sessions of independent Directors at each Board and Committee meeting
- ✓ 10 of 11 Directors are independent
- ✓ Majority voting policy for the election of Directors
- ✓ All Directors required to certify compliance with our Code of Conduct annually
- ✓ Directors elected annually and individually
- ✓ We have a retirement age for Directors and Director term limits
- ✓ Clawback policy for senior executives
- ✓ Share ownership requirements for Directors
- ✓ 45% of the director nominees are women, and the Board's diversity target is 30% representation of both men and women
- ✓ 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
- ✓ The Chair of the Board does not have a deciding vote in the case of a Board tie

### Our governance structure

Below are the reporting relationships between shareholders, the Board and its four committees and management. Formal mandates are approved for the Board, each Committee, the Chair of the Board, Committee Chairs, the CEO, and the control function heads. These mandates set out the key responsibilities and accountabilities for each role, Committee and function.



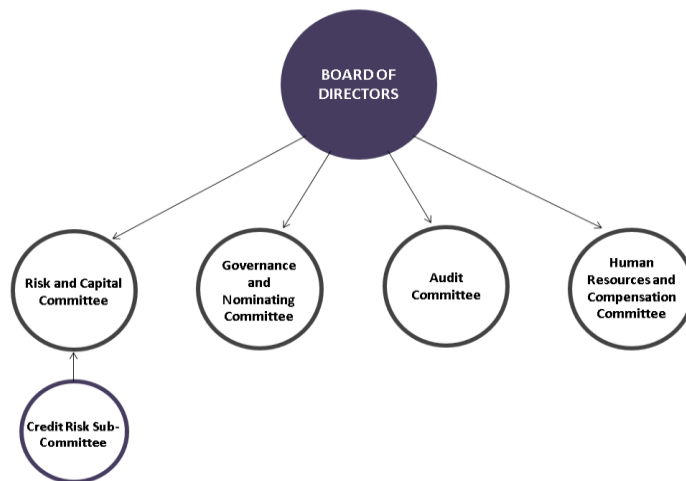
## Structure of the Board

Our Board is required to have a minimum of seven directors and a maximum of twelve. This year eleven directors are nominated for election, and the Board is comfortable that this is an appropriate size to generate open and engaging discussions, to make sure the committees have the right combination of skills and experience, to allocate responsibilities appropriately, and to facilitate board renewal.

## 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



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, the utilization of each Director's particular experience and expertise, with consideration given to director term limits. 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.

## **Chair of the Board**

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

- 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 and Compensation 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).

## **Board Mandate**

The Board's responsibilities are set out in its mandate and include the following:

### **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, and holds management accountable for executing the strategy and delivering strong performance. The Board also approves the annual financial plan, new strategic initiatives as well as significant acquisitions, and 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.

### **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.

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> <li>• oversees the independence and performance of the Finance and Internal Audit functions</li> </ul>
<b>Governance and Nominating Committee</b>	<ul style="list-style-type: none"> <li>• responsible for board succession</li> <li>• makes recommendations to the Board on corporate governance practices</li> <li>• oversees compliance with legal and regulatory requirements, governance policies and practices</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 executive team</li> <li>• reviews the compensation of employees that have a material impact on risk</li> </ul>
<b>Risk and Capital Committee</b>	<ul style="list-style-type: none"> <li>• oversees Equitable’s core and emerging risks and the 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>• meets regularly with the Chief Information Officer and Chief Information Security Officer to discuss information management, technology and cybersecurity risks</li> <li>• reviews Equitable’s risk profile against the approved risk appetite and has primary oversight for credit, liquidity, market, operational, business and strategic, and reputational risks</li> <li>• approves key risk management policies</li> <li>• oversees the risk function and adherence to risk management policies</li> </ul>

See the “Risk Management” section starting on page 56 of our 2020 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 and Compensation Committee are responsible for ensuring there is an orderly succession plan for the CEO and that there are emergency replacements for other key executive roles including control function heads.

Annually, the HR and Compensation Committee reviews the strengths, leadership skills, experience, tenure and development opportunities of potential internal candidates for the CEO position with the CEO and CHRO. During these discussions, the HR and Compensation Committee may recommend additional development opportunities, mentorship and enhanced responsibilities to accelerate candidates’ growth. The HR and Compensation Committee reports to the Board on these matters. In addition to the annual review, the HR and Compensation Committee discusses talent management and succession in the context of performance reviews used to determine executive compensation.

The HR and Compensation 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 meeting with these individuals, 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.

## **Ethical Conduct and Culture**

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 our 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 Equitable’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 our 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 our 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 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. The Governance and Nominating Committee monitors compliance with the Code, including approving, where appropriate, any waiver from the Code to be granted for the benefit of any director or executive officer of Equitable, and any such waivers are disclosed in accordance with applicable regulatory requirements. Compliance with the Code is monitored by management on an ongoing basis and material issues arising under the Code are reported to the Governance and Nominating Committee by the Chief Compliance Officer (CCO). The CCO reports annually to the Governance and Nominating Committee on the attestation process confirming the completion of attestation activities. Directors must also read and consent to the Conflicts of Interest Policy.

We have more specific policies and training for directors and employees including anti-money laundering, privacy, insider trading, operational risk and cybersecurity.

We are committed to providing an inclusive, respectful and safe work environment that is free from discrimination, violence and harassment for all, as well as to complying with applicable laws pertaining to discrimination, human rights, violence and harassment. Complaints of discrimination, violence or harassment are dealt with promptly, and treated with seriousness, sensitivity and confidentiality. Retaliation against anyone for having raised a concern or complaint in good faith is forbidden and anyone who has raised a concern in good faith is protected from retaliation.

The Code is available on our website.

## **Reporting a concern**

All Directors, officers and employees have an obligation to report any concerns they may have about financial reporting or suspected fraudulent activity, unethical behaviour, a breach of the Code and other compliance policies, without fear of retaliation.

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

The Policy provides multiple reporting 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 reports 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 have an ongoing obligation to disclose their business and personal relationships with Equitable and other companies they have relationships with so that any potential conflicts can be identified. Directors may not be eligible for election if they have a potential or actual conflict of interest that is incompatible with service as a director.

Each director is responsible for reporting any potential or actual conflict of interest between them and Equitable to the Chair of the Governance and Nominating Committee and/or the Chair of the Board. The Governance and Nominating Committee will determine an appropriate course of action with respect to such director. Where the potential or actual conflict is manageable, such as the director excusing themselves from discussions or deliberations, the director may be eligible for election and the potential or actual conflict will be monitored by the Governance and Nominating Committee and recorded in the minutes of the meeting.

## 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>	Senior management speak at various conferences 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 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 ten of the eleven 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>	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-employee Directors without management present. <i>In camera</i> sessions of the non-employee Directors are held before and/or after every regularly scheduled meeting.  <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.

## 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 our 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 continually reviews this interlock and remains of the view that it does not impair the ability of either Director to exercise independent judgment as members of our Board.

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.



## 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.

## Board succession planning - size and board composition, tenure, nomination of directors

The Governance and Nominating Committee is responsible for Board succession planning and for making recommendations to the Board annually regarding the size and composition of the Board and its Committees. The Committee also recommends qualified candidates for Board membership.

The Board is required to have a minimum of seven 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.

The Governance and Nominating Committee, together with the Chair of the Board, regularly reviews the composition of the Board, including the age and tenure of directors, various areas of expertise, diversity and geographic representation, with the objective of having a sufficient range of skills and experience to ensure the Board can carry out its responsibilities effectively. Over the past few years the Governance and Nominating Committee and the Chair of the Board have focused on Board renewal and succession to meet the evolving needs of Equitable's business and to plan for director retirements.

### Retirement and Term Limits

The Board has established a mandatory retirement age for directors whereby a director will not stand for election to the Board after they reach the age of 72 years.

On July 28, 2020, on the recommendation of the Governance and Nominating Committee, the Board implemented a term limit for directors, whereby any current or new director may serve on the Board for up to 12 years following their initial election to the Board by the shareholders, subject to the retirement age, director independence assessments and solid annual performance assessments. Collectively, this will help ensure that effective and independent-minded directors are nominated for election by shareholders each year, and are important elements in succession planning for the Board.

In exceptional circumstances, and subject to the retirement age and being re-elected by the shareholders, a director's term may be extended for an additional one-year term to a maximum of three years if it is determined by the Board to be in Equitable's best interests. Under the *Bank Act* (Canada), Equitable's CEO is required to serve on the Board for as long as they hold such office.

With respect to the new term limit for Directors, Eric Beutel, who has served as a Director of Equitable since 1994, will not be standing for election at the upcoming annual and special meeting.

Four independent directors have joined the Board in the past five years. The average tenure of our nominated Directors, excluding the CEO, is 5.6 years.

## Skills Matrix

The Governance and Nominating Committee maintains a skills and competencies matrix based on knowledge areas, types of expertise and experience considered most relevant for Equitable, and helps the Committee to identify any gaps so as to ensure there is a sufficient range of skills, expertise and experience for the Board to meet its current and future needs. These areas of expertise are intended to dovetail with the general qualifications and personal attributes the Committee seeks in all Board members and director 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 table below identifies the skills and experience of our Director nominees together with their gender, age range and tenure at Equitable:

Gender		Skills and Competencies										Age				Years on Board <sup>1</sup>			
		Governance	CEO/Senior Executive	Strategy	Risk Management	Finance/Accounting	Real Estate	Retail Banking	Human Resources/Compensation	Legal/Regulatory	Technology	Marketing/Branding	49 and under	50-59	60-65	66-72	0-5 years	6-10 years	11+ years
Michael Emory	M	✓	✓	✓	✓	✓	✓		✓	✓				✓			✓		
Susan Ericksen	F	✓	✓	✓	✓			✓	✓	✓				✓			✓		
Diane Giard	F	✓	✓	✓	✓	✓	✓	✓			✓			✓			✓		
Kishore Kapoor	M	✓	✓	✓	✓	✓			✓	✓	✓			✓			✓		
Yongah Kim	F	✓	✓	✓				✓	✓		✓	✓					✓		
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 publicly-listed 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 developing and implementing 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 digital/ online distribution of banking products/service offerings, 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, including cybersecurity issues and data management
- **Marketing/Brand Awareness:** Experience as a senior executive in sales and marketing strategies, and in developing and implementing strategies to increase customer satisfaction and enhance the customer experience

In 2020, in consideration of Equitable's *Challenger Bank* strategy, the implementation of the 12-year director term limit and the desire to increase Board diversity, the Governance and Nominating Committee prioritized the recruitment of candidates with significant and relevant retail banking, digital marketing, strategic planning, governance and senior executive experience. This resulted in the recruitment, nomination and appointment of Diane Giard and Yongah Kim to the Board in December 2020.

## **Recruiting new directors**

The Governance and Nominating Committee identifies individuals qualified to be directors with the help of an executive search firm. Since 2015, the Committee has engaged an external search firm to assist with the recruitment process. The Governance and Nominating Committee 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 skills and experience being sought as well as experience in risk management and the financial services industry, 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, ethnicity and other dimensions of diversity, and search firms engaged for any director search are instructed to include diversity criteria 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 their educational background, conducting background checks, and assessing any independence or other concerns. The Committee also takes into consideration potential conflicts, and the candidate's ability to devote sufficient time 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, in consultation with the Chair of the Board, reviews the Director's:

- continued integrity and suitability
- overall performance and capability 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.

## **Our Commitment to Equity, Diversity and Inclusion**

We are deeply committed to inclusion; we know that our organization thrives when we honour, nurture, amplify and celebrate our employees' diverse experiences and perspectives. As part of our commitment to inclusion, we actively and constantly work to identify and remove systemic barriers and bias' in the workplace. This intentional lens is applied throughout our organization, from how we recruit staff (we require our recruiters to take inclusion-focused courses such as Indigenous honouring and LGBTQ+ best practices) to our employee mentorships and advancement programs, such as the JEDI program (standing for justice, equity, diversity and inclusion) launched in early 2021 where each mentee participant is a member of an employment equity group or an LGBTQ+ employee.

Our people managers are provided with equity-focused education in order to better educate all employees on anti-racism/unconscious bias awareness and inclusion best practices. We constantly seek out innovative partnerships and collaborative opportunities to learn from diverse and future-focused educators and organizations.

The Board is committed to diversity and inclusion at all levels as it provides Equitable access to a wide pool of talent and drives creativity, productivity and growth.

## **Board Diversity**

Our Board is composed of qualified professionals who have the requisite financial services 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 of the circular.

Under our written Board Diversity Policy, which was first adopted by the Board in 2015, the Governance and Nominating Committee considers the most qualified candidates for Board membership based on the skill sets we have and the experience we need, taking into account diversity considerations such as gender and non-gender, age, experience, geographic representation, ethnicity and other dimensions of diversity. The policy states that men and women will each represent at least 30% of the Board. The Governance and Nominating Committee considers the effectiveness of the diversity policy on an ongoing basis and more formally as part of its annual review of the Corporate Governance Guidelines.

In 2020 the Committee and the Board made further progress in achieving its diversity objectives by appointing two women directors, Diane Giard and Yongah Kim, and remains committed to further enhance the representation of other diverse groups on the Board. The appointment of Ms. Giard and Ms. Kim as directors increased the total number of women on the Board to five. Two of our four Board Committees – the Governance and Nominating Committee and the HR and Compensation Committee – are chaired by women. If the current director nominees are elected, women will comprise 50% of the Board’s independent membership.

**Employee Diversity**

Celebrating diversity is ingrained in our workplace. From our Diversity & Inclusion Committee to our expanding list of Employee Resource Groups (ERG), to 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 in our workplace culture.

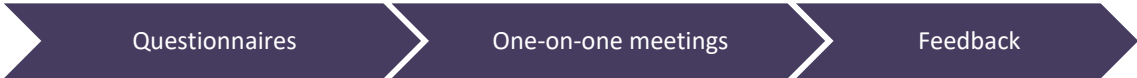
To date we have not established specific diversity targets for our Executives due to the small size of this group and the need to carefully consider a broad range of criteria; most importantly, the appropriate matching of business needs to drive long-term value for our stakeholders and the proven skills and capabilities of new appointees. As of the date of the circular, 29% (2 out of 7) of our Executives are women.

**Board Evaluation**

The Governance and Nominating Committee oversees the annual evaluation of the Board to assess its effectiveness. In addition to succession planning, 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
- evaluating the mechanisms in place for the Board and each Committee to operate effectively and make decisions in the best interests of the Company
- improving the overall performance of the Board by assisting individual directors to build on their strengths, and
- identifying gaps in skills and educational opportunities for the Board and individual director

The evaluation process consists of:



The Governance and Nominating Committee determines the format for the evaluation process annually, with input from the Chair of the Board. Questionnaires for evaluating Board performance consists of both long and short form which are alternated over a two-to-three year period. Long-form questionnaires are more comprehensive and solicit Directors’ views on a variety of matters, including execution of Equitable’s strategy, the Board’s progress against its objectives, effectiveness of communication between the Board and senior management, succession planning processes, Board processes, what was done well and what could be done better, Board committee work, Board leadership, tone at the top, compliance and risk management, adequacy of information provided to Directors for Board and Committee meetings, and what the Board’s priorities should be in the coming year which help with creating annual objectives for the Board. The questionnaire includes open-ended questions on Board and Committee effectiveness so Directors can elaborate on their responses and give candid feedback and constructive comments. Short-form questionnaires include open-ended questions and solicit Directors’ views on the Board’s progress against its objectives and three or four specific matters. The 2020 Board evaluation consisted of the short-form questionnaire and solicited feedback on the Board’s effectiveness and learnings during the COVID-19 pandemic.

Peer reviews, when conducted, solicit 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.

All questionnaires are completed electronically. The Chair of the Board receives all director responses, summarizes the results and presents them to 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 reviewed by the Governance and Nominating Committee and discussed with the Board.

The Chair of the Board conducts candid and confidential one-on-one meetings with each Director to discuss the findings from the peer review, when conducted, 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 a summary of feedback received to the Chair of the Board.

## **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 assigned a "mentor" director for their first year to answer questions and provide contextual information to better understand materials and processes;
- 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;
- receive access to our secure online board portal where they have access to 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**

Our continuing education program consists primarily of education sessions. Directors identify their specific education needs in discussions with management, during the annual Board evaluation where they are canvassed on specific topics or best practices they would like to learn more about, and during Board and Committee meetings. Committee Chairs can also determine the education sessions necessary for their members.

Equitable's continuing education program for Directors includes:

- in-depth presentations provided by management on our business segments, regulatory changes and industry developments at Board and Committee meetings;
- enrolment in programs offered by the Global Risk Institute;
- 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;
- Board dinners which often include educational sessions related to Equitable's business and strategic direction; and
- 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 regulators.

## 2020 Director education sessions

Date	Topic	Attended by
<b>February</b>	Presentation from OSFI on key themes	Board
	EQ Bank brand and marketing presentation	Board
<b>May</b>	Presentation from President and CEO of CDIC on resolution planning initiative and other topics	Board
	Overview of the equipment leasing business	Board
	COVID-19 sessions on working remotely, safe workplace, government assistance, economy, customer relief programs	Board
<b>July</b>	Developments in executive compensation, governance, trends in incentive plan metrics, legislative changes, pay design practices, COVID-19 related pay actions	HR and Compensation Committee
	KPMG presentation on Technology and Data in Finance and Audit	Audit Committee
	Updates on corporate governance developments including diversity disclosure	Governance and Nominating Committee
	Digital Banking and Strategy	Board
	External speaker presentation on Digital and Open Banking; Fintech	Board
<b>November</b>	External speaker presentation on Cybersecurity	Board
	Commercial Banking	Board
<b>Quarterly</b>	<ul style="list-style-type: none"> <li>Updates on Cybersecurity, Technology Infrastructure, Technology Governance</li> </ul>	Risk & Capital Committee

## **Board Committee reports**

### **Report of the Audit Committee**

The key responsibilities of the Audit Committee are to oversee (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, (iv) the effectiveness and independence of the finance and internal audit functions, and (v) act as the audit committee for any subsidiary that is a federally-regulated financial institution. The Audit Committee's mandate can be found on our website at [www.equitablebank.ca](http://www.equitablebank.ca).

#### **Committee Members** (100% independent)

Kishore Kapoor (Chair)  
Eric Beutel  
Lynn McDonald  
Rowan Saunders

#### **4 meetings in 2020**

At each quarterly meeting the Committee:

- met *in camera* with KPMG
- met *in camera* with the Chief Financial Officer and subsequently with the Vice-President, Finance
- met *in camera* with the the Vice-President of Internal Audit
- met *in camera* without management present.

#### **2020 Highlights**

##### **Financial Reporting, Internal and Disclosure Controls**

- reviewed and recommended for Board approval the public release and filing of the quarterly unaudited and annual audited consolidated financial statements, the related MD&A and earnings press releases, supplementary financial information, and the annual information form
- 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
- reviewed and discussed with management and the external auditor the impact of the COVID-19 pandemic on the use of estimates, assumptions and areas of significant judgement to financial statement presentation, modelling and provisioning for credit losses
- oversaw the effectiveness of disclosure controls and procedures and internal controls over financial reporting in the remote work environment due to COVID-19, and received regular updates on the testing of internal controls over financial reporting and the results thereof
- approved the internal control framework
- received management's report on the Bank's whistleblower program
- received reports on legal actions by and against the Bank

##### **External Auditor**

- reviewed and approved the overall scope of the annual audit plan and necessary resources, and oversaw the audit which included the auditor's opinion on the effectiveness of our internal controls over financial reporting
- reviewed and set the compensation of the external auditor
- discussed with KPMG its responsibilities in conducting an integrated audit, its determination of areas of significant audit risk, the impact of COVID-19 on the audit and financial reporting
- received written confirmation from KPMG of the firm's independence, including written disclosure of all relationships with Equitable
- received updates on accounting and auditing developments
- pre-approved all engagements for non-audit services and fees in accordance with the External Auditor Oversight Policy
- reviewed updates on auditing and regulatory developments provided by KPMG
- completed an annual performance assessment of KPMG, concluded the results of the assessment were satisfactory and recommended KPMG's reappointment as Equitable's external auditor

##### **Internal Audit**

- reviewed and approved the annual audit plan, including the risk assessment methodology to satisfy itself that the plan was appropriate and aligned with the Bank's seven core risks over a measurable cycle and the changes necessary to respond to the COVID-19 pandemic
- received regular updates 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

##### **Oversight of Finance and Internal Audit Functions**

- approved the mandate for the Chief Financial Officer and the organizational structure, budget and resources of the Finance function

- oversaw a smooth transition in the role of Equitable’s Chief Financial Officer following the departure of Mr. Wilson and the subsequent appointment of Chadwick Westlake
- reviewed and assessed the independence and objectivity of the Internal Audit function, approved the function’s mandate, budget, organizational structure and resources
- reviewed the performance of the Vice-President of Internal Audit

The Committee is satisfied that it has fulfilled its mandate for the year ended December 31, 2020.

## 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 (RAF); (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, (v) reviewing risk management policies, frameworks, processes and controls and monitoring adherence to regulatory requirements.

### Committee Members at financial year-end: (100% independent)

Michael Stramaglia (Chair)  
Susan Ericksen  
Kishore Kapoor  
Lynn McDonald  
Vincenza Sera

### 4 meetings in 2020

At each meeting the Committee met

- *in camera* with the Chief Risk Officer
- *in camera* without management present

### 2020 Highlights

#### Enterprise Risk and Risk Appetite Framework

- reviewed the Bank’s risk appetite framework and its alignment with the strategic plan
- reviewed and approved certain risk management policies, including risk appetite statements, measurements and targets
- received regular reporting on the assessment of the Bank’s risk profile against risk appetite and monitored the Bank’s capital targets and ratios
- reviewed further enhancement of risk frameworks for the Bank’s core risks
- 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, the results of enterprise risk stress testing to identify and assess the Bank’s core risks, inform risk tolerances and support strategic decisions
- received in-depth reviews on the Bank’s loan portfolio and loan deferral programs
- received updates on the Bank’s progress towards AIRB implementation
- reviewed the CRO’s assessment of the alignment of the compensation program and practices with the FSB Principles for Sound Compensation Practices

#### Governance, Risk and Control

- 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
- reviewed reports from the Vice-President of Internal Audit on topics relevant to the Risk and Capital Committee and ensured the necessary actions were being taken in response to the main recommendations in these reports
- reviewed reports on model risk, third party risk management, and data asset risk
- discussed business continuity planning and received updates on the Bank’s recovery plan

#### Risk Culture

- 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

#### Risk Management Activities

- oversaw Treasury and non-trading market and liquidity risks and related activities
- received comprehensive credit risk updates in the context of the COVID-19 pandemic and the Bank’s relief 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 for Board approval



- approved the budget and resources of the Risk Management function and reviewed the function’s organizational structure
- approved the mandate of the Chief Risk Officer and assessed his effectiveness and performance
- received reports on compliance with risk management policies and limits

**Emerging Risk**

- reviewed emerging risk updates in enterprise risk dashboard reporting and discussed the impact of the COVID-19 pandemic on the Bank’s core risks

The Committee is satisfied that it has fulfilled its mandate for the year ended December 31, 2020.

## Human Resources and Compensation Committee report

The key responsibilities of the Human Resources and Compensation Committee are to oversee the: (i) 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) appointment, performance and compensation for Executive Officers; (iv) succession planning, talent management and leadership development processes; (v) policies, programs and practices designed to protect the health and safety of employees, promote and advance workplace equity, and foster an inclusive workplace culture and environment that is actively anti-racist.

**Committee Members**  
(100% independent)

Lynn McDonald (Chair)  
Michael Emory  
Susan Ericksen  
Michael Stramaglia

**5 meetings in 2020**

At each meeting the Committee met:

- *in camera* with the CHRO
- *in camera* with the CEO
- *in camera* with the executive compensation consultant
- *in camera* without management or the executive compensation consultant present

**2020 Highlights**

**Compensation philosophy and human resources policies**

- reviewed and approved amendments to the compensation policy to strengthen the clawback provision and enhance share ownership requirements
- reviewed Equitable’s executive compensation practices to ensure they continue to retain and attract talent

**CEO and Executive compensation**

- reviewed and recommended for Board approval of the CEO’s 2020 objectives
- assessed the CEO’s performance based on financial results, his objectives, and his management of Equitable through the pandemic, and recommended his compensation to the Board for approval
- discussed the impact of COVID-19 pandemic on the STIP for all employees, with input from Meridian Compensation Partners, the Committee’s executive compensation consultant
- reviewed and recommended for Board approval the corporate performance targets for the STI Plan applicable to all employees
- reviewed and discussed the CEO performance assessment of Executive Officers, including control function heads, approved their compensation
- reviewed and approved changes to STIP and LTIP target awards applicable to Executive Officers
- recommended Board approval of grants under the RSU / PSU and option plans
- reviewed and approved changes to our peer group for benchmarking executive compensation

**Succession planning, talent management and leadership development**

- reviewed and discussed Equitable’s leadership strategy and succession planning to enhance the quality, depth and diversity of executive talent, develop top leaders, and increase spans of control
- reviewed contingency plans for key Executives and control function heads to ensure continuous leadership and stability
- reviewed and approved changes to the executive organizational structure and senior leadership changes, and reviewed the reorganization of a key business division

**HR strategy, culture, and oversight during COVID-19**

- reviewed Equitable’s response to the impact of the COVID-19 pandemic on employees, including actions and initiatives related to health and safety, learning and development programs, and for sustaining and nurturing Equitable’s culture in the remote work environment

- received updates on the findings from employee well-being surveys conducted during the early months of the pandemic to gauge employee well-being in the work-from-home environment
- received updates on Equitable's return-to-work strategy and the evolving plans for the new office space
- received updates on Equitable's diversity and inclusion initiatives and discussed strategies to address systemic racism including the signing of the BlackNorth Initiative CEO pledge; met with a small group of mid- to senior-level Black employees to gain greater visibility to, and understanding of, their lived experiences
- reviewed and discussed the results of the 2020 employee engagement survey

**Compensation governance**

- reviewed and discussed with the independent compensation consultant, regulatory, governance and evolving practices in executive compensation, including the expectations of proxy advisory firms
- reviewed with the CRO the alignment of the compensation program with FSB Principles for Sound Compensation Practices
- reviewed and recommended Board approval of the mandate for the CEO and the HRC Committee
- approved amendments to Equitable's policy on Violence and Harassment in the Workplace
- reviewed the independence of the executive compensation consultant
- monitored progress against the annual workplan
- reviewed and approved the Executive Compensation section of this circular

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The Committee is satisfied that it has fulfilled its mandate for the year ended December 31, 2020.

## Governance and Nominating Committee report

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-employee 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 social responsibility practices, (vii) reviewing Equitable's related party transactions, and (viii) acting as the conduct review committee for the Bank and for any federally regulated subsidiary of the Bank that requires a conduct review committee.

### Committee Members

(at year-end)  
(100% independent)

Vincenza Sera (Chair)  
Eric Beutel  
Michael Emory  
Rowan Saunders

100% independent

### 5 meetings in 2020

The Committee met:

- *in camera* with the CCO at each quarterly meeting
- *in camera* with the VP of Internal Audit annually
- *in camera* without management present at each meeting

### Board composition and practices

- reviewed Board composition, diversity (gender, age, ethnicity, geographic representation), tenure, independence, skills and experience, and other Board service prior to nominating all Directors for re-election at the annual meeting of shareholders
- reviewed Board composition with a view to orderly leadership transition
- reviewed the skills and experience in the director skills matrix the Board desires to have as a whole so that the Board is well-equipped to oversee Equitable
- reviewed directors' other board directorships and audit committee service and determined that there will be no issues with over-boarding
- reviewed the composition of each Committee for balance, tenure, opportunities to gain new perspectives, and ensure an appropriate representation of skills and experience needed to function effectively, and recommended to the Board for approval changes to Board Committee composition with a view to Committee and Committee chair succession planning
- oversaw succession planning and director recruitment with the assistance of an executive search firm, with a view to adding specific skills, experience and diversity to the Board. Identified Diane Giard and Yongah Kim as new director candidates, who were appointed to the Board on December 9, 2020
- considered the success of Board succession planning in light of the COVID-19 pandemic
- recommended for Board approval revisions to the Board's 2020 objectives to consider the impact of COVID-19 on Board performance and oversight
- onboarded new directors in a virtual format to ensure the continued operation of the director orientation program
- recommended for Board approval the implementation of a 12-year term limit, plus 3 additional one-year terms, for all current and new Directors and its inclusion in Equitable's Corporate Governance Guidelines
- received updates on evolving regulatory practices and proxy advisory firms including information on any potential impact to the Board's governance practices
- obtained assurances that Equitable has processes in place to ensure adherence to the Code of Conduct

### Board assessment

- discussed the scope, format and objective for the 2020 Board evaluation which included COVID-19 related questions to gain insight into the Board's effectiveness during a pandemic, and questions to evaluate how well issues identified in prior evaluations have been addressed

### Director compensation

- reviewed director compensation, taking into consideration the impact of COVID-19 and recommended no changes for the 2020 financial year
- reviewed the adequacy of the director share ownership requirement and confirmed it remains appropriate

### Environmental and social responsibility practices

- reviewed Equitable's environmental practices and its approach to conducting business in an ethical, socially responsible and inclusive manner, as set out in the Bank's Sustainability Report and Public Accountability Statement, and the Bank's charitable donations in communities, employee causes and social justice issues

**Regulatory Compliance**

- received regulatory updates from the CCO /CAMLO on regulatory compliance and on the design effectiveness and operation of the Bank's compliance programs and subsidiary oversight, including the anti-money laundering/anti-terrorist financing (AML) program and privacy program, and reports on compliance testing and monitoring, reportable compliance issues and the effectiveness of the Bank's complaint handling program
- reviewed findings from the regulatory assessment of the AML program
- received reports on consumer protection initiatives, including as it relates to the new *Code of Conduct for the Delivery of Banking Services to Seniors*
- reviewed the impact of changing regulations on Equitable's business
- reviewed the annual report from Internal Audit on the effectiveness of Compliance methodologies, policies and practices
- reviewed and approved the mandates for the CCO and CAMLO
- reviewed the organizational structure of the Compliance function and approved the function's budget and resources
- reviewed internal audit reports relating to the adequacy and effectiveness of the Bank's procedures and controls to manage regulatory compliance risk
- reviewed Equitable's policy for monitoring related party transactions and approved related party transactions
- continued to act as the conduct review committee of the Bank's federally-regulated subsidiary, Equitable Trust

The Committee is satisfied that it has fulfilled its mandate for the year ended December 31, 2020.

# EXECUTIVE COMPENSATION

## Letter to Shareholders

### To our shareholders,

On behalf of the Human Resources and Compensation Committee (“HR 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 (“NEOs”).

2020 was obviously an unprecedented year for all Canadian companies, with the impact of the COVID-19 pandemic. The disruption to the capital markets was significant. Equitable’s share price fell by ~55% over the course of a month in February and March 2020. The changing market conditions and economic turbulence affected Equitable’s operating results through the next two quarters and were detrimental to earnings and return on equity. The pandemic also brought some of the systemic injustices that exist in our society into better illumination.

Faced with this disruption, it was necessary to adjust our strategy and reimagine how we do our work in order to do it in ways that respected our employees, customers, and other stakeholders, and kept them safe.

### 2020 financial performance and strategic accomplishments

Notwithstanding the impact of the pandemic, 2020 was ultimately a strong year for the organization, as we worked diligently to adapt to the pandemic and advance the bank’s Challenger strategy. Some highlights include:

- by year’s end, Equitable’s share price had recovered most of the way from March 2020, and finished the year with a 10-year cumulative TSR of 408%. Equitable’s 5-year cumulative TSR is 145%, more than double the S&P/TSX Total Capped Financial and S&P/TSX Total Return Composite Indices;
- produced an ROE of 14.8%, on record earnings per share of \$12.95;
- reported a CET1 Ratio of 14.6%; above the 2019 result of 13.6%;
- grew the all-digital EQ Bank platform customer base by 82%, and deposit balances by 71% to \$4.6 billion at December 31, 2020;
- increased our Loans Under Management by \$2.2 billion or 7%;
- launched new products including EQ Bank *Joint Savings Plus account*, *TFSA* and *RSP* accounts, USD denominated HISAs and GICs, and a new reverse mortgage flex product, adding value and customer convenience;
- reaffirmed the Bank’s commitment to Environmental, Social and Governance (ESG) matters ;
- defining inclusion as an organizational priority, with key points including:
  - added two more women to our Board
  - our CEO’s signing of the BlackNorth Initiative’s Pledge
  - providing inclusion-focused education to our recruitment team
  - offering mental health supports and education to staff
  - increasing community donations to a myriad of non-profits, as guided by our Black Collective ERG and Indigenous ERG members

### Our executive compensation philosophy, principles and governance

Our philosophy for executive compensation is simple – we pay for performance. This philosophy is in line with our 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, with emphasis on performance measured over the long run, and compensation outcomes that are leveraged to longer-run share price performance.

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 and Compensation 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 and Compensation 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.

### 2020 key compensation decisions

Annual compensation decisions for 2020 had already been made when the pandemic arrived, including NEO target pay levels and the design of the Company's incentive compensation programs.

- The HR and Compensation Committee determined not to adjust the structure of the 2020 short-term incentive plan ("STIP") or its performance measures and goals, for the impact of COVID-19. The Committee considered how revisions to the Company's strategy in light of the pandemic ought to be evaluated in the strategic goal modifier component of the STIP, but made no formal adjustments. The STIP final payout factor (before the application of any individual performance modifiers) was 1.07x for all NEOs. See page 61 for details.
- Similarly, the Committee made no adjustments to the design of the performance share unit (PSU) program. The 2018 – 2020 cycle concluded without any application of Committee judgment, with a final payout factor of 1.20x. See page 64 for details.
- As a result of Equitable's commitment to continually enhancing its governance, in 2020 the Committee approved revisions to Equitable's executive share ownership and clawback (recoupment) policies. The list of executives covered by share ownership requirements was expanded to include all direct reports of the CEO, with holding requirements extending from 1x salary at the SVP level, to 5x salary for the CEO. The clawback policy was enhanced to cover all executives on Equitable's management committee plus additional executives working in risk and control functions, and to cover situations of employee misconduct without also requiring a financial restatement. See page 52 for details.

There were also changes to Equitable's senior executive leadership team in 2020, as follows:

- In August 2020, Equitable's former Chief Financial Officer Tim Wilson departed the Company. Compensation related to Mr. Wilson's departure is described in the Summary Compensation Table on page 78.
- In November 2020, Equitable's Chief Financial Officer Chadwick Westlake was hired. As described further on page 70, Mr. Westlake received certain sign-on compensation, principally designed to address compensation he forfeited when he departed his prior employer, in connection with his hiring.
- Also in November 2020, as part of a realignment of senior executive leadership responsibilities, Equitable Senior Vice President Mahima Poddar was promoted from her role as Senior Vice President (SVP), Digital Banking, into a significantly larger role as Senior Vice President and Group Head of Personal Banking (which includes responsibility for the Marketing function). As described further on page 72, Ms. Poddar's pay was adjusted in connection with her promotion.

### CEO Compensation

In considering CEO compensation, the HR and Compensation Committee considers Company financial performance, progress against strategic objectives, demonstrated leadership, and – crucially during 2020 – leadership and agility in reacting and adapting to changes in Equitable's business circumstances over the course of the year. That same agility was shown when leading conversations and actions re: employee mental health and wellness during the pandemic, as well as executing meaningful anti-racism initiatives.

Equitable's 10-year TSR is 408%, above the S&P/TSX Capped Financials Index at 150% and the S&P/TSX Composite Index at 81% over the same timeframe

After conducting a review, the HR and Compensation Committee and the Board determined that Mr. Moor had performed exceptionally well in leading the organization through the pandemic. Mr. Moor's final STI payout for 2020 was \$927,000, a decrease of 14% compared to 2019's payout, which reflected a lower payout factor for financial performance, offset by strong strategic and individual performance modifiers.

In considering the other elements of Mr. Moor's compensation, and in light of the broader macroeconomic impacts of the pandemic, the HR and Compensation Committee determined to make no changes to Mr. Moor's base salary, and to maintain his LTI target for 2021 at 165% of base salary (the same as 2020). Mr. Moor's total direct compensation in respect of 2020 performance (the sum of his base salary, his STI payout, and the grant-date value of his 2020 LTI awards) was \$2,848,250, which represented a 3.8% decrease from his total direct compensation in respect of 2019.

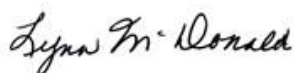
A significant portion of the CEO's total direct compensation is conditional on Equitable's financial and share price performance, as shown on page 58. For 2020, nearly 75% of the CEO's total direct compensation is contingent upon this performance, and approximately 45% was provided in long-term incentives.

#### Looking ahead

As we return from the pandemic, 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 while remaining engaged with the needs and interests of other stakeholders. We continually monitor market trends and best practices to ensure our compensation program remains aligned with your expectations and our pay-for-performance philosophy. The Board and HR and Compensation 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.

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

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



**Lynn McDonald**  
Chair, HR and Compensation 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 2020.

### Our Named Executive Officers for 2020

**Andrew Moor**

President and Chief Executive Officer

**Tim Wilson<sup>1</sup>**

Former Senior Vice-President and Chief Financial Officer

**Chadwick Westlake<sup>2</sup>**

Senior Vice-President and Chief Financial Officer

**Mahima Poddar<sup>3</sup>**

Senior Vice-President, Group Head of Personal Banking

**Ron Tratch**

Senior Vice-President and Chief Risk Officer

**Dan Dickinson**

Senior Vice-President and Chief Information Officer

### 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 and Compensation 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>

<sup>1</sup>Mr. Wilson left the Bank effective August 31, 2020.

<sup>2</sup> Mr. Westlake was appointed Senior Vice-President and Chief Financial Officer effective November 2, 2020.

<sup>3</sup> Ms. Poddar was promoted to Senior Vice President and Group Head, Personal Banking effective November 2, 2020.



Effective risk management	Aligned with shareholder interests
<ul style="list-style-type: none"> <li>The HR and Compensation 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> <li>A significant fraction of any NEO compensation actually realized will depend on long-term share price appreciation</li> </ul>

**Compensation Governance and Oversight**

The Board oversees the work of the HR and Compensation 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 40 for information about the Committee and its activities during the past year.

Four independent directors serve on the Committee, and the average tenure is 5 years.

HR and Compensation Committee	On the Committee 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 and Compensation Committee make more informed decisions on the alignment of compensation policies and practices with sound risk management principles and practices.

## Compensation Governance

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

✓	Our HR and Compensation 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
✓	Executive Officers 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 provisions apply in situations where Executive Officers conduct business activities inappropriately or in situations involving 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 every two years against a relevant comparator group
✓	No single trigger voluntary change of control termination provisions in new executive contracts

The HR and Compensation 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 and Compensation 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 and Compensation Committee retained Willis Towers Watson for this purpose. In keeping with best practices in corporate governance, which supports periodic change, the HR and Compensation Committee commenced a process to review the compensation consultant engagement. In June 2019, 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 and Compensation Committee’s independent consultant. Meridian has no ties to members of the HR and Compensation Committee or Equitable’s Executive Officers that could jeopardize its independence, and maintains policies and procedures designed to prevent conflicts of interest.

Meridian provided independent compensation advice on meeting content, management’s recommendations, governance trends and other items requested by the HR and Compensation Committee in 2020 which are noted below:

- updating the peer group used for executive compensation benchmarking
- providing updates on executive compensation practices, governance and regulatory trends, including updates on potential COVID-19-related impacts to the pay program
- providing advice on an appropriate level of target compensation for the CEO and other 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 benchmark compensation data and potential pay structures, related to particular senior executive pay arrangements
- providing advice on corporate scorecard metrics and long-term incentive plan design
- providing advice on the stock option valuation and the relative TSR payout calculation under the PSU plan
- providing advice on compensation-related governance policies
- assisting with the development and review of the proxy circular and Compensation Discussion & Analysis
- reviewing compensation-related materials prepared by management in advance of HR and Compensation Committee meetings and highlighting potential issues to the HR and Compensation Committee Chair

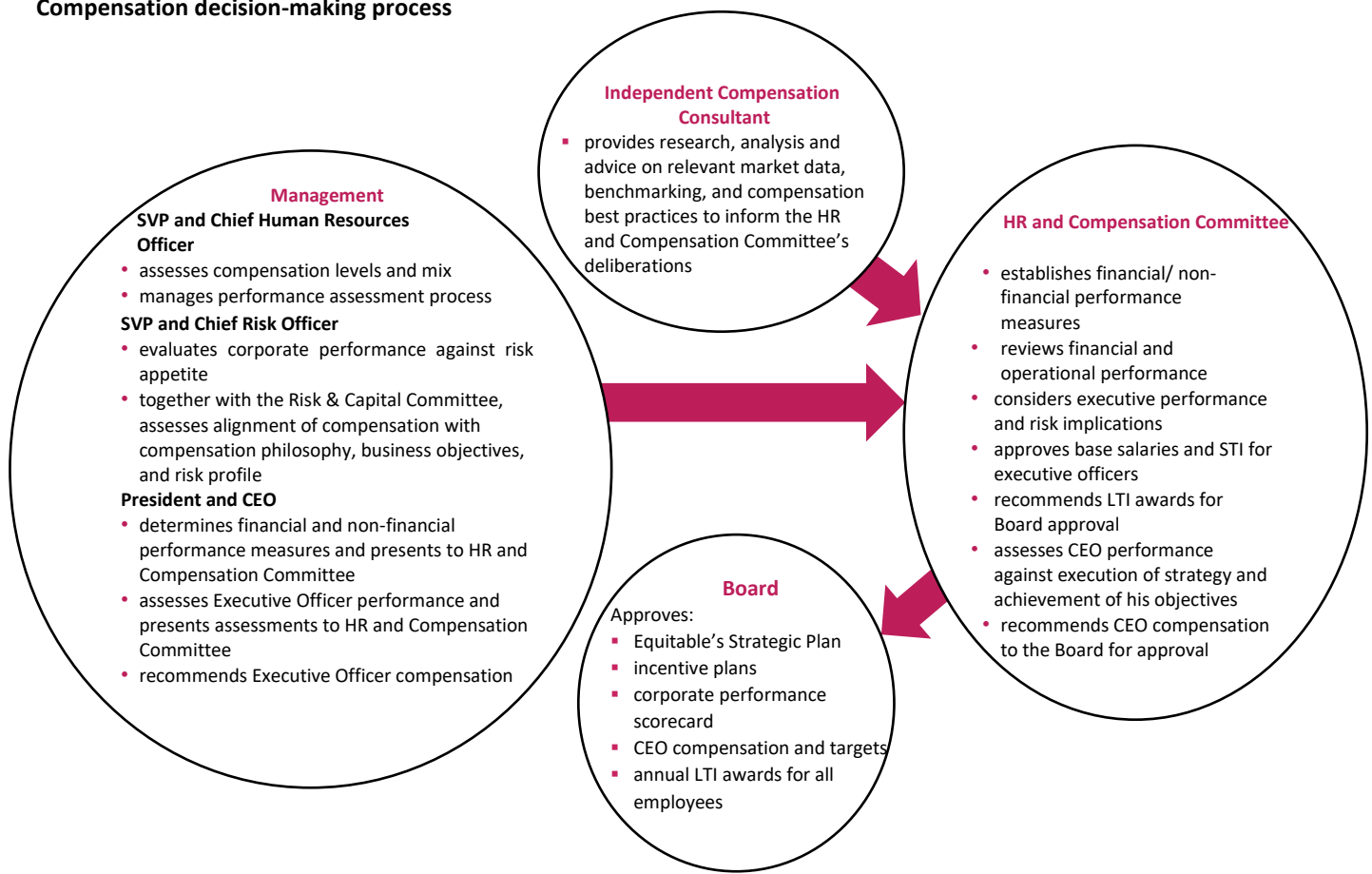
The Chair of the HR and Compensation Committee meets privately with the independent compensation consultant before meetings where compensation is discussed. In addition, the HR and Compensation Committee meets with Meridian without management present at every meeting where compensation is reviewed.

Each year Meridian will provide a letter to the HR and Compensation 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 and Compensation 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, excluding HST, are as follows:

Compensation Advisor	Fees paid in 2020 (\$)		Fees paid in 2019 (\$)	
	Executive compensation related fees	All other fees	Executive compensation related fees	All other fees
Meridian	110,750	-	71,445	0
Willis Towers Watson	-	-	22,767	5,311

## 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 shareholders. 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 56 through 72 of our MD&A for the year ended December 31, 2020.

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

In 2020, Equitable's HR and Compensation Committee and Board expanded the Equitable's clawback policy, both in terms of its triggers and in terms of the Executives covered by it. Under the revised policy, Equitable may recover or cancel certain incentive compensation awarded to Executive Officers, as well as several other key senior employees, in circumstances where:

1. there has been a material misrepresentation or material error resulting in the restatement of Equitable's financial statements, and 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;
2. the Executive was involved in fraud or other intentional misconduct without requiring a restatement of financials;
3. where the Executive is found, via formal investigation, to have breached the Code of Conduct or the Workplace Violence and Harassment Policy; and/or
4. a situation where an Executive was terminated 'for cause'.

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.

Where Equitable's financial statements are restated as a result of intentional fraud or willful misconduct by any Executive Officer, as described above, the Board has the ability, on the recommendation of the HR and Compensation Committee, to claw back all or part of the STI and equity received by *all* Executive Officers in excess of the amount that would have been received under the restated financial statements.

Equitable has not had to claw back any compensation under this policy since it was implemented. The policy is implemented as a provision of each covered Executive's employment contract with Equitable.

## Anti-Hedging

Under Equitable's insider 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 Equitable securities,
- selling Equitable 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 Equitable shares,
- entering into any brokerage arrangements which might result in a sale at a time when the Director is not permitted to trade.

In addition, Directors and the CEO are prohibited from Equitable securities.

## 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 and Compensation 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.

On July 28, 2020, on the recommendation of the HR and Compensation Committee, the Board approved certain enhancements to the share ownership requirement which now provides where an Executive Officer fails to meet their requirements within the stipulated timeframe:

- (i) such Executive will be required to hold any after tax proceeds of option exercises in shares; and
- (ii) such Executive must purchase common shares in the open market using at least 50% of any after-tax proceeds of any PSU/RSU payout;

until the ownership threshold is met.

Common shares owned, 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
President and CEO	5x base salary
SVP and CFO	2x base salary
SVP and Group Head, Personal Banking	1x base salary
SVP and CRO	2x base salary
SVP and CIO	1x base salary

Based on the foregoing, the HR and Compensation 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 and Compensation Committee approves or recommends for Board approval Equitable's compensation philosophy, policy, incentive plans, total payouts, vesting under material incentive plans, and equity grants</li> <li>The HR and Compensation 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 and Compensation 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 and Compensation 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 corporate 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>
Effective Alignment of Compensation with Prudent Risk Taking	Compensation is adjusted for all types of risk	<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 and Compensation 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 and Compensation Committee and are set considering multiple perspectives including historical performance, budget, strategic plan and external factors</li> </ul>
	Compensation outcomes are symmetric with risk outcomes	<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>Incentive compensation for all employees is subject to forfeiture if an employee resigns or is terminated for cause</li> <li>Incentive compensation for Executive Officers is subject to clawback and/or forfeiture 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>

FSB Principles	Our alignment
<p>Compensation payout schedules are sensitive to the time horizon of risks</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 Equitable’s shares</li> </ul>
<p>The mix of cash, equity and other forms of compensation must be consistent with risk alignment</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 and Compensation 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 and Compensation Committee considers comparator group data holistically in conjunction with other factors when making compensation decisions. The HR and Compensation 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 and Compensation Committee generally seeks to position NEO target direct compensation within a competitive range of the comparator group or other market median.

### Selection of comparator group

The comparator group is made up of Canadian companies within the same industry, across similar 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-third to three times Equitable’s total revenues and assets, with additional “softer” screening based on size by assets, long-run average market capitalization, and total employees.





In 2020 the HR and Compensation Committee, with advice from Meridian, revised the comparator group for executive compensation benchmarking, as follows:

<b>Canadian Comparator group used for benchmarking</b>	
ATB Financial ( <i>NEW</i> )	First National Financial Corp.
Canadian Western Bank	Genworth MI Canada Inc. (now Sagen MI Canada)
The Co-operators Group Ltd.	Home Capital Group Inc.
ECN Capital Corp. ( <i>NEW</i> )	HSBC Bank Canada ( <i>NEW</i> )
Economical Mutual Insurance Co.	Laurentian Bank

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 and Compensation 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 References**

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. Further, Equitable will consider data from the Domestic Systemically Important Banks (D-SIBs)\* with respect to compensation design and governance policies (but not with respect to NEO compensation *levels*).

\* Bank of Montreal, The Bank of Nova Scotia, Canadian Imperial Bank of Commerce, National Bank of Canada, Royal Bank of Canada, The Toronto-Dominion Bank

## **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.

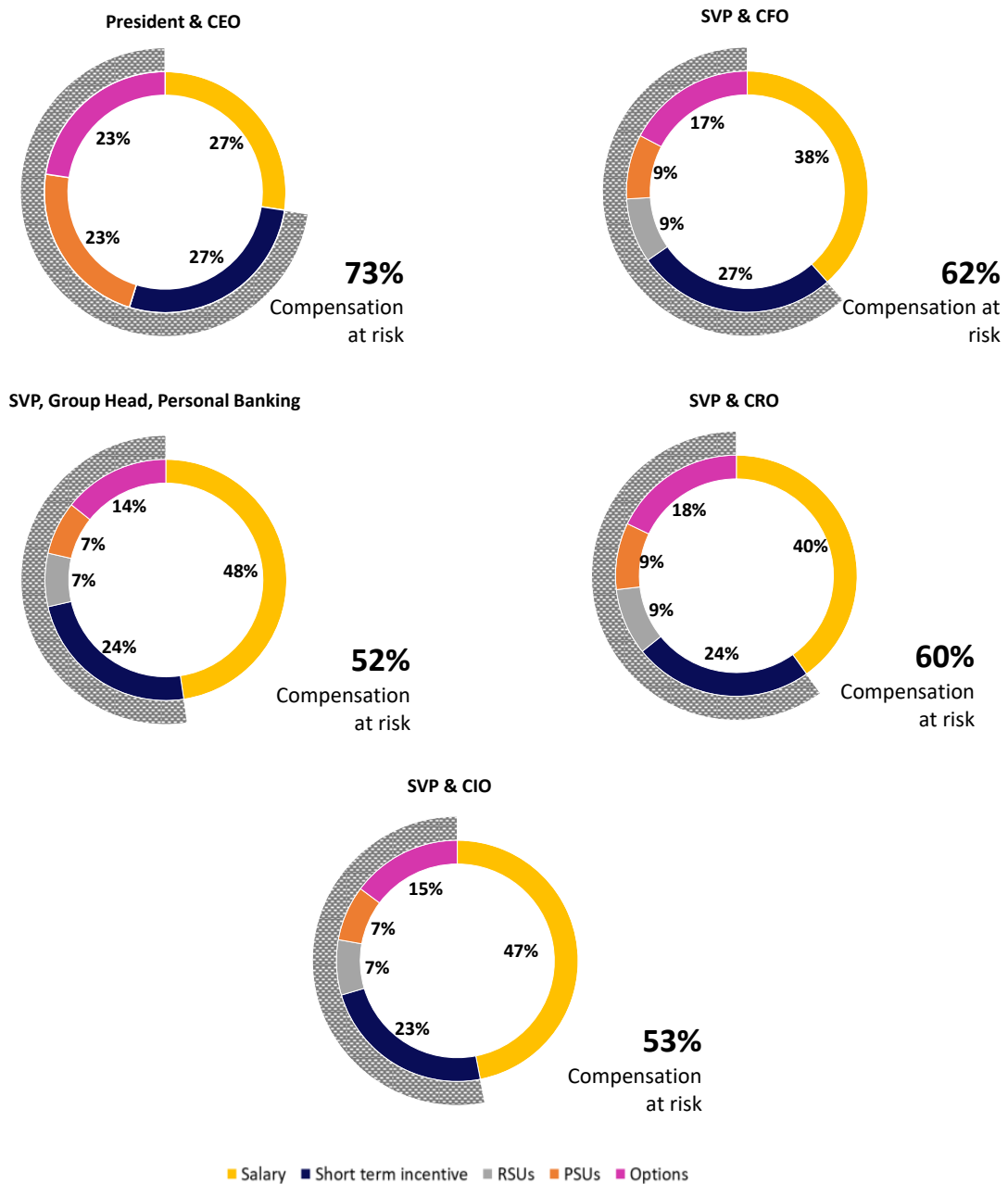
Target total direct compensation is reviewed annually for all Executive Officers. Equitable’s philosophy is to set the target compensation generally within a competitive range of the peer or market median, with the opportunity to exceed the median when individual and corporate performance are above expectations. 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> </ul>	N/A
<b>Variable Pay</b>	<ul style="list-style-type: none"> <li>reflects market competitive value of the role versus peers</li> <li>paid in cash</li> </ul>	
<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 3-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 equally 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 well-being 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 and Compensation Committee's executive compensation consultant.

NEO base salaries for 2021 were adjusted as follows:

## 2021 and 2020 Base Salary Decisions

	2021 (\$)	% Increase (2021 - 2020)	2020 (\$)
Andrew Moor	725,000	0.00%	725,000
Tim Wilson <sup>1</sup>	-	-	413,760
Chadwick Westlake <sup>2</sup>	500,000	-	76,923
Mahima Poddar <sup>3</sup>	360,000	7.5%	335,000
Ron Tratch <sup>4</sup>	369,000	4.9%	351,750
Dan Dickinson <sup>4</sup>	357,000	5.0%	340,000

1. Mr. Wilson earned a base salary of \$280,077 to August 31, 2020 and salary continuance of \$681,814 from September 1, 2020 to April 2, 2021. Mr. Wilson left Equitable August 31, 2020.
2. Mr. Westlake joined Equitable on November 2, 2020. His salary was established during his recruitment process.
3. Ms. Poddar's salary was increased upon her promotion into her current role.
4. The HR and Compensation Committee approved base salary increases for Mr. Tratch and Mr. Dickinson following a review of their contributions and performance in 2020, considering the benchmark compensation data prepared by Meridian in 2019, and existing senior executive salary structures and ranges.

## 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 2020, 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 13 of Equitable's 2020 MD&A which is available at [www.sedar.com](http://www.sedar.com) and on our website at [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 and Compensation 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

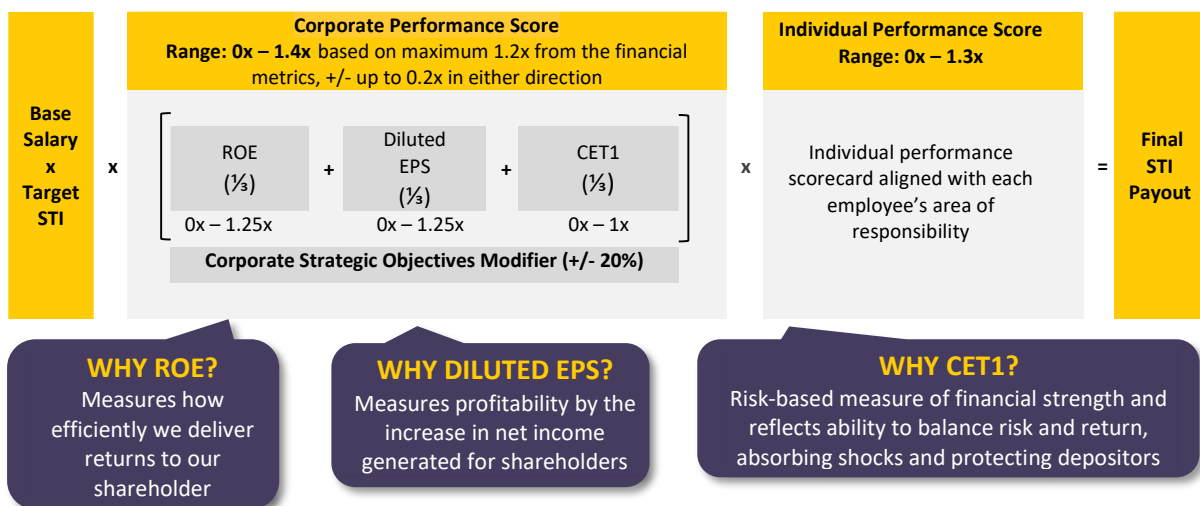
The HR and Compensation Committee reviews individual performance targets for the CEO based on Equitable’s long-term business and strategic initiatives and leadership goals, and recommends them to the Board for approval. The amount of the CEO’s STI award may vary between 0 and 150% of the target award, 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 and Compensation 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 and Compensation 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 and Compensation 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 2021 performance period, the HR and Compensation Committee approved the following target STI opportunities for the NEOs:

	2020 Target	2021 Target
Andrew Moor	100%	100%
Tim Wilson <sup>1</sup>	60%	N/A
Chadwick Westlake <sup>2</sup>	N/A	70%
Mahima Poddar <sup>3</sup>	50%	50%
Ron Tratch	60%	60%
Dan Dickinson	50%	50%

1. Mr. Wilson left Equitable effective August 31, 2020.
2. Mr. Westlake's target STI award was established in November 2020 in connection with his hiring.
3. Ms. Poddar's target STI award was adjusted upon her promotion in November 2020.

### 2020 STI Opportunities for NEOs (% of base salary)

	Threshold	Target	Maximum
Andrew Moor	0%	100%	150%
Tim Wilson <sup>1</sup>	0%	70%	105%
Chadwick Westlake <sup>2</sup>	-	-	-
Mahima Poddar	0%	50%	75%
Ron Tratch	0%	60%	90%
Dan Dickinson	0%	50%	75%

1. Mr. Wilson left Equitable effective August 31, 2020.
2. Mr. Westlake joined Equitable effective November 2, 2020.
3. All NEO's maximum STI opportunity is 150% of target.

### 2020 Corporate Performance Scorecard

In February 2020, the HR and Compensation Committee reviewed and approved performance targets and ranges for each of the annual incentive measures.

In February 2021, the HR and Compensation Committee reviewed Equitable's 2020 adjusted financial performance relative to the EPS, ROE and CET1 ratio targets and determined a corporate performance multiplier of 1.07x as follows:

Performance Factor	2020 Target <sup>1</sup>	2020 Adjusted Actual <sup>2</sup>	Corporate Performance Score
Earnings Per Share	\$12.95	\$12.66	1/3 weight x 1.25 score
Return on Equity	14.9%	14.5%	1/3 weight x 1.25 score
CET1 ratio	≥ 13%	14.6%	1/3 weight x 1.0 score
2020 Total financial performance score			0.94
Strategic Objectives	Not disclosed due to competitive sensitivities	Not disclosed due to competitive sensitivities	+13%
<b>2020 Total Corporate Performance Score</b>			<b>1.07x</b>

1. 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.
2. Adjusted results exclude fair value adjustments related to securities, derivatives and certain loans and are reported in Equitable's 2020 annual Management's Discussions and Analysis.

The STI awards for NEOs, with the exception of the CEO, were approved by the HR and Compensation Committee on February 19, 2021. The STI award for the CEO was approved by the Board on February 22, 2021. All STI awards are shown in the Summary Compensation Table on page 78. 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 and Compensation 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 and Compensation Committee which recommends LTI grants for Executive Officers to the Board after considering peer group benchmarking data provided by the HR and Compensation 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 Equitable’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 Equitable 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 the 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 2018 RSU Awards

The RSUs awarded to the NEOs on March 9, 2018, based on their performance in 2017, vested on December 15, 2020.

The vesting price was the 5-day volume-weighted average of an Equitable common share on the TSX as at December 15, 2020. The payout value of RSUs received by the NEOs, before taxes, in December 2020, was as follows:

	RSUs awarded in 2018 (#)	Number of dividend equivalent received (#)	Total RSUs (#)	Vesting price (\$)	Payout Value of RSUs on vesting (\$)
Andrew Moor	-	-	-	-	-
Tim Wilson <sup>1</sup>	670	(70.14) <sup>3</sup>	599.52	79.147	47,451
Chadwick Westlake <sup>2</sup>	-	-	-	-	-
Mahima Poddar	359	18.48	377.48	96.557	36,448
Ron Tratch	508	26.15	534.15	96.557	51,576
Dan Dickinson	539	27.74	566.74	96.557	54,723

1. Mr. Wilson left Equitable effective August 31, 2020.
2. Mr. Westlake joined Equitable effective November 2, 2020.
3. Given his departure prior to the payout date, this figure represents the adjustment to Mr. Wilson's RSUs in accordance with the terms of the plan.

## Performance Share Units

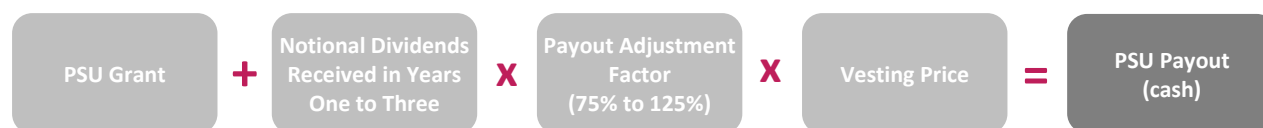
PSUs align Executives' and shareholder interests by linking share price growth over a period of time. Each PSU represents one notional common share and earns notional dividends, which are re-invested into additional PSUs when cash dividends are paid on Equitable's common shares.

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 Equitable 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 Equitable's 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 granted (plus notional dividends reinvested), to determine the final payout on the vesting date. 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.

$$\frac{\begin{array}{l} \text{20-day volume-weighted} \\ \text{average share price ending} \\ \text{Nov 30}^{\text{th}} \text{ of year three of the} \\ \text{performance period} \end{array} - \begin{array}{l} \text{20-day volume -weighted} \\ \text{average share price beginning} \\ \text{Jan 1}^{\text{st}} \text{ of year one of the} \\ \text{performance period} \end{array} + \begin{array}{l} \text{Dividends paid from Jan 1}^{\text{st}} \\ \text{of year one to Nov 30}^{\text{th}} \text{ of} \\ \text{year three of the} \\ \text{performance period}^1 \end{array}}{\begin{array}{l} \text{20-day volume-weighted average} \\ \text{share price beginning Jan 1}^{\text{st}} \\ \text{of year one of the} \\ \text{performance period} \end{array}} \times 100 = \text{TSR}$$

1. Reinvested at time of receipt, aligned with dividends paid to common shareholders.

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 2018 PSU Awards

The PSUs awarded to the NEOs on March 9, 2018 vested on December 15, 2020. For these PSUs, the payout value was determined by comparing the TSR of Equitable’s common shares during the performance period that began on January 1, 2018 and ended on November 30, 2020, against the TSR of the companies in the Performance Peer Group noted above. Equitable’s TSR ranked second for the performance period and resulted in a payout adjustment factor of 120%.

The value of PSUs on the vesting date was calculated as the number of PSUs that vested multiplied by 120% multiplied by the vesting date value of \$96.557 (5-day volume-weighted average of an Equitable common share on the TSX as at December 15, 2020).

The payout value of PSUs received by the NEOs in December 2020, was as follows:

	PSUs awarded in 2018 (#)	Number of dividend equivalents received (#)	Total PSUs (#)	Vesting price (\$)	Payout Adjustment Factor (%)	Payout value of PSUs on vesting (\$)
Andrew Moor	8,692	447.42	9,139.42	96.557	120	1,058,974
Tim Wilson <sup>1</sup>	2,345	(245.61) <sup>4</sup>	2,099.27	79.14	100	166,151
Chadwick Westlake <sup>2</sup>	-	-	-	-	-	-
Mahima Poddar <sup>3</sup>	-	-	-	-	-	-
Ron Tratch	1,780	91.63	1,871.63	96.557	120	216,863
Dan Dickinson	539	27.74	566.74	96.557	120	65,668

1. Mr. Wilson left Equitable effective August 31, 2020.
2. Mr. Westlake joined Equitable effective November 2, 2020.
3. Ms. Poddar did not receive PSUs in 2018.
4. Given his departure prior to the payout date, this figure represents the adjustment to Mr. Wilson's PSUs in accordance with the terms of the plan

## 2021 RSU and PSU awards

The RSUs and PSUs awarded to each NEO on March 3, 2021, which were approved by the Board on February 22, 2021, are as follows:

	Number Awarded (#)			Grant Date Fair Value <sup>1</sup> (\$)	Award (% of 2021 base salary)
	RSUs	PSUs	Total		
Andrew Moor	-	4,324	4,324	598,125	82.5
Chadwick Westlake	813	813	1,626	225,000	45.0
Mahima Poddar	553	553	1,106	153,000	42.5
Ron Tratch	567	567	1,134	156,825	42.5
Dan Dickinson	387	387	774	107,100	30.0

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, 2021 of \$138.31.

## 2021 Option awards

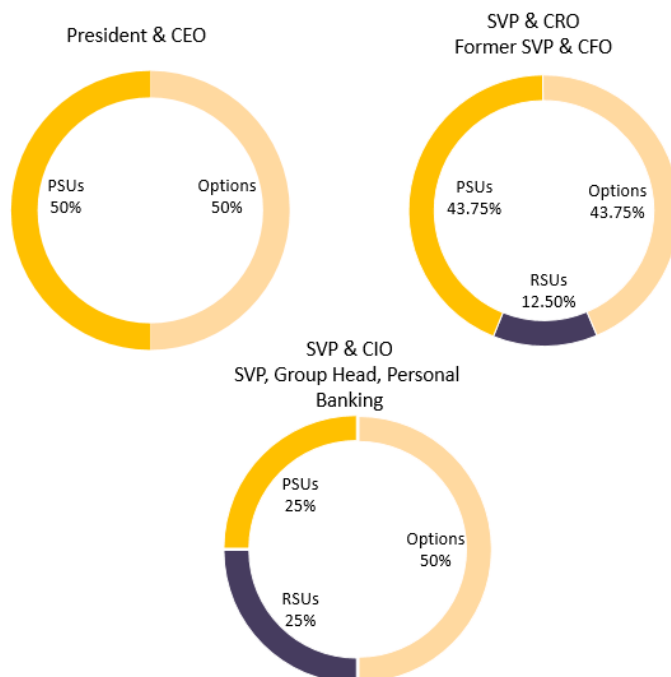
The Option award for each NEO which was granted by the Board on February 22, 2021, with an effective date of the grants being March 3, 2021, is as follows:

	Options Granted <sup>1</sup> (#)	Grant Date Fair Value <sup>2</sup> (\$)	Award (% of 2021 base salary)
Andrew Moor	22,554	598,125	82.5
Chadwick Westlake	8,484	225,000	45.0
Mahima Poddar	5,769	153,000	42.5
Ron Tratch	5,913	156,825	42.5
Dan Dickinson	4,038	107,100	30.0

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 \$26.52 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 2020 compensation decisions, the LTI awards for the NEOs were as follows<sup>1</sup>:



<sup>1</sup> Mr. Westlake was not included in the Target LTI mix as he was not eligible for a 2020 annual LTI grant.

### 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

### 2021 Target LTI awards (% of base salary)

Position	Target
CEO*	165%
CFO	90%
SVP & Group Head, Personal Banking	85%
CRO	85%
CIO	60%

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

The HR and Compensation 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 and Compensation 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

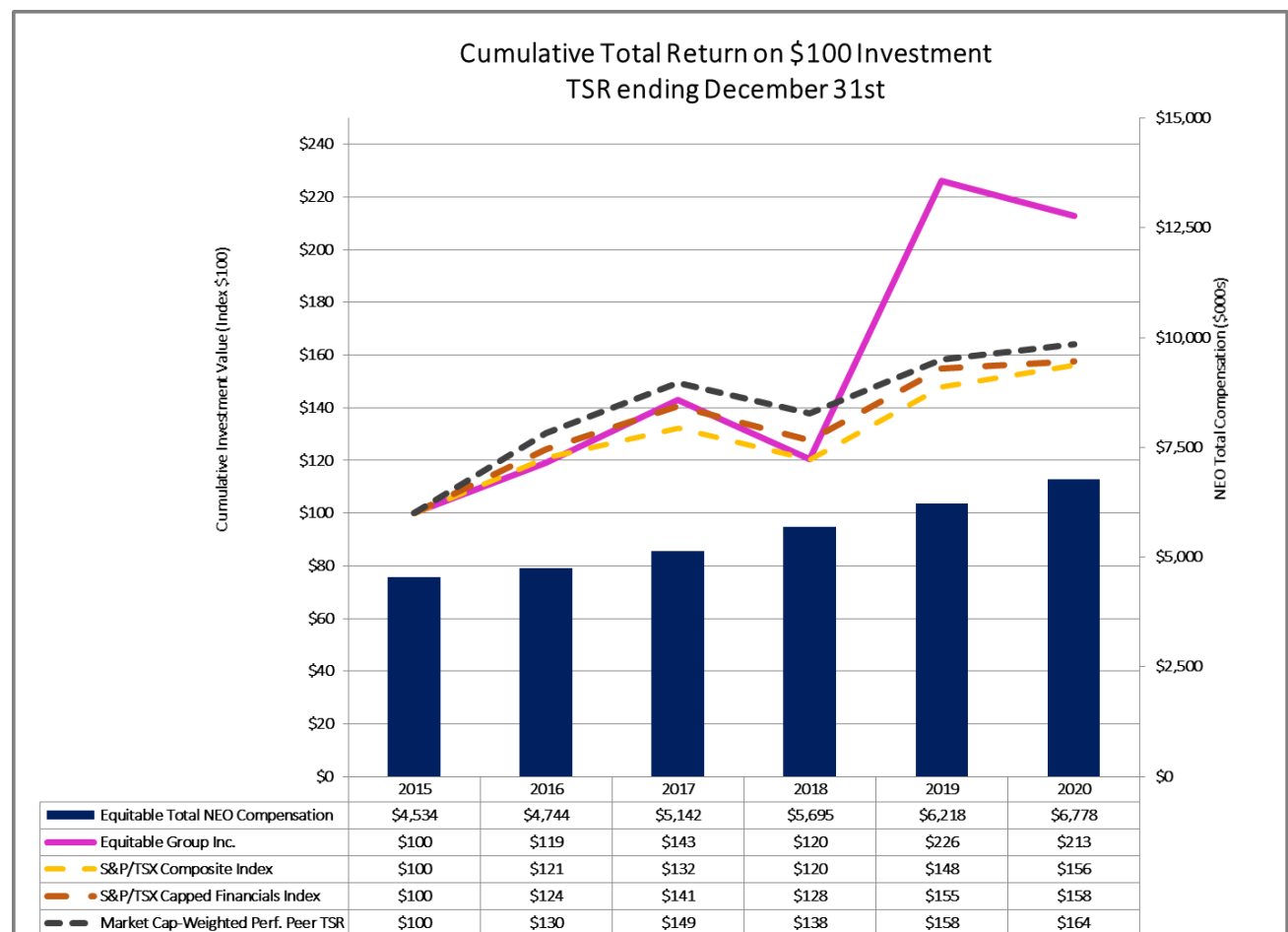
The following table shows the total aggregate compensation awarded to the NEOs as a percentage of net income in each of the last three years. Compensation for the former CFO is included in the total for 2020; compensation for the current CFO is not.

	2020	2019	2018
Total Aggregate NEO Compensation	\$6,778,385	\$6,218,150	\$5,694,544
Net Income After Tax	\$223,804,000	\$206,479,000	\$165,626,000
Total Aggregate NEO Compensation as a % of Net Income After Tax	3.03%	3.01%	3.44%

## Performance Graph

The following graph illustrates the change in cumulative TSR for \$100 invested in Equitable's common shares five years ago on December 31, 2015. The cumulative TSRs of the S&P/TSX Composite Index, the S&P/TSX Capped Financials Index, and the Performance Peer Group, are also shown over the same period. It assumes the reinvestment of all dividends; the performance peer group composite is weighted by average market capitalization in each year.

The graph also includes NEO Total Direct Compensation, as recorded in the Summary Compensation Table, for the past five years. Compensation for the former CFO is included in the total for 2020; compensation for the current CFO is not.



## 2020 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.

### 2020 performance highlights

Highlights of Equitable’s adjusted financial results are set out below:

	2020	2019	Change
Earnings Per Share	\$12.66	\$11.97	3.0%
Return on Equity	14.5%	15.5%	(1.4%)
CET1 ratio	14.6%	13.6%	0.1%

Notable highlights of Mr. Moor’s performance included:

- provided exceptional leadership over Equitable’s response to the COVID-19 pandemic, including the transition to the “work from home” model for most employees, and maintenance of good customer service in light of pandemic-related stresses on Equitable’s operating model
- advanced the market penetration and growth of Equitable’s digital banking strategy through EQBank, including through record growth in deposit balances
- demonstrated and lived the values of good corporate social responsibility, including with respect to employee and other stakeholder engagement, diversity, and inclusion
- continued to build Equitable’s brand and diversification, including through growth in alternative asset portfolios, specialized finance, and decumulation products

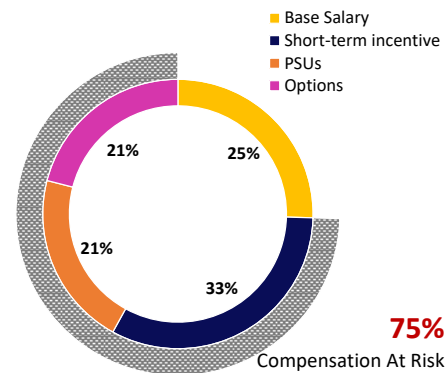
### Compensation awarded

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 and Compensation Committee assessed Equitable’s adjusted financial performance against the three financial performance metrics and his achievement of strategic initiatives and also assessed his achievement against his personal objectives. In 2021, the HR and Compensation Committee also considered the state of the economy and the capital markets following the onset of the pandemic. On this basis, and on the recommendation of the HR and Compensation Committee, the Board determined to award Mr. Moor an STI payout of \$927,000, reflecting the corporate performance factor used for all NEOs, plus strong strategic and individual modifiers. The Board further determined to leave Mr. Moor’s target direct compensation unchanged for 2021, with a base salary of \$725,000, target STI opportunity of 100% of salary, and target LTI award in the range of 125% to 175% of base salary.

## Total Direct Compensation

	2020 (\$)	2019 (\$)	2018 (\$)
Base Salary	725,000	700,000	700,000
Short-term Incentive	927,000	1,060,000	978,700
• PSUs (rounded)	598,125	598,125	559,984
• Options (rounded)	598,125	598,125	559,984
Long-term incentive	1,196,250	1,196,250	1,119,968
<b>Total Direct Compensation</b>	<b>2,848,250</b>	<b>2,956,250</b>	<b>2,798,668</b>

## 2020 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, 2020.

The actual total direct compensation value includes the realized and realizable value of the awards granted each year as at December 31, 2020:

- realized value: base salary, STI (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 2016 to 2020 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> (\$)
2016	2,431	3,617	2,077	5,694	Jan 1, 2016 to Dec 31, 2020	234.19	212.76
2017	2,518	1,896	926	2,822	Jan 1, 2017 to Dec 31, 2020	112.06	177.34
2018	2,814	2,348	1,605	3,953	Jan 1, 2018 to Dec 31, 2020	140.46	148.11
2019	2,972	7,937	2,129	10,066	Jan 1, 2019 to Dec 31, 2020	338.67	171.92
2020	2,865	3,136	939	4,075	Jan 1, 2020 to Dec 31, 2020	142.26	94.02

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 date and December 31, 2020.
3. Actual value of compensation awarded to Mr. Moor each year, still realizable on December 31, 2020.
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, 2021 are based on \$138.91, the closing price of our common shares on the TSX on March 15, 2021. 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
219,921	19,600	33,271,934	5x	45.9x	met

## Chadwick Westlake, Senior Vice-President and Chief Financial Officer



Chadwick Westlake joined Equitable as SVP & CFO in November 2020. His responsibilities include the overall financial strategy and management of Equitable, including financial analysis, financial and regulatory reporting, accounting, capital management, securitization, treasury, tax, legal, corporate development, ESG and investor relations.

He previously held various positions at Scotiabank over more than 18 years, including Executive Vice President, Enterprise Productivity & Canadian Banking Finance, and SVP & CFO of Canadian Banking. He received his CFA designation in 2009, holds a BA in Economics and Management Studies from the University of Waterloo, and completed a Scotiabank Executive Program with The Fuqua School of Business at Duke University.

### Compensation awarded

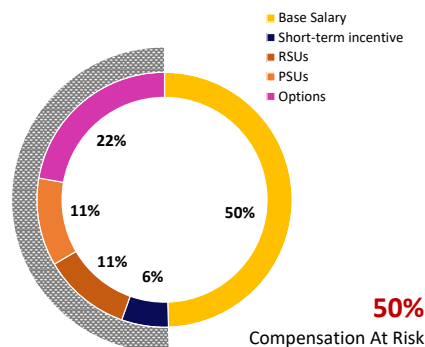
The table below shows the total direct compensation approved for Mr. Westlake for 2020. His 2020 base salary rate was approved by the HR and Compensation Committee in conjunction with his hiring in November 2020. The salary below reflects this rate (i.e., his actual 2020 salary paid, annualized). His STI paid reflects a pro-rated fraction of his target STI opportunity.

#### Total Direct Compensation

	2020 (\$)	2019 (\$) <sup>1</sup>	2018 (\$) <sup>1</sup>
Base Salary	500,000	N/A	N/A
Short-term Incentive	60,000	N/A	N/A
• PSUs (rounded)	112,500	N/A	N/A
• RSUs (rounded)	112,500	N/A	N/A
• Options (rounded)	225,000	N/A	N/A
Long-term incentive	450,000	N/A	N/A
<b>Total Direct Compensation</b>	<b>1,010,000</b>	<b>N/A</b>	<b>N/A</b>

<sup>1</sup> Mr. Westlake was not employed by Equitable before 2020.

#### 2020 Compensation Awarded Mix



#### Base salary

Mr. Westlake's base salary was not adjusted for 2021.

#### Short-term incentive

Mr. Westlake's STI awards were negotiated as part of his recruitment and hiring negotiations. For 2020, Mr. Westlake received a pro-rated fraction of his target STI opportunity (70% of base salary). He also received a one-time sign-on bonus of \$400,000, which was intended to replace a fraction of compensation forfeited when he departed his former employer. This amount is reflected in the Summary Compensation Table that follows. Mr. Westlake's target STI opportunity remained at 70% of salary for 2021.

#### Long-term incentive

Mr. Westlake's LTI award value of 90% of salary was based on his anticipated future contributions, his pay rate at his former employer, the competitive position of his compensation compared to the peer group, Equitable's internal equity, and alignment with shareholder interests. At the February 2021 meeting, on the recommendation of the HR and Compensation Committee, the Board approved \$450,000 in long-term incentives for 2021, allocated 25% to PSUs, 25% to RSUs and 50% to stock options. These awards are intended to be forward-looking. The actual amount Mr. Westlake 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.

Mr. Westlake also received a one-time RSU award in the amount of \$640,000 upon his hiring. This award was also intended to replace a fraction of compensation forfeited when he departed his former employer. This amount is reflected in the Summary Compensation Table that follows, and described further in the notes to that table.

## Share Ownership

Values at March 15, 2021 are based on \$138.91 the closing price of our common shares on the TSX on March 15, 2021. Mr. Westlake exceeds his share ownership requirement of \$1,000,000.

Common shares (#)	PSUs (#)	RSUs (#)	Total Value (\$)	Required multiple of base salary	Actual multiple of base salary	Meets requirement
0	813	7,658	1,176,747	2x	2.4x	Met



## Mahima Poddar, Senior Vice-President and Group Head of Personal Banking



Mahima Poddar joined Equitable as Director, Corporate Development in January 2016 and has held various leadership positions. Now, as SVP and Group Head of Personal Banking, Ms. Poddar's new responsibilities include the oversight and establishing and executing of the strategy for: single family residential lending and sales, wealth solutions, EQ Bank, marketing, client experience, and reverse mortgages.

Previously she was a long time management consultant at the Boston Consulting Group, specializing in Financial Services and Corporate Development. She received her MBA from Kellogg School of Management at Northwestern University in 2012, and received an HBA at Richard Ivey School of Business in 2007.

### 2020 performance highlights

- drove unprecedented growth on EQ Bank customer and deposit base at a materially reduced cost of customer acquisition
- successfully launched EQ Bank Customer Referral Program and Joint Accounts, and made significant headway on 2021 EQ Bank Roadmap
- grew CSV distribution relationships and assets under management beyond aggressive 2020 targets
- led development of Equitable Strategic plan, including execution of the groundwork for adjacent asset growth opportunities

### Compensation awarded

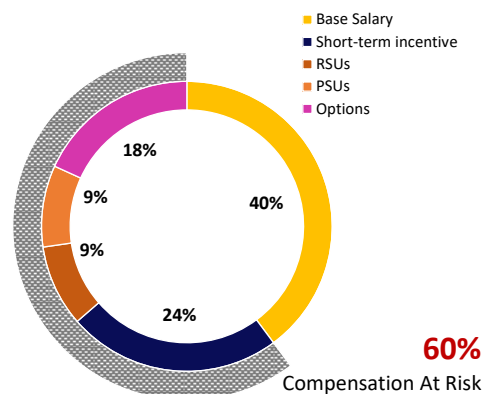
The table below shows the total direct compensation approved for Ms. Poddar for 2020. Her base salary rate was initially approved by the HR and Compensation Committee in February 2020, and was later adjusted by the Committee upon her promotion to SVP and Group Head of Personal Banking. The salary below reflects her post-promotion salary rate, which became effective in November 2020.

#### Total Direct Compensation

	2020 (\$)	2019 (\$) <sup>1</sup>	2018 (\$) <sup>1</sup>
Base Salary	335,000	272,950	265,000
Short-term Incentive	200,000	125,000	90,000
• PSUs (rounded)	76,500	30,025	23,188
• RSUs (rounded)	76,500	30,025	23,188
• Options (rounded)	153,000	60,050	46,375
Long-term incentive	306,000	120,100	92,751
<b>Total Direct Compensation</b>	<b>841,000</b>	<b>518,050</b>	<b>447,751</b>

<sup>1</sup> Ms. Poddar was not an NEO prior to 2020

#### 2020 Compensation Awarded Mix



#### Base salary

Given the scope of Ms. Poddar's increasing responsibilities, at its February 2021 meeting the HR and Compensation Committee approved a 7.5% increase in her base salary, to \$360,000, effective January 1, 2021.

#### Short-term incentive

Ms. Poddar's 2020 STI award was approved and paid in February 2021. The reward reflected a payout against a blend of her pre- and post-promotion target STI opportunities, and reflected above-target financial and strategic performance, and superior individual performance. Ms. Poddar's target STI opportunity remained at 50% of salary for 2021.

## Long-term incentive

Ms. Poddar's LTI award value of 85% of salary was based on her anticipated future contributions, the competitive position of her compensation compared to the peer group, Equitable's internal equity, and alignment with shareholder interests. At the February 2021 meeting, on the recommendation of the HR and Compensation Committee, the Board approved \$306,000 in long-term incentives for 2021, allocated 25% to PSUs, 25% to RSUs and 50% to stock options. These awards are intended to be forward-looking. The actual amount Ms. Poddar 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.

Ms. Poddar also received a one-time stock option award in the amount of \$200,000 in conjunction with her promotion. This award was intended to improve the alignment of her compensation to future shareholder value creation at Equitable, and reward her performance and promotion with fully performance-based compensation. The value of this option award is reflected in the Summary Compensation Table that follows, and described further in the notes to that table.

## Share Ownership

Values at March 15, 2021 are based on \$138.91, the closing price of our common shares on the TSX on March 15, 2021. Ms. Poddar exceeds her share ownership requirement of \$360,000.

Common shares (#)	PSUs (#)	RSUs (#)	Total Value (\$)	Required multiple of base salary	Actual multiple of base salary	Meets requirement
1,910	1,244	1,244	611,009	1x	1.7x	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.

### 2020 performance highlights

- pivoted rapidly with the unexpected arrival of the pandemic by diving into the impact of deferrals, worked to tailor our risk appetite to the new environment and led the Expected Credit Loss provisioning process
- led the continuing advancement of the Bank's AIRB project for capital and risk management
- advanced the Bank's risk management framework and capabilities across the enterprise
- oversaw the Chief Compliance Officer's activities and supported the building of enhanced capabilities to reduce compliance, money laundering and fraud risk

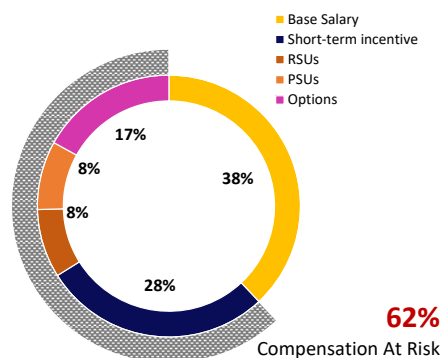
### Compensation awarded

The table below shows the total direct compensation approved for Mr. Tratch for 2020. His 2020 base salary was approved by the HR and Compensation Committee in February 2020 on the recommendation of the CEO, effective January 1, 2020. The HR and Compensation 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

	2020 (\$)	2019 (\$)	2018 (\$)
Base Salary	351,750	335,000	310,000
Short-term Incentive	260,000	272,000	230,000
• PSUs (rounded)	78,413	130,807	108,500
• RSUs (rounded)	78,413	37,373	30,971
• Options (rounded)	156,825	130,807	108,501
Long-term incentive	313,651	298,987	247,972
<b>Total Direct Compensation</b>	<b>925,401</b>	<b>905,987</b>	<b>787,972</b>

#### 2020 Compensation Awarded Mix



#### Base salary

At its February 2021 meeting, the HR and Compensation Committee approved a 4.9% increase in Mr. Tratch's base salary, to \$369,000, effective January 1, 2021.

### Short-term incentive

Mr. Tratch's 2020 STI award was approved and paid in February 2021. It was approximately 23% higher than his target STI award, reflecting above-target financial and strategic performance, and his individual performance. Mr. Tratch's target STI opportunity remained at 60% of salary for 2021.

### 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, Equitable's internal equity, and alignment with shareholder interests. At the February 2021 meeting, on the recommendation of the HR and Compensation Committee, the Board approved \$313,650 in long-term incentives for 2021 (85% of base salary), allocated 25% to PSUs, 25% to RSUs and 50% 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, 2021 are based on the higher of \$138.91, the closing price of an EGI common share on the TSX on March 15, 2021 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. Mr. Tratch exceeds his share ownership requirement of \$738,000.

Common shares (#)	PSUs (#)	RSUs (#)	Total Value (\$)	Required multiple of base salary	Actual multiple of base salary	Meets requirement
1,445	3,694	1,460	916,689	2x	2.5x	Met

## 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.

### 2020 performance highlights

- led the work from home pivot following the pandemic lockdown, rapidly moving the employee base to work-from-home mode without sacrificing security, and adapted systems and processes to support this new configuration and ensure continuity of customer service.
- advanced the building of a new underwriting 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 infrastructure & operations
- promoted the broader vision of Canada’s Challenger Bank™ to reflect our support and commitment to bring the benefits of open banking and digital identity to Canada

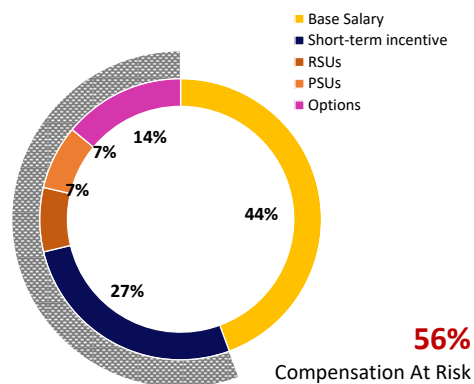
### Compensation awarded

The table below shows the total direct compensation approved for Mr. Dickinson for 2020. His 2020 base salary was approved by the HR and Compensation Committee in February 2020 on the recommendation of the CEO, effective January 1, 2020. The HR and Compensation 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

	2020 (\$)	2019 (\$)	2018 (\$)
Base Salary	340,000	300,000	280,000
Short-term Incentive	206,000	180,000	140,000
• PSUs (rounded)	56,500	51,000	34,969
• RSUs (rounded)	56,500	51,000	34,969
• Options (rounded)	107,100	102,000	70,005
Long-term incentive	220,100	204,000	139,943
<b>Total Direct Compensation</b>	<b>766,100</b>	<b>684,000</b>	<b>559,943</b>

#### 2020 Compensation Awarded Mix



#### Base salary

At its February 2021 meeting, the HR and Compensation Committee approved a 5% increase in Mr. Dickinson’s base salary to \$357,000, effective January 1, 2021.

### Short-term incentive

Mr. Dickinson's 2020 STI award was approved and paid in February 2021. It was approximately 21% higher than his target STI award, reflecting above-target financial and strategic performance, and his individual performance. Mr. Dickinson's target STI opportunity remained at 50% of salary for 2021.

### 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, Equitable's internal equity, and alignment with shareholder interests. At the February 2021 meeting, on the recommendation of the HR and Compensation Committee, the Board approved \$214,200 in long-term incentives for 2021 (60% of base salary), allocated 25% to PSUs, 25% to RSUs and 50% 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, 2021 are based on the higher of \$138.91, the closing price of an EGI common share on the TSX on March 15, 2021 or the acquisition/grant price, if such value is higher. Mr. Dickinson's share ownership of 1x base salary was implemented on February 24, 2021 and he has four more years to meet this new requirement. Mr. Dickinson exceeds his share ownership requirement of \$357,000.

Common shares (#)	PSUs (#)	RSUs (#)	Total Value (\$)	Required multiple of base salary	Actual multiple of base salary	Meets requirement
893	1,494	1,494	539,238	1x	1.5x	Met

## Summary Compensation Table

The following table summarizes total compensation received in, or in respect of, the financial years ended December 31, 2020, 2019 and 2018 for each NEO.

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> President and CEO	2020	725,000	598,125	598,125	927,000	13,915	2,500	2,864,665
	2019	700,000	598,125	598,125	1,060,000	13,615	2,500	2,972,365
	2018	700,000	559,984	559,995	978,700	13,250	2,500	2,814,429
<b>Tim Wilson</b> Former Senior Vice President and CFO <sup>5</sup>	2020	280,077	0	0	190,667	11,492	684,314 <sup>8</sup>	1,166,550
	2019	401,700	197,824	153,863	313,000	13,615	2,500	1,082,503
	2018	390,000	175,457	136,494	285,000	13,250	2,500	1,002,701
<b>Chadwick Westlake<sup>6</sup></b> Senior Vice President & CFO	2020	76,923	865,000 <sup>10</sup>	225,000	60,000	0	400,000 <sup>11</sup>	1,626,923
<b>Mahima Poddar</b> Senior Vice President & Group Head, Personal Banking	2020	224,760 <sup>7</sup>	153,360	353,000 <sup>9</sup>	200,000	13,915	83,337 <sup>7</sup>	1,028,371
	2019	272,950	60,050	60,050	125,000	13,915	2,500	534,165
	2018	225,582	46,375	46,375	90,000	12,290	2,500	423,122
<b>Ron Tratch</b> Senior Vice President and Chief Risk Officer	2020	351,750	157,194	156,825	260,000	13,915	2,500	942,184
	2019	335,000	168,180	130,807	272,000	13,615	2,500	922,103
	2018	310,000	139,741	108,501	230,000	13,250	2,500	803,722
<b>Dan Dickinson</b> Senior Vice President & Chief Information Officer	2020	340,000	107,100	107,100	206,000	13,915	2,500	776,615
	2019	300,000	102,000	102,000	180,000	13,615	2,500	700,115
	2018	280,000	69,939	70,005	140,000	13,250	2,500	575,694

1. RSUs and PSUs were awarded in March 2021, March 2020, and March 2019 in recognition of the NEO's performance in 2020, 2019, and 2018, respectively. The grant date fair market value (FMV) of the RSUs/PSUs is based on the volume-weighted average trading price of Equitable's common share on the TSX for the five days prior to March 3, 2021 of \$138.31, March 4, 2020 of \$90.96 and March 11, 2019 of \$67.77, respectively.
2. 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 2021, the assumptions used in determining the number of options to be granted were an exercise price of \$138.31, a stock volatility of 35.088%, a dividend yield of 1.97%, an option term of 4.75 years, and an interest rate of 0.47%. The fair value of each option granted for compensation purposes for performance in 2020 was \$26.52. The accounting fair value of each option granted for performance in 2020 was \$34.42 for Messrs. Moor, Westlake and Tratch, and \$25.81 for Mr. Dickinson and Ms. Poddar as a result of a 25% forfeiture assumption applied to options granted to them. The exercise price was equal to the FMV on the grant date.

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 Mr. Dickinson 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 Mr. Dickinson 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 Equitable'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.
5. Mr. Wilson left Equitable effective August 31, 2020.
6. Mr. Westlake joined Equitable effective November 2, 2020.
7. Ms. Poddar was on maternity leave from January 1, 2020 until April 6, 2020. During this time she did not earn base salary however did receive salary top up in the amount of \$80,836.
8. Reflects amounts paid to Mr. Wilson from September 1, 2020 until December 1, 2020.
9. Ms. Poddar was awarded a one-time grant in options in the amount of \$200,000 in connection with her promotion in November 2020
10. Mr. Westlake received a one-time RSU grant in the amount of \$640,000 upon joining Equitable.
11. Mr. Westlake received a sign-on bonus of \$400,000 upon joining Equitable.

## Incentive Plan Awards

### Outstanding Option and Share Awards

The following table includes LTI awards granted as at December 31, 2020:

- the value of unexercised in-the-money options equals the closing price of an Equitable common share on the TSX on December 31, 2020 (\$101.00) 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, 2020 equals the closing price of an Equitable common share on the TSX on December 31, 2020 (\$101.00) 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	2020	26,051	90.96	Mar 4, 2027	261,552	6,713	677,976
	2019	38,069	67.77	Mar 11, 2026	1,265,033	8,564	864,937
	2018	35,388	55.66	Mar 9, 2025	1,604,492	-	-
	2017	31,594	71.68	Feb 28, 2024	926,336	-	-
	2016	43,403	53.15	Mar 9, 2023	2,076,834	-	-
	2015	35,511	59.98	Mar 5, 2022	1,456,661	-	-
	2014	30,008	52.90	Mar 10, 2021	1,443,385	-	-
Tim Wilson <sup>1</sup>	2020	6,701	90.96	Aug 31, 2021	67,278	-	-
	2019	2,300	67.77	Aug 31, 2021	76,429	-	-
	2017	8,704	71.68	Aug 31, 2021	255,201	-	-
Chadwick Westlake <sup>2</sup>	2020	-	-	-	-	6,845	691,374
Mahima Poddar	2020	12,500	93.92	Nov 12, 2027	88,500	674	68,045
	2020	2,615	90.96	Mar 4, 2027	26,255	709	71,598
	2019	3,153	67.77	Mar 11, 2026	104,774	-	-
	2018	1,097	55.66	Mar 9, 2025	49,738	-	-
	2017	508	71.68	Feb 28, 2024	14,895	-	-
	2016	354	53.15	Mar 9, 2023	16,939	-	-
Ron Tratch	2020	5,697	90.96	Mar 4, 2027	57,198	1,887	190,629
	2019	7,376	67.77	Mar 11, 2026	245,104	2,133	215,423
	2018	7,246	55.66	Mar 9, 2025	328,534	-	-
	2017	6,059	71.68	Feb 28, 2024	177,650	-	-
	2016	8,667	53.15	Mar 9, 2023	414,716	-	-
	2015	6,155	59.98	Mar 5, 2022	252,478	-	-
	2014	2,464	52.90	Mar 10, 2021	118,518	-	-
Dan Dickinson	2020	4,443	90.96	Mar 4, 2027	44,608	1,145	115,677
	2019	4,759	67.77	Mar 11, 2026	158,142	1,070	108,026
	2018	2,194	55.66	Mar 9, 2025	99,476	-	-
	2017	2,317	71.68	Feb 28, 2024	67,934	-	-

1. Mr. Wilson left Equitable effective August 31, 2020

2. Mr. Westlake joined Equitable effective November 2, 2020

3. Based on closing price of Equitable's common shares on the TSX on December 31, 2020 of \$101.00

## 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 2020 if the options had been exercised on the vesting date;
- the value of share-based awards received on vesting in 2020
- the annual incentive compensation awards earned for 2020

Name	2020			2019		
	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 (\$)	Annual incentive compensation - value earned during the year (\$)	Share-based awards - value vested during the year (\$)
Andrew Moor	637,367	927,000	1,058,974	302,496	1,060,000	860,507
Tim Wilson <sup>4</sup>	345,812	190,667	356,833	79,486	313,000	237,011
Chadwick Westlake <sup>5</sup>	-	60,000	-	-	-	-
Mahima Poddar	25,490	200,00	36,448	8,348	125,000	22,127
Ron Tratch	126,726	260,000	268,439	58,992	272,000	165,069
Dan Dickinson	56,210	206,000	120,392	24,259	180,000	56,671

- The value of options that vested in 2020 is based on the difference between the grant price of the options and the closing price of an Equitable common shares on the TSX on the vesting date.  
If the closing price of Equitable's common shares was below the exercise price, the option had no current value and is valued at \$0.
- These are the annual cash incentive awards for 2020. The table includes the full amount of the annual cash bonus.
- The value of share-based awards that vested during 2020 includes dividend equivalents earned on these awards during the period. Share-based awards are valued using a 5-day volume-weighted average of an Equitable common share on the TSX calculated as at December 15, 2020 for both RSU and PSU awards. At vesting, PSU awards received by each NEO paid out at 120%, reflecting Equitable's TSR performance over the 35-month period ending November 30, 2020 relative to the TSR performance of the relevant peer group.
- Mr. Wilson left Equitable effective August 31, 2020.
- Mr. Westlake joined Equitable effective November 2, 2020.

### Options exercised in 2020

Name	Grant Date	Number of options	Exercise Price (\$)	Realized value <sup>1</sup> (\$)
Andrew Moor	March 10, 2014	9,815	52.90	424,793
	March 11, 2019	6,979	67.77	229,333
Tim Wilson <sup>2</sup>	March 9, 2018	9,125	55.66	372,073
	March 9, 2016	11,667	53.15	400,798
	March 5, 2015	9,142	59.98	353,679
	March 10, 2014	7,406	52.90	223,143
Chadwick Westlake <sup>3</sup>	-	-	-	-
Mahima Poddar	-	-	-	-
Ron Tratch	-	-	-	-
Dan Dickinson	March 9, 2018	2,195	55.66	49,585
	March 9, 2016	2,647	53.15	66,440
	March 5, 2015	2,190	59.98	40,011

- Represents the difference between the fair market value of Equitable common shares at the time of exercise and the exercise price of the options, excluding withholding taxes.
- Mr. Wilson left Equitable effective August 31, 2020.
- Mr. Westlake joined Equitable effective November 2, 2020.

## 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, 2021:

- shares to be issued when outstanding options are exercised; and
- 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 (3.8% of outstanding shares as at March 15, 2021)	Weighted-average price of outstanding options (\$)	Securities remaining for future issuance under equity compensation plans <sup>1</sup> (1.85% of outstanding shares as at March 15, 2021)
Equity compensation plans approved by security holders	644,868	\$80.07	314,422

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, 2020.

	2020	2019	2018
<b>Dilution</b>			
Total number of options outstanding divided by the weighted average number of common shares outstanding	3.67%	3.46%	4.06%
<b>Overhang</b>			
Total number of options available to grant plus options outstanding, divided by weighted average number of common shares outstanding	6.19%	6.70%	4.92%
<b>Burn Rate</b>			
Total number of options granted during the year divided by weighted average number of common shares outstanding for the year	0.71%	0.87%	0.73%

## 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 11.8% of Equitable's issued and outstanding common shares as at March 15, 2021</li> </ul>
<b>Currently issued</b>	<ul style="list-style-type: none"> <li>• 644,868 shares issuable upon exercise of outstanding options (representing 3.8% of issued and outstanding shares as at March 15, 2021)</li> </ul>
<b>Available for issue</b>	<ul style="list-style-type: none"> <li>• 314,422 shares remain available for issuance (representing 1.85% of EGI's issued and outstanding shares as at March 15, 2021)</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, 2021 the total number of options granted to an insider was 232,570 shares, representing 1.4% of the total number of shares outstanding.</p>

### Conditions

<b>Maximum term</b>	The Plan provides for a term of ten years. Since 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 Equitable, 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>	<p>The earlier of:</p> <p>(i) The 7<sup>th</sup> anniversary of the date of grant, regardless of a participant's retirement date</p> <p>(ii) The original expiry date and two years from date of a participant's death or becoming fully disabled</p>
<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.
<b>Transfer/assignment</b>	None provided
<b>Change of control</b>	Not assignable – they can only be transferred to a beneficiary or a legal representative if the participant dies
<b>Clawback</b>	All unvested options vest and become exercisable
<b>Plan Amendments</b>	<p>All or a portion of vested or unvested options held by any one of the Executive Officers may be forfeited or cancelled in the event of intentional fraud or willful misconduct by the respective Executive Officer</p> <p>Shareholders must approve the following changes:</p> <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)</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
- 

## 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 are 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. The table below shows the amount each NEO (other than Mr. Wilson who is no longer with Equitable) is eligible to receive if their employment is terminated.

### 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

<p><b>Severance</b></p>	<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 21 months based on 13 years of employment.</li> <li>Ms. Poddar and Messrs. Westlake and Dickinson are entitled to salary continuance in an amount equal to their base salary plus the average performance bonus for the preceding three years (or in the case of Mr. Westlake, total completed years of employment, whichever is less), for a period equal to the Severance Period (as defined below) or until re-employment. In the event of re-employment, each NEO 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 6 months until the third anniversary of employment, after such time the Severance Period shall increase by one month for each completed year of employment to a maximum of 18 months. Mr. Westlake's Severance Period is 6 months based on less than three years of employment. Ms. Poddar's Severance Period is 7 months based on 4 years of completed employment. Mr. Dickinson's Severance Period is 10 months based on 7 years of completed employment.</li> <li>Mr. Tratch 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. Tratch 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 12 months plus one additional month for each completed year of employment after the third anniversary to a maximum of 18 months. Mr. Tratch's Severance Period is 18 months based on 9 years of employment.</li> </ul>
<p><b>STI (performance bonus)</b></p>	<ul style="list-style-type: none"> <li>If terminated prior to the end of any fiscal year, Mr. Moor is 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, Mr. Moor will receive a full bonus for the preceding fiscal year.</li> <li>Ms. Poddar, and Messrs. Westlake, Tratch and Dickinson are not entitled to any pro-rated performance bonus in the year of termination.</li> </ul>
<p><b>Options</b></p>	<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>For Ms. Poddar, and Messrs. Westlake, Tratch and Dickinson, all unvested options are cancelled upon termination and all vested options are exercisable for 30 days following termination.</li> </ul>
<p><b>RSUs</b></p>	<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>
<p><b>PSUs</b></p>	<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 Equitable 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>
<p><b>Other</b></p>	<ul style="list-style-type: none"> <li>Mr. Moor is entitled to continued coverage under Equitable's benefits program for the duration of the Severance Period or until re-employment, whichever is earlier.</li> <li>Ms. Poddar, Messrs. Westlake, Tratch and Dickinson are entitled to continued coverage under Equitable's benefits program during the notice period.</li> <li>Mr. Moor is entitled to outplacement services for a period determined at the sole discretion of Equitable.</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>

## Change of Control<sup>1</sup>

<b>Severance</b>	<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 21 months based on 13 years of employment.</li> <li>• If termination occurs within 12 months of a change of control, Ms. Poddar, Messrs. Westlake 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>
<b>STI (performance bonus)</b>	<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 STI Plan, prorated, for the period up to and including the date of termination.</li> <li>• No other NEO is entitled to any performance bonus following a change of control.</li> </ul>
<b>Options</b>	<ul style="list-style-type: none"> <li>• Under the Option Plan, all options vest and become exercisable.</li> </ul>
<b>RSUs</b>	<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>
<b>PSUs</b>	<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 Equitable, 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>
<b>Other</b>	<ul style="list-style-type: none"> <li>• If termination occurs within 12 months of a change of control all NEOs, except Mr. Tratch are entitled to continued coverage under the Bank’s benefits program for the Severance Period.</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> </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 Equitable securities which may be cast to elect directors of Equitable, other than the additional acquisition of securities by a person (including its affiliates) beneficially owning Equitable 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

<b>Severance</b>	<ul style="list-style-type: none"> <li>Salary of a NEO immediately ceases as of the date of death.</li> </ul>
<b>STI (performance bonus)</b>	<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>
<b>Options</b>	<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>
<b>RSUs</b>	<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>
<b>PSUs</b>	<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 Equitable's performance, 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>
<b>Other</b>	<ul style="list-style-type: none"> <li>No other benefits or payments are provided.</li> </ul>

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

<b>Severance</b>	<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>No NEO is entitled to any severance-related payments upon resignation or retirement.</li> </ul>
<b>STI (performance bonus)</b>	<ul style="list-style-type: none"> <li>No NEO is entitled to any performance bonus upon resignation.</li> </ul>
<b>Options</b>	<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>
<b>RSUs</b>	<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>
<b>PSUs</b>	<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 Equitable's performance, 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>
<b>Other</b>	<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 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 Ms. Poddar, Messrs. Westlake, Tratch 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, 2020:

Event	Andrew Moor (\$)	Chadwick Westlake (\$)	Mahima Poddar (\$)	Ron Tratch (\$)	Dan Dickinson (\$)
<b>Termination with Cause</b>					
Severance	-	-	-	-	-
Bonus	-	-	-	-	-
Options <sup>2</sup>	-	-	-	-	-
RSU/PSU	-	-	-	-	-
Other <sup>3</sup>	-	-	-	-	-
<b>Termination without Cause</b>					
Severance	2,977,217	250,000	286,667	881,125	407,222
Bonus	976,267	-	-	-	-
Options	1,014,353	-	-	-	-
RSU/PSU	758,378	40,499	66,279	195,277	103,821
Other <sup>3</sup>	-	-	-	-	-
<b>Change of Control</b>					
Severance	2,977,217	250,000	286,667	881,125	407,222
Bonus	976,267	-	-	-	-
Options <sup>2</sup>	2,244,150	-	233,934	451,422	279,658
RSU/PSU	1,524,403	683,080	137,968	401,181	221,018
Other <sup>2</sup>	-	-	-	-	-
<b>Death</b>					
Severance	-	-	-	-	-
Bonus	976,267	-	-	-	-
Options	-	-	-	-	-
RSU/PSU	758,378	40,499	66,279	195,277	103,821
Other <sup>3</sup>	-	-	-	-	-
<b>Resignation</b>					
Severance	-	-	-	-	-
Bonus	-	-	-	-	-
Options	-	-	-	-	-
RSU/PSU	-	-	-	-	-
Other <sup>3</sup>	-	-	-	-	-
<b>Retirement<sup>4</sup></b>					
Severance	-	-	-	-	-
Bonus	-	-	-	-	-
Options	0 <sup>5</sup>	-	-	-	-
RSU/PSU	0 <sup>5</sup>	-	-	-	-
Other <sup>3</sup>	-	-	-	-	-

1. The value of the option is the difference between the closing price of an Equitable common share on December 31, 2020 on the TSX (\$101.00) 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 Equitable common share on December 31, 2020 on the TSX (\$101.00) 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. Mr. Moor is the only NEO that is Retirement Eligible as at December 31, 2020.
5. Awards of options and RSU/PSUs are not accelerated upon retirement as such no additional payment is due. Options and RSU/PSUs continue to vest in accordance with the terms of their grants and the terms of their plans.

## 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 nine individuals as “Senior Managers” during 2020. These include the CEO, CFO, CRO, CIO, and CCO. “Other Material Risk Takers” include Senior Vice-Presidents and other Vice-Presidents of the Bank. For the year-ended December 31, 2020, the Company designated 17 individuals as Other Material Risk Takers.

The HR and Compensation 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			
	2020		2019		2020		2019	
	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	9		5		17		21	
<b>Fixed Compensation</b>								
Cash-based	3,940,335	-	1,968,450	-	3,751,238	-	4,642,282	-
Shares and Share-linked Instruments	-	-	-	-	-	-	-	-
Other	28,916	-	25,517	-	51,325	-	93,132	-
<b>Total Fixed Compensation</b>	<b>3,969,250</b>	<b>-</b>	<b>1,993,967</b>	<b>-</b>	<b>3,802,563</b>	<b>-</b>	<b>4,735,414</b>	<b>-</b>
<b>Variable Compensation</b>								
Cash-based	2,199,167	-	1,925,000	-	1,365,500	-	1,663,000	-
Shares and Share-linked Instruments	2,030,394	2,870,759	1,331,758	2,098,665	612,547	1,033,262	635,051	1,236,584
Other	108,111	-	67,206	-	195,134	-	231,495	-
<b>Total Variable Compensation</b>	<b>4,337,672</b>	<b>2,870,759</b>	<b>3,323,964</b>	<b>2,098,665</b>	<b>2,173,182</b>	<b>1,033,262</b>	<b>2,529,646</b>	<b>1,236,584</b>
<b>Total Compensation</b>	<b>8,306,923</b>	<b>2,870,759</b>	<b>5,317,931</b>	<b>2,098,665</b>	<b>5,975,744</b>	<b>1,033,262</b>	<b>7,264,960</b>	<b>1,236,584</b>

1. Deferred Compensation includes options, PSUs and RSUs granted in 2020 and 2019.

## 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 the past two years.

Element of Compensation	Senior Managers				Other Material Risk Takers			
	2020		2019		2020		2019	
	Number of Employees	Amount (\$)	Number	Amount (\$)	Number	Amount (\$)	Number of Employees	Amount (\$)
Sign-on Awards	1	400,000	-	-	2	45,000	2	822,681
Guaranteed Awards	1	640,000	-	-	0		1	35,000
Severance	1	618,814	-	-	0		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, 2020 and 2019 and which had not expired, or been forfeited or cancelled. The table also includes previously deferred compensation that was paid out during 2020 and 2019. 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	
	2020 (\$)	2019 (\$)	2020 (\$)	2019 (\$)
<b>Outstanding Deferred Compensation</b>				
Vested <sup>1</sup>	9,511,410	9,890,188	2,259,781	3,288,738
Unvested <sup>2</sup>	6,918,695	9,993,647	2,920,395	5,706,426
Total Outstanding	16,430,105	19,883,835	5,180,176	8,995,164
Payouts during the year <sup>3</sup>	4,304,108	8,373,897	910,207	2,401,418

1. Outstanding vested compensation is comprised of options that were exercisable on December 31, 2020 and December 31, 2019, 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, 2020 and December 31, 2019 respectively, less the option's exercise price. The amount outstanding is lower in 2020 as the closing share price at the end of 2020 decreased to \$101.00 as compared to \$109.35 at the end of 2019.
2. Outstanding unvested compensation is comprised of outstanding options that were not exercisable on or before December 31, 2020 and December 31, 2019, respectively, in addition to RSUs and PSUs that had not vested by December 31, 2020 and December 31, 2019, respectively. Outstanding options are valued at the closing price of an EGI common share on the TSX as at December 31, 2020 and December 31, 2019 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, 2020 and December 31, 2019, respectively, in addition to any dividend entitlement earned on such unvested RSUs and PSUs between the date that they were granted and December 31, 2020 and December 31, 2019, respectively. The amount outstanding is lower in 2020 as a result of a decrease in share price. The closing share price at the end of 2020 decreased to \$101.00 (2019 - \$109.35) and the weighted average share price of RSUs and PSUs increased to \$99.79 (2019 - \$111.78).
3. Payouts during the year include the value of exercised options during the year, in addition to any RSUs and PSUs paid out in 2020 and 2019. For 2020 and 2019, 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 lower in 2020 as compared to 2019 and the payouts for Other Material Risk Takers were lower in 2020 as compared to 2019.

## Other Information

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### 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 2020 or in any proposed transaction that has or would materially affect Equitable.

### Related party transactions

The Governance and Nominating Committee's mandate includes its responsibilities for:

- (i) reviewing and monitoring the effectiveness of Equitable's policy and procedures for complying with the self-dealing provision of applicable laws;
- (ii) reviewing and approving Equitable's practices to identify related party transactions that could have a material effect on the stability or solvency of Equitable, and the criteria and thresholds for permitted related party transactions;
- (iii) review and, if considered advisable, approving the terms and conditions of loans to related parties that exceed established thresholds; and
- (iv) approving the terms and conditions of any related party transaction that exceeds the established thresholds.

For the year-ending December 31, 2020 the Governance and Nominating Committee ratified one transaction between Equitable Bank and its parent company, EGI for services provided by EGI in the ordinary course of business during 2020 pursuant to an Intercompany Services Agreement between Equitable Bank and EGI. The Committee also received Management's assurance that Equitable's procedures for identifying and monitoring related party transactions operated effectively and comply with applicable laws.

### Directors' and Officers' Insurance

Equitable has purchased, at its expense, a liability insurance policy for our Directors and officers which expires on May 31, 2021. 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 \$245,000.

### Additional Information

Additional financial information is provided in our 2020 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\\_enquiry@eqbank.ca](mailto:investor_enquiry@eqbank.ca).

### Directors' Approval

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



Michael Mignardi  
Vice-President and General Counsel  
March 31, 2021

## 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

#### Culture of 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. Understand, assess and oversee Equitable's corporate culture and how it is embedded across the organization and aligned with the business strategy.
3. 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.
9. Oversee Equitable's environmental, social and governance ("ESG") initiatives and their integration across the organization.

#### 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 across the organization.
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. Oversees 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. Approve the selection, appointment and mandate of the Chair of the Board.
6. Establish expectations and responsibilities of directors to contribute effectively to Board operations.
7. Review and approve the adequacy and form of compensation for the independent directors at least every two years.
8. 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.

#### **C. COMPOSITION**

1. The composition and organization of the Board, including the number, qualifications, number of meetings, Canadian residency requirements, quorum requirements, meeting procedures and notices of meetings are as established by regulatory requirements, and Equitable's by-laws.
2. Directors must have complementary knowledge, skills and expertise, including appropriate representation of financial industry and risk management skills, to enable them to positively contribute to the achievement of Equitable's business objectives.

#### **D. INDEPENDENCE**

1. The Board shall establish independence standards for directors and at least annually, shall determine the independence of each director in accordance with these standards. A majority of the directors shall be independent in accordance with these standards.

2. The Board shall meet in the absence of management, and shall also meet in the absence of non-independent directors prior to and/or following the conclusion of regularly scheduled or unscheduled meetings.
3. The Board shall have unrestricted access to management and employees of Equitable. The Board shall have the authority to retain and terminate independent legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the compensation of these advisors without consulting or obtaining the approval of any officer of Equitable. Equitable shall provide appropriate funding, as determined by the Board, for the services of these advisors.

**E. SECRETARY**

1. The Corporate Secretary or his or her designate shall act as Secretary at Board meetings. The Secretary shall record and maintain minutes of all meetings of the Board and subsequently present them to the Board for approval.

**F. MEETINGS**

1. The Board shall meet no less than four times each year as required by the *Bank Act* (Canada). To enable the Board to function independently of management, the independent members of the Board may conduct all or part of any meeting in the absence of management, and shall include such a session on the agenda for each regularly scheduled meeting. For regularly scheduled meetings, an agenda and other documents for consideration are provided to all directors approximately one week in advance of each meeting.
2. Directors may participate in meetings in person or by telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate adequately with each other. A director participating by such means is deemed to be present at that meeting.
3. The Board may invite such persons as it may see fit to attend its meetings and to take part in discussions and considerations of the affairs of the Board.
4. Notice of Board meetings shall be sent to each director in writing or by telephone or electronic means, at least 24 hours before the date and time set for the meeting, at the director's contact information recorded with the Corporate Secretary. A director may in any way waive notice of a meeting of the Board and attendance at a meeting is a waiver notice of the meeting, except where a director attends for the express purpose of objecting to the transaction of any business on the ground that the meeting was not properly called. Any member of management shall also attend whenever requested to do so by the Chair of the Board.

\* \* \* \*

This mandate was last reviewed and approved by the Board on November 3, 2020.

**AMENDED AND RESTATED BY-LAW NO. 1**

A by-law relating generally to  
the conduct of the affairs of

**EQUITABLE GROUP INC.**

CONTENTS

1. Interpretation
2. Business of the Corporation
3. Directors
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BE IT ENACTED AND IT IS HEREBY ENACTED as a by-law of EQUITABLE GROUP INC. (hereinafter called the "Corporation") as follows:



## SECTION ONE

### INTERPRETATION

#### 1.01 Definitions

In the by-laws of the Corporation, unless the context otherwise requires:

- (1) "Act" means the Business Corporations Act, R.S.O. 1990 c. B.16 and the regulations made pursuant thereto, as from time to time amended, and every statute that may be substituted therefor and, in the case of such substitution, any reference in the by-laws of the Corporation to provisions of the Act shall be read as references to the substituted provisions therefor in the new statute or statutes;
- (2) "appoint" includes "elect" and vice versa;
- (3) "board" means the board of directors of the Corporation;
- (4) "by-laws" means this by-law and all other by-laws of the Corporation from time to time in force and effect;
- (5) "meeting of shareholders" includes an annual meeting of shareholders and a special meeting of shareholders; "special meeting of shareholders" includes a meeting of any class or classes of shareholders and a special meeting of all shareholders entitled to vote at an annual meeting of shareholders;
- (6) "non-business day" means Saturday, Sunday and any other day that is a holiday as defined in the Interpretation Act (Ontario);
- (7) "recorded address" means in the case of a shareholder his address as recorded in the securities register; and in the case of joint shareholders the address appearing in the securities register in respect of such joint holding or the first address so appearing if there is more than one; and in the case of a director, officer, auditor or member of a committee of the board his latest address as recorded in the records of the Corporation;
- (8) "signing officer" means, in relation to any instrument, any person authorized to sign the same on behalf of the Corporation by paragraph 2.03 or by a resolution passed pursuant thereto;
- (9) all terms contained in the by-laws and which are defined in the Act shall have the meanings given to such terms in the Act; and
- (10) the singular shall include the plural and the plural shall include the singular; the masculine shall include the feminine and neuter genders; and the word "person" shall include, individuals, bodies corporate, corporations, companies, partnerships, syndicates, trusts, unincorporated organizations and any number or aggregate of persons.

## SECTION TWO

### BUSINESS OF THE CORPORATION

#### 2.01 Corporate Seal

The Corporation may have a corporate seal which shall be adopted and may be changed by resolution of the board.

#### 2.02 Financial Year

The financial year of the Corporation shall be as determined by the board from time to time.

#### 2.03 Execution of Instruments

Contracts, documents or instruments in writing requiring the signature of the Corporation may be signed on behalf of the Corporation by any two officers or directors and instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The board shall have power from time to time by resolution to appoint any officer or officers or any person or persons on behalf of the Corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The seal of the Corporation may when required be affixed to contracts, documents and instruments in writing signed as aforesaid or by any officer or officers, person or persons, appointed as aforesaid by resolution of the board.

The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property, real or personal, movable or immovable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, share warrants, stocks, bonds, debentures, notes or other securities and all paper writings.

The signature or signatures of the Chairman of the Board (if any), the Vice-Chairman of the Board, the President, any Executive Vice-President, or any Vice-President together with any one of the Secretary, the Treasurer, an Assistant Secretary, an Assistant Treasurer or any one of the foregoing officers together with any one director of the Corporation and/or any other officer or officers, person or persons, appointed as aforesaid by resolution of the board may, if specifically authorized by resolution of the directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon any contracts, documents or instruments in writing or bonds, debentures, notes or other securities of the Corporation executed or issued by or on behalf of the Corporation and all contracts, documents or instruments in writing or bonds, debentures, notes or other securities of the Corporation on which the signature or signatures of any of the foregoing officers or directors or persons authorized as aforesaid shall be so reproduced pursuant to special authorization by resolution of the board, shall be deemed to have been manually signed by such officers or directors

or persons whose signature or signatures is or are so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that the officers or directors or persons whose signature or signatures is or are so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or bonds, debentures, notes or other securities of the Corporation.

#### 2.04 Banking Arrangements

The banking business of the Corporation, or any part thereof, including, without limitation, the borrowing of money and the giving of security therefor, shall be transacted with such banks, trust companies or other bodies corporate or organizations as may from time to time be designated by or under the authority of the board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as the board may from time to time by resolution prescribe or authorize.

#### 2.05 Custody of Securities

All shares and securities owned by the Corporation shall be lodged (in the name of the Corporation) with a chartered bank or a trust company or in a safety deposit box or, if so authorized by resolution of the board, with such other depositaries or in such other manner as may be determined from time to time by resolution of the board.

All share certificates, bonds, debentures, notes or other obligations or securities belonging to the Corporation may be issued or held in the name of a nominee or nominees of the Corporation (and if issued or held in the names of more than one nominee shall be held in the names of the nominees jointly with the right of survivorship) and shall be endorsed in blank with endorsement guaranteed in order to enable transfer to be completed and registration to be effected.

#### 2.06 Voting Shares and Securities in other Companies

All of the shares or other securities carrying voting rights of any other body corporate held from time to time by the Corporation may be voted at any and all meetings of shareholders, bondholders, debenture holders or holders of other securities (as the case may be) of such other body corporate and in such manner and by such person or persons as the board shall from time to time by resolution determine. The proper signing officers of the Corporation may also from time to time execute and deliver for and on behalf of the Corporation proxies and/or arrange for the issuance of voting certificates and/or other evidence of the right to vote in such names as they may determine without the necessity of a resolution or other action by the board.

## SECTION THREE

### DIRECTORS

#### 3.01 Number of Directors and Quorum

The number of directors of the Corporation shall consist of a minimum of three (3) and a maximum of twelve (12). The directors of the Corporation are empowered from time to time by resolution to determine, within such minimum and maximum number, the number of directors of the Corporation and the number of directors of the Corporation to be elected at each annual meeting of shareholders. Subject to paragraph 3.08, the quorum for the transaction of business at any meeting of the board shall be a majority of the number of directors then in office and or such greater number of directors as the board may from time to time by resolution determine.

#### 3.02 Qualification

No person shall be qualified for election as a director if he is less than 18 years of age; if he is of unsound mind and has been so found by a court in Canada or elsewhere; if he is not an individual; or if he has the status of a bankrupt. A director need not be a shareholder. A majority of the directors shall be resident Canadians, provided that if the Corporation has only one or two directors, that director or one of the two directors, as the case may be, shall be a resident Canadian. If the Corporation is or becomes an offering corporation within the meaning of the Act, at least one-third of the directors of the Corporation shall not be officers or employees of the Corporation or any of its affiliates.

#### 3.03 Election and Term

The election of directors shall take place at the first meeting of shareholders and at each succeeding annual meeting of shareholders and all the directors then in office shall retire but, if qualified, shall be eligible for re-election. The voting on the election shall be by show of hands unless a ballot is demanded by any shareholder. If an election of directors is not held at the proper time, the incumbent directors shall continue in office until their successors are elected.

#### 3.04 Removal of Directors

Subject to the provisions of the Act, the shareholders may by ordinary resolution passed at a meeting specially called for such purpose remove any director from office and the vacancy created by such removal may be filled at the same meeting failing which it may be filled by a quorum of the directors.

3.05 Vacation of Office

A director ceases to hold office when he dies or, subject to the Act, resigns; he is removed from office by the shareholders in accordance with the Act; he becomes of unsound mind and is so found by a court in Canada or elsewhere or if he acquires the status of a bankrupt.

3.06 Vacancies

Subject to the Act, a quorum of the board may fill a vacancy in the board, except a vacancy resulting from an increase in the number or maximum number of directors or from a failure of the shareholders to elect the number of directors required to be elected at any meeting of shareholders. In the absence of a quorum of the board, or if the vacancy has arisen from a failure of the shareholders to elect the number of directors required to be elected at any meeting of shareholders, the directors then in office shall forthwith call a special meeting of shareholders to fill the vacancy. If the directors then in office fail to call such meeting or if there are no directors then in office, any shareholder may call the meeting.

3.07 Action by the Board

The board shall manage or supervise the management of the business and affairs of the Corporation. Subject to paragraphs 3.08 and 3.09, the powers of the board may be exercised at a meeting at which a quorum is present or by resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of the board. Where there is a vacancy in the board, the remaining directors may exercise all the powers of the board so long as a quorum of the board remains in office.

3.08 Canadian Majority

The board shall not transact business at a meeting other than to fill a vacancy in the board, unless a majority of the directors present are resident Canadians, except where

- (a) a resident Canadian director who is unable to be present approves in writing or by telephone or other communications facilities the business transacted at the meeting; and
- (b) a majority of resident Canadians would have been present had that director been present at the meeting.

3.09 Meeting by Telephone

If all the directors of the Corporation present or participating in the meeting consent, a director may participate in a meeting of the board or of a committee of the board by means of such telephone, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a director participating in such a meeting by such means is deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the board and of committees of the board held while a director holds office.

### 3.10 Place of Meetings

Meetings of the board may be held at any place within or outside Ontario. In any financial year of the Corporation a majority of the meetings of the board need not be held within Canada.

### 3.11 Calling of Meetings

Subject to the Act, meetings of the board shall be held from time to time on such day and at such time and at such place as the board, the Chairman of the Board (if any), the President, a Vice-President who is a director or any two directors may determine and the Secretary, when directed by the board, the Chairman of the Board (if any), the President, a Vice-President who is a director or any two directors shall convene a meeting of the board.

### 3.12 Notice of Meeting

Notice of the date, time and place of each meeting of the board shall be given in the manner provided in paragraph 12.01 to each director not less than 48 hours (exclusive of any part of a non-business day) before the time when the meeting is to be held. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified.

A director may in any manner waive notice of or otherwise consent to a meeting of the board.

### 3.13 First Meeting of New Board

Provided a quorum of directors is present, each newly elected board may without notice hold its first meeting immediately following the meeting of shareholders at which such board is elected.

### 3.14 Adjourned Meeting

Notice of an adjourned meeting of the board is not required if the time and place of the adjourned meeting is announced at the original meeting.

### 3.15 Regular Meetings

The board may appoint a day or days in any month or months for regular meetings of the board at a place and hour to be named. A copy of any resolution of the board fixing the place and time of such regular meetings shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meeting except where the Act requires the purpose thereof or the business to be transacted thereat to be specified.

3.16 Chairman

The chairman of any meeting of the board shall be the first mentioned of such of the following officers as have been appointed and who is a director and is present at the meeting: the Chairman of the Board, the President or a Vice-President. If no such officer is present, the directors present shall choose one of their number to be chairman.

3.17 Votes to Govern

At all meetings of the board every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes the chairman of the meeting shall not be entitled to a second or casting vote.

3.18 Conflict of Interest

A director or officer who is a party to, or who is a director or officer of or has a material interest in any person who is a party to, a material contract or transaction or proposed material contract or transaction with the Corporation shall disclose in writing to the Corporation or request to have entered in the minutes of the meetings of the directors the nature and extent of his interest at the time and in the manner provided by the Act. Any such contract or transaction or proposed contract or transaction shall be referred to the board or shareholders for approval even if such contract is one that in the ordinary course of the Corporation's business would not require approval by the board or shareholders, and a director interested in a contract so referred to the board shall not vote on any resolution to approve the same except as permitted by the Act.

3.19 Remuneration and Expenses

The directors shall be paid such remuneration for their services as the board may from time to time determine. The directors shall also be entitled to be reimbursed for traveling and other expenses properly incurred by them in attending meetings of the shareholders or of the board or any committee thereof or otherwise in the performance of their duties. Nothing herein contained shall preclude any director from serving the Corporation in any other capacity and receiving remuneration therefor.

## SECTION FOUR

### COMMITTEES

#### 4.01 Committee of Directors

The board may appoint a committee of directors, however designated, and delegate to such committee any of the powers of the board except those which pertain to items which, under the Act, a committee of directors has no authority to exercise. A majority of the members of such committee shall be resident Canadians.

#### 4.02 Transaction of Business

The powers of a committee of directors may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place within or outside Ontario.

#### 4.03 Audit Committee

The board may, and shall if the Corporation becomes an offering corporation within the meaning of the Act, elect annually from among its number an audit committee to be composed of not fewer than three directors of whom a majority shall not be officers or employees of the Corporation or its affiliates. The audit committee shall have the powers and duties provided in the Act.

#### 4.04 Advisory Committees

The board may from time to time appoint such other committees as it may deem advisable, but the functions of any such other committees shall be advisory only.

#### 4.05 Procedure

Unless otherwise determined by the board, each committee shall have power to fix its quorum at not less than a majority of its members, to elect its chairman and to regulate its procedure.



## SECTION FIVE

### OFFICERS

#### 5.01 Appointment

The Chairman of the Board may, but need not be, an officer of the Corporation. The board may from time to time appoint a Chairman of the Board, a President, one or more Vice-Presidents (to which title may be added words indicating seniority or function), a Secretary, a Treasurer and such other officers as the board may determine, including one or more assistants to any of the officers so appointed. The board may specify the duties of and, in accordance with this by-law and subject to the provisions of the Act, delegate to such officers powers to manage the business and affairs of the Corporation. Subject to paragraph 5.02, an officer may but need not be a director and one person may hold more than one office. In case and whenever the same person holds the offices of Secretary and Treasurer, he may but need not be known as the Secretary-Treasurer. All officers shall sign such contracts, documents, or instruments in writing as require their respective signatures. In the case of the absence or inability to act of any officer or for any other reason that the board may deem sufficient, the board may delegate all or any of the powers of such officer to any other officer or to any director for the time being.

#### 5.02 Chairman of the Board

The Chairman of the Board, if appointed, shall be a director and shall, when present, preside at all meetings of the board and committees of the board. The Chairman of the Board shall be vested with and may exercise such powers and shall perform such other duties as may from time to time be assigned to him by the board. During the absence or disability of the Chairman of the Board, his duties shall be performed and his powers exercised by the President.

The board of directors may determine that the chairman of the board shall not be an officer of the Corporation and shall act solely in a non-executive capacity. A non-executive Chairman of the Board shall possess and exercise such authority and powers and perform such duties as may be determined by the by-laws and the board of directors.

#### 5.03 President

The President shall, and unless and until the board designates any other officer of the Corporation to be the Chief Executive Officer of the Corporation, be the Chief Executive Officer and, subject to the authority of the board, shall have general supervision of the business and affairs of the Corporation and such other powers and duties as the board may specify. The President shall be vested with and may exercise all the powers and shall perform all the duties of the Chairman of the Board if none be appointed or if the Chairman of the Board is absent or unable or refuses to act.

#### 5.04 Vice-President

Each Vice-President shall have such powers and duties as the board or the President may specify. The Vice-President or, if more than one, the Vice-President designated from time to time by the board or by the President, shall be vested with all the powers and shall perform all the duties of the President in the absence or inability or refusal to act of the President, provided, however, that a Vice-President who is not a director shall not preside as chairman at any meeting of the board and that a Vice-President who is not a director and shareholder shall not preside as chairman at any meeting of shareholders.

#### 5.05 Secretary

The Secretary shall give or cause to be given as and when instructed, all notices to shareholders, directors, officers, auditors and members of committees of the board; he shall be the custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Corporation and all books, papers, records, documents and instruments belonging to the Corporation, except when some other officer or agent has been appointed for that purpose; and he shall have such other powers and duties as the board may specify.

#### 5.06 Treasurer

The Treasurer shall keep proper accounting records in compliance with the Act and shall be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation; he shall render to the board whenever required an account of all his transactions as Treasurer and of the financial position of the Corporation; and he shall have such other powers and duties as the board may specify. Unless and until the board designates any other officer of the Corporation to be the Chief Financial Officer of the Corporation, the Treasurer shall be the Chief Financial Officer of the Corporation.

#### 5.07 Powers and Duties of Other Officers

The powers and duties of all other officers shall be such as the terms of their engagement call for or as the board may specify. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board otherwise directs.

#### 5.08 Variation of Powers and Duties

The board may from time to time and subject to the provisions of the Act, vary, add to or limit the powers and duties of any officer.

#### 5.09 Term of Office

The board, in its discretion, may remove any officer of the Corporation, with or without cause, without prejudice to such officer's rights under any employment contract. Otherwise each officer appointed by the board shall hold office until his successor is appointed or until the earlier of his resignation or death.

5.10 Terms of Employment and Remuneration

The terms of employment and the remuneration of an officer appointed by the board shall be settled by it from time to time. The fact that any officer or employee is a director or shareholder of the Corporation shall not disqualify him from receiving such remuneration as may be so determined.

5.11 Conflict of Interest

An officer shall disclose his interest in any material contract or transaction or proposed material contract or transaction with the Corporation in accordance with paragraph 3.18.

5.12 Agents and Attorneys

The board shall have power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers of management or otherwise (including the powers to subdelegate) as may be thought fit.

5.13 Fidelity Bonds

The board may require such officers, employees and agents of the Corporation as the board deems advisable to furnish bonds for the faithful discharge of their powers and duties, in such form and with such surety as the board may from time to time determine but no director shall be liable for failure to require any such bond or for the insufficiency of any such bond or for any loss by reason of the failure of the Corporation to receive any indemnity thereby provided.

## SECTION SIX

### PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

6.01 Submission of Contracts or  
Transactions to Shareholders for Approval

The board in its discretion may submit any contract, act or transaction for approval, ratification or confirmation at any meeting of the shareholders called for the purpose of considering the same and any contract, act or transaction that shall be approved, ratified or confirmed by a resolution passed by a majority of the votes cast at any such meeting (unless any different or additional requirement is imposed by the Act or by the Corporation's articles or any other by-law) shall be as valid and as binding upon the Corporation and upon all the shareholders as though it had been approved, ratified or confirmed by every shareholder of the Corporation.

## 6.02 For the Protection of Directors and Officers

In supplement of and not by way of limitation upon any rights conferred upon directors by the provisions of the Act, it is declared that no director shall be disqualified by his office from, or vacate his office by reason of, holding any office or place of profit under the Corporation or under any body corporate in which the Corporation shall be a shareholder or by reason of being otherwise in any way directly or indirectly interested or contracting with the Corporation either as vendor, purchaser or otherwise or being concerned in any contract or arrangement made or proposed to be entered into with the Corporation in which he is in any way directly or indirectly interested either as vendor, purchaser or otherwise nor shall any director be liable to account to the Corporation or any of its shareholders or creditors for any profit arising from any such office or place of profit; and, subject to the provisions of the Act, no contract or arrangement entered into by or on behalf of the Corporation in which any director shall be in any way directly or indirectly interested shall be avoided or voidable and no director shall be liable to account to the Corporation or any of its shareholders or creditors for any profit realized by or from any such contract or arrangement by reason of the fiduciary relationship existing or established thereby. Subject to the provisions of the Act and to paragraph 3.18, no director shall be obliged to make any declaration of interest or refrain from voting in respect of a contract or proposed contract with the Corporation in which such director is in any way directly or indirectly interested.

## 6.04 Indemnity

Subject to the limitations contained in the Act, the Corporation shall indemnify a director or officer, a former director or officer, or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of the Corporation or such body corporate, if

- (a) he acted honestly and in good faith with a view to the best interest of the Corporation; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

The Corporation shall also indemnify such person in such other circumstances as the Act permits or requires.

## 6.05 Insurance

The Corporation may purchase and maintain insurance for the benefit of any person referred to in paragraph 6.04 against such liabilities and in such amounts as the board may from time to time determine and are permitted by the Act.

## SECTION SEVEN

### SHARES

#### 7.01 Allotment

The board may from time to time allot or grant options to purchase the whole or any part of the authorized and unissued shares of the Corporation at such times and to such persons and for such consideration as the board shall determine, provided that no share shall be issued until it is fully paid as provided by the Act.

#### 7.02 Commissions

The board may from time to time authorize the Corporation to pay a reasonable commission to any person in consideration of his purchasing or agreeing to purchase shares of the Corporation, whether from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares.

#### 7.03 Registration of Transfers

Subject to the provisions of the Act, no transfer of shares shall be registered in a securities register except upon presentation of the certificate representing such shares with an endorsement which complies with the Act made thereon or delivered therewith duly executed by an 'appropriate person as provided by the Act, together with such reasonable assurance that the endorsement is genuine and effective as the board may from time to time prescribe, upon payment of all applicable taxes and any fees prescribed by the board, upon compliance with such restrictions on transfer as are authorized by the articles and upon satisfaction of any lien referred to in paragraph 7.05.

#### 7.04 Transfer Agents and Registrars

The board may from time to time appoint one or more agents to maintain, in respect of each class of securities of the Corporation issued by it in registered form, a securities register and one or more branch securities registers. Such a person may be designated as transfer agent and registrar according to his functions and one person may be designated both registrar and transfer agent. The board may at any time terminate such appointment.

#### 7.05 Lien for Indebtedness

The Corporation shall have a lien on any share registered in the name of a shareholder or his legal representatives for a debt of that shareholder to the Corporation, provided that if the shares of the Corporation are listed on a stock exchange recognized by the Ontario Securities Commission, the Corporation shall not have such lien. The Corporation may enforce any lien that it has on shares registered in the name of a shareholder indebted to the Corporation by the sale of the shares thereby affected or by any other action, suit, remedy or proceeding authorized or permitted by law and, pending such enforcement, the Corporation may refuse to register a transfer of the whole or any part of such shares.

#### 7.06 Non-recognition of Trusts

Subject to the provisions of the Act, the Corporation may treat as absolute owner of any share the person in whose name the share is registered in the securities register as if that person had full legal capacity and authority to exercise all rights of ownership, irrespective of any indication to the contrary through knowledge or notice or description in the Corporation's records or on the share certificate.

#### 7.07 Share Certificates

Every holder of one or more shares of the Corporation shall be entitled, at his option, to a share certificate, or to a non-transferable written acknowledgement of his right to obtain a share certificate, stating the number and class or series of shares held by him as shown on the securities register. Share certificates and acknowledgements of a shareholder's right to a share certificate, respectively, shall be in such form as the board shall from time to time approve. Any share certificate shall be signed in accordance with paragraph 2.03 and need not be under the corporate seal; provided that, unless the board otherwise determines, certificates representing shares in respect of which a transfer agent and/or registrar has been appointed shall not be valid unless countersigned by or on behalf of such transfer agent and/or registrar. The signature of one of the signing officers or, in the case of share certificates which are not valid unless countersigned by or on behalf of a transfer agent and/or registrar, the signatures of both signing officers, may be printed or mechanically reproduced in facsimile upon share certificates and every such facsimile signature shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be binding upon the Corporation. A share certificate executed as aforesaid shall be valid notwithstanding that one or both of the officers whose facsimile signature appears thereon no longer holds office at the date of issue of the certificate.

#### 7.08 Replacement of Share Certificates

The board or any officer or agent designated by the board may in its or his discretion direct the issue of a new share certificate in lieu of and upon cancellation of a share certificate that has been mutilated or in substitution for a share certificate claimed to have been lost, destroyed or wrongfully taken on payment of such fee, not exceeding \$3.00, and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the board may from time to time prescribe, whether generally or in any particular case.

#### 7.09 Joint Shareholders

If two or more persons are registered as joint holders of any share, the Corporation shall not be bound to issue more than one certificate in respect thereof, and delivery of such certificate to one of such persons shall be sufficient delivery to all of them. Any one of such persons may give effectual receipts for the certificate issued in respect thereof or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such shares.

#### 7.10 Deceased Shareholders

In the event of the death of a holder, or of one of the joint holders, of any share, the Corporation shall not be required to make any entry in the securities register in respect thereof or to make payment of any dividends thereon except upon production of all such documents as may be required by law and upon compliance with the reasonable requirements of the Corporation and its transfer agents.

### SECTION EIGHT

#### DIVIDENDS AND RIGHTS

#### 8.01 Dividends

Subject to the provisions of the Act, the board may from time to time declare dividends payable to the shareholders according to their respective rights and interest in the Corporation. Dividends may be paid in money or property or by issuing fully paid shares of the Corporation.

#### 8.02 Dividend Cheques

A dividend payable in cash shall be paid by cheque drawn on the Corporation's bankers or one of them to the order of each registered holder of shares of the class or series in respect of which it has been declared and mailed by prepaid ordinary mail to such registered holder at his recorded address, unless such holder otherwise directs. In the case of joint holders the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and mailed to them at their recorded address. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.

#### 8.03 Non-receipt of Cheques

In the event of non-receipt of any dividend cheque by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the board may from time to time prescribe, whether generally or in any particular case.

#### 8.04 Record Date for Dividends and Rights

The board may fix in advance a date, preceding by not more than 50 days the date for the payment of any dividend or the date -for the issue of any warrant or other evidence of the right to subscribe for securities of the Corporation, as a record date for the determination of the persons entitled to receive payment of such dividend or to exercise the right to subscribe for such securities, and notice of any such record date shall be given not less than seven days before such record date in the manner provided by the Act. If no record date is so fixed, the record date for the determination of the persons entitled to receive payment of any dividend or to exercise the right to subscribe for

securities of the Corporation shall be at the close of business on the day on which the resolution relating to such dividend or right to subscribe is passed by the board.

8.05 Unclaimed Dividends

Any dividend unclaimed after a period of six years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

## SECTION NINE

### MEETINGS OF SHAREHOLDERS

9.01 Annual Meetings

The annual meeting of shareholders shall be held at such time in each year as the board, the Chairman of the Board (if any) or the President may from time to time determine, for the purpose of considering the financial statements and reports required by the Act to be placed before the annual meeting, electing directors, appointing an auditor and for the transaction of such other business as may properly be brought before the meeting.

9.02 Special Meetings

The board, the Chairman of the Board (if any) or the President shall have power to call a special meeting of shareholders at any time.

9.03 Place of Meetings

Meetings of shareholders shall be held at the registered office of the Corporation or elsewhere in the municipality in which the registered office is situate or, if the board shall so determine, at some other place in Canada **or held entirely by means of telephonic, electronic or other communication facility**, or, if all the shareholders entitled to vote at the meeting so agree, at some place outside Canada.

9.04 Electronic Meetings

**Subject to the Act, and if the board so determines, meetings of shareholders may be held entirely by electronic means, telephone or other communications facility that permits all participants to hear or otherwise communicate adequately with each other.**

**Any person entitled to attend a meeting of shareholders may participate in the meeting by such electronic means, telephone or other communication facility that permits all persons participating in the meeting to hear or otherwise communicate with each other. A person participating in a meeting by such means shall be deemed to be present at the meeting.**



#### 9.045 Notice of Meetings

Notice of the time and place of each meeting of shareholders shall be given in the manner provided in paragraph 12.01 not less than 21 days nor more than 50 days before the date of the meeting to each director, to the auditor and to each shareholder who at the close of business on the record date for notice is entered in the securities register as the holder of one or more shares carrying the right to vote at the meeting. Notice of a meeting of shareholders called for any purpose other than consideration of the financial statements and auditors report, election of directors and reappointment of the incumbent auditor shall state or be accompanied by a statement of the nature of such business in sufficient detail to permit the shareholder to form a reasoned judgment thereon and the text of any special resolution or by-law to be submitted to the meeting. A shareholder and any other person entitled to attend a meeting of shareholders may in any manner waive notice of or otherwise consent to a meeting of shareholders.

#### 9.056 List of Shareholders Entitled to Notice

For every meeting of shareholders, the Corporation shall prepare a list of shareholders entitled to receive notice of the meeting, arranged in alphabetical order and showing the number of shares held by each shareholder entitled to vote at the meeting. If a record date for the meeting is fixed pursuant to paragraph 9.06, the shareholders listed shall be those registered at the close of business on such record date. If no record date is fixed, the shareholders listed shall be those registered at the close of business on the day immediately preceding the day on which notice of the meeting is given, or where no such notice is given, the day on which the meeting is held. The list shall be available for examination by any shareholder during usual business hours at the registered office of the Corporation or at the place where the central securities register is maintained and at the meeting for which the list was prepared.

#### 9.067 Record Date for Notice

The board may fix in advance a date, preceding the date of any meeting of shareholders by not more than 50 days and not less than 21 days, as a record date for the determination of the shareholders entitled to notice of the meeting, provided that notice of any such record date shall be given not less than seven days before such record date by newspaper advertisement in the manner provided in the Act and, if any shares of the Corporation are listed for trading on a stock exchange in Canada, by written notice to each such stock exchange. If no record date is so fixed, the record date for the determination of the shareholders entitled to notice of the meeting shall be at the close of business on the day immediately preceding the day on which the notice is given or, if no notice is given, the day on which the meeting is held.

#### 9.078 Meetings without Notice

A meeting of shareholders may be held without notice at any time and place permitted by the Act

- (a) if all the shareholders entitled to vote thereat are present in person or represented by proxy waive notice of or otherwise consent to such meeting being held, and
- (b) if the auditor and the directors are present or waive notice of or otherwise consent to such meeting being held, so long as such shareholders, auditor and directors present

are not attending for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. At such a meeting any business may be transacted which the Corporation at a meeting of shareholders may transact. If the meeting is held at a place outside Canada, shareholders not present or represented by proxy, but who have waived notice of or otherwise consented to such meeting, shall also be deemed to have consented to the meeting being held at such place.

9.089 Chairman, Secretary and Scrutineers

The chairman of any meeting of shareholders shall be the first mentioned of such of the following officers as have been appointed and who is present at the meeting: the President or a Vice-President who is a director and a shareholder. If no such officer is present within 15 minutes from the time fixed for holding the meeting, the persons present and entitled to vote shall choose one of their number to be chairman. If the Secretary of the Corporation is absent, the chairman shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by a resolution or by the chairman with the consent of the meeting.

9.0910 Persons Entitled to be Present

The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors and the auditor of the Corporation and others who, although not entitled to vote are entitled or required under any provision of the Act or the articles or the by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

9.4011 Quorum

A quorum for the transaction of business at any meeting of shareholders shall be 2 persons present in person, **or by such electronic means, telephone or other communication facility**, each being a shareholder entitled to vote thereat or a duly appointed proxy or proxyholder for an absent shareholder so entitled, holding or representing in the aggregate not less than 25% of the issued shares of the Corporation enjoying voting rights at such meeting.

9.4412 Right to Vote

Subject to the provisions of the Act as to authorized representatives of any other body corporate or association, at any meeting of shareholders for which the Corporation has prepared the list referred to in paragraph 9.05, every person who is named in such list shall be entitled to vote the shares shown opposite his name except to the extent that such person has transferred any of his shares after the record date determined in accordance with paragraph 9.06 and the transferee, having produced properly endorsed certificates evidencing such shares or having otherwise established that he owns such shares, has demanded not later than 10 days before the meeting that his name be included in such list. In any such case the transferee shall be entitled to vote the transferred shares at the meeting. At any meeting of shareholders for which the Corporation has not prepared the list referred to in paragraph 9.05, every person shall be entitled to vote at the meeting who at the time is

entered in the securities register as the holder of one or more shares carrying the right to vote at such meeting.

#### 9.42~~13~~ Proxies

Every shareholder entitled to vote at a meeting of shareholders may appoint a proxyholder, or one or more alternate proxyholders, who need not be shareholders, to attend and act at the meeting in the manner and to the extent authorized and with the authority conferred by the proxy. A proxy shall be in writing executed by the shareholder or his attorney authorized in writing and shall conform with the requirements of the Act.

#### 9.43~~14~~ Time for Deposit of Proxies

The board may by resolution specify in a notice calling a meeting of shareholders a time, preceding the time of such meeting or an adjournment thereof by not more than 48 hours exclusive of any part of a non-business day, before which time proxies to be used at such meeting must be deposited. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice or, if no such time is specified in such notice, only if it has been received by the Secretary of the Corporation or by the chairman of the meeting or any adjournment thereof prior to the time of voting.

#### 9.44~~15~~ Joint Shareholders

If two or more persons hold shares jointly, any one of them present in person or represented by proxy at a meeting of shareholders may, in the absence of the other or others, vote the shares; but if two or more of those persons are present in person or represented by proxy and vote, they shall vote as one the shares jointly held by them.

#### 9.45~~16~~ Votes to Govern

At any meeting of shareholders every question shall, unless otherwise required by the articles or by-laws or by law, be determined by a majority of the votes cast on the question. In case of an equality of votes either upon a show of hands or upon a poll, the chairman of the meeting shall not be entitled to a second or casting vote.

#### 9.46~~17~~ Show of Hands

Subject to the provisions of the Act, any question at a meeting of shareholders shall be decided by a show of hands unless a ballot thereon is required or demanded as hereinafter provided. Upon a show of hands every person who is present and entitled to vote shall have one vote. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the chairman of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the shareholders upon the said question.

#### 9.47~~18~~ Ballots

On any question proposed for consideration at a meeting of shareholders, and whether or not a vote by show of hands has been taken thereon, any shareholder or proxyholder entitled to vote at the meeting may require or demand a ballot. A ballot so required or demanded shall be taken in such manner as the chairman shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares which he is entitled to vote at the meeting upon the question, to that number of votes provided by the Act or the articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.

#### 9.48~~19~~ Adjournment

The chairman at the meeting of shareholders may with the consent of the meeting and subject to such conditions as the meeting may decide, or where otherwise permitted under the provisions of the Act, adjourn the meeting from time to time and from place to place. If a meeting of shareholders is adjourned for less than 30 days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the earliest meeting that is adjourned, If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting shall be given as for an original meeting.

#### 9.49~~20~~ Resolution in Writing

A resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders unless a written statement with respect to the subject matter of the resolution is submitted by a director or the auditor in accordance with the Act.

## SECTION TEN

### INFORMATION AVAILABLE TO SHAREHOLDERS

#### 10.01 Information Available to Shareholders

Except as provided by the Act, no shareholder shall be entitled to discovery of any information respecting any details or conduct of the Corporation's business which in the opinion of the directors it would be inexpedient in the interests of the Corporation to communicate to the public.

10.02 Directors' Determination

The directors may from time to time, subject to the rights conferred by the Act, determine whether and to what extent and at what time and place and under what conditions or regulations the documents, books and registers and accounting records of the Corporation or any of them shall be open to the inspection of shareholders and no shareholder shall have any right to inspect any document or book or register or accounting record of the Corporation except as conferred by statute or authorized by the board or by a resolution of the shareholders in general meeting.

SECTION ELEVEN

DIVISIONS AND DEPARTMENTS

11.01 Creation and Consolidation of Divisions

The board may cause the business and operations of the Corporation or any part thereof to be divided or to be segregated into one or more divisions upon such basis, including without limitation, character or type of operation, geographical territory, product manufactured or service rendered, as the board may consider appropriate in each case. The board may also cause the business and operations of any such division to be further divided into sub-units and the business and operations or any such divisions or sub-units to be consolidated upon such basis as the board may consider appropriate in each case.

11.02 Name of Division

Any division or its sub-units may be designated by such name as the board may from time to time determine and may transact business under such name, provided that the Corporation shall set out its name in legible characters in all contracts, invoices, negotiable instruments and orders for goods or services issued or made by or on behalf of the Corporation.

11.03 Officers of Division

From time to time the board or, if authorized by the board, the Chief Executive Officer, may appoint one or more officers for any division, prescribe their powers and duties and settle their terms of employment and remuneration. The board or, if authorized by the board, the Chief Executive Officer, may remove at its or his pleasure any officer so appointed, without prejudice to such officer's rights under any employment contract. Officers of divisions or their sub-units shall not, as such, be officers of the Corporation.

## SECTION TWELVE

### NOTICES

#### 12.01 Method of Giving Notices

Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the regulations thereunder, the articles, the by-laws or otherwise to a shareholder, director, officer, auditor or member of a committee of the board shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to his recorded address or if mailed to him at his recorded address by prepaid mail or if sent to him at his recorded address by any means of prepaid transmitted or, recorded communication. A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box and shall be deemed to have been received on the fifth day after so depositing; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch. The Secretary may change or cause to be changed the recorded address of any shareholder, director, officer, auditor or member of a committee of the board in accordance with any information believed by him to be reliable.

#### 12.02 Signature to Notices

The signature of any director or officer of the Corporation to any notice or document to be given by the Corporation may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.

#### 12.03 Proof of Service

A certificate of the Chairman of the Board (if any), the President, a Vice-President, the Secretary or the Treasurer or of any other officer of the Corporation in office at the time of the making of the certificate or of a transfer officer of any transfer agent or branch transfer agent of shares of any class of the Corporation as to the facts in relation to the mailing or delivery of any notice or other document to any shareholder, director, officer or auditor or publication of any notice or other document shall be conclusive evidence thereof and shall be binding on every shareholder, director, officer or auditor of the Corporation as the case may be.

#### 12.04 Notice to Joint Shareholders

All notices with respect to shares registered in more than one name shall, if more than one address appears on the records of the Corporation in respect of such joint holdings, be given to all of such joint shareholders at the first address so appearing, and notice so given shall be sufficient notice to the holders of such shares.

12.05            Computation of Time

In computing the date when notice must be given under any provision requiring a specified number of days notice of any meeting or other event both the date of giving the notice and the date of the meeting or other event shall be excluded.

12.06            Undelivered Notices

If any notice given to a shareholder pursuant to paragraph 12.01 is returned on three consecutive occasions because he cannot be found, the Corporation shall not be required to give any further notices to such shareholder until he informs the Corporation in writing of his new address.

12.07            Omissions and Errors

The accidental omission to give any notice to any shareholder, director, officer, auditor or member of a committee of the board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise found thereon.

12.08            Deceased Shareholders

Any notice or other document delivered or sent by post or left at the address of any shareholder as the same appears in the records of the Corporation shall, notwithstanding that such shareholder be then deceased, and whether or not the Corporation has notice of his decease, be deemed to have been duly served in respect of the shares held by such shareholder (whether held solely or with any person or persons) until some other person be entered in his stead in the records of the Corporation as the holder or one of the holders thereof and such service shall for all purposes be deemed a sufficient service of such notice or document on his heirs, executors or administrators and on all persons, if any, interested with him in such shares.

12.09            Persons Entitled by Death or Operation of Law

Every person who, by operation of law, transfer, death of a shareholder or any other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given to the shareholder from whom he derives his title to such share prior to his name and address being entered on the securities register (whether such notice was given before or after the happening of the event upon which he became so entitled) and prior to his furnishing to the Corporation the proof of authority or evidence of his entitlement prescribed by the Act.

12.10            Waiver of Notice

Any shareholder (or his duly appointed proxyholder), director, officer, auditor or member of a committee of the board may at any time waive any notice, or waive or abridge the time for any notice, required to be given to him under any provision of the Act, the regulations thereunder, the articles, the by-laws or otherwise and such waiver or abridgement, whether given before or after the meeting or other event of which notice is required to be given shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of shareholders or of the board or of a committee of the board which may be given in any manner.

SECTION THIRTEEN

EFFECTIVE DATE

13.01            Effective Date

This by-law shall come into force upon being passed by the board.

ENACTED the 25th day of November, 2003.



## How to Contact Us

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### To communicate directly with the independent directors

Corporate Secretary  
Equitable Bank  
Equitable Bank Tower  
30 St. Clair Avenue West, Suite 700  
Toronto, Ontario M4V 3A1  
corporatesecretary@eqbank.ca

### To communicate directly with the Chair of the Board

Chair of the Board  
Equitable Group Inc.  
Equitable Bank Tower  
30 St. Clair Avenue West, Suite 700  
Toronto, Ontario M4V 3A1  
corporatesecretary@eqbank.ca

### For dividend information, change in share registration, lost share certificates, etc.

Computershare Investor Services Inc.  
100 University Avenue, 8<sup>th</sup> Floor  
Toronto, Ontario M5H 2Y1  
service@computershare.com

### For other shareholder inquiries

Investor Relations  
Equitable Bank  
Equitable Bank Tower  
30 St. Clair Avenue West, Suite 700  
Toronto, Ontario M4V 3A1  
Tel: 416.515.7000  
investor\_enquiry@eqbank.ca