



# Mandate of the Board of Directors

AUGUST 31, 2022

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

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

This mandate is reviewed as required, and in any event no less than annually.

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

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

## **1. Strategic Planning**

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

## **2. Risk Management and Internal Controls**

- 2.1 Overseeing processes in place to identify the Bank’s principal risks and requiring the implementation of systems capable of managing them appropriately.
- 2.2 Approving material risk frameworks, plans and policies, including the Bank’s risk appetite framework.
- 2.3 Overseeing the integrity and effectiveness of internal control and management information systems.

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

### **3. Organizational Structure**

- 3.1 Periodically reviewing the overall organizational structure of the Bank.
- 3.2 Appointing or dismissing the President and Chief Executive Officer if required.
- 3.3 Developing a position description for the President and Chief Executive Officer, establishing objectives and employment terms and conditions, evaluating performance and determining compensation for the role.
- 3.4 Approving senior executive and officer appointments, establishing their objectives, evaluating their performance and determining their compensation.
- 3.5 Approving an overall compensation framework (including, among other things, incentive compensation and pension plans) for all officers and employees.
- 3.6 Establishing a succession plan for senior executives and officers, particularly for the President and Chief Executive Officer.

### **4. Conduct and Culture**

- 4.1 Adopting a Code of Ethics, applicable to directors, officers and employees of the Bank, and ensuring compliance with its provisions.
- 4.2 Ensuring the President and Chief Executive Officer and other senior executives and officers demonstrate and create a culture of integrity throughout the Bank.
- 4.3 Reviewing health, well being and safety of employees and related measures implemented by management.

### **5. Corporate Governance**

- 5.1 Developing the Bank's approach to corporate governance, including adopting corporate governance principles and guidelines.
- 5.2 Establishing appropriate structures and procedures to allow the Board to function independently of management.

- 5.3 Reviewing the Board's membership, compensation and size.
- 5.4 Establishing Board committees to assist the Board in carrying out its duties and responsibilities and approving committee mandates and membership.
- 5.5 Leading the recruitment, orientation, integration and ongoing education of Board members submitted to the Bank's shareholders for election.
- 5.6 Adopting a Board and Board committee assessment process to evaluate the effectiveness of Board members' performance.
- 5.7 Developing clear job descriptions for the chair of the Board and the chair of each committee.
- 5.8 Setting expectations and responsibilities of directors, including attendance at, preparation for, and participation in meetings.
- 5.9 Overseeing Board structure and governance activities of the Bank's subsidiaries.

## **6. Communication and Public Disclosure**

- 6.1 Reviewing and approving, at a minimum, the following disclosure documents:
  - the annual and interim financial statements, results and related press releases and management discussion and analysis (or such other reports as may be required under relevant law from time to time);
  - relevant portions of the annual information form and other public disclosure documents; and
  - shareholder communications that require Board approval prior to publication by the Bank.
- 6.2 Assessing the effectiveness of the Bank's communications, including measures for receiving feedback from shareholders and other stakeholders.
- 6.3 Approving the disclosure policy and ensuring the integrity of the disclosure documents prepared in accordance with the policy.
- 6.4 Meeting with regulatory authorities to discuss their findings and recommendations, and overseeing implementation by management.

## **7. Meetings**

- 7.1 The Board shall meet no less than four times each year as required by the Bank Act.
- 7.2 The procedures for calling and conducting Board meetings shall be followed as set out in the Bank's bylaws as amended from time to time. The Board may invite to any Board meeting any officer or employee of the Bank or such other person as it deems appropriate in order to carry out its responsibilities, and may also exclude from any Board meeting any person it deems appropriate in order to carry out its responsibilities.