



NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Notice is hereby given that the annual meeting of the shareholders of Laurentian Bank of Canada (the "Bank") will be held at the Centre Pierre-Péladeau, 300 de Maisonneuve Blvd East, in Montreal, Quebec, on Thursday, April 12, 2001 at 9:00 a.m. for the following purposes:

- 1) to receive the consolidated financial statements of the Bank for the year ended October 31, 2000 and the auditors' report thereon;
- 2) to consider and if deemed fit, adopt a special resolution confirming the amendment of by-law IV of the Bank relating to the reduction of the number of directors of the Bank (the full text of this resolution is reproduced as Schedule A to the Management Proxy Circular (the "Circular"));
- 3) to elect directors for the ensuing year;
- 4) to appoint auditors;
- 5) to consider and if deemed fit, adopt a resolution confirming the amendment of by-law V of the Bank relating to the Risk Management Committee and the other committees of the Bank (the full text of this resolution is reproduced as Schedule B to the Circular);
- 6) to consider and if deemed fit, adopt a shareholder's proposals (the full text of these proposals is reproduced as Schedule C to the Circular); and
- 7) to transact such other business as may properly be brought before the meeting.

Proxies to be used at the meeting must be received by the Bank's transfer agent, Desjardins Trust Inc., Corporate Services, 1 Complexe Desjardins, South Tower, 14th Floor, Montreal, Quebec H5B 1E4, prior to the close of business on April 11, 2001, or hand-delivered at the registration table on the day of the meeting prior to the commencement of the meeting.

By order of the Board of Directors,

Suzanne Masson
Secretary

Montreal, Quebec, February 8, 2001

If you are a registered shareholder of the Bank and do not expect to be present in person at the meeting, please complete, date, sign and return the enclosed form of proxy in the accompanying postage prepaid envelope. Your shares will be voted in accordance with your instructions as indicated on the proxy.

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MANAGEMENT PROXY CIRCULAR

SOLICITATION OF PROXIES

This Management Proxy Circular (the "Circular") is provided in connection with the solicitation by the management of Laurentian Bank of Canada (the "Bank") of proxies to be used at the annual meeting of the shareholders of the Bank, which will be held at the date, time and place and for the purposes set forth in the accompanying Notice of Meeting, and at any adjournment thereof. Solicitation of proxies will be made by mail as well as by telephone or other personal contact by employees. The Bank may also use the services of a solicitation agent, IICC Investor Communications, to solicit proxies at a cost estimated to be \$2,000; all costs thereof will be borne by the Bank. The head office of the Bank is located at 1981 McGill College Avenue, Montreal, Quebec H3A 3K3.

APPOINTMENT OF PROXYHOLDERS AND REVOCATION OF PROXIES

The persons named on the attached proxy form are directors of the Bank. Subject to the restrictions mentioned under "Voting Rights, Voting Shares and Principal Holders", **a registered shareholder who wishes to appoint another person to represent him at the meeting may do so by striking out the two names appearing on the proxy form and entering the name of the desired representative in the blank space provided.** A person is not required to be a shareholder of the Bank in order to act as a proxyholder.

The instrument appointing a proxyholder must be in writing and must be signed by the shareholder or by an attorney authorized in writing. A shareholder who has given a proxy may revoke it by signing, in person or through an attorney authorized in writing, a written instrument and by depositing such instrument with the Secretary of the Bank at 1981 McGill College Avenue, 20th Floor, Montreal, Quebec H3A 3K3, at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof, or with the Chairman of the meeting on the day of the meeting, or any adjournment thereof, prior to the commencement of the meeting, or in any other manner permitted by law.

VOTING OF PROXYHOLDERS

All valid proxies received by the Bank, through Desjardins Trust Inc. at the place set forth in the accompanying Notice of Meeting, prior to the close of business on April 11, 2001 will be used for purposes of voting at the meeting or any adjournment thereof in accordance with the terms of the proxy or the wishes of the shareholder as specified thereon.

The enclosed form of proxy, when duly signed, confers discretionary authority on the persons named as proxyholders with respect to any matter on which no choice is specified, to all amendments or variations to matters stated in the Notice of Meeting and to any other matter which may properly come before the meeting.

In the exercise of their discretionary authority, the proxyholders intend to vote FOR all of the proposals on the agenda, except for the shareholder's proposals no. 1 and 2, on which they will vote AGAINST.

The directors and officers of the Bank are not aware of any matter, other than those stated in the Notice of Meeting or this Circular, which might be submitted to the meeting.

VOTING RIGHTS, VOTING SHARES AND PRINCIPAL HOLDERS

As of the date of this Circular, 22,658,699 common shares of the Bank were outstanding.

Each common share entitles the registered holder thereof to one vote on each ballot taken at any general meeting of the shareholders of the Bank; such votes may be cast in person or by proxy.

The holders of common shares may either vote for or withhold from voting in the election of directors, the appointment of the auditors; they may either vote for, vote against or withhold from voting on any other matter that may properly be brought before the meeting.

Only holders of shares registered on the registers of the Bank at the close of business on February 26, 2001, or their duly appointed proxyholders, will be entitled to attend or to vote at the meeting, unless shares are transferred after that date and the transferee establishes that he owns the shares and demands, at least 10 days before the meeting, that the transferee's name be included on the list of shareholders entitled to vote.

To the knowledge of the directors and officers of the Bank, no shareholder holds more than 10% of the common shares or any other class of shares of the Bank.

The *Bank Act* (Canada) contains provisions which, under certain circumstances, restrict the exercise in person or by proxy of voting rights attached to the shares of the Bank.

METHOD OF VOTING

Under section 8 of by-law III of the General By-laws of the Bank, voting at shareholders' meetings is by show of hands unless the Chairman of the meeting or any shareholder or proxyholder entitled to vote requests a vote by ballot. Such a request may be made before or after the vote by show of hands.

RULES OF ORDER

A code of procedure was used at the last three annual meetings in order to specify shareholders' rights and facilitate deliberations at the meeting. The code will be used again this year. Schedule D of this Circular contains the text of this code.

PRESENTATION OF FINANCIAL STATEMENTS

The shareholders present at the meeting will receive the Bank's consolidated financial statements for the year ended October 31, 2000 and the auditors' report thereon.

NUMBER OF DIRECTORS (By-law IV)

By-law IV of the Bank's General By-laws concerning the Board of Directors was amended by the directors on February 8, 2001 to reduce the number of directors from 18 to 15.

The special resolution confirming the amendment to by-law IV requires approval by a two-thirds majority of the votes cast by the holders of common shares. The text of this resolution appears in Schedule A to this Circular.

ELECTION OF DIRECTORS

The holders of common shares will elect 15 directors to hold office until the close of the next annual meeting of the shareholders or until the election or appointment of their successors.

Under section 8.1 of by-law III of the General By-laws of the Bank, the directors must be elected by cumulative voting of shareholders entitled to vote. For cumulative voting, the shareholders have the right to cast a number of votes equal to the number of votes attached to their shares, multiplied by the number of directors to be elected, and the votes may be distributed among one or several the candidates in any manner. A shareholder who has voted for more than one candidate, without any further instruction, is deemed to have distributed the votes equally among the candidates. However, the shareholders present at the meeting may, unanimously, adopt a resolution permitting to hold the election of directors by a single vote.

The persons named on the following list, in the opinion of management, are qualified to direct the Bank's activities for the ensuing year. All nominees have formally established their eligibility and willingness to serve on the Board of Directors of the Bank.

It is the intention of the persons named in the enclosed proxy form to vote for the election of the nominees named herein unless specifically instructed on the proxy form to withhold such vote on such question or with respect to one or several of such nominees.

The following table presents, on the date hereof, the name and municipality of residence of the nominees for election as director, together with their principal occupation and business, their position within the Bank, the date on which they became directors of the Bank, the number of common shares over which they exercise control and the number of deferred stock units credited.

<u>Name and municipality of residence</u>	<u>Principal occupation and business</u>	<u>Director since</u>	<u>Number of common shares</u>	<u>Number of deferred stock units</u>
Jill Bodkin Vancouver, B.C.	Chairman of the Board Golden Heron Enterprises (Financial consultants)	February 29, 1996	2,183	261
Ronald Corey Westmount, Qc	Corporate Director	June 1 st , 1994	2,380	576
Réjean Gagné ⁽¹⁾ Laval-sur-le-Lac, Qc	Chairman of the Board and Chief Executive Officer Famcorp Inc. (Management company)	June 26, 1980	69,500	---
Christiane Germain Quebec City, Qc	President Développement Germain-des-Prés inc. (Hotels services)	February 8, 2001	---	---
Jon K. Grant ⁽²⁾ Peterborough, Ont.	Chairman of the Board Canada Lands Company Limited (Crown corporation) Chairman of the Board CCL Industries Inc. (International packaging company)	January 15, 1988	2,057	432
Georges Hébert ⁽¹⁾ Town of Mount-Royal, Qc	Business consultant	June 5, 1990	12,000	---
Veronica S. Maidman Toronto, Ont.	Chair, Advisory Council Equifax Canada Inc. (Factoring and credit research service company)	February 8, 2001	---	---
Raymond McManus ⁽¹⁾ Baie d'Urfé, Qc	Chairman of the Board and Chief Executive Officer Cafa Financial Corporation (Financial consultants)	April 25, 1988	2,080	145
Pierre Michaud ⁽¹⁾ Montreal, Qc	Chairman of the Board Réno-Dépôt inc. (Retailer of building supplies) Chairman of the Board Provigo Inc. (Distributor of food products)	January 26, 1990	15,585	1,186

<u>Name and municipality of residence</u>	<u>Principal occupation and business</u>	<u>Director since</u>	<u>Number of common shares</u>	<u>Number of deferred stock units</u>
Margot Northey ⁽²⁾ Kingston, Ont.	Dean of Queen's School of Business Queen's University (University)	January 27, 1999	1,894	---
Alex K. Paterson Westmount, Qc	Partner Borden Ladner Gervais (Lawyers)	January 15, 1988	2,270	---
Jacques Perron ⁽²⁾ Ste-Agathe-des-Monts, Qc	Chairman of the Board and President and General Manager Association de bienfaisance et de retraite des policiers de la Communauté urbaine de Montréal (Pension fund)	March 3, 1995	2,213	611
Henri-Paul Rousseau ⁽¹⁾ Outremont, Qc	President and Chief Executive Officer Laurentian Bank of Canada	February 7, 1994	8,590	---
Dominic J. Taddeo ⁽²⁾ Kirkland, Qc	President and Chief Executive Officer Montreal Port Authority (Port authority)	January 22, 1998	3,128	---
Jonathan I. Wener Hampstead, Qc	Chairman of the Board Canderel (Commercial real estate)	January 22, 1998	4,221	---

(1) Member of the Executive Committee

(2) Member of the Audit Committee

According to paragraph 157 (2) (a) of the *Bank Act* (Canada), the Board of Directors of the Bank is required to have an Audit Committee. The members of such committee are Mr. Jon K. Grant (chair), Ms. Margot Northey, Messrs. Jacques Perron and Dominic J. Taddeo.

All directors have held the positions shown or held management responsibilities in the same or related companies in the last five years, with the exception of Mr. Ronald Corey, who, before August 1999, was President of Club de Hockey Canadien and the Molson Centre, and Mr. Georges Hébert who, before October 1998, was President of J. A. Provost Inc.

The term of the mandate of each candidate, if elected, will extend to the end of the next annual shareholders' meeting.

Information concerning the number of common shares controlled was provided by each candidate.

COMPENSATION OF DIRECTORS

During the last financial year, each director was entitled to receive \$15,000 per annum for his services as a director, and, where applicable, \$3,000 per annum and \$300 per meeting (or \$100 per meeting held by telephone conference) for his services as chairman of a committee of the Board. The chairman of the Board received, as chairman, an additional remuneration of \$50,000. In all cases, the directors were entitled to an attendance fee of \$1,000 per meeting (or \$200 per meeting held by telephone conference) and the reimbursement of their expenses.

However, directors who are officers of the Bank were not entitled to any compensation or attendance fee as members of the Board or of its committees.

Directors may elect to receive annually all or part of their compensation in the form of issued common shares of the Bank. This form of compensation is mandatory for the payment of a director's fixed compensation, until such time as the director holds at least 2,000 common shares of the Bank. The value of the shares is determined on the basis of the market price at the time of payment to the director.

Directors who hold at least 2,000 common shares may also elect to receive all or part of their compensation in the form of deferred stock units of the Bank. To receive deferred stock units, directors must so elect annually, at least one month before the commencement of the Bank's financial year. A deferred stock unit is a unit whose value is equivalent to the value of a common share of the Bank and takes into account other events affecting the stock (stock split, exchange of shares, spin-off, etc.). The units cannot be converted until a director leaves the Board and are paid at that time in cash or in shares. The number of units granted is established by dividing the amount payable to the director by the average price of a share of the Bank during the five trading days preceding the grant of units. The units also entitle their holders to an amount equal to dividend payments, which amount is paid in the form of additional deferred stock units. This plan is in force since February 1st, 2000.

Additional compensation may be paid to a director undertaking any special services beyond those ordinarily required of a director by the Bank; no such compensation was paid last year.

EXECUTIVE OFFICERS COMPENSATION

The aggregate compensation paid by the Bank and its subsidiaries to the executive officers of the Bank during the last completed financial year was \$8,298,171, including the estimated costs of pension plans and severance or retirement pay and stock appreciation on exercised phantom shares.

1. Variable Compensation

(a) Short-term Incentive Compensation

The short-term incentive compensation program for the Bank's senior management for the year 2000 takes into account both the Bank's performance and the performance of each member of senior management, as follows: Bonus = Target bonus X Bank factor X Individual factor.

Furthermore, a bonus is payable for 2000 only if a threshold of 9% for return on equity (ROE) and of 1% of total income growth is attained.

The Target bonus is established according to the hierarchical level of each officer.

The Bank factor is the weighted total of ROE (counting for 60%) and of total income growth (counting for 40%), converted to a factor which may not exceed 1.30. For 2000, the threshold, target and maximum levels of ROE and total income growth were established as follows:

	<u>Threshold</u>	<u>Target</u>	<u>Maximum</u>
ROE (profitability)	>9.0%	10.4%	12.0%
Total Income (growth)	1.0%	6.0%	12.0%

The fiscal year ending October 31, 2000 showed excellent results which enabled bonuses to be calculated with a maximum Bank factor of 1.30.

The Individual factor for each member of senior management is determined by the President and approved by the Human Resources Committee. The Individual factor for the President is determined by the Human Resources Committee on the recommendation of the Chairman of the Board and of the Chairman of the Human Resources Committee.

For other employees eligible for the short-term incentive compensation program, the formula takes into account the results of the business line for which they work.

(b) Phantom Share Plan

In 1995, the Human Resources Committee approved the establishment of a long-term incentive plan for officers who are members of the Planning Committee and other officers designated by the committee. This is the Phantom Share Plan.

The Phantom Share Plan allows eligible officers to benefit from the appreciation of a certain number of phantom shares. Such phantom shares are granted on the basis of the market price of the Bank's share at the time of granting and the appreciation is calculated on the basis of the market price of the Bank's share at the time of exercise. The phantom shares become vested in 25% instalments beginning on the second anniversary of the date of granting, and may be held for a maximum of 10 years. The appreciation is paid in cash. The holders of phantom shares have no shareholder rights.

The Phantom Share Plan is administered by the Human Resources Committee.

During the 2000 financial year, 68,484 phantom shares were attributed to 47 participants. Detailed information concerning the grants to the Named Officers is shown in Table 3 "*Option and Phantom Share Grants during the Last Completed Financial Year (Named Officers)*".

(c) Common Share Option Plan

The creation of this plan was approved by the shareholders at the annual meeting held on January 24, 1992. It is also administered by the Human Resources Committee.

The committee grants options to purchase common shares to designated members of the Bank's senior management. Options are granted at the committee's discretion but are generally within guidelines set out in the plan by-laws.

The options allow the purchase of shares at a price equal to the market price of the shares on the day of the grant.

The options have a 10-year term but may only be exercised after a waiting period: no option may be exercised in the year following the grant, 25% may be exercised beginning on the first anniversary of the grant, 50% beginning on the second, 75% beginning on the third and the entirety beginning on the fourth. The plan allows the exercise of all options following a change of control of the Bank. Certain other terms and conditions apply.

During the last financial year, the committee granted to 57 officers, without consideration, 85,514 options. The detail of options granted to the Named Officers is shown in Table 3 "*Option and Phantom Share Grants during the Last Completed Financial Year (Named Officers)*".

2. Summary Compensation of the Named Officers

The following table sets forth information concerning the total compensation during the last three financial years of the President and Chief Executive Officer of the Bank and of the four other named executive officers who received, during the last financial year, the highest total annual salary and short term bonus (referred to as "Named Officers").

Summary Compensation Table of the Named Officers

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation			All Other Compensation (note 3) (\$)
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Awards		Long Term Incentive Plan Payout (\$)	
					Securities Under Options/ Phantom Shares Granted (#)	Restricted Shares or Restricted Share Units (\$)		
Henri-Paul Rousseau President and Chief Executive Officer	2000	525,000	485,000	note 1	0	0	0	12,305
	1999	525,000	0	note 1	200,000/200,000	0	0	12,143
	1998	475,000	325,000	51,940	45,000/55,000	0	0	13,146
Richard Guay Executive Vice-President Commercial and Corporate Banking	2000	235,000	125,000	note 1	3,000/2,000	0	0	10,660
	1999	225,000	0	note 1	20,071/18,179	0	0	10,655
	1998	210,000	100,000	note 1	22,756/13,878	0	50,739	10,646
Michel Pelletier Executive Vice-President Agency Banking, Insurance and Visa	2000	225,000	100,000	note 1	1,000/2,000	0	0	11,655
	1999	200,000	0	note 1	18,990/17,367	0	0	11,225
	1998	180,000	50,000	note 1	14,848/8,232	0	0	11,380
André Dubuc Executive Vice-President Treasury, Capital Markets and Risk Management (note 2)	2000	225,000	100,000	note 1	1,000/2,000	0	0	6,585
	1999	200,000	0	note 1	17,232/25,655	0	0	9,373
	1998	124,000	100,000	note 1	35,000/0	0	0	8,282
Robert Cardinal Executive Vice-President and Chief Financial Officer	2000	200,000	125,000	note 1	2,000/2,000	0	0	6,886
	1999	190,000	0	note 1	18,809/17,232	0	0	9,871
	1998	175,000	50,000	note 1	14,570/8,047	0	0	13,392

Note 1: In all cases, compensation related to personal benefits (or perks) and interest rebate did not exceed \$50,000 or 10% of the salary/bonus.

Note 2: André Dubuc is employed by the Bank since February 1998.

Note 3: The amounts indicated in the column "All Other Compensation" are mainly related to group insurance premiums.

3. Option and Phantom Share Grants during the Last Completed Financial Year (Named Officers)

Name	Date of Grant	Securities Under Options/ Phantom Shares Granted (#)	% of Total Options/Phantom Shares Granted to Employees in Financial Year (%)	Exercise or Base Price (\$/Security)	Market Value of Securities Underlying Options/Phantom Shares on the Date of the Grant (\$/Security)	Expiration Date
Henri-Paul Rousseau	Dec. 2, 1999	0	0.0	---	---	Dec. 1, 2009
Richard Guay	Dec. 2, 1999	5,000	3.2	19.376	19.376	Dec. 1, 2009
Michel Pelletier	Dec. 2, 1999	3,000	1.9	19.376	19.376	Dec. 1, 2009
André Dubuc	Dec. 2, 1999	3,000	1.9	19.376	19.376	Dec. 1, 2009
Robert Cardinal	Dec. 2, 1999	4,000	2.6	19.376	19.376	Dec. 1, 2009

4. Aggregated Options and Phantom Shares Exercises during the Last Completed Financial Year (Named Officers)

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options/Phantom Shares at FY-End (#) Exercisable/Unexercisable	Value of Unexercised in-the-Money Options/Phantom Shares at FY-End (\$) Exercisable/Unexercisable (Note 1)
Henri-Paul Rousseau	0	0	318,308/427,814	1,831,351/611,679
Richard Guay	0	0	52,600/66,825	268,809/122,284
Michel Pelletier	0	0	46,834/52,301	267,928/92,142
André Dubuc	0	0	21,808/59,079	7,575/92,637
Robert Cardinal	0	0	41,181/53,311	238,579/103,760

Note 1 : The amounts indicated are based on a price of \$24.50 on October 31, 2000.

5. Pension Fund (Named Officers)

The President and Chief Executive Officer entered into a pension agreement with the Bank at the time of his hire. This agreement was completely revised in 1996. Under this agreement, Mr. Henri-Paul Rousseau's normal retirement age is 60; early retirement may be paid starting at age 55 with a penalty of 5/12% for each month remaining to normal retirement age. The normal retirement pension is calculated on the basis of a percentage of the last three final average year salary, ranging from 48.8% at age 55, to 68.8% at age 60, less amounts paid under other retirement plans applicable at the Bank. Special provisions apply in the event of termination following a change of control.

Mr. Henri-Paul Rousseau will reach normal retirement age in 2008.

The estimated normal pension of the President and Chief Executive Officer depending on average final salary is as follows:

<u>Average final salary</u> (\$)	<u>At age 60</u> *
350,000	240,800
400,000	275,200
450,000	309,600
500,000	344,000
550,000	378,400

* Normal retirement pension shall be reduced by amounts payable under other retirement plans of the Bank.

The Named Officers, other than the President, are members of the Employees' Pension Plan, the Bank's Senior Officers' Pension Plan and the Supplemental Pension Plan for Members of Bank Management. Under these plans, they are entitled to receive for each year of service a pension of 2% of average base salary for their best five consecutive years of service; the Human Resources Committee may also approve an increase to a pension in special cases. The normal retirement age is 60; the beneficiaries may take early retirement beginning at age 53 with a penalty ranging from 35% at age 53 to 0% at age 60.

The following table applies to Named Officers other than the President.

Pension Plan Table

Average base salary (\$)	Years of service				
	15	20	25	30	35
125,000	37,500	50,000	62,500	75,000	87,500
150,000	45,000	60,000	75,000	90,000	105,000
175,000	52,500	70,000	87,500	105,000	122,500
200,000	60,000	80,000	100,000	120,000	140,000
225,000	67,500	90,000	112,500	135,000	157,500
250,000	75,000	100,000	125,000	150,000	175,000
275,000	82,500	110,000	137,500	165,000	192,500
300,000	90,000	120,000	150,000	180,000	210,000

At the normal retirement age, Mr. Richard Guay shall have cumulated 28.5 years of service, Mr. Michel Pelletier 18.7 years, Mr. André Dubuc, 7.6 years, Mr. Cardinal, 20.9 years.

6. Employment Contract and Termination of Employment

The President and Chief Executive Officer of the Bank has entered into a written employment agreement with the Bank. This agreement provides for an indemnity equal to two years' annual compensation if his employment is terminated for reasons other than serious fault. In the event of a change of control of the Bank, all options and phantom shares theretofore granted to him would immediately become vested.

The terms of employment of the other Named Officers and of certain other officers of the Bank provide for an indemnity equal to 18 months' annual compensation if their employment is terminated in the year following a change of control of the Bank.

7. Report of the Human Resources Committee

The members of the Bank's Human Resources Committee are Messrs. Pierre Michaud (chair), Ronald Corey, Réjean Gagné, Alex K. Paterson and Mrs. Jeannine Guillevin Wood. During the last financial year the committee held 6 meetings.

Mr. Henri-Paul Rousseau, President and Chief Executive Officer of the Bank, is invited to the committee's meetings but he does not take part in the committee's deliberations when his situation is under consideration.

The Human Resources Committee evaluates the performance and establishes the compensation of the Bank's President and Chief Executive Officer and of senior management.

In discharging these responsibilities, the committee has adopted the concept of global compensation, with the following components:

- a) a base salary sufficient to attract candidates of first rank;
- b) a short-term bonus plan constituting a substantial proportion of salary, linked to achievement of specified annual objectives;
- c) a long-term incentive plan favoring retention of key officers for a number of years;
- d) personal benefits and group insurance plan comparable to market;
- e) a pension plan and a protection plan in case of change of control.

To ensure that the compensation of the Bank's management team compares adequately with other Canadian financial institutions, the committee periodically asks an external consulting firm to conduct a comparative study of market conditions. Furthermore, internal advisory services conduct an annual analysis of market data.

In applying its senior management compensation policy, the committee favors a spirit of teamwork in the management of the Bank. In recent years, the Bank has assembled a group of high-calibre managers who have learned to work together and who complement each other well. At the beginning of the year, each member of the management team agrees with the President and Chief Executive Officer on objectives for his or her area. At year end, the degree of attainment of these objectives is reported to the President and Chief Executive Officer, who then submits a written evaluation of the manager's performance to the Human Resources Committee. The recommendations of the President and Chief Executive Officer regarding the manager's compensation are then discussed and a decision is made by the committee.

A substantial portion of senior manager compensation is automatically tied to the Bank's financial results. This portion includes the short-term bonus and the long-term incentive plan. The committee ensures that these plans are strictly applied on the basis of previously established objectives and that short-term and long-term compensation programs are balanced with a view to furthering the established objectives.

Compensation of the President and Chief Executive Office

The committee gave particular attention to the compensation of the Bank's President and Chief Executive Officer. Market studies are examined each year and the committee ensures that the President and Chief Executive Officer is adequately compensated in comparison with the chief executives of other financial institutions, with due consideration for the relative size of the Bank. The committee also ensures that the variable portion of this compensation is based on specific criteria defined in advance, as it is for all officers of the Bank.

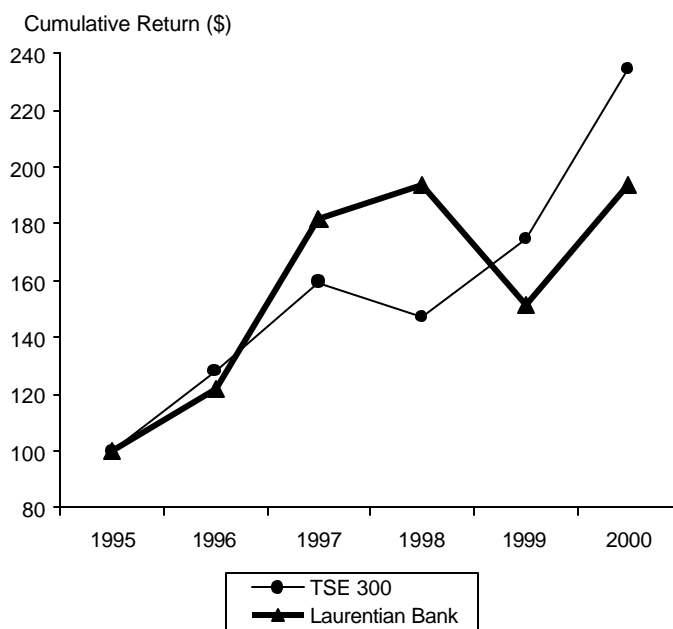
For the year 2000, the President and Chief Executive Officer's salary was maintained. Moreover, a short-term bonus was set at 92% of his salary in order to recognize his leadership and important contribution to the Bank's financial results.

SUBMITTED BY:

Pierre Michaud, Chairman
Ronald Corey
Réjean Gagné
Alex K. Paterson
Jeannine Guillevin Wood

STOCK PERFORMANCE

The following graph compares the total cumulative shareholder return for \$100 invested in common shares of the Bank on October 31, 1995, assuming reinvestment of dividends, with the cumulative total return of the TSE 300 Stock Index from the Toronto Stock Exchange for the last five financial years.



	1995	1996	1997	1998	1999	2000
TSE 300	\$100.00	\$128.32	\$159.58	\$147.16	\$174.76	\$234.88
Laurentian Bank	\$100.00	\$121.70	\$181.54	\$193.87	\$151.65	\$193.60

LOANS TO EXECUTIVE OFFICERS

1. Loans under a Securities Purchase Program

As at February 5, 2001, the total of loans by the Bank and its subsidiaries to its directors, executive officers and employees under a Securities Purchase Program amounted to \$2,271,896. These loans do not bear interest. The shares bought through this plan are purchased at market price; they must be kept at least one year and the loan must be repaid within three years.

Table of Indebtedness of Directors and Executive Officers
under a Securities Purchase Program

Name and Principal Position	Involvement of Issuer or Subsidiary	Largest Amount Outstanding during FY ended October 31, 2000 (\$)	Amount Outstanding as at February 5, 2001 (\$)	Financially Assisted Securities Purchased during FY ended October 31, 2000 (#)	Security for Indebtedness
Henri-Paul Rousseau President and Chief Executive officer	Loan made by the Bank	74,724	40,152	774	Laurentian Bank Common Shares held as evidence of good faith

Other officers benefit from loans under this program, but such loans are routine indebtedness as defined hereinafter in the note to the table appearing under paragraph 2 below.

2. Loans other than pursuant to a Securities Purchase Program

The following table represents the outstanding amounts that directors, executive officers and their associates borrowed from the Bank or its subsidiaries for reasons other than to buy Bank shares under a Securities Purchase Program.

As at February 5, 2001, the total of loans granted by the Bank and its subsidiaries to its directors, executive officers and employees, amounted to \$95,943,650.

Table of Indebtedness of Directors and Executive Officers
Other than under a Securities Purchase Program
(See note thereafter)

Name and Principal Position	Involvement of Issuer or Subsidiary	Largest Amount Outstanding during FY ended October 31, 2000 (\$)	Amount Outstanding as at February 5, 2001 (\$)
Jean-Guy Calvé Vice-President and Senior Advisor, Audit (1)	Loan made by the Bank	31,295	24,847
Robert Cardinal Executive Vice-President and Chief Financial Officer (2)	Loan made by the Bank	255,250	187,333
André Dubuc Executive Vice-President, Treasury, Capital Markets and Risk Management (3)	Loan made by the Bank	45,011	18,659
Marco Fortier Senior Vice-President, e-initiatives (4)	Loan made by the Bank	266,250	249,864
William Galbraith Vice-President, Corporate Banking, Ontario and Western Canada Region (5)	Loan made by the Bank	119,451	116,312
Luc Gingras Vice-President, Retail Financial Services South Shore and South-West of Montreal (6)	Loan made by the Bank	68,457	61,726
Richard Guay Executive Vice-President, Commercial and Corporate Banking (7)	Loan made by the Bank	296,383	179,417
Jean L'Heureux Vice-President, Commercial Banking (8)	Loan made by the Bank	34,000	27,223
Chris McMillan Vice-President, Retail Financial Services, Greater Toronto Region (9)	Loan made by the Bank	127,407	112,089
Jean-Louis Mongrain Senior Vice-President, Corporate Banking (10)	Loan made by the Bank	72,324	25,182
Marlène Otis Vice-President, Commercial Banking (11)	Loan made by the Bank	175,000	174,000
Michel Pelletier Executive Vice-President, Agency Banking, Insurance and Visa (12)	Loan made by the Bank	36,735	36,294
Danielle Saint-Denis Vice-President, Marketing (13)	Loan made by the Bank	39,152	34,755
Al Spadaro (17) Vice-President, Sales & Deposits, Agency Banking (14)	Loan made by the Bank	225,623	213,293

Name and Principal Position	Involvement of Issuer or Subsidiary	Largest Amount Outstanding during FY ended October 31, 2000 (\$)	Amount Outstanding as at February 5, 2001 (\$)
Robert Teasdale Senior Vice-President, Retail Financial Services Ontario and Western Canada (15)	Loan made by the Bank	252,151	202,291
Alicia Zemanek Vice-President, Risk Integration and Operational Risk Management (16)	Loan made by the Bank	272,608	254,885

- (1) Personal loan, interest rate at 6.27%
- (2) Line of credit for investment at prime rate + ½%
- (3) Lines of credit at prime rate + 1 ¼%, credit card balance, interest rate at 8.99%
- (4) Mortgage loan on residence, interest rate at 6.905%
- (5) Mortgage loan on residence, interest rate at 5.3%
- (6) Three lines of credit at prime rate + 1%, + 1 ½%, + 2%, personal loan, interest rate at 5%, interest free loan for the purchase of a computer, credit card balance, interest rate at 8.99%
- (7) Lines of credit at prime rate + ½%, personal loan, interest rate at 7.10%, credit card balance, interest rate at 8.99%
- (8) Line of credit at prime rate + 1%, credit card balance, interest rate at 8.99%
- (9) Mortgage loan on residence, interest rate at 6.150%, line of credit, interest rate at 8.5%, RRSP loan, interest rate at 5.375%, interest free loan for the purchase of a computer, credit card balance, interest rate at 8.99%
- (10) Line of credit at prime rate + ½%, credit card balance, interest rate at 8.99%
- (11) Mortgage loan on residence, interest rate at 6.89%
- (12) Interest free demand loan granted for the repayment of the previous mortgage loan incurred by the employee when moving
- (13) Personal loan, interest rate at 7.92%, credit card balance, interest rate at 8.99%
- (14) Mortgage loan on residence, interest rate at 6.60%, personal loan, interest rate at 5.875%, RRSP loan, interest rate at 7.75%
- (15) Lines of credit at prime rate + 1%, mortgage loan, interest rate at 6.20%, credit card balance, interest rate at 8.99%
- (16) Mortgage loan on residence, average interest rate at 5.65%
- (17) Mr. Al Spadaro held his position at the Bank until June 4th, 2000. Since that date, he is Vice-President Financial Advisors Group and Deposits of B2B Trust, a subsidiary of the Bank

Note : The amounts do not include routine indebtedness as defined by Canadian securities legislation. Routine indebtedness includes (i) loans to employees, and loans of up to \$25,000 to directors and executive officers, made on terms no more favourable than those made to employees generally; (ii) loans to directors and executive officers who are full-time employees, if these loans are fully secured by their residence and are not greater than their annual salary; and (iii) loans to people or companies other than full-time employees if they are made on substantially the same terms as available to other customers with comparable credit ratings and involve no more than usual risks of collectibility.

APPOINTMENT OF AUDITORS

The *Bank Act* (Canada) provides that the accounts of a bank must be audited and that this audit may be performed by one or two firms of accountants. The auditors are to be appointed by vote of the holders of common shares at the annual meeting to serve as auditors of the Bank until the close of the next annual meeting of shareholders.

The Board of Directors, on the advice of the Audit Committee, recommends that the accounts of the Bank be audited by the firm of accountants Ernst & Young.

This firm of accountants was appointed as auditors of the Bank during the past five years. During two of those five years, they were acting in conjunction with the firm of Raymond Chabot Martin Paré.

In order to be passed, the appointment of auditors must be approved by a majority of votes cast by the holders of common shares present or represented by proxy and able to vote at the Meeting.

During the financial year ended October 31, 2000, the fees paid by the Bank to the firm of accountants Ernst & Young for the audit services rendered to the Bank and its subsidiaries amounted to \$591,000. The fees paid to this same accounting firm for non-audit services, such as those relating to activities pertaining to the financial, accounting or taxation compliance, amounted to \$829,000.

RISK MANAGEMENT COMMITTEE AND OTHER COMMITTEES (By-law V)

By-law V of the Bank's General By-laws concerning the committees of the Board of Directors was amended by the directors on February 8, 2001. The Conduct Review and Credit committees were amalgamated into the Risk Management Committee with the addition of surveillance functions. Section 2.1 of by-law V was therefore modified to reflect the change.

The number of directors having been reduced by the Board of Directors from 18 to 15, Section 3 of by-law V was modified in order to provide that the number of members of the other committees be reduced from 5 to 3.

The resolution confirming the amendment to by-law V requires approval by a majority of the votes cast by the holders of common shares. The text of this resolution appears in Schedule B to this Circular.

SHAREHOLDER'S PROPOSALS

The Secretary of the Bank has received from a shareholder entitled to vote at the meeting a notice of his intent to present two proposals before the meeting.

The shareholder is The Association for the Protection of Quebec Savers and Investors Inc. (APEIQ), of 425 de Maisonneuve Blvd. West, suite 1002, Montreal, Quebec H3A 3G5.

Schedule C hereto contains the text of these proposals, the related declaration by the shareholder and the Board of Directors' recommendation.

If these proposals come before the meeting, the proxyholders named on the proxy form will vote AGAINST the two proposals, except where other instructions are indicated on the proxy forms, in which case the proxyholders will vote as instructed.

SUMMARY OF BOARD AND COMMITTEE MEETINGS HELD

Schedule E hereto presents a summary of the record of attendance of directors at meetings of the Board of Directors of the Bank and committees of the Board for the financial year ended on October 31, 2000. There were 11 meetings of the Board of Directors held during said period.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

On October 20, 2000, the Bank provided liability insurance for the benefit of its directors and officers and those of its subsidiaries, as a group, for a period of over two years (until December 31st, 2002), through Chubb Insurance Company of Canada and Liberty Mutual Insurance Company. The annual limit is \$50,000,000 and the deductible is \$350,000 per event. The two-year premium is \$574,126.

JUDICIAL PROCEEDINGS

The Bank and its subsidiaries are involved in various pending legal actions which arise from usual business activities. Management considers that the aggregate contingent liability resulting from these proceedings is not material.

INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS

In the last financial year, the Bank did not make any transaction which materially affected the Bank or one of its subsidiaries with a director, a proposed nominee for election as director, an officer, a corporation controlled by a director or an officer, a person related to a director, officer or corporation controlled by a director or officer.

DIRECTORS' APPROVAL

The Board of Directors of the Bank approved the contents of this Circular and the sending of it to each shareholder entitled to receive notice of the annual meeting, to each director, to the auditors of the Bank and to the appropriate governmental authorities.

Suzanne Masson
Secretary

Montreal, Quebec, February 8, 2001

SCHEDULE A

Special Resolution

BE IT RESOLVED AS A SPECIAL RESOLUTION that by-law IV of the General By-laws of the Bank concerning the Board of Directors be amended by the replacement of section 1 by the following:

“1. Number of Directors

The Board of Directors shall consist of 15 directors of whom at least three-quarters shall be Canadian citizens ordinarily residing in Canada.

The directors may at any time appoint a director to fill any vacancy existing when the number of directors is less than the number of directors determined by the by-law.”

SCHEDULE B

Resolution

BE IT RESOLVED that by-law V of the General By-laws of the Bank concerning the committees of the Board of Directors be amended by replacing sections 2.1 and 3 by the following:

"2.1 Risk Management Committee

In accordance with the Act, the Board of Directors shall appoint by resolution a risk management committee composed of not less than three directors, the majority of whom are not persons affiliated with the Bank, as defined in the Act, and none of whom are officers or employees of the Bank or any of its affiliates, to carry out the duties of the conduct review committee prescribed by the Act and any other duties delegated by the Board of Directors in accordance with the Act.

3. Other Committees

The Board of Directors may by resolution appoint committees of not less than three directors, the majority of whom shall be Canadian citizens ordinarily residing in Canada and not officers of the Bank and, subject to the Act, may delegate certain of its powers to such committees."

SCHEDULE C

Shareholder's Proposals

The Association for the Protection of Quebec Savers and Investors Inc. of 425 de Maisonneuve Blvd. West, suite 1002, Montreal, Quebec H3A 3G5, has presented two proposals. (The proposals were submitted in French and were translated.)

PROPOSAL No. 1

It is proposed the Laurentian Bank of Canada amend its by-laws to read that it shall not have any business relationship, other than for audit purposes, with the firm(s) acting as its external auditor(s). This restriction extends to all entities linked to the firm or belonging to the same group as the firm.

Appointed by shareholders, the external auditors have a responsibility, as guarantors of the integrity of the financial statements, to safeguard the interests of those they represent. Their independence vis-à-vis management and the board of directors must be absolute and above all suspicion. Accounting firms which provide both audit services and other related services, whether directly or through related entities, place themselves in a real or potential conflict of interest situation. Combining several mandates jeopardizes the integrity of the audit process which is all the more worrisome as the contracts for other services are often larger and more profitable than the audit mandate.

Referring to large accounting firms in the United States, Securities and Exchange Commission Chairman Arthur Levitt "accused the industry's biggest players of abdicating their responsibility to the public trust" and called upon "smaller accounting firms to stand up for the integrity of their profession" (CBS MarketWatch, Sept. 18, 2000).

It is in the interest of institutional investors, pension fund managers, mutual fund managers and individual shareholders that the board of directors strongly recommend the adoption of this proposal.

Recommendation of the Board of Directors

Laurentian Bank deals with the firm of Ernst & Young L.L.P. This firm sold its consulting activities to Cap Gemini in 2000. All "business relationships" between the Bank and Ernst & Young relate to auditing activities or to activities pertaining to the financial, accounting or taxation compliance of its operations. The Bank believes that it would deprive itself of invaluable services, rendered by experts who know its business well, if it were to cease calling on the expertise of its auditors to assist it.

The Board of Directors is satisfied with the process of verification of the auditors' independence, which includes among other things the examination, by its Audit Committee, of the audit plan and of the other compliance activities, as well as the confirmation by the auditors, in accordance with applicable rules, that they are independent from the Bank.

The Board of Directors therefore recommends voting against the proposal.

PROPOSAL No. 2

It is proposed that Laurentian Bank of Canada adopt, for all stock option plans (and similar long-term incentive mechanisms), the principle of an exercise price tied to changes in the price of shares for its particular sector.

Stock option plans have led to executive officers of companies listed on the stock exchange receiving exorbitant sums. This escalation in the remuneration of the managerial elite ties in with the run-up that stock markets have experienced in recent years. The Sustained economic growth in the United States has enabled most firms to record earnings that have driven up stock markets. The strong performance of stocks is not solely attributable to exceptional management by officers but often to favourable **external** factors. Officers have therefore benefited from factors **extraneous** to their management. Many have reaped millions, and even tens of millions, for just watching time go by! This proposal from The Association for the Protection of Quebec Savers and Investors seeks to amend the plans currently in place to ensure that they serve their purpose of rewarding officers who deliver performances and results to shareholders that **exceed** the average for their sector of activity. Comparing officers' performances and results to those of a comparison group will make it possible to eliminate the influence of most external factors and to take into account the specific conditions and challenges faced by each officer.

Recommendation of the Board of Directors

As is the case with other financial institutions, the stock option plan is an important tool to hire and retain key employees. It also has the advantage of tying officers' compensation to the share's value for the shareholder, thus creating a common interest between both. Indexing the exercise price of options based on the market price of shares of the Bank's particular sector would amount to both ceasing to tie officers' compensation to the Bank's results and eliminating interest for the concerned persons. And if the Bank fails to retain its best elements, the shareholders would ultimately be the losers.

Also, all corporations do not have the same correlation rate between market indexes and their own market value. This relationship depends on numerous factors.

The Board of Directors therefore recommends voting against the proposal.

SCHEDULE D

Code of Procedure

1. Application

This code shall govern the conduct of annual and special meetings of shareholders of Laurentian Bank of Canada.

It is a complement to the provisions of the *Bank Act* (the "Act"), of the regulations or guidelines thereunder and of the Bank's General By-laws. In case of conflict, the Act, regulations or by-laws shall prevail.

2. Role of Chairman

The chair of the meeting shall preside over its deliberations and ensure its orderly conduct.

The chair has all powers necessary to ensure that the meeting is able to effectively conduct the business for which it was called.

To this end, the chair shall interpret this code and his or her decisions shall be without appeal.

Everyone attending the meeting, whether or not a shareholder, must comply with the chair's instructions.

3. Expression of resolution

Except in cases where a special resolution is required, the meeting shall proceed by way of resolution approved by a majority of the votes cast. These proposals must be moved by a shareholder and seconded, except for a proposal set out in the Circular.

4. Right to speak

Every shareholder has the right to address the meeting.

A shareholder wishing to exercise this right shall ask the chair for the floor.

5. Speaking time

Except as provided otherwise in this code, no shareholder may speak for more than five minutes at a time.

However, the chair may allow a longer speaking time in exceptional circumstances.

6. Pertinence and good order

A shareholder who has the floor must speak to the matter before the meeting.

Shareholders addressing the meeting must speak soberly and avoid language that is violent, insulting or injurious to anyone.

The chair may direct a shareholder to keep to the matter under discussion or to comply with this standard of conduct. Failing compliance, the chair may deprive the shareholder of the floor.

7. Shareholder proposals

The shareholder who under the Act submitted notice of a proposal set out in the Circular is entitled to speak first when the proposal comes before the meeting.

This shareholder must formally move the adoption of the proposal at the beginning or end of his or her presentation and may speak for a maximum of 10 minutes.

At the end of the debate, the mover has a three-minute right of reply.

8. Debate on a shareholder proposal

Every shareholder is entitled to speak to a motion, but only once.

The representative of management may speak as often as he or she deems appropriate, but for no more than 10 minutes for his or her main speaking time and no more than two minutes for other remarks.

9. Amendment of a shareholder proposal

A shareholder proposal may not be amended except with the consent of the mover and the permission of the chair.

10. General matters

In the period open to shareholder questions, any shareholder may ask a question to management, state an opinion or raise a matter of general interest to the Bank.

Such a question or remark may be the object of a supplementary question or brief reply but may not give rise to a debate.

SCHEDULE E

Summary of attendance for the financial year ended on October 31, 2000

Name	Municipality of residence	Board Meetings Attended	Committee Meetings Attended
Jacques G. Auger ⁽²⁾	Verdun, Qc	10 / 11	6 / 7
Jacques Barbeau ⁽⁵⁾	Vancouver, B.C.	9 / 11	2 / 2
Jean Bazin ⁽⁴⁾	Verdun, Qc	10 / 11	5 / 6
Jill Bodkin ⁽⁵⁾	Vancouver, B.C.	11 / 11	2 / 2
Ronald Corey ^{(3) (5)}	Westmount, Qc	10 / 11	5 / 8
Réjean Gagné ^{(1) (3) (6)}	Laval-sur-le-Lac, Qc	11 / 11	19 / 21
Jon K. Grant ^{(2) (6)}	Peterborough, Ont.	9 / 11	8 / 9
Georges Hébert ^{(1) (5)}	Town of Mount-Royal, Qc	9 / 11	14 / 15
Raymond McManus ^{(1) (4)}	Baie D'Urfé, Qc	9 / 11	13 / 19
Pierre Michaud ^{(1) (3)}	Montreal, Qc	9 / 11	17 / 19
Margot Northey ⁽²⁾	Kingston, Ont.	8 / 11	5 / 7
Alex K. Paterson ^{(3) (6)}	Westmount, Qc	11 / 11	7 / 8
Jacques Perron ^{(2) (4)}	Ste-Agathe-des-Monts, Qc	11 / 11	13 / 13
Henri-Paul Rousseau ^{(1) (4)}	Outremont, Qc	11 / 11	17 / 19
Dominic J. Taddeo ⁽²⁾	Kirkland, Qc	8 / 11	6 / 7
Lise Watier ⁽⁵⁾	Dorval, Qc	8 / 11	1 / 2
Jonathan I. Wener ⁽⁴⁾	Hampstead, Qc	9 / 11	3 / 6
Jeannine Guillevin Wood ^{(1) (3) (6)}	Montreal, Qc	10 / 11	16 / 21

Summary of Board and Committee Meetings Held

Board of Directors	11
(1) Executive Committee	13
(2) Audit Committee	7
(3) Human Resources Committee	6
(4) Credit Committee	6
(5) Conduct Review Committee	2
(6) Nominating and Governance Committee	2