LAURENTIAN BANK
OF CANADA

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

Notice is hereby given that the annual and special meeting of the shareholders of Laurentian Bank of Canada (the "Bank") will be held at the TSE Conference Centre, 130 King Street West, Street Level, in Toronto, Ontario, on Thursday, March 21, 2002 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, 2001 and the auditors' report thereon;

2) to elect directors for the ensuing year;

3) to appoint auditors;

4) to consider and if deemed fit, adopt a resolution approving, ratifying and confirming the Amended and Restated Shareholder Rights Plan Agreement of the Bank (the text of this resolution is reproduced as Schedule A to the Circular);

5) to transact such other business as may properly be brought before the meeting.

As of February 4, 2002, the number of eligible votes that may be cast at the meeting in respect of each separate vote to be held at the meeting is 22,935,297, except for the election of directors, where the number of eligible votes that may be cast by cumulative voting is 344,029,455.

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 March 20, 2002, 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, January 22, 2002

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 and special 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 March 20, 2002 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 matters on the agenda.

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, 22,935,297 common shares of the Bank were outstanding.

Except for the election of directors, 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. As for the election of directors, cumulative voting as described in the section "Election of Directors", is used. The votes may on any ballot 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 and 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 4, 2002, 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 four annual meetings in order to specify shareholders' rights and facilitate deliberations at the meeting. The code will be used again this year. Schedule C 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, 2001 and the auditors' report thereon.

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 of 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. 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 and stock options of the Bank and its subsidiaries over which they exercise control and the number of deferred stock units of the Bank credited.

Name and municipality of residence	Principal occupation and business	Director since	Number of common shares / stock options / deferred stock units
Jill Bodkin Vancouver, B.C.	Chairman of the Board Golden Heron Enterprises (Financial consultants)	February 29, 1996	(a) 2,183 (b) nil (c) 551 (d) 1,000 (e) 3,500
Ronald Corey Westmount, Qc	President Ronald Corey Groupe Conseil Ltée (Consulting and management company)	June 1st, 1994	(a) 2,380 (b) nil (c) 1,734 (d) 500 (e) 3,500
L. Denis Desautels Ottawa, Ont.	Executive Director, Centre on Governance University of Ottawa (University)	December 4, 2001	(a) nil (b) nil (c) nil (d) nil (e) nil
Réjean Gagné (1) Laval-sur-le-Lac, Qc	Chairman of the Board and Chief Executive Officer Famcorp Inc. (Management company)	June 26, 1980	(a) 80,000 (b) nil (c) nil (d) nil (e) 3,500
Christiane Germain (2) Quebec City, Qc	President Germain Group Inc. (Hotels services)	February 8, 2001	(a) 344 (b) nil (c) nil (d) 500 (e) 3,500
Jon K. Grant (1) (2) Peterborough, Ont.	Chairman of the Board CCL Industries Inc. (International packaging company)	January 15, 1988	(a) 3,057 (b) nil (c) 432 (d) 1,000 (e) 3,500
Georges Hébert (1) Town of Mount-Royal, Qc	Business consultant	June 5, 1990	(a) 12,000 (b) nil (c) nil (d) 5,000 (e) 3,500
Veronica S. Maidman (2) Toronto, Ont.	Chair, Advisory Council Equifax Canada Inc. (Credit information management company)	February 8, 2001	(a) 343 (b) nil (c) nil (d) 1,000 (e) 3,500

Name and municipality of residence	Principal occupation and business	Director since	Number of common shares / stock options / deferred stock units
Raymond McManus (1) Baie d'Urfé, Qc	Chairman of the Board and Chief Executive Officer Cafa Financial Corporation (Financial consultants)	April 25, 1988	(a) 2,080 (b) nil (c) 890 (d) 2,000 (e) 3,500
Pierre Michaud (1) Montreal, Qc	Co-Chairman of the Board Réno-Dépôt inc. (Retailer of building supplies) Chairman of the Board Provigo Inc. (Distributor of food products)	January 26, 1990	(a) 15,585 (b) nil (c) 2,524 (d) nil (e) 3,500
Margot Northey (2) Kingston, Ont.	Dean of Queen's School of Business Queen's University (University)	January 27, 1999	(a) 2,134 (b) nil (c) 1,048 (d) 1,200 (e) 3,500
Alex K. Paterson Westmount, Qc	Partner Borden Ladner Gervais (Lawyers)	January 15, 1988	(a) 2,045 (b) nil (c) nil (d) nil (e) 3,500
Henri-Paul Rousseau (1) Outremont, Qc	President and Chief Executive Officer Laurentian Bank of Canada and B2B Trust	February 7, 1994	(a) 8,590 (b) 345,000 (c) nil (d) 10,000 (e) 83,000
Dominic J. Taddeo (2) Kirkland, Qc	President and Chief Executive Officer Montreal Port Authority (Port authority)	January 22, 1998	(a) 3,128 (b) nil (c) nil (d) 500 (e) 3,500
Jonathan I. Wener Hampstead, Qc	Chairman of the Board Canderel Management Inc. (Commercial real estate)	January 22, 1998	(a) 4,221 (b) nil (c) nil (d) 14,000 (e) 3,500

(1) Member of the Executive Committee
(2) Member of the Audit Committee
(a) Common shares of the Bank
(b) Stock options of the Bank
(c) Deferred stock units of the Bank
(d) Common shares of B2B Trust
(e) Stock options of B2B Trust

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 Mrs. Margot Northey (chair), Christiane Germain, Mr. Jon K. Grant, Mrs. Veronica S. Maidman and Mr. 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 May 2001, was Corporate Director and before August 1999, was President of Club de Hockey Canadien and the Molson Centre, Mr. L. Denis Desautels who, before March 2001, was Auditor General of Canada, Mr. Jon K. Grant who, before November 2001, was Chairman of the Board of Canada Lands Company Limited, 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 of the Board or committees of the Board (or $200 per meeting held by telephone conference) as well as the reimbursement of their hotel and travel 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 and its subsidiaries during the last completed financial year was $10,920,000, including the costs of severance or retirement allowances 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 2001 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 was payable for 2001 only if a threshold of 10% for return on equity (ROE) was attained.

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

The Bank factor is based on a single measure of profitability, namely the increase of net profit per common share. The target for 2001 was established taking into account the increase of net profit per share of the six large Canadian banks over the last five years, which was 15%. For 2001, the threshold, target and maximum levels of the increase of net profit per share was established as follows:

Threshold	Target	Maximum
1.0%	15.0%	22.5%

The fiscal year ending October 31, 2001 showed good results, the increase in net profit per common share reaching 18.9%, which enabled bonuses to be calculated with a Bank factor of 1.16.

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. The Committee then reports to the Board for approval.

(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 value of a common share of the Bank at the time of grant, being the arithmetic average of the weighted average trading prices of the shares negotiated at the Toronto Stock Exchange on the five days preceding the grant on which shares were negotiated. 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 plan provides for the full vesting of all phantom shares following a change of control of the Bank. 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 2001 financial year, 51,500 phantom shares were attributed to 6 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) *Stock Option Purchase 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 common shares at a price equal to the market value of the shares at the time of the grant, being the arithmetic average of the weighted average trading prices of the shares negotiated at the Toronto Stock Exchange on the five days preceding the grant on which shares were negotiated.

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 provides for the full vesting 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 54,600 options to 22 officers. 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)*".

(d) B2B Trust Stock Option Plan

On May 25, 2001, the Human Resources and Corporate Governance Committee of B2B Trust, a subsidiary of the Bank, approved a long-term incentive plan for executive officers and directors of B2B Trust. This plan also applies to certain providers of services to B2B Trust, namely employees and directors of the Bank designated by the Human Resources and Corporate Governance Committee of B2B Trust (except that such directors could only obtain one grant of options at the time of the initial public offering, to be exercised at a price equal to the offering price of B2B Trust common shares under the initial public offering).

The maximum number of common shares of B2B Trust reserved for purposes of issuance under the plan is 1,845,035, representing 10% of all issued and outstanding shares of B2B Trust as at May 25, 2001.

Options are granted at the discretion of the Human Resources and Corporate Governance Committee of B2B Trust, but are generally within guidelines set out in the plan by-laws. Options allow the purchase of common shares of B2B Trust at a price being no less than the shares' market value at the time of grant, defined as being either of (i) the arithmetic average of the weighted average trading prices of the shares negotiated at the Toronto Stock Exchange on the five days preceding the grant on which shares were negotiated or (ii) in the case of initial grants, the offering price of the shares under the initial public offering, being $9.00.

The options have a 10-year term but may only be exercised after a waiting period: no option may be exercised in the two years following the grant, 33 1/3% may be exercised beginning on the second anniversary of the grant, 66 2/3% beginning on the third, and the entirety beginning on the fourth. The plan provides for the full vesting of all options following a change of control of the Bank or of B2B Trust. Certain other terms and conditions apply.

On May 25, 2001, an initial grant of 938,500 options was approved for 83 individuals, conditionally upon the closing of the initial public offering. Certain additional grants were made since that date and during the last completed financial year, a total of 1,015,500 options were granted to 86 individuals. 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

		Annual Compensation			Long-Term Compensation			
					Awards			
Name and Principal Position	Year	Salary ($)	Bonus ($)	Other Annual Compensation (Note 1) ($)	Securities Under Options/ Phantom Shares Granted (Note 2) (#)	Restricted Shares or Restricted Share Units ($)	Long Term Incentive Plan Payout ($)	All Other Compensation (Note 3) ($)
Henri-Paul Rousseau President and Chief Executive Officer	2001 2000 1999	550,000 525,000 525,000	650,000 485,000 0	0 0 0	83,000/0 0 200,000/200,000	0 0 0	0 0 0	25,532 12,305 12,143
Richard Guay Senior Executive Vice-President, Retail and Commercial Financial Services	2001 2000 1999	250,800 235,000 225,000	150,000 125,000 0	0 0 0	49,200/0 3,000/2,000 20,071/18,179	0 0 0	0 0 0	6,075 10,660 10,655
Jacques Daoust Senior Executive Vice-President, Wealth Management and Brokerage	2001 2000 1999	239,150 220,000 210,000	150,000 100,000 0	0 0 0	20,000/0 1,000/2,000 20,071/28,179	0 0 0	0 0 0	9,308 6,650 9,865
André Dubuc Senior Executive Vice-President, Treasury, Capital Markets and Chief Risk Officer	2001 2000 1999	235,000 225,000 200,000	200,000 100,000 0	0 0 0	35,000/0 1,000/2,000 17,232/25,655	0 0 0	0 0 0	12,062 6,585 9,373
Robert Cardinal Senior Executive Vice-President and Chief Financial Officer	2001 2000 1999	230,800 200,000 190,000	150,000 125,000 0	0 0 0	50,000/0 2,000/2,000 18,809/17,232	0 0 0	0 0 0	11,015 6,886 9,871

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: Figures represent securities under options granted under the B2B Trust Stock Option Plan only, except in the case of Mr. Guay, where figures include securities under options granted under the Stock Option Purchase Plan of the Bank, as disclosed in Table 3 "*Option and Phantom Share Grants during the Last Completed Financial Year (Named Officers)*".

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
Bank Option and Phantom Share Grants						
Henri-Paul Rousseau	---	---	---	---	---	---
Richard Guay	July 5, 2001	14,200/0	13.4	31.797	31.797	July 4, 2011
Jacques Daoust	---	---	---	---	---	---
André Dubuc	---	---	---	---	---	---
Robert Cardinal	---	---	---	---	---	---
B2B Trust Option Grants						
Henri-Paul Rousseau	May 25, 2001	83,000/0	8.2	9.000	9.000	May 24, 2011
Richard Guay	Sept. 1, 2001	35,000/0	3.4	9.014	9.014	Aug. 31, 2011
Jacques Daoust	May 25, 2001	20,000/0	2.0	9.000	9.000	May 24, 2011
André Dubuc	May 25, 2001	35,000/0	3.4	9.000	9.000	May 24, 2011
Robert Cardinal	May 25, 2001	50,000/0	4.9	9.000	9.000	May 24, 2011

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

Bank Option and Phantom Share Exercises				
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	143,783	2,292,275	311,250/291,089	1,397,179/761,494
Richard Guay	3,646	56,878	73,895/56,084	419,487/130,433
Jacques Daoust	0	0	36,081/40,169	65,350/145,442
André Dubuc	0	0	41,530/39,357	66,606/145,861
Robert Cardinal	30,831	445,025	29,165/34,496	55,682/121,092

Note 1: The amounts indicated are based on a price of $27.41 on October 31, 2001.

B2B Trust Option Exercises				
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	0/83,000	Nil
Richard Guay	0	0	0/35,000	Nil
Jacques Daoust	0	0	0/20,000	Nil
André Dubuc	0	0	0/35,000	Nil
Robert Cardinal	0	0	0/50,000	Nil

Note 1: The amounts indicated are based on a price of $7.50 on October 31, 2001.

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 preceding the normal retirement age. The pension is calculated on the basis of a percentage of the last three year final average salary, ranging from 48.8% at age 55 to 68.8% at age 60, less amounts paid under other pension plans applicable at the Bank. Special provisions apply in the event of termination following a change of control. Furthermore, if the change of control occurs prior to the President and Chief Executive Officer's 55th birthday, additional benefits and special early retirement provisions apply.

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

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

Final average salary ($)	At age 60 *
350,000	240,800
400,000	275,200
450,000	309,600
500,000	344,000
550,000	378,400

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

The Named Officers, other than the President, are members of the Bank's Senior Officers' Pension Plan and the Supplemental Pension Plan for Members of the Executive Management of the Bank. Under these plans, they are entitled to receive, for each year of service, a pension of 2% of their average base salary for their best five consecutive years of service. The beneficiaries may retire without penalty at age 60 and 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
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
325,000	97,500	130,000	162,500	195,000	227,500

At the age of 60, Mr. Richard Guay shall have cumulated 28.5 years of service, Mr. Jacques Daoust, 19.7 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. In the event of a change of control of the Bank, all options and phantom shares theretofore granted to them would immediatly become vested.

7. Report of the Human Resources Committee

The members of the Bank's Human Resources Committee are Messrs. Pierre Michaud (chair), Réjean Gagné, Jon K. Grant, Georges Hébert, Raymond McManus and Alex K. Paterson. 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. The Committee then reports to the Board for approval.

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, a group insurance plan and a pension plan comparable to market;

e) a protection plan in case of change of control.

To ensure that the compensation of the Bank's senior management team compares adequately to 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 favours a spirit of teamwork in the management of the Bank. In recent years, the Bank has assembled a group of high-calibre senior officers who have learned to work together and who complement each other well. With a view to foster such cooperation, one of the purposes of the annual program of incentive compensation for senior management is to incite synergy among the various business sectors of the Bank. The Bank's profitability is measured against the results of the large Canadian banks when establishing the Bank's incentive program, thus encouraging senior officers to have a global view of the business. 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.

Long-term compensation is also related to the Bank's financial results and aims to establish a link between compensation and the increased value of the Bank's shares and between the senior officer's interests and that of the shareholders. In order to involve the senior officers of the Bank who are service providers to B2B Trust in its success, a grant of B2B Trust options was made to them at an exercise price equal to the offering price of the common shares of B2B Trust under the initial public offering.

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 Officer

The committee gives 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 executive officers of other financial institutions, with due consideration for the relative size of the Bank. The committee also ensures that the variable portion of his compensation is based on specific criteria defined in advance, as it is for all officers of the Bank.

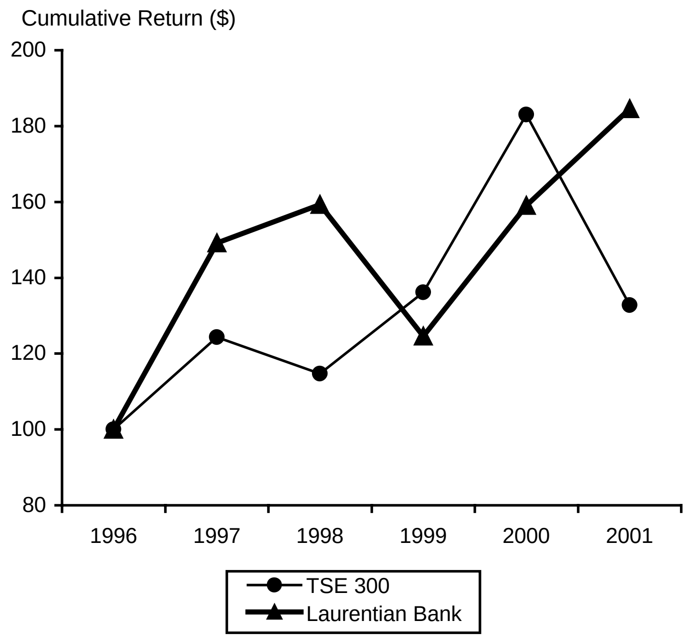
For the year 2001, the President and Chief Executive Officer's salary was increased to $550,000 in order to be in line with the reference market. A short-term bonus was set at approximately 120% of his salary in order to recognize his leadership and important contribution to the Bank's financial results.

SUBMITTED BY:

Pierre Michaud, Chair
Réjean Gagné
Jon K. Grant
Georges Hébert
Raymond McManus
Alex K. Paterson

STOCK PERFORMANCE

The following graph compares the total cumulative shareholder return for $100 invested in common shares of the Bank on October 31, 1996, 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.



	1996	1997	1998	1999	2000	2001
TSE 300	$100.00	$124.37	$114.69	$136.19	$183.05	$132.78
Laurentian Bank	$100.00	$149.17	$159.30	$124.61	$159.08	$184.58

LOANS TO EXECUTIVE OFFICERS

1. Loans pursuant to a Securities Purchase Program

As at January 8, 2002, the total of loans by the Bank and its subsidiaries to the directors, executive officers and employees of the Bank and its subsidiaries under a Securities Purchase Program amounted to $1,135,235. 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. Such loans are routine indebtedness as defined hereinafter.

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 January 8, 2002, the total of loans granted by the Bank and its subsidiaries to the directors, executive officers and employees of the Bank and its subsidiaries, other than to buy Bank shares under a Securities Purchase Program, amounted to $106,894,295.

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, 2001 ($)	Amount Outstanding as at January 8, 2002 ($)
Jill Bodkin Director (1)	Loan made by the Bank	150,000	150,000
Jean-Guy Calvé Vice-President and Senior Advisor, Audit (2)	Loan made by the Bank	34,700	19,500
Robert Cardinal Senior Executive Vice-President and Chief Financial Officer (3)	Loan made by the Bank	474,706	363,187
François Desjardins Vice-President, Call Centre and e-Banking Services (4)	Loan made by the Bank	36,240	20,868
Jean-François Doyon Vice-President, Audit and Security (5)	Loan made by the Bank	50,000	44,795
Marco Fortier Senior Vice-President, e-initiatives (6)	Loan made by the Bank	322,000	302,444
William Galbraith Vice-President, Corporate Banking, Ontario and Western Canada Region (7)	Loan made by the Bank	116,900	142,800
Luc Gingras Vice-President, Retail Financial Services, South of Quebec (8)	Loan made by the Bank	61,852	54,986
Richard Guay Senior Executive Vice-President, Retail and Commercial Financial Services (9)	Loan made by the Bank	300,609	238,595
Jean L'Heureux Vice-President, Small Business Banking (10)	Loan made by the Bank	47,052	18,259
Suzanne Masson Executive Vice-President, Human Resources, Corporate Affairs and Secretary (11)	Loan made by the Bank	31,215	23,432
Chris McMillan Vice-President, Retail Financial Services, Greater Toronto Region (12)	Loan made by the Bank	114,817	106,991
Marlène Otis Vice-President, Commercial Financial Services, Partners Relationships (13)	Loan made by the Bank	175,000	138,107
Robert Teasdale Senior Vice-President, Retail Financial Services, Ontario and Western Canada (14)	Loan made by the Bank	238,902	129,542
Alicia Zemanek Vice-President, Risk Integration and Operational Risk Management (15)	Loan made by the Bank	290,124	298,434

(1) Line of credit, interest rate at 5.75%
(2) Car loan, interest rate at 6.75%, renovation loan,interest rate at 9.75%
(3) Line of credit for investment at prime rate + 0.5%, mortgage loan, interest rate at 5.833%
(4) Personal loan, interest rate at 8.33%, RRSP loan, interest rate at 9%
(5) Car loan, interest rate at 8.13%
(6) Mortgage loan on residence, interest rate at 6.905%, personal loan, interest rate at 7%, line of credit, interest rate at 6%, credit card at 8.99%
(7) Mortgage loan on residence, interest rate at 4.97%

(8) Lines of credit at prime rate + 1%, + 1.5% and + 2%, personal loan, interest rate at 5%, interest free loan for the purchase of a computer
(9) Lines of credit at prime rate + 0.5% and + 2%, personal loans, interest rates at 6.23% and 10%
(10) Line of credit at prime rate + 1%, personal loan, interest rate at 8.75%
(11) Line of credit, interest rate at 5.75%
(12) Mortgage on residence, interest rate at 4.45%, line of credit, interest rate at 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%
(13) Mortgage loan on residence, interest rate at 6.89%
(14) Lines of credit at prime rate + 1%, mortgage loan, interest rate at 6.45%, credit card balance, interest rate at 8.99%
(15) Mortgage loan on residence, average interest rate at 5.65%, line of credit at floating rate, personal loans, interest rate at 5.375% and 8.5%, credit card balance at 8.99%

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. In 1997, it was acting in conjunction with the firm of Raymond Chabot Martin Paré. Ernst & Young has acted as auditors of the Bank, either alone or in conjunction with another firm, continuously since 1990.

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, 2001, 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 $885,000. The fees paid to this same accounting firm for audit-related services, such as those relating to activities pertaining to the financial, accounting or taxation compliance, amounted to $1,578,000.

SHAREHOLDER RIGHTS PLAN AGREEMENT

On October 2, 2001, the Board of Directors of the Bank adopted a Shareholder Rights Plan Agreement, which was amended on January 22, 2002 following discussions with Fairvest Proxy Monitor. The Shareholder Rights Plan Agreement became effective as of October 2, 2001 and an Amended and Restated Shareholder Rights Plan Agreement (the “Rights Plan”) was entered into and became effective on January 22, 2002. The Rights Plan is subject to approval by the shareholders of the Bank and, after ratification by the shareholders, will be in effect until the earlier of October 2, 2007 (subject to reconfirmation by the shareholders at the 2005 Annual and Special Meeting) and the time at which the right to exercise Rights (as defined below) shall terminate pursuant to the provisions of the Rights Plan pertaining to the redemption of the Rights and the waiver of the application of the Rights Plan (the “Expiration Time”), after which time it will automatically terminate. Approval of the Rights Plan by shareholders is required by the Toronto Stock Exchange. Shareholders will be asked to consider and if deemed fit, to adopt a resolution approving, ratifying and confirming the Rights Plan, the text of which is reproduced as schedule A to the Circular. In order to be passed, this resolution must be approved by a majority of the votes cast by holders of common shares present or represented by proxy and able to vote at the Meeting.

Directors' Recommendation

The Board of Directors of the Bank has determined that the Rights Plan is in the best interest of the Bank and its shareholders and unanimously recommends that shareholders vote in favour of the approval of the Rights Plan.

Background and Purpose to the Rights Plan

Prior to its recent amendment, the *Bank Act* (Canada) prohibited any person from holding more than 10% of any class of shares issued by a Schedule I bank such as the Bank. In the context of the entry into force on October 24, 2001 of *An Act to establish the Financial Consumer Agency of Canada and to amend certain Acts in relation to financial institutions*, the Federal Government amended this restriction on ownership of banks to allow a person, with the prior approval of the Minister of Finance, to acquire an ownership interest in excess of 10% up to and including 20% of any class of voting shares, or 30% of any class of non-voting shares, of a bank with equity of $5 billion or more (a "Large Bank"). All banks currently named in Schedule I to the *Bank Act*, including notably the Bank, are deemed to be Large Banks for the purpose of this provision, whatever their real size. This presumption will cease to apply only if the Minister of Finance specifies that it no longer applies.

In this event, the amended *Bank Act* provides that a bank with equity of less than $1 billion, such as the Bank, may, subject to a decision of the Minister, be owned up to 100% by a single person.

In anticipation of the entry into force of these amendments to the *Bank Act*, the Board determined that it would be in the best interests of the Bank and its shareholders to complement the provisions of securities law applicable to take-over bids by adopting the Rights Plan.

The purpose of the Rights Plan is to ensure, to the extent possible, that all shareholders of the Bank are treated fairly in connection with any take-over offer or other acquisition of control of the Bank. The Rights Plan will provide the Board of Directors more time to fully consider any unsolicited take-over bid for the Bank and allow more time for competing offers to emerge. Take-over bids may not always result in shareholders receiving fair treatment or full value for their investment. Furthermore, under current Canadian securities legislation, a take-over bid need only remain open for 35 days, a period of time which the Board believes is insufficient to evaluate a bid, pursue alternatives which could maximize shareholder value and make informed recommendations to the Bank's shareholders.

The Rights Plan utilizes the mechanism of the Permitted Bid (as described below) to attempt to ensure that a person seeking control of the Bank gives the Bank's shareholders and the Board sufficient time to evaluate the bid, negotiate with the initial bidder and encourage competing bids to emerge. The object of this process is to identify the transaction that produces the best value reasonably available to the shareholders in the circumstances. The Rights Plan requires all potential bidders to comply with the conditions specified in the Permitted Bid provisions, failing which such bidders are subject to the dilutive features of the Rights Plan. By creating the potential for substantial dilution of a bidder's position, the Rights Plan encourages an offeror to proceed by way of a Permitted Bid or to approach the Board with a view to negotiation.

The Rights Plan is not being proposed in response to any known or imminent acquisition or take-over bid for control of the Bank.

Summary of the Rights Plan

The following is a summary of the principal terms of the Rights Plan, which is qualified in its entirety by reference to the terms of the Amended and Restated Shareholder Rights Plan Agreement dated as of October 2, 2001 and amended as of January 22, 2002 between the Bank and Desjardins Trust Inc. To obtain copies of the Rights Plan, please send your request to: Laurentian Bank of Canada, Secretary's Office, 1981 McGill College Avenue, 20th Floor, Montreal, Quebec H3A 3K3.

Operation of the Rights Plan

Pursuant to the terms of the Rights Plan, one right (a “Right”) was issued in respect of each common share outstanding as at the close of business on October 2, 2001 (the “Record Time”). In addition, one Right will be issued for each additional common share issued after the Record Time and prior to the earlier of the Separation Time (as defined below) and the Expiration Time. One Right will also be issued in respect of each common share issued after the Separation Time and prior to the Expiration Time upon the conversion of any Class A Preferred Share of the Bank into common shares. The initial exercise price of each Right is $120, subject to certain adjustments, and the Rights are not exercisable until the Separation Time. Upon the occurrence of a Flip-in Event (as defined below), each Right, other than a Right held by an Acquiring Person (as defined below) or its affiliates or associates, may be exercised to purchase that number of common shares of the Bank as have an aggregate market value on the date of consummation or occurrence of such Flip-in Event, equal to twice the exercise price of each Right, for an amount equal to the exercise price. Rights held by an Acquiring Person and its related group will be void.

Trading of Rights

Until the Separation Time, the Rights trade with the common shares and are evidenced by the certificate for the associated common shares (which certificate shall be deemed to represent a Rights certificate). From and after the Separation Time and prior to the Expiration Time, the Rights are evidenced by Rights certificates and trade separately from the common shares. The Rights do not carry any of the rights attaching to the common shares such as voting or dividend rights.

Separation Time

Subject to certain exceptions, the Rights will separate from the common shares to which they are attached and become exercisable at the time (the “Separation Time”) that is the close of business on the 8^{th} trading day after the earlier of:

1) the first date of public announcement of facts indicating that a person has become an Acquiring Person;

2) the date of the commencement of, or first public announcement of the intent of any person (other than the Bank or any corporation controlled by the Bank) to commence, a take-over bid other than a Permitted Bid which would result in such person acquiring 20% or more of the Bank’s common shares; or

3) the date upon which a Permitted Bid ceases to be a Permitted Bid, or such later time as the Board may determine.

After the Separation Time, but prior to the occurrence of a Flip-in Event, each Right may be exercised to purchase one common share of the Bank at the stipulated exercise price.

Flip-In Event

The acquisition by any person (an “Acquiring Person”), including others acting jointly or in concert with such person, subject to certain exceptions, of beneficial ownership of 20% or more of the outstanding common shares of the Bank, is referred to as a “Flip-in Event”.

Permitted Bid Requirements

The requirements of a Permitted Bid include the following:

1) the take-over bid must be made by way of a formal take-over bid circular;

2) the take-over bid must be made to all holders of record of common shares of the Bank wherever resident, on identical terms and conditions;

3) the take-over bid must not permit common shares tendered pursuant to the bid to be taken up or paid for (a) prior to the close of business on a date which is not less than 60 days following the date of the bid, and (b) then only if at such date more than 50% of the then outstanding common shares held by shareholders other than the offeror and its related parties (the "Independent Shareholders"), have been deposited or tendered to the take-over bid and not withdrawn;

4) the take-over bid must allow common shares to be deposited, unless the take-over bid is withdrawn, at any time up to the close of business on the date that the common shares are to be first taken up and paid for;

5) the take-over bid must allow common shares to be withdrawn until taken up and paid for; and

6) if more than 50% of the then outstanding common shares of the Bank held by Independent Shareholders are deposited or tendered to the take-over bid and not withdrawn, the bidder must make a public announcement of that fact and the take-over bid must remain open for deposits and tenders of common shares for not less than 10 business days from the date of such public announcement.

The Rights Plan allows a competing Permitted Bid (a "Competing Permitted Bid") to be made while a Permitted Bid is in existence. A Competing Permitted Bid must satisfy all the requirements of a Permitted Bid other than the requirement set out in clause 3 (a) above and must not permit common shares tendered or deposited pursuant to the bid to be taken up or paid for prior to the close of business on a date that is earlier than the later of (A) 35 days (or such longer minimum period of days that a take-over bid must remain open for acceptance under applicable securities legislation) after the date of the take-over bid and (B) the 60th day after the earliest date on which any other Permitted Bid that is then in existence was made.

Redemption and Waiver

Subject to the prior consent of the holders of the common shares of the Bank or the Rights, the Rights may be redeemed by the Board at any time prior to the occurrence of a Flip-in Event at a redemption price of $0.001 per Right. Rights are deemed to have been redeemed if a bidder successfully completes a Permitted Bid.

The Board may, prior to the occurrence of the relevant Flip-in Event, waive the application of the Rights Plan to a Flip-in Event that may occur by reason of a take-over bid made by means of a take-over bid circular to all holders of record of common shares of the Bank, provided that if the Board so waives the application of the Rights Plan in respect of a particular take-over bid, the Board shall also be deemed to have waived the application of the Rights Plan in respect of any other take-over bid made by means of a take-over bid circular to all holders of record of common shares prior to the expiry of any take-over bid in respect of which a waiver is, or is deemed to have been, granted.

In addition, the provisions of the Rights Plan which apply upon the occurrence of a Flip-in Event may be waived where a person has inadvertently become an Acquiring Person.

Amendment to the Rights Plan

The Bank may from time to time amend, vary or delete any of the provisions of the Rights Plan and the Rights, provided that no amendment, variation or deletion shall be made without the prior consent of shareholders (or of the holders of the Rights, as the case may be), except that amendments, variations or deletions made (i) in order to maintain the validity of the Rights Plan and the Rights as a result of any change in any applicable legislation, regulations or rules; or (ii) in order to cure any clerical or typographical error, shall not require such prior approval but shall be subject to subsequent ratification.

Fiduciary Duty of Board

The Rights Plan will not detract from or lessen the duty of the Board to act honestly and in good faith with a view to the best interests of the Bank and its shareholders. The Board will continue to have the duty and power to take such actions and make such recommendations to the Bank's shareholders as are considered appropriate.

Exemptions for Investment Advisors

Fund managers, trust companies (acting in their capacities as trustees and administrators), statutory bodies whose business includes the management of funds, and administrators of registered pension plans are exempt from triggering a Flip-in Event, provided that they are not making, or are not part of a group making, a take-over bid.

Certain Canadian Federal Income Tax Considerations of the Rights Plan

The Bank is not required to include any amount in computing its income for the purposes of the *Income Tax Act* (Canada) (the "ITA") as a result of the issuance of the Rights.

Under the ITA, the issuance of Rights to a recipient could be considered a taxable benefit which would have to be included in computing the income of a Canadian resident recipient or would be subject to withholding tax in the case of a recipient who is not resident in Canada, but only to the extent that such Rights have a value at the time of their issuance. The Bank considers that the Rights will have negligible value when issued, there being only a remote possibility that the Rights will ever be exercised. A holder of Rights could also be required to include an amount in computing income or be subject to withholding tax under the ITA if the Rights become exercisable or are exercised. Finally, a holder of Rights may be subject to tax under the ITA in respect of the proceeds of disposition of such Rights.

This statement is of a general nature only and is not intended to constitute nor should it be construed to constitute legal or tax advice to any particular holder of common shares. Such shareholders are advised to consult their own tax advisors regarding the consequences of acquiring, holding, exercising or otherwise disposing of their Rights, taking into account their own particular circumstances and any applicable federal, provincial, territorial or foreign legislation.

Eligibility for Investment

Provided that the Bank remains a "public corporation" for purposes of the ITA at all material times, the Rights will be qualified investments under the ITA for registered retirement savings plans, registered retirement income funds, deferred profit-sharing plans and registered education savings plans. The issuance of Rights will not affect the status of the common shares of the Bank under the ITA for such purposes, nor will it affect the eligibility of such securities as investments for investors governed by certain Canadian federal and provincial legislation governing insurance companies, trust companies and pension plans.

SUMMARY OF BOARD AND COMMITTEE MEETINGS HELD

Schedule D 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, 2001. There were 18 meetings of the Board of Directors held during said period.

TORONTO STOCK EXCHANGE GUIDELINES FOR EFFECTIVE GOVERNANCE

Under the rules of the Toronto Stock Exchange, the Bank is required to disclose information relating to its system of corporate governance. The Bank's disclosure is set out in Schedule B to this Circular

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Bank subscribes for liability insurance for the benefit of its directors and officers and those of its subsidiaries, as a group. The limit of such insurance, which expires on December 1, 2002, was increased to $100,000,000 on November 13, 2001. The insurers are Chubb Insurance Company of Canada, Liberty Mutual Insurance Company, London Guarantee Insurance Company and ENCON Group Inc. The deductible is $350,000 per event. The yearly premium is $457,292.

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 or 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 regulatory authorities.

Suzanne Masson
Secretary

Montreal, Quebec, January 22, 2002

SCHEDULE A

Resolution

"BE IT RESOLVED that the Amended and Restated Shareholder Rights Plan Agreement of the Bank, adopted by the Board of directors of the Bank and implemented on October 2, 2001, and amended by the Board of directors of the Bank on January 22, 2002, be approved, ratified and confirmed."

SCHEDULE B

Toronto Stock Exchange Guidelines for Effective Governance

TSE Corporate Governance Best Practice Guidelines	Corporate Governance Standards and Practices in effect at Laurentian Bank
1. The board of directors of every corporation should explicitly assume responsibility for the stewardship of the corporation and, as part of the overall stewardship responsibility, should assume responsibility for the following matters:	In the general interest of shareholders, business partners, customers and employees, the Board of Directors supervises the commercial activity of the Bank, directly or through senior management, whose performance it evaluates.
a) adoption of a strategic planning process;	The Board follows an elaborate strategic planning process. It regularly participates in the Bank's strategic planning process, both at scheduled meetings and at ad hoc directors' meetings with the President and Chief Executive Officer. It also attends strategic planning meetings twice a year with Management. Furthermore, it approves the three-year plan and the annual budget.
b) identification of the principal risks of the corporation's business and ensuring the implementation of appropriate systems to manage these risks;	Particularly during the past year, the Board spent considerable time and energy identifying risks and management processes. It also reviewed the responsibilities of the board committees to ensure that these committees are equipped to verify the practices and internal controls in place. A risk management committee was created with the responsibility of overseeing risk management. Each year the Board reviews various policies intended to control management of these risks; it adopted numerous policies in this area in 2001. The Board receives, each year, a report from external auditors regarding the reliability of financial statements and the review of internal controls. Furthermore, the audit committee receives a report from the internal auditor at the end of each fiscal quarter.
c) succession planning, including appointing, training and monitoring senior management;	To update its mandate with regard to succession planning, the Human Resources Committee and subsequently the Board approved a new succession planning and training plan development process. The Human Resources Committee approves the appointments of Vice-Presidents, in the Planning level and higher, along with their compensation and other working conditions. The committee also reviews the annual assessments of the performance of executive officers. In conjunction with the Board members, it assesses the President and Chief Executive Officer and establishes his compensation.
d) a communications policy for the corporation;	In order to assert its openness in matters of communication, the Bank applies a disclosure of information policy. This policy, reviewed in 2001, was

TSE Corporate Governance Best Practice Guidelines	Corporate Governance Standards and Practices in effect at Laurentian Bank
	established to ensure a fair treatment of all of the Bank's shareholders regarding disclosure of information considered to be material. The Board, directly or through a committee, also approves, in addition to financial statements, all press releases containing financial information, along with management's discussion and analysis of financial condition and results of operations included in quarterly and annual public reports. The Board also pays close attention to the manner in which the Bank communicates with its shareholders and the public.
e) the integrity of the corporation's internal control and management information systems.	The Bank has adopted a series of mechanisms that enable it to quickly communicate information to shareholders, customers, employees and the general public on a regular basis. These mechanisms include the publication of the Annual Report and the quarterly reports, the dissemination of press releases via the newswires and their posting on the Bank's Internet site, conference calls with analysts concerning quarterly financial results, in which shareholders, journalists and the general public can participate directly by phone or via the Internet, and by subsequently accessing the Bank's website. This site provides customers, shareholders and the general public with a means of communicating with the Bank or of consulting information regarding the organization and its lines of business, products and services, etc. Communications with shareholders are quickly processed by the Bank, either by the Secretariat, the Investor Relations department or by the transfer agent and registrar. After the annual general meeting, the minutes are sent both to registered and unregistered shareholders. Several committees ensure, as part of their specific mandate, the integrity of internal control systems and management information systems. Internal audit managers also report to the audit committee on the integrity of the internal control systems.
2. The board of directors of every corporation should be constituted with a majority of individuals who qualify as unrelated directors. An unrelated director is a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act with a view to the best interests of the corporation, other than interests and relationships arising from shareholding. A related director is a director who is not an unrelated director. If the	The Board is comprised of directors not related to the Bank, with the exception of the President and Chief Executive Officer.

TSE Corporate Governance Best Practice Guidelines		Corporate Governance Standards and Practices in effect at Laurentian Bank
	corporation has a significant shareholder, in addition to a majority of unrelated directors, the board should include a number of directors who do not have interests in or relationships with either the corporation or the significant shareholder and which fairly reflects the investment in the corporation by shareholders other than the significant shareholder. A significant shareholder is a shareholder with the ability to exercise a majority of the votes for the election of the board of directors.	
3.	The application of the definition of "unrelated director" to the circumstances of each individual director should be the responsibility of the board which will be required to disclose on an annual basis whether the board has a majority of unrelated directors or, in the case of a corporation with a significant shareholder, whether the board is constituted with the appropriate number of directors which are not related to either the corporation or the significant shareholder. Management directors are related directors. The board will also be required to disclose on an annual basis the analysis of the application of the principles supporting this conclusion.	No director other than the President and Chief Executive Officer is related. No director is considered an affiliated person under the *Bank Act*, that is someone who is personally, or through a company, a significant borrower. Under the *Bank Act*, the Bank cannot have a shareholder that can exercise a majority of the votes for the election of the Board of Directors, or a director that possesses a substantial investment in the Bank.
4.	The board of directors of every corporation should appoint a committee of directors composed exclusively of outside, i.e., non-management, directors, a majority of whom are unrelated directors, with the responsibility for proposing to the full board new nominees to the board and for assessing directors on an ongoing basis.	The Board has mandated the Nominating and Governance Committee, comprised exclusively of outside and unrelated directors, to assess directors and propose new nominees to the Board.
5.	Every board of directors should implement a process to be carried out by the nominating committee or other appropriate committee for assessing the effectiveness of the	The Board has adopted a process intended to assess its efficiency along with the contribution of directors. The Nominating and Governance Committee has been charged with applying this process. During the annual review of the composition of the Board, the committee

TSE Corporate Governance Best Practice Guidelines	Corporate Governance Standards and Practices in effect at Laurentian Bank
board as a whole, the committees of the board and the contribution of individual directors.	evaluates the contribution of each director to the work of the board and its committees.
6. Every corporation, as an integral element of the process for appointing new directors, should provide an orientation and education program for new recruits to the board.	Every new director is mentored by a more experienced Board member and is matched up with a member of Management to ensure that all directors have access to all the information they may require. Meetings with the Chairman of the Board and with the President and Chief Executive Officer are also organized. Furthermore, an information manual is provided to each director and is regularly updated. Most Board meetings include presentations on topics of interest to the directors. Directors are also invited to attend seminars, at the Bank’s expense. During 2001, each director was invited to complete a survey aimed at improving the education program.
7. Every board of directors should examine its size and, with a view to determining the impact of the number upon effectiveness, undertake where appropriate, a program to reduce the number of directors to a number which facilitates more effective decision-making.	The Board annually reviews its size. This number was reduced in 1997 and again in 2001. The new size reflects the scope of its desired experience and competence, along with the geographical representation and economic sectors in which the Bank pursues its activities. The Board also reviewed the number and responsibilities of its committees to facilitate director participation.
8. The board of directors should review the adequacy and form of the compensation of directors and ensure that the compensation realistically reflects the responsibilities and risk involved in being an effective director.	The Board requests a market analysis on a yearly basis to ensure that directors’ remuneration is adequate and competitive. The most recent review, followed by a modification, was performed in November 2001. In 1999, a deferred stock unit plan was introduced: directors could thus chose this plan instead of compensation in cash or in shares, once they hold a minimum of 2,000 shares of the Bank.
9. Committees of the board of directors should generally be composed of outside directors, a majority of whom are unrelated directors, although some board committees, such as the executive committee, may include one or more inside directors.	With the exception of the Executive Committee, all of the committees are formed exclusively of outside and unrelated directors as only the President and Chief Executive Officer is both a director and a member of Management. Furthermore, he is a member of the Executive Committee only.
10. Every board of directors should expressly assume responsibility for, or assign to a committee of directors the general responsibility for, developing the corporation's approach to governance issues. This committee would, amongst other things, be responsible for the corporation's response to these governance guidelines.	The Board has delegated to the Nominating and Governance Committee the responsibility for implementing various elements of corporate governance. The Committee is also in charge of following up the TSE guidelines in this area. It therefore puts in place and monitors corporate governance rules and makes recommendations to the Board for improvements, as required.

	TSE Corporate Governance Best Practice Guidelines	Corporate Governance Standards and Practices in effect at Laurentian Bank
11.	The board of directors, together with the CEO, should develop position descriptions for the board and for the CEO, involving the definition of the limits to management's responsibilities. In addition, the board should approve or develop the corporate objectives which the CEO is responsible for meeting	The Board has defined its responsibilities, including that of setting the general objectives of the Bank together with those of the President and Chief Executive Officer. It also assesses these responsibilities. Position descriptions have been developed for both the Board of Directors and the positions of Chairman of the Board and President and Chief Executive Officer. The Human Resources committee, in conjunction with Board members, determines the objectives of the President and Chief Executive Officer.
12.	Every board of directors should have in place appropriate structures and procedures to ensure that the board can function independently of management. An appropriate structure would be to (i) appoint a chair of the board who is not a member of management with responsibility to ensure the board discharges its responsibilities or (ii) adopt alternate means such as assigning this responsibility to a committee of the board or to a director, sometimes referred to as the "lead director". Appropriate procedures may involve the board meeting on a regular basis without management present or may involve expressly assigning the responsibility for administering the board's relationship to management to a committee of the board.	Appropriate measures are in place to ensure the autonomy of the Board with regard to Management. The Chairman of the Board is not a member of Management and the only related director is the President and Chief Executive Officer. If necessary, the Board meets in the absence of the President and Chief Executive Officer.
13.	The audit committee of every board of directors should be composed only of outside directors. The roles and responsibilities of the audit committee should be specifically defined so as to provide appropriate guidance to audit committee members as to their duties. The audit committee should have direct communication channels with the internal and external auditors to discuss and review specific issues as appropriate. The audit committee duties should include oversight responsibility for management reporting on internal control. While it is management's responsibility to	The Audit Committee is comprised only of outside and unrelated directors. In regular direct communication with auditors appointed by the shareholders and with internal auditors, this committee monitors the internal control system put in place by Management. In discharging their responsibilities, the Committee members meet, together or separately, with the officers and the external auditors to discuss the financial matters within their mandate. They also meet each year with the Superintendent of Financial Institutions or his representative.

TSE Corporate Governance Best Practice Guidelines		Corporate Governance Standards and Practices in effect at Laurentian Bank
	design and implement an effective system of internal control, it is the responsibility of the audit committee to ensure that management has done so.	
14.	The board of directors should implement a system which enables an individual director to engage an outside advisor at the expense of the corporation in appropriate circumstances. The engagement of the outside advisor should be subject to the approval of an appropriate committee of the board.	In appropriate circumstances, and on recommendation by a committee, the Board may allow a director to hire an outside advisor at the Bank's expense. If necessary, the Board meets in the absence of the President and Chief Executive Officer.

SCHEDULE C

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 D

Summary of attendance for the financial year ended on October 31, 2001

Name	Municipality of residence	Board Meetings Attended	Committee Meetings Attended
Jacques G. Auger (2) *(until December 19, 2000)*	Verdun, Qc	2 / 3	2 / 3
Jacques Barbeau (4) *(until January 8, 2001)*	Vancouver, B.C.	3 / 3	2 / 2
Jean Bazin (4) *(until December 19, 2000)*	Verdun, Qc	2 / 3	1 / 1
Jill Bodkin (4)	Vancouver, B.C.	17 / 18	5 / 5
Ronald Corey (3) (4)	Westmount, Qc	17 / 18	6 / 7
Réjean Gagné (1) (3) (5)	Laval-sur-le-Lac, Qc	18 / 18	22 / 22
Christiane Germain (2) *(since February 8, 2001)*	Quebec City, Qc	5 / 11	4 / 5
Jon K. Grant (1) (2) (3) (5)	Peterborough, Ont.	18 / 18	31 / 31
Georges Hébert (1) (3) (4) (5)	Town of Mount-Royal, Qc	14 / 18	16 / 17
Veronica S. Maidman (2) *(since February 8, 2001)*	Toronto, Ont.	7 / 11	4 / 5
Raymond McManus (1) (3) (4) (5)	Baie D'Urfé, Qc	15 / 18	17 / 19
Pierre Michaud (1) (3) (5)	Montreal, Qc	14 / 18	13 / 17
Margot Northey (2)	Kingston, Ont.	17 / 18	9 / 11
Alex K. Paterson (3) (4) (5)	Westmount, Qc	17 / 18	13 / 15
Jacques Perron (2) (4) *(until October 9, 2001)*	Ste-Agathe-des-Monts, Qc	12 / 17	10 / 16
Henri-Paul Rousseau (1) (4)	Outremont, Qc	18 / 18	12 / 12
Dominic J. Taddeo (2)	Kirkland, Qc	17 / 18	10 / 11
Lise Watier (4) *(until December 6, 2000)*	Dorval, Qc	1 / 2	---
Jonathan I. Wener (4)	Hampstead, Qc	16 / 18	4 / 5
Jeannine Guillevin Wood (1) (3) (5) *(until March 1st, 2001)*	Montreal, Qc	9 / 9	7 / 7

Summary of Board and Committee Meetings Held

Board of Directors	18
(1) Executive Committee	10
(2) Audit Committee	11
(3) Human Resources Committee	6
(4) Risk Management Committee (combination of the Credit Committee and the Conduct Review Committee)	7
(5) Nominating and Governance Committee	6