



## Summary Board Equity, Diversity, and Inclusion Policy

This document is a summary (the “Summary”) of Laurentian Bank of Canada’s (“the Bank”) Board Equity, Diversity, and Inclusion Policy (the “Policy”). Since the Policy is reviewed and amended from time to time, this Summary may not fully reflect the up-to-date version of the Policy. In the event of a conflict between the content of this Summary and the provisions of the Policy, the Policy shall prevail.

Laurentian Bank of Canada (the “**Bank**”) is committed to fostering and supporting equity, diversity and inclusion (“**ED&I**”) at all levels of the organization. This includes a commitment to achieving diversity at the board level and to ensuring that its board of directors (the “**Board**”) operates in a manner that is aligned with the Bank’s ED&I objectives of:

- (1) attracting a diverse workforce;
- (2) building a fair and inclusive workplace;
- (3) driving leadership accountability;
- (4) delivering on diverse customer needs; and
- (5) partnering with communities.

A diverse Board, operating within an equitable and inclusive culture: drives innovation and growth; promotes the inclusion of different perspectives and ideas; mitigates against group think; and improves oversight, decision-making and governance.

### Defined Terms

Capitalized terms used in this policy and not otherwise defined herein have the following meanings.

“**Diversity**” is any dimension that can be used to differentiate groups and people from one another, including but not limited to race, ethnicity, age, gender identity or expression, sex, sexual orientation, religious beliefs, language, disability and life experiences and “**Diverse**” shall have a similar meaning.

“**Equity**” is an approach that acknowledges uneven starting places and seeks to correct the imbalance. Equity requires that processes and programs for allocating resources and decision making to be impartial, fair and provide equal possible outcomes for every individual. It involves challenging systemic barriers and biases and can involve providing different levels of support to individuals so they can fully access or participate and perform at the Bank.

“**Inclusion**” is the practice of ensuring that all individuals are valued and respected for their contributions and are equally supported and able to contribute to their fullest potential.

“**People of Marginalized Genders**” refers to trans and cis women, as well as all trans, Two Spirit, and nonbinary people.

“**Under-Represented Groups**” means groups that are not proportionally represented in positions of economic influence and leadership, including on corporate boards and in senior management. These groups include but are not limited to women, racialized persons, those who identify as LGBTQ2S+

(Lesbian, Gay, Bisexual, Transgender, Queer or Questioning, Two-Spirit and additional sexual orientations and gender identities), Indigenous Peoples, and persons with living with disabilities.

## **Board Composition**

The Human Resource and Corporate Governance Committee (the “**Committee**”) of the Board is responsible for reviewing and assessing Board size, composition and effectiveness, and for recommending to the Board: (i) the director nominees to stand for election at the next annual meeting of Bank shareholders; and (ii) any candidates for appointment to the Board between annual meetings of Bank shareholders, as appropriate. It regularly assesses the Board’s composition, anticipated vacancies and succession and renewal plans, and satisfies itself that the directors of the Bank, taken as a whole, have the competencies relevant to the opportunities, risks, long term strategy and overall operations of the Bank.

At all times, the Committee seeks to maintain a Board comprised of talented and dedicated directors who reflect the strategic needs of the Bank and the nature of the environment in which the Bank operates. When assessing Board composition or identifying suitable candidates for appointment or election to the Board, the Committee will consider candidates using objective criteria having due regard to the benefits of Diversity and the needs of the Board, balanced appropriately. The Bank believes promotion of Diversity is best served through careful consideration of all the knowledge, experience, skills, background, ability and attributes of each individual candidate in view of the needs of the Board.

Without limiting the generality of the foregoing, when identifying and considering the selection of candidates for appointment or nomination for election to the Board, the Committee:

- will ensure that search protocols extend beyond the networks of existing Board members and that appropriate efforts are made to include Diverse candidates for consideration for Board positions;
- may engage specialized recruitment firms to identify candidates with specific competencies and attributes, including Diversity criteria, and will direct any such firm to include Diverse candidates;
- will assess the Board by considering the balance of skills, experience, independence and knowledge on the Board, the Board's cohesiveness and other factors relevant to its effectiveness;
- will consider only candidates who are highly qualified based on their experience, education, expertise, skills and qualities, including general, regional and industry-specific knowledge, having regard to the Bank's current and future plans and objectives;
- will ensure that the candidate selection process is free from any conscious or unconscious bias;
- will ensure that any special committee of the Board formed for the purposes of recruiting new director nominees, include at least one member from an Under-Represented Group;
- will select individuals based on merit, against objective criteria, having due regard for the benefits of Diversity, in order to maintain an appropriate range and balance of skills, experience and background on the Board to enable the Board to discharge its duties and responsibilities effectively; and

- in the event the Committee maintains an ongoing list of potential director candidates, will ensure that such list includes Diverse candidates.

## **Diversity Targets**

In furtherance of Board Diversity, the Bank has established the following specific targets:

- to maintain a Board composition in which at least 45% of the directors are women or other People of Marginalized Genders;
- to achieve by the end of 2025, and thereafter maintain, a Board composition in which at least 15% of the directors self-identify as a member of an Under-Represented Group (beyond cis women); and
- In addition, the Committee will require that any list of candidates presented to the Committee in every search for new directors include Diverse candidates and that Diversity be strongly considered in making final nomination decisions.

On an annual basis, the Committee will: (i) review and assess the effectiveness of the Board appointment/nomination process in achieving the Bank's Diversity targets; and (ii) consider and, if determined advisable, recommend to the Board for adoption, other measurable targets for achieving Diversity on the Board. At any time, the Board may seek to adjust one or more targets concerning Diversity and measure progress accordingly. The Committee also seeks to achieve and maintain Diversity in membership of the Board's Committees and in Board leadership roles and will consider Diversity when assigning chair roles for the Board and its Committees.

## **Reporting**

The Board reports annually to shareholders on the Diversity of its members, including the number and percentage of directors who are women or other members of Under-Represented Groups.

Directors are asked to identify whether they have any Diversity characteristics for consideration by the Board when assessing its composition and the Bank's disclosure is based on such self-identification.

## **Training and Evaluation**

As part of the Board's orientation process, new board members will be introduced to the Bank's ED&I strategy, and all Board members will receive appropriate ED&I training.

The Committee will work with the Chief Human Resources Officer of the Bank to develop procedures to ensure that the Board operates in an inclusive manner and that all voices are heard at the Board level.

As part of the Board's formal annual evaluation process, directors will be evaluated for ED&I advocacy and inclusive decision-making.

## **Review of the Policy**

The Committee will review this Policy as needed, and in any event every 2 years.

**Effective Date:** *February, 2022*