EQUITABLE GROUP INC.

ANNUAL INFORMATION FORM
For the year ended December 31, 2007

MARCH 3, 2008

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Note: Unless otherwise specified, all information presented herein is as of December 31, 2007.

FORWARD-LOOKING STATEMENTS

Certain statements in this Annual Information Form ("AIF") contain forward-looking information within the meaning of applicable securities laws ("forward-looking statements"). Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Equitable Group Inc. (the "Company"), or developments in the Company's business or the industry, to differ materially from the anticipated results, performance, achievements or developments expressed or implied by such forward-looking statements. Forward-looking information includes all disclosure regarding possible events, conditions or results of operations that is based on assumptions about future economic conditions and courses of action. Forward-looking statements may also include, without limitation, any statement relating to future events, conditions or circumstances. The Company cautions readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. Often, but not always, forward-looking statements can be identified by the use of words or phrases such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates" or "forecasts". Other phrases or words may include "intends", "anticipates", or "does not anticipate", "believes", or state that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved.

Forward-looking statements relate to, among other things, realizing the value of the Company's assets, capitalizing on increasing market demand for mortgage products, executing the strategic plan, success in introducing new loan products, growing in new geographic territories and the demand for the Company's deposit products. The risks and uncertainties that may affect forward-looking statements include, among others, risks involved in fluctuating interest rates and general economic conditions, legislative and regulatory developments, the nature of our customers, competition and other risks detailed from time to time in filings with Canadian provincial securities regulators, including the Equitable Group Inc. Annual Report. Forward-looking statements are based on management's current plans, estimates, projections, beliefs and opinions. Management does not undertake any obligation to update forward-looking statements should assumptions related to these plans, estimates, projections, beliefs and opinions change. Readers are advised to consider the risks regarding forward-looking statements.

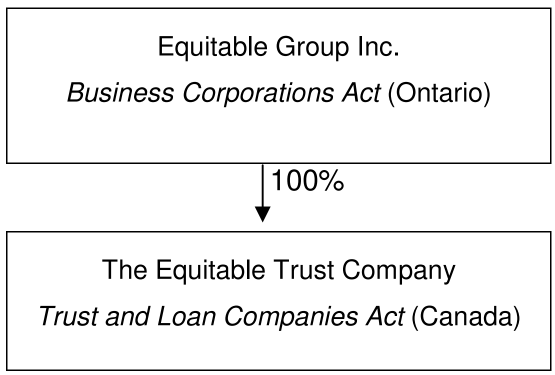
CORPORATE STRUCTURE

Equitable Group Inc. (the "Company") was formed on January 1, 2004 to serve as the holding company of The Equitable Trust Company ("Equitable"), pursuant to a Certificate of Amalgamation issued under the *Business Corporations Act* (Ontario). Equitable is a federally regulated financial institution incorporated in 1970 by Letters Patent issued under the predecessor statute of the *Trust and Loan Companies Act* (Canada). Equitable is a wholly-owned subsidiary of the Company.

The Company's registered and head office is located at 30 St. Clair Avenue West, Suite 700, Toronto, Ontario, M4V 3A1.

Intercorporate Relationships

The following chart summarizes the primary corporate structure of the Company, the jurisdiction of incorporation of each corporate entity and the percentage of votes attached to all securities beneficially owned or over which control is exercised by the Company.



GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

The Company is a holding company operating through Equitable and its common shares are publicly traded on the Toronto Stock Exchange (ETC). It carries on no other business activities.

On March 17, 2005, the Company completed a $20,000,000 financing with Canadian Western Bank ("CWB"). Net proceeds of $19,750,000 were used to increase regulatory capital in the form of $20,000,000 of Series 5 Subordinated Debentures in Equitable. CWB subscribed for $250,000 of Series 5 Subordinated Debentures in Equitable.

On April 17, 2006 and on March 19, 2007 the Company completed financings in the amount of $15,000,000 and $12,500,000, respectively, with CWB and used the proceeds to purchase Series 6 and 7 Subordinated Debentures in Equitable. See "Material Contracts".

On April 30, 2007 the Company completed an equity offering in the amount of $25,000,000. Net proceeds of $23,500,000 were used to invest in the equity of Equitable and for general corporate purposes.

There were no significant acquisitions or dispositions that occurred during the year ended December 31, 2007.

DESCRIPTION OF THE BUSINESS

Employees and Facilities

As at December 31, 2007, Equitable employed 124 full-time employees operating out of leased offices in Toronto and Calgary.

Business Overview

The Company provides first mortgage financing through Equitable. Equitable's principal business is to provide first mortgage financing to owners of single family dwellings, multi-unit residential buildings and commercial properties. In the single family dwelling segment, Equitable is an alternative lender to borrowers who are unable to satisfy the strict underwriting criteria of conventional bank mortgage lenders.

Equitable accepts deposits from the public by issuing Guaranteed Investment Certificates ("GICs") and pays interest on these deposits. GICs provide funding for all business lines. GICs are largely originated through deposit agents. In addition, Equitable issues Canada Mortgage and Housing Corporation ("CMHC") insured mortgage-backed securities ("MBS") through a national program approved under the *National Housing Act* (Canada) (the "CMHC-MBS Program"). Equitable generates earnings from its MBS operations in the form of gains on the sale of mortgages securitized and recurring earnings from its retained interest in such mortgages.

Equitable operates a lower cost business model than the six major chartered banks. Mortgage origination and deposit-gathering functions are largely obtained through the brokerage channel, and a substantial amount of mortgage administration is outsourced.

Competitive Conditions

Equitable competes with regulated and unregulated mortgage lenders who provide mortgage financing in the alternate single family segment. Canadian chartered banks, insurance companies and other financial institutions compete with Equitable in the single family dwelling, multi-unit residential and commercial mortgage lending segments as well as in the GIC market.

Principal Products and Services

Mortgage Lending

Equitable's mortgage products consist of fixed and floating rate mortgages with terms of up to five years. The majority of Equitable's mortgage financing business is in single family dwelling, multi-unit residential and commercial properties. In 2007, these three categories accounted for 82% of Equitable's mortgage portfolio. Equitable also operates in the "warehoused mortgage" segment (see page 6 for a discussion of warehoused mortgages) referred to in the table below as "conventional mortgages held for sale". Equitable's mortgage portfolio also includes CMHC-insured mortgages, and residential and commercial construction loans. Equitable's total mortgage portfolio was $2.87 billion as at December 31, 2007.

Mortgage Portfolio by Loan Category
as at December 31, 2007, 2006 and 2005

($ thousands)	2007	% of total	2006	% of total	2005	% of total
Single family dwelling including mixed-use property[1]	1,026,693	36%	741,732	35%	628,240	37%
Multi-unit residential	660,071	23%	570,312	27%	500,666	30%
Commercial	652,783	23%	431,017	20%	292,200	17%
Conventional mortgages held for sale	272,370	9%	268,396	13%	163,743	10%
Construction	77,395	3%	87,043	4%	61,836	4%
CMHC-insured	178,971	6%	33,617	1%	30,452	2%
Total mortgage principal	2,868,283	100%	2,132,117	100%	1,677,137	100%

(1) A mixed-use property is a building that includes both residential and commercial space. Mortgage principal outstanding for mixed-use properties was $287.6 million at December 31, 2007 and $192.4 million at December 31, 2006.

Single Family Dwelling Mortgages. In the single family dwelling market segment, Equitable focuses on offering mortgages to borrowers who have difficulty qualifying for financing from conventional financing institutions due to the borrower's self-employed status, past credit issues or the lender's difficulty with earnings verification.

Multi-Unit Residential Mortgages. This segment includes properties with more than four residential units. The principal secured by mortgages on multi-unit residential buildings is much larger than on single family dwellings, which results in efficiencies of scale for Equitable. As at December 31, 2007, multi-unit residential mortgages (excluding held-for-sale) represented $660.0 million or 23% of Equitable's mortgage portfolio.

Commercial Mortgages. The Commercial Mortgage operation deals primarily in larger commercial mortgages such as mortgages on retail, office and industrial properties. As at December 31, 2007, $652.8 million in mortgages or 23% of Equitable's mortgage portfolio was comprised of commercial mortgages. Retail and office sectors accounted for 68% of the commercial mortgage portfolio as at December 31, 2007 with recreational/hotel and industrial property sectors comprising the balance of the portfolio.

Conventional Mortgages Held for Sale. Conventional mortgages held for sale are comprised of 60% residential and 40% commercial mortgages on properties across Canada as at December 31, 2007. These mortgages are originated by third-party lenders who require financing prior to pooling and eventually selling the mortgages to investors. Conventional mortgages held for sale usually stay on Equitable's books for periods of up to six months and are often referred to as "warehoused" mortgages.

Construction Mortgages. Construction mortgages are made to developers of residential and commercial buildings and are generally short-term in nature. As of December 31, 2007, construction mortgages represented approximately $77.4 million or 3% of the mortgage portfolio.

CMHC-Insured Mortgages. CMHC-insured mortgages are on multi-unit residential properties that are held for securitization. These are pooled and sold through the CMHC-MBS Program where Equitable retains an ongoing interest in the mortgages (See “Mortgage-Backed Securities”).

Mortgage Origination. Independent mortgage brokers originated the majority of Equitable’s funding activity in 2007. One major mortgage brokerage firm accounted for approximately 42% of this funding activity, primarily in the non-single family dwelling segment. The remainder of the brokered mortgages were originated by mortgage brokers, none of which provided more than 9% of the total dollar volume of mortgages.

Mortgage Lending Policies. Equitable's strict underwriting criteria are intended to minimize risks inherent in its target market. All mortgages constitute a first charge against the property. Uninsured loans must not exceed 80% of the property value. For single family dwelling mortgages, debt ratios of applicants must not exceed 50% gross debt service ratio and 50% total debt service ratio. Multi-unit CMHC-insured loans must not exceed 85% of the property value. For multi-unit residential and commercial mortgages, there are strict guidelines for debt service coverage ratios.

Mortgage-Backed Securities

Since 1994, Equitable has funded and securitized assets under the CMHC-MBS Program in cooperation with First National Financial L.P. (“FNFLP”) (formerly known as First National Financial Corporation). Equitable's participation in the CMHC-MBS Program has been a steady, profitable and low-risk area of business.

In 1994, Equitable entered into an exclusive agreement with FNFLP (the “FNFLP Agreement”) whereby Equitable would fund CMHC-insured mortgages originated by FNFLP across Canada and securitize these mortgages through the CMHC-MBS Program. FNFLP is Canada’s largest non-bank originator and underwriter of residential mortgages and provides a full range of mortgage products and services to individuals and investors.

Under the FNFLP Agreement, FNFLP and Equitable share income related to the securitization of mortgages on an equal basis. All risks are also equally shared, including any credit risk, claims risk, interest rate risk during prescribed periods and any unscheduled prepayment risk. During the thirteen years that Equitable has participated in the CMHC-MBS Program, there have been no losses on the mortgage portfolio relating to any CMHC claims.

As the issuer of the MBS, Equitable retains the responsibility for administering CMHC-insured mortgages after their sale to investors through the CMHC-MBS Program until the maturity of the mortgage. Equitable has outsourced this administrative function to FNFLP and pays a market rate fee to FNFLP for this service. FNFLP also manages the arrears, sale and claims process, and has been granted status on the accelerated claim payment plan with CMHC.

The FNFLP Agreement expires on December 31, 2009. If this Agreement is not renewed or if it is terminated prior to its expiry date, Management believes that it could retain other MBS servicers or bring this administrative function in-house using Equitable's own administrative staff.

Under the CMHC-MBS Program, all principal receipts from mortgages are passed through to MBS investors together with interest at the MBS coupon rate. Interest payable on MBS is less than the interest earned in connection with the underlying mortgages. This excess interest is shared equally by FNFLP and Equitable, net of the fee paid to FNFLP for its administrative services and represents ongoing earnings to Equitable.

Deposit Taking

Equitable is a federally regulated deposit taking institution and is a member institution of the Canada Deposit Insurance Corporation ("CDIC").

Equitable's GIC products consist of short and long term and a cashable product issued for one year but cashable at any time. Equitable guarantees payment of the principal amount plus interest to the GIC holder in accordance with the terms of the GIC.

Equitable sources its deposits primarily through the use of deposit agents who are members of either the Federation of Canadian Independent Deposit Brokers ("FCIDB") or the Investment Dealers' Association ("IDA"). FCIDB members tend to be small to medium-sized regionally based deposit agents, while IDA members include bank-owned affiliates and other large investment dealers. The five largest bank affiliated deposit agents provided Equitable with 87% of its outstanding GICs as at December 31, 2007.

Risk Factors

The Company (through Equitable), like other financial institutions, is exposed to several factors which could adversely affect its business, financial condition or operating results. The risks faced by the Company are described on pages 30 to 33 of the Company's 2007 Management Discussion and Analysis and those pages are incorporated herein by reference.

DIVIDENDS

Dividends are payable on the common shares of the Company if, as and when declared by the Board of Directors.

The Company declared and paid dividends totalling $0.40 per common share for fiscal 2007 and 2006, and $0.32 for fiscal 2005.

DESCRIPTION OF CAPITAL STRUCTURE

Authorized Capital

The authorized share capital of the Company consists of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series. As at December 31, 2007, 12,952,710 common shares and no preferred shares were issued and outstanding. The following is a summary of the provisions of the common shares and the preferred shares of the Company.

Common Shares

The holders of common shares are entitled to vote at all meetings of the shareholders of the Company except meetings at which only holders of a specified class or series of shares are entitled to vote. The holders of common shares are entitled to receive dividends, if, as and when declared by the Board of Directors, subject to the preference of any holders of the preferred shares of the Company. After payment of all outstanding debts, the holders of common shares are entitled to receive the remaining property of the Company upon the liquidation, dissolution or winding-up thereof.

Preferred Shares

The preferred shares are issuable from time to time in one or more series. The Board of Directors of the Company is authorized to fix before issue the number of, the consideration per share of, the designation of, and the provisions attaching to the preferred shares of each series, which may include voting rights. The preferred shares of each series will rank pari passu with the preferred shares of every other series and will be entitled to preference over the common shares and any assets in the event of liquidation, dissolution or winding-up of the Company. If any cumulative dividends or amounts payable on a return of capital are not paid in full, the preferred shares of all series will participate rateably in accordance with the amounts that would be payable on such shares if all such dividends were declared and paid in full or the sums that would be payable on such shares on the return of capital if all amounts so payable were paid in full, as the case may be.

MARKET FOR SECURITIES

The common shares of the Company are traded on the TSX under the symbol "ETC".

The following table sets forth information relating to the monthly trading of the common shares on the TSX for the year ended December 31, 2007.

Period	**High (Cdn$)**	**Low (Cdn$)**	**Trading Volume**
January 2007	33.85	31.00	129,733
February 2007	34.50	32.00	150,992
March 2007	34.18	31.48	1,624,744
April 2007	33.00	31.77	287,322
May 2007	34.75	32.56	934,494
June 2007	34.75	31.21	279,822
July 2007	33.00	30.50	544,838
August 2007	32.70	26.50	354,940
September 2007	30.40	28.34	432,614
October 2007	30.74	28.75	213,206
November 2007	32.00	27.00	484,276
December 2007	29.51	28.00	545,060

DIRECTORS AND OFFICERS

Directors

Each director of the Company is also a director of Equitable. Each director is elected annually and holds office until the next annual meeting of shareholders.

Name and Municipality of Residence	**Director Since**	**Principal Occupation**
Paul Alofs[(3)(6)] Toronto, Ontario, Canada	February 2, 2004	President and Chief Executive Officer, Princess Margaret Hospital Foundation
Austin Beutel[(1)(3)(5)(6)] Toronto, Ontario, Canada	January 1, 2004	Chairman, Oakwest Corporation Limited, an investment holding company
Eric Beutel[(4)] Toronto, Ontario, Canada	January 1, 2004	Vice-President, Oakwest Corporation Limited, an investment holding company
Joseph Dickstein[(2)(4)] Toronto, Ontario, Canada	January 1, 2004	Vice-Chairman, PPI Financial Group, a financial services company
Eric Kirzner[(2)(3)(6)] Toronto, Ontario, Canada	January 1, 2004	Professor of Finance, Rotman School of Management, University of Toronto
Andrew Moor [(4)] Toronto, Ontario, Canada	May 18, 2007	President and Chief Executive Officer of the Company and Equitable

Name and Municipality of Residence	Director Since	Principal Occupation
Lionel Robins[3][5][6] Toronto, Ontario, Canada	January 1, 2004	President, PFDL Investments Limited, an investment holding company
Robert Rubinoff[4][5] Toronto, Ontario, Canada	January 1, 2004	President , Inglewood Holdings Inc., an investment holding company
Michael Shulman[2] Toronto, Ontario, Canada	January 1, 2004	President, The Birchwood Group Inc., an investment holding company

(1) Chairman of the Board of the Company and Equitable.
(2) Member of the Audit Committee of the Company and Equitable.
(3) Member of the Corporate Governance Committee of the Company.
(4) Member of the Investment Committee of Equitable.
(5) Member of the Human Resources and Compensation Committee of Equitable.
(6) Member of the Corporate Governance and Conduct Review Committee of Equitable.

Each of the individuals listed in the previous table held their current positions and offices for the past five years with the exception of: Mr. Alofs who from 1999 to 2003 was a private investor; and Mr. Moor who from 2002 to 2007 was President and Chief Executive Officer of Invis Inc.

Officers

The following table lists the name, municipality of residence and principal occupation of each executive officer of the Company and Equitable as at the date hereof:

Name and Municipality of Residence	Position
Andrew Moor Toronto, Ontario, Canada	President and Chief Executive Officer of the Company and Equitable
William Edmunds[1] Waterdown, Ontario, Canada	Senior Vice-President, Credit and Chief Risk Officer of Equitable
Timothy Storus Toronto, Ontario, Canada	Vice-President, General Counsel, Chief Compliance Officer and Secretary of the Company and Equitable
Kimberly Kukulowicz[1] Toronto, Ontario, Canada	Vice-President, Mortgage Services of Equitable
Tamara Malozewski Toronto, Ontario, Canada	Vice-President, Finance of the Company and Equitable
Caryn Markman[1] Toronto, Ontario, Canada	Vice-President, Residential Mortgages of Equitable
Nicholas Strube[1] Toronto, Ontario, Canada	Treasurer of Equitable

(1) Officer of Equitable only.

All of the above named executive officers have held their respective present positions with the Company and Equitable for the past five years except for the following:

- Mr. Edmunds was President and Chief Risk Officer of GE Money Trust Company prior to joining Equitable in July 2007. He has held executive positions with financial institutions for over 12 years.
- Mr. Storus was appointed Vice-President, General Counsel and Chief Compliance Officer of the Company in August 2005. Prior to joining the Company he was General Counsel of E-L Financial Corporation Limited from January 2005 to July 2005 and prior to that he was Senior Legal Counsel of The Bank of Nova Scotia from 1997 to 2004.
- Ms. Malozewski was appointed Vice-President Finance of the Company in February 2008. She has held the same position with Equitable since November 2003.
- Ms. Markman held the position of Assistant Vice-President, Residential Mortgages since 2003 prior to her appointment as Vice-President, Residential Mortgages in December 2007.

As at December 31, 2007, the above-named directors and executive officers as a group beneficially owned, directly or indirectly, or exercised control over 1,745,847 common shares of the Company, representing approximately 13% of the total number of outstanding common shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of the Company:

(a) is, as at the date of this AIF or has been within the last 10 years, a director or executive officer of any company that (i) was the subject of a cease trade or similar order for more than 30 consecutive days, (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order for more than 30 days, or (iii) within one year of the director or executive officer ceasing to act in that capacity, became bankrupt or insolvent, instituted proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, or within 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer.

No director or executive officer of the Company has been subject to (a) any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

There are no existing or potential conflicts of interest between the directors and officers and the Company or Equitable.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

In the ordinary course of business, the Company and Equitable are parties to legal proceedings. Although the outcome of such proceedings is difficult to predict, based on current knowledge, the Company and Equitable do not expect that liabilities, if any, arising from pending litigation will have a material adverse effect on the consolidated financial position or the results of operations of the Company.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described below and elsewhere in this AIF, no director, or executive officer, or an associate thereof has or had any material interest, direct or indirect, in any transaction within the last three years that has materially affected or will materially affect the Company or Equitable.

Equitable issued an aggregate of $40.0 million Series 5 Subordinated Debentures in 2004 and 2005 (the "Series 5 Debentures"), $20.0 million Series 6 Subordinated Debentures in 2006 ("Series 6 Debentures") and $22.0 million Series 7 Subordinated Debentures in 2007 ("Series 7 Debentures") (collectively, the "Subordinated Debentures"). The Subordinated Debentures constitute Tier 2 capital of Equitable and, by their terms, are subordinated to Equitable's deposits and other liabilities, all in accordance with the provisions of the *Trust and Loan Companies Act* (Canada). Certain directors and officers of Equitable or their related parties purchased an aggregate of $4.0 million of the Series 5 Debentures in 2004, $0.4 million of the Series 5 Debentures in 2005, $4.0 million of the Series 6 Debentures in 2006 and $3.5 million of the Series 7 Debentures in 2007.

MATERIAL CONTRACTS

The financings referred to under the section "General Development of the Business" and which remain in effect are the only contracts that the Company has entered into, other than in the ordinary course of business, that are material to the Company.

The following is a summary of the key terms of the financings between the Company and CWB.

CWB agreed to provide the Company with secured term loans in the principal amounts set out below to be used by the Company to subscribe for and purchase Series 5, 6 and 7 Debentures (the "Pledged Debentures") in Equitable. A subsidiary of CWB agreed to subscribe for certain amounts of the Subordinated Debentures. The dates of the loans, the principal amounts advanced, the remaining balance, the maturity dates and interest rates payable on the loans are set out below.

The loans may be prepaid in whole, but not in part, at any time upon five days' notice. The loans are secured by general and continuing collateral security, by way of a promissory note, a general security agreement, a pledge of all of the issued and outstanding shares in the capital of Equitable and an assignment (by way of security) and pledge by the Company of the Pledged Debentures.

Date	Amount	Balance as of December 31, 2007	Maturity	Rate
March 17, 2005	$19,750,000	$17,095,000	March 17, 2010	6.37%
April 17, 2006	$15,000,000	$15,000,000	April 17, 2011	6.82%
March 16, 2007	$12,500,000	$12,500,000	March 16, 2012	6.41%

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Company's common shares is Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1.

EXPERTS

The Company's auditors are KPMG LLP, Suite 3300, Commerce Court West, P.O. Box 31, Station Commerce Court, Toronto, Ontario M5L 1B2.

AUDIT COMMITTEE INFORMATION

Audit Committee Mandate

The mandate of the Company's Audit Committee is attached hereto as Schedule "A".

Composition of the Audit Committee

The following directors are members of the Audit Committee: Joseph Dickstein, Eric Kirzner (Chairman) and Michael Shulman. Each member is both independent and financially literate and holds the same position with Equitable.

Relevant Education and Experience

The relevant education and experience of each Audit Committee member is described below.

Joseph Dickstein – Mr. Dickstein has extensive experience and exposure to accounting and financial issues. He is currently Vice-Chairman of PPI Financial Group, one of the largest independent life insurance marketing organizations in Canada and from 1980 to 2000 served as President. From 1991 to 2000 he was a director and member of the Executive Committee of Prudential of America Life Insurance Company (Canada).

Eric Kirzner (Chairman) – Professor Kirzner is a Professor of Finance and the John H. Watson Chair in Value Investing at the Rotman School of Management at the University of Toronto. Professor Kirzner is also Director and Vice-Chair of Regulation Services Inc., Director of University of Toronto Asset Management Corporation (and Chair of the Audit Committee), External Adviser to the Investment Committee of the Hospitals of Ontario Pension Plan (HOOPP), Chair of the Independent Board of Advisors of Scotia Securities Inc., and Vice-Chair of the IDA Equity Trading Committee. From 1998 to 2003 he was a director of Deutsche Bank (Canada) and Chair of its Audit Committee.

Michael Shulman – Mr. Shulman has been President of The Birchwood Group Inc. since 1987, a company which is an active investor in private equity and real estate in North America. He is a Chartered Accountant and the former Chairman of a national firm of Chartered Accountants.

Pre-Approval Policies and Procedures

In accordance with the mandate of the Audit Committee, all non-audit services in excess of $15,000 to be provided by the external auditors must be pre-approved by the Audit Committee.

External Auditor Service Fees

Category	2007	2006
Audit Fees	$ 298,000	$219,000
Audit–Related Fees	$ 176,000	$ 29,000
Tax–Related Fees	$ 8,000	$ 7,500
All Other Fees	$ 63,000	Nil

Audit Fees
Audit fees were paid for professional services rendered by the auditors for the audit of the Company's annual Consolidated Financial Statements or services provided in connection with statutory and regulatory filings, specified procedures, and the review of the Company's financial statements for the quarter ending September 30, 2007.

Audit-related Fees
Audit-related fees relate to services provided in connection with the prospectus and new accounting standards, and the specified procedures report.

Tax-related Fees
Tax-related fees were paid for professional services relating to tax compliance and tax advice.

All Other Fees
All Other Fees were paid for services in connection with Basel II Pillar 2 ICAAP requirements.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com and on the Company's website at www.equitablegroupinc.com.

Additional financial information is provided in the Company's Consolidated Financial Statements and Management's Discussion and Analysis for the year ended December 31, 2007, which is available on www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans is contained in the Company's Management Information Circular for its most recent annual meeting of shareholders.

Copies of the information referred to in this section may be obtained by writing to the Secretary, Equitable Group Inc., 30 St. Clair Avenue West, Suite 700, Toronto, Ontario M4V 3A1 or via e-mail at corporatesecretary@equitablegroupinc.com.

SCHEDULE "A"

AUDIT COMMITTEE MANDATE

A. Role and Responsibility

The Audit Committee of Equitable Group Inc. (the "Company") assists the Board of Directors in fulfilling its oversight responsibilities in the following areas: (i) the quality and integrity of the Company's consolidated financial statements; (ii) the performance of the internal audit function; (iii) the qualifications, independence and performance of the external auditors; (iv) compliance with legal and regulatory requirements, including the Company's system of internal controls; and (v) the performance of other responsibilities as delegated to the Audit Committee by the Board.

B. Duties

The Audit Committee shall have the following duties:

Financial Reporting

- Review the interim consolidated financial statements, interim management's discussion and analysis of financial Condition and Results of Operations ("MD&A"), and interim earnings press releases and recommend their approval to the Board before they are publicly disclosed;
- Review the annual consolidated financial statements, annual MD&A, information returns and annual earnings press releases and recommend their approval to the Board before they are publicly disclosed;
- Review and discuss with management and the external auditors significant financial reporting issues made in connection with the preparation of the Company's consolidated financial statements including critical accounting policies, accounting principles, practices, and judgments and any changes thereto;
- Review any material proposed changes in accounting standards and securities policies or regulations relevant to the Company's consolidated financial statements;
- Ensure adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from its consolidated financial statements, other than the routine financial statement and MD&A public disclosure, and periodically assess the adequacy of those procedures;
- Review the process relating to and the certifications of the Chief Executive Officer and the Chief Financial Officer on the integrity of the Company's interim and annual consolidated financial statements;
- Review earnings press releases, financial information and earnings guidance (if any) provided to analysts and rating agencies prior to public disclosure; and
- Review the Annual Information Form.

Internal Audit

- Review on an annual basis the mandate of internal audit and the annual audit plan and ensure that the function has the necessary resources to fulfill its mandate and responsibilities;
- Review with the Internal Auditor(s) their reports on internal audits and management's response thereto, monitoring any necessary or subsequent follow-up on any identified issues and reviewing any problems experienced by the Internal Auditor(s) in performing such internal audits;
- Obtain reasonable assurance from the Internal Auditor(s) that appropriate internal control procedures are in place;
- Meet in private with the Internal Auditor(s) at least twice annually; and
- Assess the performance of the Internal Auditor(s) and confirm his/her appointment/dismissal.

External Auditors

- Oversee the work of the external auditors appointed to express an opinion on the financial statements based on their audit or performing other audit, review or attest services, including the resolution of disagreements between management and the external auditors regarding financial reporting;
- Review the independence of the external auditors;
- Recommend to the Board the appointment of the external auditors and their compensation;
- Ensure that the external auditors report directly to the Audit Committee;
- Review the external audit plan with the external auditors and management, making recommendations as to the scope and extent and manner in which the external audit will be conducted and, where applicable, review reports from the external auditors on the progress of the external audit;
- Pre-approve all non-audit services in excess of $15,000 to be provided to the Company by the external auditors;
- Discuss with the external auditors the quality and acceptability of the accounting principles applied in preparing the financial statements; and
- Review and approve hiring policies regarding partners, employees, former partners and former employees of the present or former external auditors of the Company.

Compliance and Internal Controls

- Establish procedures for the receipt, retention and treatment of complaints received regarding accounting, internal accounting controls, or auditing matters;
- Establish procedures for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters; and
- Review the mandate of the Chief Compliance Officer and his/her appointment or dismissal.

Other

- Review and assess the adequacy of this Mandate annually, and evaluate the Committee's effectiveness with respect to this Mandate; and
- Perform such other duties and responsibilities imposed upon the Committee by applicable law or delegated to the Committee, from time to time, by the Board.

C. Membership

1. The Committee shall consist of a minimum of three directors.

2. Each member must be independent as defined by the Canadian Securities Administrators Multilateral Instrument MI 52-110 and must not be a current or former officer or employee of the Company, or its affiliate.

3. Members are appointed annually by the Board at the annual organizational meeting of the directors. Members shall hold office until their successors are appointed or until they cease to be Directors of the Company.

4. Each member must be financially literate or be willing to acquire the necessary knowledge quickly. Financial literacy is defined as the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

D. **<u>Vacancies</u>**

Vacancies may be filled for the remainder of the current term of appointment of members of the Committee by the Board.

E. **<u>Chairman and Secretary</u>**

1. The Board shall appoint one of the directors elected to the Committee as the chairman of the Committee. In the absence of the appointed chairman, the members shall elect one of the Committee members present to act as chairman of that meeting.

2. The Secretary of the Company or designate, shall be the secretary of all meetings of the Committee and shall maintain minutes of all meetings and deliberations of the Committee.

F. **Meetings and Quorum**

1. Meetings of the Committee may be called by the Chair, by any Committee member or by the external auditors. Members may participate in meetings in person or by telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate adequately with each other. A member participating by such means is deemed to be present at that meeting.

2. The Committee may invite any director, officer or employee or any other person to attend meetings to assist the Committee with its deliberations.

3. Notice of the meeting shall be sent to each Committee member by pre-paid mail, by personal delivery or other means of transmitted or recorded communication at least 24 hours before the time fixed for the meeting.

4. Notice of each meeting shall also be given to the external auditor, the Internal Auditor(s), the Chair of the Board of the Company, the President and the Chief Financial Officer, all of whom are entitled to attend.

5. Any member of the Committee, the external auditor, the Chair of the Board of Directors, the President or the Chief Financial Officer, may call special meetings of the Committee.

6. Quorum for a meeting shall be a majority of the Committee members, subject to a minimum of 2 members.

7. The Committee shall report to the directors on all proceedings and deliberations of the Committee at such times and in such manner as the Board or the bylaws of the Company may require.

G. **<u>Frequency</u>**

The Committee shall meet at least quarterly and shall be convened at such times, places and in such a manner as determined by the Chair of the Committee.

H. **Access to Information**

1. In the performance of its duties and responsibilities, the Committee shall have access to any and all books and records of the Company necessary for the execution of the Committee's obligations and shall discuss with the officers and auditors of the Company such accounts, records and other matters considered appropriate.

2. The Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay the compensation for the advisors employed by it.