



EQUITABLE GROUP INC.

**NOTICE OF
ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**
to be held on May 11, 2009

and

MANAGEMENT INFORMATION CIRCULAR

EQUITABLE GROUP INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual and Special Meeting (the "Meeting") of Shareholders of Equitable Group Inc. (the "Company") will be held at the TSX Broadcast & Conference Centre Gallery, The Exchange Tower, 130 King Street West, Toronto, Ontario, Canada, on **Monday, May 11, 2009** at 10:00 a.m. (Eastern Standard Time) for the following purposes:

1. to receive the financial statements of the Company for the year ended December 31, 2008 and the auditors' report thereon;
2. to elect directors;
3. to appoint the auditors and to authorize the directors to fix their remuneration;
4. to consider and, if deemed appropriate, approve all unallocated options to purchase common shares issuable pursuant to the Company's Share Option Plan;
5. to consider and, if deemed appropriate, approve amendments to the Share Option Plan; and
6. to transact such other business as may be properly brought before the Meeting or any adjournment thereof.

The full text of the resolutions referred to in items 4 and 5 above are set out on pages 12 through 14 of the Management Information Circular.

If you are unable to attend the Meeting in person, please complete and return the enclosed form of proxy in the envelope provided to the Company's transfer agent, Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, no later than 10:00 a.m. (Eastern Standard Time) on May 8, 2009, or fax it to 1-866-249-7775.

DATED at Toronto, Ontario this 8th day of April, 2009.

By Order of the Board of Directors

A handwritten signature in black ink, appearing to read 'Andrew Moor', with a long horizontal flourish extending to the right.

Andrew Moor
President and Chief Executive Officer

MANAGEMENT INFORMATION CIRCULAR

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EQUITABLE GROUP INC.

MANAGEMENT INFORMATION CIRCULAR

PART 1 – VOTING INFORMATION

SOLICITATION OF PROXIES

This Management Information Circular (“Circular”) is provided in connection with the solicitation of proxies by the management of Equitable Group Inc. (the “Company”) for use at the Annual and Special Meeting of Shareholders (the “Meeting”) of the Company which will be held at the time and place and for the purposes set forth in the accompanying Notice of Meeting, and any adjournment thereof. The information contained in this Circular is as of April 1, 2009, unless otherwise indicated. It is expected that the solicitation will be primarily by mail; however, proxies may also be solicited personally by officers and directors and other representatives of the Company. The cost of solicitation will be borne by the Company.

WHO CAN VOTE

You are entitled to vote if you were a holder of common shares of the Company at the close of business on April 1, 2009. Each common share is entitled to one vote.

VOTING IN PERSON

If you are a registered shareholder and wish to vote in person at the Meeting on May 11, 2009, please register with the transfer agent, Computershare Investor Services Inc. upon your arrival at the Meeting.

VOTING BY PROXY

Signing the enclosed form of proxy gives authority to Austin Beutel or Andrew Moor, each of whom is a director of the Company, or to another person you have appointed, to vote your common shares at the Meeting. **You can select any individual you want to attend the meeting and vote your shares on your behalf.** Just print the person’s name in the blank on the form of proxy and indicate how you would like your shares voted. In the absence of such directions, your common shares will be voted FOR all matters stated in the Notice of Meeting. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to any matter on all amendments or variations to matters stated in the Notice of Meeting and to any other matter which may properly come before the Meeting. If the shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. Common shares represented by the form of proxy will be voted or withheld from voting in accordance with the instruction of the common shareholder on any ballot that may be called for and if the common shareholder specifies a choice with respect to any matter that may be acted upon, the common shares will be voted accordingly.

Proxies are to be returned to the Company’s transfer agent, Computershare Investor Services Inc. at 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1 or by fax to 1-866-249-7775 prior to 10:00 a.m. Eastern Standard Time on May 8, 2009 or to the Chairman of the Meeting on the day of the Meeting, at any time prior to the commencement of the Meeting or any adjournment thereof.

REVOCAION OF PROXIES

If you wish to revoke your proxy after you have delivered it, prepare a written statement to this effect. The statement must be signed by you or your attorney and delivered to John Ayanoglou, Senior Vice-President, Finance and Chief Financial Officer at the registered office of the Company, 30 St. Clair Avenue West, Suite 700, Toronto, Ontario, M4V 3A1, no later than 10:00 a.m. Eastern Standard Time on May 8, 2009 or to the Chairman on the day of the Meeting, or any adjournment thereof.

EXERCISE OF DISCRETION BY PROXIES

The persons named in the form of proxy have discretionary authority to vote the common shares indicated with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of printing this Circular, management knows of no such amendments, variations or other matters to come before the Meeting. If any other matters that are not now known to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the person or persons voting the proxies.

NON-REGISTERED HOLDERS

Non-registered holders are those persons whose shares are registered in the name of an intermediary which is usually a trust company, securities broker, financial institution or other nominee who holds the shares on their behalf. Intermediaries have obligations to forward meeting materials to the non-registered holders unless otherwise instructed by the holder.

Non-registered holders should follow the directions of their intermediaries with respect to the procedures to be followed for voting. Generally, the intermediaries will provide non-registered holders with either:

- (i) a voting instruction form for completion and execution by the non-registered holder; or
- (ii) a form of proxy, executed by the intermediary and restricted to the number of shares beneficially owned by the non-registered shareholder but otherwise not completed.

In either case, the purpose of these procedures is to permit non-registered holders to direct the voting of the Company's common shares they beneficially own. Should a non-registered holder wish to vote in person at the Meeting, they must insert their own name in the space provided for the appointment of proxyholder on the voting instruction form or form of proxy provided by the intermediary and carefully follow the intermediary's instructions for return of the executed form.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

As of April 1, 2009, there were 14,882,710 common shares outstanding.

To the knowledge of the directors and officers of the Company, as at the date hereof, the following were the only persons who beneficially owned, directly or indirectly, or exercised control or direction over common shares of the Company carrying more than 10% of the voting rights attached to the outstanding common shares of the Company.

Name	Number of Common Shares	Percentage of Outstanding Common Shares
Emberwood Glen Enterprises Ltd. ⁽¹⁾	2,086,640	14.0%
Franklin Templeton Investments Corp. ⁽²⁾	1,754,485	11.8%
Mawer Investment Management Ltd. ⁽³⁾	1,643,411	11.0%

Notes:

⁽¹⁾ Emberwood Glen Enterprises Ltd. ("Emberwood") is a wholly-owned subsidiary of Oakwest Corporation Limited ("Oakwest"). Austin Beutel and Eric Beutel are Directors of the Company and are also the controlling shareholders of Oakwest.

⁽²⁾ Franklin Templeton Investments Corp. on behalf of its operating division, Bissett Investment Management, have disclaimed any beneficial ownership of these common shares, but as an investment manager it maintains exclusive power to exercise investment control or direction over such shares for its managed accounts as the beneficial owners.

⁽³⁾ Mawer Investment Management Ltd. have indicated that these shares were acquired in the ordinary course of business for investment purposes only and not with the purpose of exercising control or direction over the Company.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No (a) Director of executive officer of the Company who has held such position at any time since January 1, 2008; (b) proposed nominee for election as a Director of the Company; or (c) associate or affiliate of a person in (a) or (b) has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than Directors and officers of the Company having an interest in the resolutions regarding the amendments of the Company's Share Option Plan, in which the Directors and officers are eligible to participate.

PART 2 – BUSINESS OF THE MEETING

FINANCIAL STATEMENTS

The consolidated financial statements for the year ended December 31, 2008 and the auditors' report to the shareholders of the Company are included in the 2008 Annual Report of the Company mailed to shareholders with this Circular.

ELECTION OF DIRECTORS


Director Nominees


The Company's Articles provide for the Board of Directors to consist of a minimum of three and a maximum of 12 Directors. The proposed nominees for election as Directors are set out below, all of whom are currently Directors of both the Company and its wholly-owned subsidiary, The Equitable Trust Company ("Equitable Trust"), with the exception of Morris Shohet. Paul Alofs, who has been a Director of the Company for the past five years, will not stand for re-election to the Board of Directors at the Meeting. Nicholas Zelenczuk resigned from the Board on February 4, 2009 as a result of a change in his employment which precluded service on outside boards. The Board of Directors intends to appoint a tenth Director in accordance with the Company's By-laws and applicable corporate laws in 2009.


The nine nominees have established their eligibility and willingness to serve as Directors. Unless otherwise instructed, the persons named in the form of proxy intend to vote **FOR** the Director nominees named below. If, for any reason at the time of the Meeting, any of the nominees are unable to serve, and unless otherwise specified, it is intended that the persons designated in the form of proxy will vote at their discretion for a substitute nominee or nominees. Each elected Director will serve until the next Annual Meeting of Shareholders or until a successor is elected or appointed.


The Board of Directors has adopted a Majority Vote Policy stipulating that shareholders are able to vote in favour of, or withhold from voting for, each Director nominee. If the votes in favour of the election of a Director nominee at a shareholders' meeting represent less than a majority of the shares voted and withheld, the nominee will submit his or her resignation promptly after the meeting for the Corporate Governance Committee's consideration. The Committee will make a recommendation to the Board after reviewing the matter, and the Board's decision to accept or reject the resignation will be disclosed to the public. The nominee will not participate in any Committee or Board deliberations in considering the resignation. The policy does not apply in circumstances involving contested director elections.


	<p>Austin Beutel is Chairman of Oakwest Corporation Limited, a private investment holding company. He is co-founder and former Chairman of Beutel Goodman and Co. Ltd., an investment management firm. Mr. Beutel holds an M.B.A. from Harvard University, a B.Comm from McGill University, the Chartered Financial Analyst designation and has more than 50 years of business experience.</p>				
<p>Austin Beutel Toronto, Ontario, Canada Director Since: January 1, 2004 <i>Independent</i></p>	<p>Mr. Beutel currently sits on the boards of Astral Media Inc., Accord Financial Corp., Aecon Group Inc. and Opta Minerals Inc. Mr. Beutel did not serve as a director of any other publicly-traded companies during the period from 2004 to 2008.</p>				
<p>Meets Share Ownership Guidelines</p>	<table border="1"> <thead> <tr> <th data-bbox="560 1449 1274 1491">Committee Membership</th> <th data-bbox="1274 1449 1445 1491">Shareholdings</th> </tr> </thead> <tbody> <tr> <td data-bbox="560 1512 1274 1627"> Corporate Governance Committee (Chair) Equitable Trust's Corporate Governance and Conduct Review Committee (Chair) Equitable Trust's Human Resources and Compensation Committee </td> <td data-bbox="1274 1512 1445 1627"> 2,086,640⁽¹⁾ </td> </tr> </tbody> </table>	Committee Membership	Shareholdings	Corporate Governance Committee (Chair) Equitable Trust's Corporate Governance and Conduct Review Committee (Chair) Equitable Trust's Human Resources and Compensation Committee	2,086,640 ⁽¹⁾
Committee Membership	Shareholdings				
Corporate Governance Committee (Chair) Equitable Trust's Corporate Governance and Conduct Review Committee (Chair) Equitable Trust's Human Resources and Compensation Committee	2,086,640 ⁽¹⁾				


 <p>Eric Beutel Toronto, Ontario, Canada Director Since: January 1, 2004 <i>Independent</i> Meets Share Ownership Guidelines</p>	<p>Eric Beutel is Vice-President of Oakwest Corporation Limited, a private investment holding company. He holds an M.B.A. from the University of Ottawa.</p> <p>Mr. Beutel currently sits on the board of Liquidation World Inc. During the period from 2004 to 2008, Mr. Beutel also served as a director of Seprotech Systems Incorporated, a publicly-traded company.</p>	
	Committee Membership	Shareholdings
	Equitable Trust's Investment Committee (Chair)	2,096,640 ⁽¹⁾


 <p>Joseph Dickstein Toronto, Ontario, Canada Director Since: January 1, 2004 <i>Independent</i> Meets Share Ownership Guidelines</p>	<p>Joe Dickstein is Vice-Chairman of PPI Financial Group, one of the largest independent life insurance marketing organizations in Canada. During the last five years, Mr. Dickstein did not serve as a director of any other publicly-traded company.</p>	
	Committee Membership	Shareholdings
	<p>Audit Committee (until May 2008)</p> <p>Corporate Governance Committee (since May 2008)</p> <p>Equitable Trust's Corporate Governance and Conduct Review Committee (since May 2008)</p> <p>Equitable Trust's Human Resources and Compensation Committee (Chair) (since May 2008)</p>	6,000


 <p>Eric Kirzner Toronto, Ontario, Canada Director Since: January 1, 2004 <i>Independent</i> Meets Share Ownership Guidelines</p>	<p>Eric 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 lead external advisor of the Hospitals of Ontario Pension Plan, and a Director of University of Toronto Asset Management Corporation.</p> <p>During the last five years Professor Kirzner did not serve as a director of any other publicly-traded company.</p>	
	Committee Membership	Shareholdings
	<p>Audit Committee (Chair)</p> <p>Corporate Governance Committee (until May 2008)</p> <p>Equitable Trust's Corporate Governance and Conduct Review Committee (until May 2008)</p>	3,100

 <p>Andrew Moor Toronto, Ontario, Canada Director Since: May 17, 2007 <i>Non-independent</i> Meets Share Ownership Guidelines</p>	<p>Andrew Moor is President and Chief Executive Officer of the Company and Equitable Trust, and a member of Equitable Trust's Investment Committee. Prior to joining the Company, he was the President and CEO of Invis Inc. Mr. Moor holds an M.B.A. from the University of British Columbia and a B.Sc. (Eng.) from the University of London.</p> <p>During the period from 2004 to 2008, Mr. Moor was a member of the Board of Trustees of Sleep Country Canada Income Fund. He has served as Chairman of the Canadian Association of Accredited Mortgage Professionals.</p>				
	<table border="1"> <thead> <tr> <th style="text-align: left;">Committee Membership</th> <th style="text-align: right;">Shareholdings</th> </tr> </thead> <tbody> <tr> <td>Equitable Trust's Investment Committee</td> <td style="text-align: right;">19,600</td> </tr> </tbody> </table>	Committee Membership	Shareholdings	Equitable Trust's Investment Committee	19,600
	Committee Membership	Shareholdings			
Equitable Trust's Investment Committee	19,600				

 <p>Katherine Rethy Toronto, Ontario, Canada Director Since: May 15, 2008 <i>Independent</i> Meets Share Ownership Guidelines</p>	<p>Katherine Rethy is a Corporate Director and a Leadership Consultant. She is also President of KAR Development Corp. Ms. Rethy is an accomplished senior executive with over 23 years in professional, management and executive roles in Canadian-based global industrial companies. Her most recent corporate role was Senior Vice-President, Global Services with Falconbridge Limited. In 2007, she was inducted into Canada's 100 Most Powerful Women Hall of Fame.</p> <p>Ms. Rethy received her B.Sc. from the University of Toronto, her LL.B. from the University of Windsor and her M.B.A. from York University. She is also a graduate of the ICD-Rotman Directors Education Program.</p> <p>Ms. Rethy is currently a director of Katimavik, and of the Institute for Clinical Evaluative Sciences. During the period from 2004 to 2008, Ms. Rethy served as a member of the Board of Trustees of TransForce Income Fund.</p>				
	<table border="1"> <thead> <tr> <th style="text-align: left;">Committee Membership</th> <th style="text-align: right;">Shareholdings</th> </tr> </thead> <tbody> <tr> <td>Equitable Trust's Human Resources and Compensation Committee (since May 2008) Audit Committee (since February 2009)</td> <td style="text-align: right;">2,200</td> </tr> </tbody> </table>	Committee Membership	Shareholdings	Equitable Trust's Human Resources and Compensation Committee (since May 2008) Audit Committee (since February 2009)	2,200
	Committee Membership	Shareholdings			
Equitable Trust's Human Resources and Compensation Committee (since May 2008) Audit Committee (since February 2009)	2,200				

 <p>Lionel Robins Toronto, Ontario, Canada Director Since: January 1, 2004 <i>Independent</i> Meets Share Ownership Guidelines</p>	<p>Lionel Robins is President of PFDL Investments Limited, an investment holding company. During the period from 2004 to 2008, Mr. Robins did not serve as a director of any other publicly-traded company.</p>				
	<table border="1"> <thead> <tr> <th style="text-align: left;">Committee Membership</th> <th style="text-align: right;">Shareholdings</th> </tr> </thead> <tbody> <tr> <td>Corporate Governance Committee Equitable Trust's Corporate Governance and Conduct Review Committee Equitable Trust's Investment Committee (since May 2008) Equitable Trust's Human Resources and Compensation Committee (until May 2008)</td> <td style="text-align: right;">122,199</td> </tr> </tbody> </table>	Committee Membership	Shareholdings	Corporate Governance Committee Equitable Trust's Corporate Governance and Conduct Review Committee Equitable Trust's Investment Committee (since May 2008) Equitable Trust's Human Resources and Compensation Committee (until May 2008)	122,199
	Committee Membership	Shareholdings			
Corporate Governance Committee Equitable Trust's Corporate Governance and Conduct Review Committee Equitable Trust's Investment Committee (since May 2008) Equitable Trust's Human Resources and Compensation Committee (until May 2008)	122,199				

 <p>Morris Shohet Toronto, Ontario, Canada Director Since: Proposed <i>Independent</i></p>	<p>Morris Shohet is the founding principal of the Dorchester group of companies (real estate and energy companies).</p> <p>Mr. Shohet received his B.Eng. in Civil Engineering degree at McGill University, and his M.B.A. from Harvard University. During the period from 2004 to 2008, Mr. Shohet served as a trustee of the Canadian Real Estate Investment Trust.</p>	
	Committee Membership	Shareholdings
	N/A	6,000

 <p>Michael Shulman Toronto, Ontario, Canada Director Since: January 1, 2004 <i>Independent</i> Meets Share Ownership Guidelines</p>	<p>Michael Shulman has been President of The Birchwood Group Inc. since 1987, a company which invests 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.</p> <p>During the period from 2004 to 2008, Mr. Shulman did not serve as a director of any other publicly-traded company.</p>	
	Committee Membership	Shareholdings
	Audit Committee Equitable Trust's Investment Committee (since May 2008)	25,000

Notes:

- (1) Includes 2,086,640 shares held by Emberwood as set out in Voting Securities and Principal Holders Thereof on page 2 of this Circular.
- (2) The information as to shares owned or over which control or direction is exercised has been provided by the respective nominees.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, no proposed Director:

- (a) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director, chief executive officer ("CEO") or chief financial officer ("CFO") of any company that,
- (i) was subject to a cease trade or similar order that was issued while the proposed director was acting in the capacity as a director, CEO or CFO, or
 - (ii) was subject to a cease trade or similar order that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO for more than 30 consecutive days;
- (b) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company that, while acting in that capacity, or within a year of ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

- (c) has, within the 10 years before the date of this Circular, 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 proposed director, except as set forth below:
- In 1999, Mr. Shohet was President and a Director of Marex Properties Ltd. which was subject to a creditor's arrangement resulting from a *Companies' Creditors Arrangement Act* (Canada) proposal;
- (d) has been subject to 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
- (e) has been subject to any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Director Compensation

The Corporate Governance Committee reviews the compensation of the Company's independent Directors on an annual basis. In doing so, the Committee benchmarks year-over-year compensation practices of the same Comparator Group used for the Named Executive Officers (referred to on page 15 of this Circular). Amounts paid are in respect of a Director's services to both the Company and Equitable Trust. All Board and committee meetings of the Company and Equitable Trust are held concurrently. The aggregate amount payable to all Directors in any financial year is \$300,000.

The annual compensation of Directors, payable on a quarterly basis, is as follows:

Chairman of the Board Annual Retainer	\$62,500 ⁽¹⁾
Director Annual Retainer	\$12,500
Audit Committee Chair Annual Retainer	\$15,000
Committee Chair Annual Retainer	\$ 5,000
Per meeting fee (Board and all Committees)	
More than 2 hours in duration	\$ 1,200
2 hours or less in duration	\$ 600

⁽¹⁾ The Chairman receives this Annual Retainer and no other fees for Board and Committee meetings or for acting as Chair of any Committee.

New Directors of the Company are eligible to participate in the Company's Share Option Plan.

The following table sets out compensation paid by the Company to the independent Directors during the year ended December 31, 2008. Andrew Moor, who is an officer of the Company, does not receive any fees for serving as a Director.

Name	Fees Earned \$	Option-based Awards ⁽³⁾ \$	All ther Compensation ⁽⁵⁾ \$	Total \$
Paul Alofs	21,675	NIL	NIL	21,675
Austin Beutel	59,375	NIL	NIL	59,375
Eric Beutel	27,275	NIL	NIL	27,275
Joseph Dickstein	28,925	NIL	NIL	28,925
Eric Kirzner	39,425	NIL	NIL	39,425
Katherine Rethy ⁽¹⁾	12,250	107,130	NIL	119,380
Lionel Robins	25,775	NIL	NIL	25,775
Robert Rubinoff ⁽²⁾	7,925	NIL	NIL	7,925
Michael Shulman	28,275	NIL	NIL	28,275
Nicholas Zelenczuk ^{(1) (4)}	14,650	107,130	NIL	121,780
TOTAL	265,550	214,260	NIL	479,810

Notes:

- ⁽¹⁾ Katherine Rethy and Nicholas Zelenczuk were each granted 25,000 options under the Share Option Plan pursuant to their election to the Board on May 15, 2008. The exercise price for these options is \$21.63.
- ⁽²⁾ Robert Rubinoff did not stand for re-election to the Board of Directors at the Annual Meeting of Shareholders held on May 15, 2008.
- ⁽³⁾ The options granted vest at the rate of 20% on each anniversary date of the grant over a five-year period. In determining the fair value of the option awards, the Black-Scholes model was used with the following assumptions: (i) risk-free rate of 3.1%; (ii) expected option life of 4.0 years; (iii) expected volatility of 25.0%; and (iv) expected dividends of 1.9%. The weighted average fair value of each option granted during the year was \$4.30.
- ⁽⁴⁾ Nicholas Zelenczuk resigned from the Board effective February 4, 2009.
- ⁽⁵⁾ There are no other arrangements under which the Directors were compensated by the Company during the financial year ended December 31, 2008.

Outstanding Option-based Awards

The following table indicates for each Director (except for Andrew Moor who is a NEO, and Morris Shohet, who is a proposed nominee), all awards outstanding as at December 31, 2008.

Name	Date of Grant	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiry Date ⁽¹⁾	Value of Unexercised Options ⁽²⁾ (\$)
Paul Alofs	Feb 2, 2004	5,000	17.50	Feb. 2, 2009	0
Austin Beutel	NIL	NIL	NIL	NIL	NIL
Eric Beutel	Feb. 2, 2004	25,000	17.50	Feb. 2, 2009	0
Joseph Dickstein	Feb. 2, 2004	25,000	17.50	Feb. 2, 2009	0
Eric Kirzner	Feb. 2, 2004	15,000	17.50	Feb. 2, 2009	0
Katherine Rethy	May 15, 2008	25,000	21.63	May 15, 2013	0
Lionel Robins	Feb. 2, 2004	25,000	17.50	Feb. 2, 2009	0
Michael Shulman	Feb. 2, 2004	25,000	17.50	Feb. 2, 2009	0
Nicholas Zelenczuk	May 15, 2008	25,000	21.63	March 6, 2009	0

Notes:

⁽¹⁾ Options expire five years from the date of grant or 30 days from leaving the Board.

⁽²⁾ The value shown for unexercised stock options was out-of-the-money at December 31, 2008. This value is based on the difference between the closing price of the Company's common shares on December 31, 2008 on the TSX (\$11.75) and the exercise prices of the options.

Outstanding Option-based Awards – Value Vested or Earned During the Year

Name	Options vested during the year (#)	Option-based Awards – Value vested during the year (\$)	Options exercised during the year (#)	Exercise Price (\$)	Expiry Date
Paul Alofs	5,000	43,400	5,000	17.50	Feb. 2, 2009
Austin Beutel	N/A	N/A	N/A	N/A	N/A
Eric Beutel	5,000	43,400	0	17.50	Feb. 2, 2009
Joseph Dickstein	5,000	43,400	0	17.50	Feb. 2, 2009
Eric Kirzner	5,000	43,400	0	17.50	Feb. 2, 2009
Katherine Rethy	NIL	NIL	0	NIL	N/A
Lionel Robins	5,000	43,400	0	17.50	Feb. 2, 2009
Michael Shulman	5,000	43,400	0	17.50	Feb. 2, 2009
Nicholas Zelenczuk	NIL	NIL	0	NIL	N/A

Share Ownership Guidelines

To align Directors' interests with those of shareholders, each Director is required to hold Company common shares equal in value to two times the Directors' annual retainer within one year of their initial appointment or election.

As at the date of this Circular, all Directors meet this requirement.

Deferred Share Unit Plan

On February 25, 2009 the Board of Directors approved a Deferred Share Unit (“DSU”) Plan for Directors for implementation during the year ending December 31, 2009. Under the DSU Plan, notional units are allocated to a Director from time to time by the Board of Directors. When an individual ceases to be a Director (the “Separate Date”), the DSUs shall be redeemed for cash no later than the end of the first calendar year commencing after the Separation Date. The redemption value of each DSU redeemable by a Director is the volume-weighted average trading price of the common shares of the Company on the TSX for the five trading days prior to the Separation Date.

In the event of any stock dividend, stock split, reverse stock split, consolidation, subdivision, reclassification or any other change in the capital of the Company affecting its common shares, the Company will make, with respect to the number of DSUs outstanding under the DSU Plan, any proportionate adjustment as it considers appropriate to reflect that change. A Director will be credited with additional DSUs whenever a cash dividend is declared by the Company.

The DSU Plan will be administered by the Board or a committee thereof.

As at the date of this Circular, no DSUs have been granted by the Company, however, the Board intends to issue 1,000 DSUs to each Director on May 6, 2009 in accordance with the DSU Plan.

Attendance

The following table provides a summary of each Director’s attendance at Board and Committee meetings during the financial year ended December 31, 2008:

Directors	Board (7 meetings)		Audit Committee (4 meetings)		Human Resources & Compensation Committee (2 meetings)		Corporate Governance Committee (3 meetings)		Investment Committee (9 meetings)	
	#	%	#	%	#	%	#	%	#	%
Paul Alofs ⁽¹⁾	7/7	100	-	-	-	-	3/3	100	-	-
Austin Beutel ⁽²⁾	7/7	100	4/4	100	2/2	100	3/3	100	7/9	78
Eric Beutel	7/7	100	-	-	-	-	-	-	9/9	100
Joe Dickstein ⁽³⁾	7/7	100	2/2	100	1/1	100	1/1	100	2/2	100
Eric Kirzner ⁽⁴⁾	7/7	100	4/4	100	-	-	2/2	100	-	-
Andrew Moor ⁽⁵⁾	7/7	100	4/4	100	2/2	100	3/3	100	9/9	100
Katherine Rethy ⁽⁶⁾	4/5	80	-	-	1/1	100	-	-	-	-
Lionel Robins ⁽⁷⁾	7/7	100	-	-	1/1	100	3/3	100	6/7	86
Michael Shulman ⁽⁸⁾	7/7	100	4/4	100	-	-	-	-	7/7	100
Nicholas Zelenczuk ⁽⁹⁾	5/5	100	4/4	100	-	-	-	-	-	-

Notes:

⁽¹⁾ Mr. Alofs is not standing for re-election at the May 11, 2009 Annual and Special Meeting of Shareholders.

⁽²⁾ Chairman of the Board. Mr. Beutel attended meetings of the Audit Committee and the Investment Committee as an *ex officio* (non-voting) member.

⁽³⁾ Effective May 15, 2008, ceased to be a member of the Investment Committee and the Audit Committee, and was appointed a member of the Corporate Governance Committee, and a member and Chair of the Human Resources and Compensation Committee.

⁽⁴⁾ Chair of the Audit Committee. Effective May 15, 2008, ceased to be a member of the Corporate Governance Committee.

⁽⁵⁾ Attended Committee meetings as an *ex officio* (non-voting) member.

⁽⁶⁾ Effective May 15, 2008, elected to the Board and was appointed a member of the Human Resources and Compensation Committee.

⁽⁷⁾ Effective May 15, 2008, ceased to be a member of the Human Resources and Compensation Committee and was appointed a member of the Investment Committee.

⁽⁸⁾ Effective May 15, 2008, appointed a member of the Investment Committee.

⁽⁹⁾ Effective May 15, 2008, elected to the Board and was appointed a member of the Audit Committee. Attended the Audit Committee meeting on April 28, 2008 as an invited guest. Mr. Zelenczuk resigned from the Board effective February 4, 2009.

Board Interlocks

The Corporate Governance Committee of the Board has reviewed the membership of the Company's Directors on the boards of other public companies and has determined that no two Directors serve together on the board of another public company.

APPOINTMENT OF AUDITORS

KPMG LLP has served continuously as the Company's auditors since 2004 and as Equitable Trust's auditors since 2002. The persons named in the accompanying form of proxy intend to vote **FOR** the reappointment of KPMG LLP, Chartered Accountants, as auditors of the Company to hold office until the close of the next Annual Meeting of Shareholders at such remuneration as may be fixed by the Directors of the Company.

Auditors' Fees

Fees paid by the Company to the Shareholders' Auditors, KPMG LLP, for the years ended December 31, 2008 and December 31, 2007 were as follows:

	2008	2007
Audit Fees	\$342,000	\$298,000
Audit-Related Fees	\$178,500	\$176,000
Tax-Related Fees	\$ 9,000	\$ 8,000
All Other Fees	\$ -	\$ 63,000
TOTAL	\$529,500	\$545,000

Further details on the auditors' fees are provided on page 13 of the Company's Annual Information Form dated February 25, 2009, which is available on the Company's website at www.equitablegroupinc.com and on SEDAR at www.sedar.com.

APPROVAL OF UNALLOCATED OPTIONS UNDER SHARE OPTION PLAN

In 2004, shareholder and regulatory approval was obtained to implement the Company's Share Option Plan (the "Plan"). On May 23, 2006, the Company's shareholders approved an amendment to the Plan to provide for an overall rolling maximum of 10% of the aggregate number of outstanding common shares on a non-diluted basis when combined with all of the Company's other security-based arrangements. Under this provision, any increase in the issued and outstanding common shares increases the available number of common shares issuable under the Plan, and any exercises of Options reloads such Options back into the Plan, thereby increasing the number of common shares available for grant under the Plan (an "evergreen plan"). Under the rules of the Toronto Stock Exchange ("TSX"), the Company must obtain shareholder approval of all unallocated entitlements under an evergreen plan within every three years.

In accordance with TSX rules, the following information as at December 31, 2008 is provided to shareholders:

- (i) Eligible participants under the Plan are full-time employees, officers, Directors and consultants of the Company and any affiliated entity.
- (ii) The maximum number of common shares issuable to insiders at any time, under all security based compensation arrangements, shall not exceed 10% of the aggregate number of issued and outstanding common shares of the Company. Any exercise, cancellation or expiration of Options will make new grants available under the Plan.
- (iii) The maximum number of common shares issued to insiders within any one-year period, under all security based compensation arrangements, shall not exceed 10% of issued and outstanding common shares.
- (iv) As at the date of this Circular, the total number of common shares issuable under outstanding Option grants was 679,750 representing 4.6% of the aggregate number of outstanding common shares on a non-diluted basis. These previously granted Options will be unaffected by shareholder approval or disapproval of the unallocated entitlements under the evergreen plan.
- (v) As at the date of this Circular, the total number of common shares that were available for Option grants was 808,521, representing 5.4% of the aggregate number of outstanding common shares on a non-diluted basis. These unallocated entitlements are subject to shareholder approval as set forth later in this Circular. However, if shareholder approval is not obtained, the unallocated entitlements will be cancelled.
- (vi) During the financial year ended December 31, 2008, the Board of Directors granted to the Company's insiders a total of 180,000 Options, representing 1.2% of the aggregate number of outstanding common shares on a non-diluted basis.

- (vii) The aggregate number of common shares issuable within a one-year period to any one insider and such insider's associates pursuant to the exercise of Options shall not exceed 5% of the aggregate number of outstanding common shares. During the year ended December 31, 2008, the maximum number of common shares issued to an insider pursuant to Options granted was 42,000 common shares, representing 0.3% of the total number of outstanding common shares on a non-diluted basis.
- (viii) The aggregate number of common shares reserved for issuance to any one person pursuant to the grant of Options shall not exceed 5% of the total number of outstanding Common shares.
- (ix) As at the date of this Circular, 821,931 Options have been exercised, representing 53.8% of the total number of Options that have been granted since the Plan's inception in 2004.
- (x) The Option exercise price is determined by the Board of Directors, provided that in no event shall the exercise price be lower than the closing price of the Company's common shares on the TSX on the trading day immediately preceding the date of the grant. If there is no trading on that date, the exercise price shall not be lower than the weighted average of the bid and ask prices on the five consecutive trading days preceding the date of the grant.
- (xi) The Board of Directors determines when any Option will become exercisable. Since the Board of Directors commenced granting Options under the Plan, it has determined that each Option shall vest 20% over five years.
- (xii) The Plan provides that Options granted must be exercised no later than ten years after the date of the grant. For each Option that has been granted by the Board of Directors, an expiry date that is five years after the date of the grant has also been determined by the Board of Directors.
- (xiii) In the event of the termination or retirement of an Optionholder, each Option held ceases to be exercisable within 30 days after termination or retirement of an Optionholder provided that no Option shall remain outstanding for longer than 36 months following termination.
- (xiv) In the event of a change of control of the Company, each option held becomes immediately exercisable.
- (xv) In the event of death, the Optionholder's personal representatives have one year to exercise any vested Options that have not expired, following which all unexercised Options are forfeited.
- (xvi) Options cannot be transferred, pledged or assigned. The exception to this rule is if any Options are held in a Holding Company that is wholly owned or controlled by the Optionholder and such Holding Company ceases to be wholly owned or controlled by the Optionholder, then such Holding Company will be deemed to have transferred any Options held by it to the Optionholder.
- (xvii) Any modification to the Plan or to any granted but unexercised Options shall be made in accordance with TSX rules and is subject to any required shareholder approval. (To be amended under proposed amendment set forth hereafter).
- (xviii) No financial assistance is provided by the Company to any Optionholder to facilitate the purchase of common shares on the exercise of Options.

The Board of Directors has determined that the approval of the unallocated entitlements under the Plan is in the best interest of the Company and shareholders. The Board of Directors recommends that shareholders vote **FOR** the adoption of the following resolution. Unless stated otherwise, the persons designated in the accompanying proxy form intend to vote **FOR** the approval of the unallocated Options under the Share Option Plan.

In accordance with TSX rules, the following resolution must be passed by the affirmative vote of the majority of the votes cast at the Meeting with respect to such resolution.

WHEREAS:

1. the Board of Directors of the Company adopted on February 2, 2004 the Share Option Plan;
2. the Shareholders of the Company approved on May 23, 2006 an amendment to the Share Option Plan to provide for an overall rolling maximum of 10% of the aggregate number of outstanding common shares issuable;
3. the rules of the Toronto Stock Exchange provide that all unallocated Options, rights or other entitlements under a security-based compensation arrangement that does not have a fixed number of securities issuable be approved by the shareholders every three years.

RESOLVED, that:

1. all unallocated Options under the Share Option Plan be and are hereby approved;
2. the Company has the ability to continue granting Options under the Share Option Plan until May 11, 2012, that is until the date that is three years from the date where shareholder approval is being sought; and
3. any director or officer of the Company be and is hereby authorized to do such acts and things and to sign, execute and deliver all documents that in their discretion may be necessary or desirable in order to give full effect to the intent and purpose of this resolution.

AMENDMENTS TO THE SHARE OPTION PLAN

Amendment Provision

The Plan currently has a general amendment provision allowing the Board of Directors to amend, suspend or terminate the Plan or any portion thereof at any time in accordance with applicable legislation, and subject to any required regulatory or shareholder approval.

Under TSX rules, an issuer may formulate a detailed amendment provision in its stock option plan, failing which all future amendments would require shareholder approval, including amendments considered to be of a “housekeeping” nature. The purpose is to more clearly distinguish in the Plan the difference between the type of amendments that will require shareholder approval and those which can be made by the Board without shareholder approval. All amendments would continue to be subject to any required regulatory review or approval.

On February 25, 2009 the Board of Directors approved an amendment to the Plan to specify the types of amendments that require shareholder approval and those that can be made by the Board of Directors without shareholder approval. The types of amendments to the Plan that will require shareholder approval are:

- (i) an increase in the maximum number or percentage of the issued and outstanding common shares of the Company that may be reserved for issuance under the Plan;
- (ii) a reduction in the exercise price of Options or any cancellation and reissuance of Options at a lower exercise price to the same person;
- (iii) an extension of the expiry date of an Option held by insiders; and
- (iv) any change to the class of eligible recipients that may be granted Options.

Notwithstanding the foregoing proposed amendment, shareholder approval will not be required for any adjustments made to the number of issuable shares or the exercise price of outstanding Options in accordance with the section of the Plan which provides for appropriate adjustments in respect of certain events. Such events include subdivision or consolidation of shares, payment of dividends in stock, reorganization or other events which necessitate adjustments to the outstanding Options in proportion with adjustments to all common shares.

The Board may continue to make all other amendments to the Plan without shareholder approval, subject to any required regulatory review or approval, on matters including, but not limited to, “housekeeping” and administrative changes; the terms, conditions and mechanics of grant, vesting, exercise and early expiry; and amendments designed to comply with applicable laws, tax or accounting provisions, or regulatory requirements.

Expiry Dates During Blackout Periods

Under TSX rules, issuers may amend their stock option plans to provide a conditional extension to an expiration date of an Option that occurs during or immediately following a blackout period. Such extension would be permitted for a limited number of days after the end of the blackout period. This amendment is subject to shareholder approval.

The Company proposes an amendment to the Plan to provide that, if the Option expires during a blackout period, the expiry date will be automatically extended for 10 business days after the end of the last day of the blackout period. Also, if the Option expires within 10 business days after the end of a blackout period, the expiry date will be extended to allow for a total of 10 business days after the blackout period. This amendment will align the administration of the Plan with the Company's current trading policies and governance practices.

The resolution to be presented for consideration at the meeting is set out below. In order to be effective the resolution must be passed by the affirmative vote of the majority of the votes cast at the Meeting. The TSX has reviewed and approved the proposed amendments to the Plan. The Board of Directors recommends that shareholders vote **FOR** the resolution and, unless otherwise instructed, the persons designated in the form of proxy intend to vote **FOR** the following resolution:

WHEREAS, the Board of Directors of the Company approved on February 25, 2009 certain amendments to the Company's Share Option Plan in order to:

1. adopt a new amending formula; and
2. extend the exercise period of Optionholders otherwise prevented from exercising Options because of blackout periods.

RESOLVED, that:

1. the provisions governing amendments to the Company's Share Option Plan specifying when shareholder approval of amendments is required, as described in this Circular, be and are hereby adopted;
2. the exercise period of Optionholders otherwise prevented from exercising Options because of blackout periods be extended by a further ten business days after such blackout period ends; and
3. any director or officer of the Company be and is hereby authorized to do such acts and things and to sign, execute and deliver all documents that in their discretion may be necessary or desirable in order to give full effect to the intent and purpose of this resolution.

PART 3 – STATEMENT OF EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

Objective of Compensation Program

Within the Company, remuneration plays an important role in attracting and retaining key members of the management team. The Company is committed to a compensation policy that drives business performance, rewards prudent management of a financial institution, is competitive and encourages management to act in the best interests of shareholders.

What the Program is Designed to Reward

The Company's compensation program aims at providing median competitive annual compensation where corporate, departmental and individual performance achieves established objectives, and putting more compensation for the Named Executive Officers ("NEOs") at risk.

In particular, the Company's compensation program is designed to incent the following:

1. effective teamwork amongst the executive officers in executing strategic and tactical priorities;
2. the creation of a culture of exceptional service to the Company's customers and business partners;
3. the efficient use of economic and regulatory capital in all aspects of the Company's operations;
4. prudent management actions to maintain the integrity of the institution as viewed by shareholders, depositors, customers, employees and regulatory and government bodies; and
5. the delivery of strong financial performance.

The structure of the compensation package varies in accordance with the level and nature of an executive's position within the Company. In general, the greater an executive officer's ability to influence the overall results of the Company, the greater is the opportunity for variable compensation.

The competitive market for executive talent is drawn from a broad array of the financial services industry. This includes divisions, areas or departments of much larger companies. The Company regularly reviews the elements of compensation

and compensation levels based on market research and intelligence, and trends and competitive practices obtained through participation in various compensation surveys. To ensure pay is responsible, the Committee periodically reviews the pay of comparable positions in companies of similar size and scope of operations and which are representative of the types of companies with which the Company must compete in order to attract and retain talent. For this purpose, the peer group consists of Home Capital Group Inc., Canadian Western Bank, First National Financial LP and AGF Management Ltd. This group of companies is referred to in this report as the "Comparator Group". When analyzing the remuneration practices and levels of the Comparator Group, the Human Resources and Compensation Committee (the "HR Committee") also takes into consideration the Company's financial targets, past performance and the prevailing business environment.

Elements of Compensation

The compensation package is comprised of the following three components:

- (a) base salary;
- (b) short-term incentive in the form of an annual cash bonus; and
- (c) long-term incentive in the form of stock options granted in accordance with the Company's Share Option Plan.

In determining total compensation for the executive officers, including the NEOs, the HR Committee considers the following when setting and adjusting compensation levels:

- competitive compensation data;
- individual skills;
- experience; and
- difficulty in achieving individual, departmental and corporate performance objectives.

The HR Committee uses a median competitive guideline for setting both the target total compensation and the pay elements for the NEOs. As there is no single representative peer group, judgement is required in applying this guideline. Actual compensation will fluctuate above and below this target level based on absolute and relative business performance results, market conditions and executive hiring negotiations. Overall, the Committee is of the view that the pay levels and design structures are appropriate and responsible.

Base Salary

Base salaries are reviewed annually and adjusted, as appropriate, based on general market conditions, competitive pay information, and business and individual performance.

Short-Term Incentive

The short-term incentive award provides for an annual cash bonus for the Company's executive officers, including the NEOs, provided that corporate, departmental and individual objectives are met.

The HR Committee has the discretionary authority to determine whether or not incentive awards will be paid in any year, which is based on the Company's performance, and also to determine the pool of money available under the annual incentive pay program in that year. The HR Committee also considers quantitative and qualitative data on business performance and the successful implementation of strategic initiatives that position the Company for further growth while also delivering positive and long-term shareholder value.

For NEOs other than the President and Chief Executive Officer ("President and CEO"), the HR Committee considers the President and CEO's salary increase recommendations based on his review of the individual performances against certain qualitative and quantitative factors.

The HR Committee also reviews and recommends adjustments to the base salary and incentive awards of the President and CEO, for approval by the Board of Directors. Performance targets for the President and CEO are established and approved by the Board of Directors annually with 50% of the annual bonus determined with reference to quantitative factors (principally overall financial performance compared to budget) and 50% related to qualitative factors.

Long-Term Incentive

The Company provides a long-term incentive by periodically granting options to certain senior employees under the Share Option Plan. Options may also be granted to new executive officers at the time of hire.

When reviewing the recommendations made by the President and CEO for stock option grants, the HR Committee considers the number and term of any previously granted options and the responsibilities of the Optionholder prior to submitting its recommendation on the allocation of stock options to the Board of Directors for modification or approval.

The terms of the Share Option Plan are described on pages 11 through 13 of this Circular. Each option entitles the holder to purchase one common share at a price equal to the closing price of the Company's common shares on the TSX on the day preceding the grant. Options vest over five years at the rate of 20% per year.

During the financial year ended December 31, 2008, the Company granted to its executive officers, including the NEOs, a total of 157,000 options representing 1.1% of the outstanding common shares on a non-diluted basis.

Grants of options are made annually in order to create a continuing incentive to build shareholder value and create an opportunity for executive officers to build a meaningful economic stake in the Company over time.

How the Executive Compensation Program was Applied in 2008

The following section summarizes the compensation decisions recommended by the Committee and approved by the Board for the NEOs with respect to fiscal 2008, together with a description of the factors considered by the Committee and the Board in reaching those decisions.

Andrew Moor, President and Chief Executive Officer: In December 2007, the Board approved an increase in Mr. Moor's base salary for 2008 from \$475,000 to \$500,000, taking into account compensation paid to other Chief Executive Officers in the Company's Comparator Group and general increases granted to other executive officers within the Company. In accordance with his employment agreement with the Company, Mr. Moor was entitled to a bonus for the 2008 financial year of up to 100% of his base salary. The bonus was weighted 50% as to the achievement of the Company's financial performance targets and 50% as to the achievement of personal objectives.

In determining his annual bonus for 2008, the HR Committee took into consideration Mr. Moor's performance in meeting the Company's objectives for 2008 which included:

	<u>Target</u>	<u>Achieved</u>
Return on equity	16-18%	16.6%
Increase in net income over 2007	16-20%	23.9%
Total capital ratio (including general reserves)	13.0%	13.5%
Productivity ratio	27-30%	27.4%

Based on this, Mr. Moor was awarded a 2008 cash bonus of \$400,000 representing 80% of his base salary. Mr. Moor was also granted 30,000 options on the basis of his position and pursuant to the same terms as those of the other NEOs.

For the 2008 financial year, the Board focussed its assessment on Mr. Moor and delegated the responsibility for the assessment of performance measurements of the other NEOs to Mr. Moor. Mr. Moor then reviewed his assessment of the other NEOs with the HR Committee.

John Ayanoglou, Senior Vice-President, Finance and Chief Financial Officer: Mr. Ayanoglou entered into an employment agreement with the Company on May 1, 2008 whereby he was appointed Senior Vice-President, Finance and Chief Financial Officer effective May 19, 2008. Under this agreement, Mr. Ayanoglou is entitled to a salary of \$228,800 per annum. He was also granted 30,000 stock options on May 1, 2008. For the year ending December 31, 2008, Mr. Ayanoglou was also eligible for a guaranteed minimum bonus of 50% (pro-rated) of his 2008 base salary. These arrangements were negotiated as part of the hiring and search process to recruit Mr. Ayanoglou.

In determining Mr. Ayanoglou's compensation, consideration was given to his achievement of the goals set out for him at the commencement of his employment, as well as his own personal objectives. As a result, Mr. Ayanoglou was awarded a pro-rata cash bonus of \$75,000 and granted, also on a pro-rata basis, 12,000 stock options.

William Edmunds, Senior Vice-President, Credit and Chief Risk Officer of Equitable Trust: In 2008, Mr. Edmunds was successful in achieving the corporate objectives in risk management. Mr. Edmunds was therefore awarded a performance-based bonus of \$120,000 and was granted 20,000 stock options.

David Downie, Assistant Vice-President, Commercial Mortgage Origination of Equitable Trust: Mr. Downie has been employed by the Company since October 12, 1999. His variable compensation arrangement was based on mortgage origination volumes and margin achieved on such originations. On November 1, 2008, he entered into an amended

employment agreement with the Company and under this agreement he is entitled to a salary of \$215,000 per annum. Mr. Downie received no bonus for the year ending December 31, 2008; however, he was granted 30,000 stock options in accordance with the terms of his employment agreement.

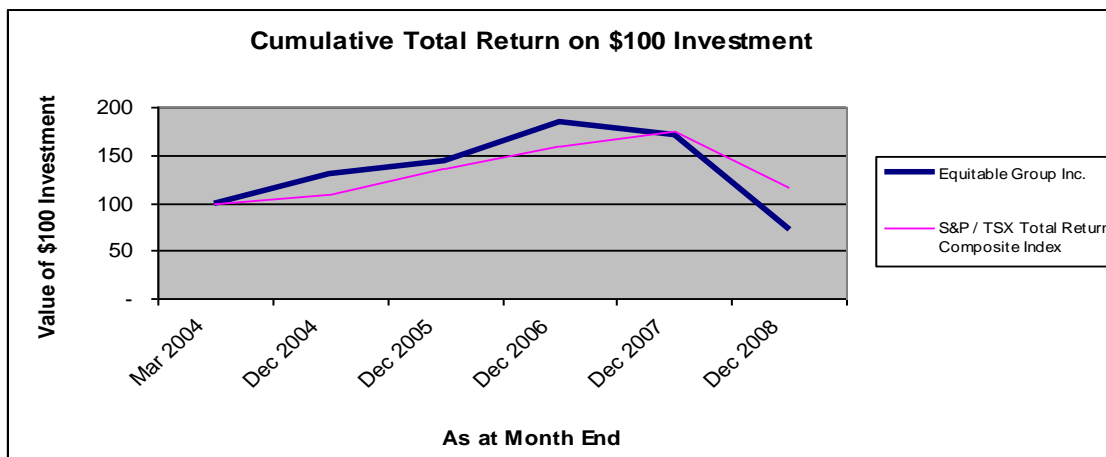
Timothy Storus, Vice-President, General Counsel, Chief Compliance Officer and Secretary: Mr. Storus was recognized for his execution of the legal, compliance and corporate secretarial roles. For his efforts, Mr. Storus was awarded a \$30,000 performance based bonus and was granted 5,000 stock options.

Compensation Consultant

Although the HR Committee has the power to retain consultants, during the year ended December 31, 2008 the HR Committee did not retain any consultant to assist it in administering the compensation program. However, in February 2009, the Committee retained Towers Perrin to provide assistance with respect to the new executive pay disclosure requirements, at a cost of \$7,000.

Performance Graph

The following graph shows the changes in the cumulative total shareholder return for \$100 invested in the Company's common shares on March 18, 2004 and on the last trading day of December in each of 2004 through to and including 2008 against the cumulative total shareholder return of the S&P/TSX Composite Index, assuming the reinvestment of all dividends.



	18-Mar-04	31-Dec-04	30-Dec-05	29-Dec-06	31-Dec-07	31-Dec-08
Equitable Group Inc.	100.00	131.00	142.86	183.70	171.36	71.26
S&P / TSX Total Return Composite Index	100.00	109.03	135.34	158.70	174.31	116.78

The trend shown by the above graph is a steady increase in the cumulative shareholder return from 2004 to the second quarter of 2007, followed by a rapid decline which continued at the end of the fiscal year. The trend in the Company's compensation to the NEOs has generally followed the trend in the performance graph as option positions have also declined and are all currently out-of-the-money and the strike price of all options is currently above the current market price of the Company's common shares listed on the TSX. During 2008, the Company put in place a structured bonus program. The base salary and bonus continue to be at the median of the Comparator Group. The HR Committee is of the view that the market price of the Company's common shares during the last financial year has been predominantly affected by external factors over which the Company has no control and does not reflect the performance of the Company, given the record increase in revenues and earnings during that period and more importantly, given the fact that the Company has continued to meet or exceed its financial targets. Bonuses paid to NEOs in 2008 were generally higher than those paid in 2007 as a reflection of the Company restraining growth in base salary increases, and having the potential to reward more discretionary bonuses.

SUMMARY COMPENSATION TABLE

The following table summarizes the aggregate compensation paid by the Company to the President and Chief Executive Officer, the Senior Vice-President, Finance and Chief Financial Officer and to the three other most highly compensated executive officers of the Company and Equitable Trust (the "NEOs") whose salary and bonus received in respect of the financial year ended December 31, 2008 was greater than \$150,000.

Name and principal position	Year	Salary (\$)	Option-based Awards (\$)	Non-equity Incentive Plan Compensation (\$)		Pension Value ⁽⁷⁾ (\$)	Total Compensation ⁽⁸⁾ (\$)
				Annual Incentive Plans	Long-term Incentive Plans		
Andrew Moor President and Chief Executive Officer	2008	500,000	52,500	400,000	-	9,375	961,875
	2007 ⁽¹⁾	396,000	1,188,700	198,000	-	-	1,782,700
John Ayanoglou ⁽²⁾ Senior Vice-President, Finance and Chief Financial Officer	2008	142,300	178,100	75,000	-	-	395,400
Randy Nanek ⁽³⁾ Chief Financial Officer	2008	29,500	178,800	-	-	-	208,300
	2007	16,000	-	-	-	-	16,000
William Edmunds ⁽⁴⁾ Senior Vice-President, Credit and Chief Risk Officer of Equitable Trust	2008	228,800	35,000	120,000	-	4,290	388,090
	2007	110,000	204,000	39,000	-	-	353,000
Timothy Storus ⁽⁵⁾ Vice-President, General Counsel, Chief Compliance Officer and Secretary	2008	185,100	8,700	30,000	-	3,471	227,271
	2007	181,000	0	25,000	-	-	206,000
	2006	165,000	0	21,000	-	-	186,000
David Downie ⁽⁶⁾ Assistant Vice-President, Commercial Mortgage Origination of Equitable Trust	2008	25,800	52,500	459,300	-	15,351	552,951

Notes:

- (1) Andrew Moor was appointed President and CEO on March 1, 2007. The salary reported for Mr. Moor in 2007 is pro-rated from his date of hire at his then annual rate of \$475,000. The options reported in 2007 include a one-time grant of 150,000 options issued in accordance with the terms of Mr. Moor's employment agreement.
- (2) John Ayanoglou was appointed Senior Vice-President, Finance and Chief Financial Officer of the Company effective May 19, 2008. The salary reported for Mr. Ayanoglou is pro-rated from his date of hire at his annual rate of \$228,800.
- (3) Randy Nanek was appointed Chief Financial Officer of the Company on December 5, 2007 and resigned from the Company on February 12, 2008. The salary reported for Mr. Nanek is pro-rated from his date of hire at his then annual rate of \$220,000.
- (4) William Edmunds was appointed Senior Vice-President, Credit and Chief Risk Officer of Equitable Trust on July 3, 2007. The salary reported for Mr. Edmunds in 2007 was pro-rated from his date of hire at his then annual rate of \$220,000.
- (5) Timothy Storus left the Company on March 5, 2009.
- (6) Prior to November 1, 2008 David Downie had a variable compensation arrangement with the Company which was based on mortgage origination volumes and margin achieved on such originations. Mr. Downie earned \$459,300 in 2008 under this arrangement. The salary reported for Mr. Downie was pro-rated from November 1, 2008 at his annual rate of \$215,000.
- (7) The Company's contribution to the NEO's Deferred Profit Sharing Plan.
- (8) The value of perquisites and benefits for each NEO does not exceed the lesser of \$50,000 and 10% of the total annual salary and bonus.

INCENTIVE PLAN AWARDS

Outstanding Share-based Awards and Option-based Awards

The following table sets forth, for each NEO, all Option-based awards outstanding as at December 31, 2008. The Company has not granted any Share-based awards to date.

Name	Date of Grant	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiry Date	Value of Unexercised Options ⁽¹⁾ (\$)
Andrew Moor	Mar. 1, 2007	150,000	34.49	March 1, 2012	0
	Dec. 7, 2007	30,000	28.63	Dec. 7, 2012	0
	Nov. 25, 2008	30,000	11.55	Nov. 25, 2013	6,000
John Ayanoglou	May 1, 2008	30,000	20.90	May 1, 2013	0
	Nov. 25, 2008	12,000	11.55	Nov. 25, 2013	2,400
William Edmunds	Aug. 1, 2007	30,000	31.75	Aug. 1, 2012	0
	Nov. 25, 2008	20,000	11.55	Nov. 25, 2013	4,000
David Downie	Feb. 2, 2004	10,000	17.50	Feb 2, 2009	0
	Nov. 25, 2008	30,000	11.55	Nov. 25, 2013	6,000
Timothy Storus	Nov. 25, 2005	25,000	24.10	Nov. 25, 2010	0
	Nov. 25, 2008	5,000	11.55	Nov. 25, 2013	1,000

Notes:

⁽¹⁾ The value of unexercised “in-the-money” options at December 31, 2008 (some of which have not yet vested) is determined by multiplying the number of unexercised options held by each NEO as at December 31, 2008 by the difference between the closing price of the Company’s common shares on the TSX on December 31, 2008 (\$11.75) and the exercise price of such options.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth, for each NEO, the value on vesting of all awards and the bonus payout during the year ended December 31, 2008.

Name	Option-based Awards – Value Vested During the Year (\$)	Non-equity Incentive Plan Compensation – Value Earned During the Year (\$)
Andrew Moor	NIL	400,000
John Ayanoglou	NIL	75,000 ⁽¹⁾
William Edmunds	NIL	120,000
David Downie	43,400	NIL
Timothy Storus	NIL	30,000

Notes:

⁽¹⁾ Cash bonus was pro-rated to reflect John Ayanoglou commencing employment on May 19, 2008.

The following table sets forth, for each NEO, details concerning options outstanding at December 31, 2008 pursuant to the Company's Share Option Plan.

Name	Options Vested During the Year #	Options Exercised During the Year #	Exercise Price \$	Expiry Date
Andrew Moor	30,000 6,000	NIL NIL	34.49 28.63	March 1, 2012 December 7, 2012
John Ayanoglou	NIL	NIL	N/A	N/A
William Edmunds	6,000	NIL	31.75	August 1, 2012
David Downie	5,000	NIL	17.50	February 2, 2009
Timothy Storus	5,000	NIL	24.10	November 25, 2010

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information on the Share Option Plan as at December 31, 2008. The Share Option Plan is the Company's only equity compensation plan that provides for the issuance of common shares. See pages 11 through 13 of this Circular for full details of the Share Option Plan.

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights	Weighted-average Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans ⁽¹⁾
Equity compensation plans approved by securityholders	679,750	24.37	808,521
Equity compensation plans not approved by securityholders	NIL	NIL	NIL
TOTAL	679,750	24.37	808,521

Notes:

⁽¹⁾ Based on the maximum number of common shares reserved for issuance under the Share Option Plan upon the exercise of stock options of 1,488,271.

RETIREMENT BENEFITS

The Company does not have a pension plan for its executive officers and employees. All employees, including the NEOs, are eligible to participate in the Company's Group Registered Retirement Savings Plan ("RRSP") and Deferred Profit Sharing Plan ("DPSP"). The Company matches personal contributions of up to 2.5% of annual salary per year during the first five years of employment and up to 5% after five years of employment. The Company's contributions vest after two years. In the event of termination within the two-year period, the Company's unvested contributions under the DPSP are returned to the Company. The Company does not provide any additional or supplemental pensions, retirement allowances or similar benefits to any executive officers.

The following table sets forth, for each NEO, details concerning RRSP and DPSP contributions as at December 31, 2008.

Name	Accumulated Value at Start of Year ⁽¹⁾ (\$)	Compensatory ⁽²⁾ (\$)	Non-Compensatory ⁽³⁾ (\$)	Accumulated Value at Year-end (\$)
Andrew Moor	-	9,375	9,477	18,852
John Ayanoglou ⁽⁴⁾	-	-	-	-
William Edmunds	-	4,290	6,585	10,875
David Downie	-	15,351	13,141	28,492
Timothy Storus	-	3,471	3,049	6,520

Notes:

⁽¹⁾ The Company's Group RRSP and DPSP was established in April 2008.

⁽²⁾ Company's contribution to NEO's DPSP.

⁽³⁾ NEO's contribution to his Group RRSP and investment earnings on Company's and NEO's contributions.

⁽⁴⁾ John Ayanoglou did not participate in the Group RRSP in 2008.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Equitable Trust has entered into employment agreements with certain of the NEOs. Their respective terms and conditions of termination and change of control benefits are set out below.

In the event of a Change of Control, all Options outstanding shall be immediately exercisable, notwithstanding any determination of the Board pursuant to the Company's Share Option Plan.

NEO					
Terms	Andrew Moor	John Ayanoglou	William Edmunds	David Downie	Timothy Storus
Effective Date	March 1, 2007	May 19, 2008	July 3, 2007	October 12, 1999	August 8, 2005
Termination Without Cause⁽¹⁾	<p>If terminated within the first four years of employment, the NEO is entitled to (i) salary continuance in an amount equal to their annual base salary and three-year average annual bonus, or period of employment if employed less than three years, (the "Severance Payment"), (ii) continuation of health benefits for a period of 12 months, and (iii) accrued and outstanding vacation pay. Upon full-time permanent re-employment, salary continuation shall cease and the NEO is entitled to receive a lump sum severance payment equal to 50% of the salary continuance for the remainder of the 12 month period.</p> <p>After five years of employment, the NEO's entitlement to salary continuation upon termination without cause shall increase by one additional month for each year of employment up to a maximum of 24 months.</p>		<p>The NEO is entitled to an amount equal to eight weeks' notice (or payment in lieu thereof) upon termination plus accrued and outstanding vacation pay. The NEO is also entitled to continuance of health benefits for the prescribed notice period.</p>		<p>The NEO is entitled to salary continuance and health benefits for six months upon termination plus accrued and outstanding vacation pay.</p>
	<p>Immediate vesting of options.</p>	<p>If termination occurs during the second year after a grant of options, the NEO receives all vested options plus those that would have vested at next anniversary date of grant. If termination occurs during the third year after a grant of options, the NEO receives all vested options plus those that would have vested at next 2 anniversary dates of grant.</p>			
Change of Control⁽²⁾	<p>Immediate vesting of options.</p>	<p>If a change of control occurs during the first two years of employment, the NEO receives:</p> <ul style="list-style-type: none"> • Severance Payment inclusive of annual base salary and average performance bonus for period of employment for a period of 12 months • Immediate vesting of options 		<p>Immediate vesting of options</p>	
Non-solicitation provisions: • of employees • of customers	<ul style="list-style-type: none"> • Two years following termination of employment. • One year following termination of employment. 		<p style="text-align: center;">No No</p>		<p style="text-align: center;">No No</p>
Non-competition provisions	<p>Up to one year following termination of employment.</p>		<p style="text-align: center;">No</p>		<p style="text-align: center;">No</p>

Notes:

⁽¹⁾ The Company will pay any severance pay as required by any applicable legislation.

⁽²⁾ The provisions for Change of Control benefits are "single trigger" for Mr. Moor, meaning that he can trigger his termination following a change of control and be entitled to severance. For Messrs. Edmunds and Ayanoglou, the provision is "double trigger" in that for both, the change of control needs to take place and their employment needs to be terminated or constructively terminated by the Company for severance to be payable.

The following table sets forth, for each NEO, an estimate of the benefits that would be paid by the Company following the termination or change of control, assuming the triggering event took place on December 31, 2008:

Name	Years of Service	Termination		Change of Control ⁽¹⁾	
		Severance (\$)	Stock Options (\$)	Severance (\$)	Stock Options ⁽⁴⁾ (\$)
Andrew Moor ⁽²⁾	1.8	810,700	6,000	810,700	6,000
John Ayanoglou	0.7	312,200	0	312,200	2,400
William Edmunds ⁽³⁾	1.5	315,000	0	315,000	4,000
David Downie	9.3	33,100	0	0	6,000
Timothy Storus	3.3	94,300	0	0	1,000

Notes:

- (1) The change of control provisions as described above provide for full vesting of all unvested stock options on an accelerated basis. The value is the difference between the closing price of the common shares on December 31, 2008 on the TSX (\$11.75) and the exercise prices of the options.
- (2) Mr. Moor receives options that vested on March 1, 2008 and December 7, 2008 plus those that vest on March 1, 2009 and December 7, 2009.
- (3) Pursuant to the terms of Mr. Edmunds' Employment Agreement, he receives options that vested on August 1, 2008 plus those that will vest on August 1, 2009.
- (4) Pursuant to the terms of the Plan, all options accelerate upon a change of control.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Circular, there was no outstanding indebtedness to the Company or Equitable Trust incurred by any current or former Director, executive officer, employee or proposed nominees for election as a Director of the Company in connection with the purchase of securities of the Company, and there was no outstanding indebtedness incurred by any of such individuals to another entity that was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or undertaking provided by the Company or Equitable Trust.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company has purchased at its expense liability insurance in the amount of \$20 million that provides protection for individual directors and officers. The Company paid a total premium of \$141,500 for the year ending March 31, 2009. There is a deductible of \$200,000 in respect of any one claim.

PART 4 - CORPORATE GOVERNANCE PRACTICES

The Company and the Board recognize that sound corporate governance practices contribute to the effective management of the Company, the achievement of strategic and operational plans and objectives, and to the protection of its employees and shareholders. The Company's approach to corporate governance has been and continues to be in compliance with applicable Canadian securities legislation. The Corporate Governance Committee regularly reviews its corporate governance practices and considers any changes necessary to maintain or enhance the Company's governance policies and practices.

Board of Directors

The Corporate Governance Committee has reviewed the independence of each Director within the meaning of National Instrument 52-110. Based on the information received from each Director, the Corporate Governance Committee has determined that all Directors standing for election to the Board on May 11, 2009 are independent with the exception of Andrew Moor as a result of his position as President and Chief Executive Officer of the Company and Equitable Trust.

Additional information relating to each Director standing for election, including other public company boards on which they serve and their attendance records for all Board and Committee meetings, can be found on pages 3 through 11 of this Circular.

Board Meetings

The Board held 5 regular meetings and 2 special meetings during 2008. The independent Directors hold meetings as a matter of routine after each regularly scheduled Board meeting which are chaired by the Chairman of the Board. There were 6 meetings of the independent Directors during 2008. With the exception of Equitable Trust's Investment Committee, Board Committees are composed entirely of independent Directors and regularly meet without Management.

Independent Chair

Austin Beutel is the Chairman of the Board and is also an independent Director within the meaning of National Instrument 52-110. The Board has developed a mandate for the Non-Executive Chairman of the Board whose responsibilities include, but are not limited to, providing leadership to the Board, approving the agendas for all Board meetings, presiding at all Board meetings and meetings of independent Directors, ensuring regular evaluations of the Board and individual Directors, and ensuring the provision of timely and accurate information to Directors.

Board Mandate

The mandate of the Board sets out the Board's role, duties and responsibilities. A copy of the mandate is attached to this Circular as Schedule "A". The Board approves the Company's corporate goals and objectives, operating budgets and strategies which take into account the opportunities and risks of the business. Members of the Board attend an all-day strategy session with management to discuss and review the Company's strategic plan and opportunities.

Position Descriptions

The Board has adopted position descriptions for the Non-Executive Chairman of the Board, a Committee Chairman and the President and Chief Executive Officer ("the "CEO"). All position descriptions are reviewed annually. Equitable Trust's HR Committee conducts an annual review of the performance of the CEO as measured against corporate and personal objectives established and approved by the Board. The results of this annual review are used by the HR Committee in making its recommendation to the Board concerning the CEO's annual compensation.

Orientation and Continuing Education

The Corporate Governance Committee has developed an orientation program which the Board feels is adequate, having regard to the current composition of the Board. New Directors also meet with the Chair to discuss board processes and dynamics and the governance framework, and with the CEO and other members of the senior management team to discuss Company strategy, performance, the regulatory framework and other issues facing the Company. Each Director is provided with orientation materials consisting of the Board's mandate, compliance requirements for Directors, corporate policies, minutes for recent Board and Committee meetings and other relevant corporate and business information on the Company. New Directors are also invited to attend a full set of Board Committee meetings.

Directors are kept informed of matters which may impact the Company's operations through reports presented at the quarterly Board meetings. As well, each committee delivers a report to the full Board on its work after each committee meeting. The CEO provides periodic updates to the Board on matters affecting the Company.

Ethical Business Conduct

The Company's Code of Conduct (the "Code") provides guidance on ethical issues and behaviour, and sets out mechanisms for reporting unethical conduct. The Code applies to all Directors, officers and employees of the Company. The Code also contains an addendum dealing specifically with matters of particular Director concern. Should a Director have a conflict of interest, the Director will declare him or herself as having a conflict of interest and will not participate in the discussions and any vote on that matter. Through the annual Director's Questionnaires, Directors are asked to identify other business relationships and other companies or entities with which they have relationships. These responses assist the Board and management in identifying conflict of interest situations in advance.

Equitable Trust's Corporate Governance and Conduct Review Committee of the Board (the "Committee") monitors compliance with the Code and authorizes any waiver granted in connection therewith. The Committee has not granted any waivers in connection with the Code.

Each year all Directors, officers and employees must sign an acknowledgement that they have read, understood and complied with the Code. The Board has not granted any waiver of the Code or Directors' and Officers' Addendum in favour of a Director or executive officer and accordingly, no material change report has been filed on SEDAR. The Committee also monitors the disclosure of conflicts of interest by Directors and ensures no Director participates in any board discussion or votes on a matter in respect of which such Director has a material interest.

A copy of the Code has been filed on SEDAR (www.sedar.com).

The Company also has in place appropriate procedures for the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters. The Board has also adopted a Disclosure Control Policy to deal with the timely dissemination of all material information. This policy contains guidance for determining what information is material and how it is to be disclosed to avoid selective disclosure and to ensure wide dissemination. The Board, through its Committees, reviews and approves the contents of major disclosure documents, including interim and annual consolidated financial statements, Management's Discussion and Analysis, the Annual Information Form and this Circular.

Nomination of Directors

The Corporate Governance Committee, which is composed of four independent Directors, is responsible for identifying and considering prospective candidates to be appointed to the Board or elected by the shareholders as well as developing and overseeing the Company's approach to governance issues. The Committee annually reviews both the size and the composition of the Board. The Committee identifies any gaps in the Board's composition and seeks to fill those gaps. Nominees must have the required expertise, skills and experience in order to add value to the Board. The Committee solicits the names of candidates possessing these qualities as determined by other members of the Board and senior management. A list of candidates is then drawn up and considered by the Committee. The Chair and one other member of the Committee then interview the candidates to determine their suitability. The Committee then recommends the candidates to the Board for approval.

The Committee's mandate includes the following duties and responsibilities: to consider annually the appropriate number of Directors on the Board with a view to facilitating effective decision-making; to review the mandates of the Board, the non-executive chair, the committee chairs and the CEO; to review the nominee selection process and orientation of new Directors; to oversee the continuing education of existing Directors; and to determine board compensation.

Majority Voting

The Board has adopted a policy regarding majority voting for the election of Directors which is set out on page 3 of this Circular.

Compensation

The Corporate Governance Committee is charged with the responsibility for reviewing and making recommendations to the Board regarding the adequacy and form of compensation for its non-executive Directors to ensure that such compensation realistically reflects the responsibilities and risks with a view to aligning the Company's non-executive Directors' compensation to its Comparator Group median.

Equitable Trust's HR Committee has the responsibility for recommending compensation for the Company's and Equitable Trust's executive officers including that of the CEO (see pages 14 through 17 of the Statement of Executive Compensation). This Committee is composed entirely of independent Directors and has the following responsibilities:

- reviewing and making recommendations to the Board of Directors of Equitable Trust regarding any equity or other compensation plan and the total compensation packages of Equitable Trust's executive officers, including the CEO;
- reviewing the performance of the executive officers of the Company and Equitable Trust and evaluating their total compensation annually in relation to their performance against pre-established goals and strategies; and
- overseeing the Company's Share Option Plan and the related distributions.

The Committee also has the power to retain consultants, including compensation consultants or advisors, as it may deem necessary or advisable to carry out its responsibilities.

Board Committees

The Company's Board has two Committees: the Audit Committee and the Corporate Governance Committee. The mandate of the Audit Committee is attached as Schedule "A" to the Company's Annual Information Form dated February 25, 2009 which has been filed on SEDAR at www.sedar.com.

Equitable Trust's Board has four Committees: the Audit Committee, the Corporate Governance and Conduct Review Committee, the Human Resources and Compensation Committee and the Investment Committee. The mandate of Equitable Trust's Corporate Governance and Conduct Review Committee is the same as the mandate of the Company's Corporate Governance Committee with the exception of the following additional responsibilities:

- reviewing related party transactions;
- monitoring procedures for conflicts of interest, confidential information, disclosure of information and handling of customer complaints, and being satisfied that the procedures are being adhered to; and
- ensuring all Directors, officers and employees comply with the Code of Conduct by way of an annual written acknowledgement.

The Investment Committee is responsible for:

- identifying and monitoring the Company's overall credit, interest rate and liquidity risks as set out in Equitable Trust's Internal Capital Adequacy Assessment Process, as well as other treasury-related risks;
- reviewing the effectiveness of the Company's practices for managing these risks;
- establishing appropriate lending limits for the Company and the CEO for approval by the Board;
- reviewing the mortgage portfolio and risk tolerance;
- reviewing the general reserve; and
- reviewing the securities portfolio.

At each Committee meeting, the Committee is given an opportunity to hold an "in camera" session without management.

Assessments

The Corporate Governance Committee conducts an annual assessment of the Board's effectiveness by way of a performance evaluation questionnaire that is forwarded annually to Directors. This questionnaire covers a wide range of issues and allows for comments and suggestions. The questionnaire covers both Board and individual Director performance. The Chairman of the Corporate Governance Committee receives responses to the questionnaire and reports the results to the Committee for discussion and then to the full Board. Any required changes are then implemented to improve Board performance and effectiveness.

The Chairman meets with each Director every other year to discuss their assessment of the Board's effectiveness and their own performance. Improvements can then be made when required, according to the results.

PART 5 – OTHER INFORMATION

ADDITIONAL INFORMATION

Additional information relating to the Company can be obtained from its website at www.equitablegroupinc.com or on SEDAR at www.sedar.com. Financial information is provided in the Company's Consolidated Financial Statements and Management's Discussion and Analysis for the year ended December 31, 2008, included in the Annual Report.

To obtain copies of the information referred to in this section please send your request to the Corporate Secretary of the Company at 30 St. Clair Avenue West, Suite 700, Toronto, Ontario M4V 3A1 or via e-mail at corporatesecretary@equitablegroupinc.com.

DIRECTORS' APPROVAL

The Board of Directors has approved the content and mailing of this Circular.



Andrew Moor
 President and Chief Executive Officer
 Toronto, Ontario
 April 8, 2009

Schedule "A"

Board of Directors' Mandate

A. Role and Responsibility

The Board of Directors is responsible for providing independent oversight of the management of the business and affairs of the Company. The Board of Directors is responsible for the protection and enhancement of shareholder value and shall, either directly or through its Committees, be responsible for performing the duties set out in this Mandate and such other duties as may be necessary or appropriate in order to fulfill its stewardship responsibilities.

B. Duties

Strategic Planning

The Board shall:

- review the Company's strategic planning process and annually approve a strategic plan which includes assessment of the opportunities and risks of the Company's business.
- review and approve the Internal Capital Adequacy Assessment Process.
- review and approve annual financial and capital plans.
- monitor the Company's performance against the strategic, financial and capital plans.
- review and approve the Company's activities related to capital expenditures over \$50,000 and debt/equity issues.

Risk Management

The Board shall:

- review, and if advisable, approve the Company's risk appetite statement and review management's assessment of the risk profile.
- ensure processes are in place to identify the principal business risks and review key policies and practices, particularly in the areas of credit, interest rate, liquidity, operational and reputational risk, and ensure the implementation of appropriate systems to manage these risks.
- oversee the implementation of a comprehensive legislative compliance management program.
- ensure there are appropriate oversight functions independent of management.

Internal Controls

The Board shall:

- oversee and monitor the integrity of the Company's internal control and management information systems and audit procedures, and receive assurances on a regular basis that these systems are designed and operating effectively.
- review and approve the financial statements and related disclosures prior to their release.

Succession Planning and Human Resource Management

The Board shall:

- oversee the Company's succession planning process including the appointment, training, monitoring, development and evaluation of the Chief Executive Officer and other senior management.
- oversee the Company's approach to executive compensation.
- define the role and responsibilities of the Chief Executive Officer.
- review the establishment of annual performance targets and the annual performance evaluation and compensation of the Chief Executive Officer.
- to the extent feasible, satisfy itself as to the integrity of the Chief Executive Officer and other senior management and that the Chief Executive Officer and other senior management create a culture of integrity throughout the Company.

Corporate Governance

The Board shall:

- with the assistance of the Corporate Governance Committee, review the Company's approach to corporate governance, including its governance principles and guidelines and undertake regular evaluation of the Board, its Committees and individual Directors.
- review annually the form of compensation of Directors and the membership and mandates for both the Board and its Committees.
- ensure there is an ongoing, effective process in place for ensuring adherence to the Code of Conduct.

Communication and Public Disclosure

The Board shall:

- oversee the implementation of measures for receiving feedback from the Company's shareholders.
- with the assistance of the Audit Committee, review changes to the Company's Disclosure Control Policy.

