EQUITABLE GROUP INC.

Annual Information Form

February 24, 2010

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Note: Unless otherwise specified, all information presented herein is as of December 31, 2009.

FORWARD-LOOKING STATEMENTS

Statements made by the Company (as hereafter defined) in this Annual Information Form, in other filings with Canadian securities regulators and in other communications include forward-looking statements within the meaning of applicable securities laws ("forward-looking statements"). These statements include, but are not limited to, statements about the Company's objectives, strategies and initiatives, financial result expectations and other statements made herein, whether with respect to the Company's businesses or the Canadian economy. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "planned", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases which state that certain actions, events or results "may" ,"could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, closing of transactions, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to risks related to capital markets and additional funding requirements, fluctuating interest rates and general economic conditions, legislative and regulatory developments, the nature of our customers and rates of default, and competition as well as those factors discussed under the heading "Risk Management" in the Company's Management Discussion and Analysis for the year ended December 31, 2009 and in the Company's documents filed on SEDAR at www.sedar.com.

All material assumptions used in making forward-looking statements are based on management's knowledge of current business conditions and expectations of future business conditions and trends, including their knowledge of the current credit, interest rate and liquidity conditions affecting the Company and the Canadian economy. Although the Company believes the assumptions used to make such statements are reasonable at this time and has attempted to identify in its continuous disclosure documents important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Certain material assumptions are applied by the Company in making forward-looking statements, including, without limitation, assumptions regarding its continued ability to fund its mortgage business at current levels, a continuation of the current level of economic uncertainty that affects real estate market conditions, continued acceptance of its products in the marketplace, as well as no material changes in its operating cost structure and the current tax regime. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements that are contained herein, except in accordance with applicable securities laws.

CORPORATE STRUCTURE

Name, Address and Incorporation

Equitable Group Inc. (the "Company" or "Equitable") was formed on January 1, 2004 pursuant to a Certificate of Amalgamation issued under the *Business Corporations Act* (Ontario). Articles of Amendment dated September 1, 2009 were filed in connection with the creation and issuance of the Series 1 Preferred Shares 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 Company serves as the holding company of its 100% wholly-owned subsidiary, Equitable Trust. Equitable Trust 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).

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

The Company is publicly traded on the Toronto Stock Exchange ("TSX") and operates as the holding company for Equitable Trust, a deposit-taking institution which is a niche mortgage lender of first mortgages and insured mortgages, including Canada Mortgage and Housing Corporation ("CMHC") insured mortgages. Equitable Trust is licensed to conduct business across Canada with offices in Ontario and Alberta. The primary sources of the Company's revenue are interest income as well as commitment, renewal and discharge fees derived from its mortgage financing business. In addition, the Company earns income from the securitization of mortgages through the *National Housing Act (Canada)* ("NHA") Mortgage Backed Securities ("MBS") and Canada Mortgage Bond ("CMB") Programs, which is comprised of income in the form of gains earned at the time of securitization as well as recurring income from its continuing residual interest in the cash flows that are earned by the securitized mortgages. The Company also earns interest and dividend income from investments.

The Company has three core lending businesses, which align well with its competitive strengths, competencies and profitability objectives:

- Single Family Lending Services ("Single Family"): This business benefits from Equitable Trust's well-established relationships with a large independent mortgage broker network, its focus on customer service, as well as Equitable's experience in utilizing a disciplined approach to credit evaluation and collections.
- Commercial Mortgage - Broker Services ("Broker Services"): This line of business funds mortgages, typically below $2.5 million, on a wide variety of property types, including mixed-use, apartment buildings, commercial and industrial properties sourced through independent brokers. Broker Services specializes in assisting experienced entrepreneurs, business operators and real estate investors. Its broad mortgage broker relationships and strong underwriting capabilities are among its key strengths.
- Commercial Lending Services: This business funds larger, more sophisticated transactions secured by mortgages originated through commercial mortgage broker specialists. These commercial mortgages include loans on commercial and multi-unit residential real estate, construction loans, warehoused loans and CMHC-insured multi-unit residential mortgages for securitization.

In 2007, Equitable Trust became a member of the Canadian Payments Association and in 2008, it became an Approved Seller under the CMB Program.

Equitable Trust expanded the provision of Single Family Lending Services into Manitoba in 2008.

To support ongoing growth and enhance regulatory capital, the Company:

- Completed a public offering and private placement of common shares totaling gross proceeds of $25.0 million in 2007, the net proceeds of which were used to purchase $23.4 million of Equitable Trust common shares. In 2007, Equitable Trust also issued $22.0 million of Series 7 subordinated debentures and redeemed $5.4 million of Series 5 subordinated debentures ("Series 5 Debentures").
- Completed a public offering and private placement of common shares totalling gross proceeds of $40.9 million in 2008, the net proceeds of which were used to purchase $38.9 million of Equitable Trust common shares.
- Completed a public offering and private placement of Series 1 non-cumulative preferred shares, as hereinafter defined, totalling gross proceeds of $50.0 million in 2009. The total proceeds of the offerings were used to acquire preferred shares of Equitable Trust, which qualified as Tier 1 regulatory capital for Equitable Trust.
- Issued $23.2 million in Series 8 subordinated debentures ("Series 8 Debentures") in 2009. As part of this transaction, the Company repaid $13.3 million of its bank term loans and Equitable Trust concurrently redeemed $30.8 million of its Series 5 Debentures of which $13.3 million were issued to the Company. The remaining $3.8 million of Series 5 Debentures were redeemed and $3.8 million of bank term loans were repaid in separate transactions prior to the issuance of Series 8 Debentures during the year. The gross proceeds of the

offering of the Series 8 Debentures were used by the Company to purchase subordinated debentures of Equitable Trust, which qualified as Tier 2B regulatory capital.

There were no significant acquisitions or dispositions that occurred during the year ended December 31, 2009.

DESCRIPTION OF THE BUSINESS

Employees and Facilities

At December 31, 2009, Equitable Trust employed 145 full-time employees operating out of leased offices in Toronto and Calgary.

Business Overview

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

Credit risk is managed through Equitable Trust's lending policies and procedures, the establishment of lending limits and a documented approval process. Underwriting criteria used are intended to minimize risks inherent in its target market and include prescribed loan to values based on the nature of the property and strict debt service ratio guidelines.

Equitable Trust accepts deposits from the public by issuing Guaranteed Investment Certificates ("GICs") and pays interest on these deposits. GICs provide funding for all business lines and are largely originated through deposit agents, who are members of the Investment Industry Regulatory Organization of Canada ("IIROC") or the Registered Deposit Brokers Association (the "RDBA"). In addition, Equitable Trust issues CMHC-insured mortgage-backed securities through a national program approved under the NHA (the "NHA-MBS Program"). Equitable Trust generates earnings from its MBS operations in the form of gains on the sale of mortgages securitized, including securitization through the CMB program, as well as recurring earnings from its retained interest in such mortgages.

Equitable Trust operates a low cost business model. Mortgage and deposit origination functions are largely obtained through brokers with a portion of the mortgage administration being outsourced.

Competitive Conditions

Equitable Trust's products compete with those offered by other trust companies, banks, insurance companies and other financial institutions and intermediaries in the jurisdictions in which it operates, especially Ontario and Alberta.

New Products

In January 2009, Equitable Trust, through its Deposit Services department, launched a registered Tax Free Savings Account (the "TFSA").

Environmental Protection

There is a possibility that hazardous substances could be found on properties which Equitable Trust holds as security. This could affect the value of the properties or result in liability of Equitable Trust to a governmental entity or third parties if Equitable Trust realizes on its security and takes possession or becomes the owner of any such properties. To manage this potential exposure, environmental risk is evaluated as part of Equitable Trust's underwriting process. To date, this environmental risk has not had a material adverse effect on the Company's operations or financial condition.

Regulatory Matters

Equitable Trust is a federally regulated financial institution governed by the *Trust and Loan Companies Act* (Canada). The activities of Equitable Trust are supervised by the Office of the Superintendent of Financial Institutions Canada ("OSFI"). Equitable Trust is also subject to regulations under the *Financial Consumer Agency of Canada Act,* which enforces consumer related provisions of federal statutes that govern financial institutions. Equitable Trust's activities are also regulated under provincial laws in those provinces where it is active. Equitable Trust is a member institution of the Canada Deposit Insurance Corporation ("CDIC"), which insures certain deposits held at member institutions.

Principal Products and Services

Mortgage Lending

Equitable Trust's mortgage products consist of fixed and floating rate first mortgages and CMHC-insured mortgages with terms of up to ten years. The majority of the Company's mortgage financing business is in single family dwelling, mixed-use property, multi-unit residential and commercial properties. At December, 2009, these four categories accounted for 87.1% of Equitable's mortgage portfolio. The Company also provides facilities to other mortgage originators to warehouse mortgages that are intended to be sold and are referred to in the table below as "Mortgages held for sale". Equitable's mortgage portfolio also includes CMHC-insured multi-unit residential mortgages and construction mortgages. Equitable's total mortgage portfolio was $2.8 billion as at December 31, 2009.

Mortgages Receivable – by property type

($ THOUSANDS)	**2009**	**% of total**	2008	% of total	2007	% of total
Single family dwelling[1]	**$ 1,010,266**	**36.5%**	$ 1,035,300	34.2%	$ 739,050	25.8%
Mixed-use property	**325,816**	**11.8%**	333,235	11.0%	287,643	10.0%
Multi-unit residential	**383,945**	**13.9%**	515,575	17.0%	660,071	23.0%
CMHC-insured multi-unit residential	**141,460**	**5.1%**	74,380	2.5%	178,971	6.2%
Commercial	**689,402**	**24.9%**	649,591	21.5%	652,783	22.8%
Mortgages held for sale	**104,728**	**3.8%**	297,952	9.8%	272,370	9.5%
Construction	**110,596**	**4.0%**	120,908	4.0%	77,395	2.7%
Total mortgage principal	**2,766,213**	**100.0%**	3,026,941	100.0%	2,868,283	100.0%
Deferred net mortgage commitment fees, net (discounts) premiums and sundry	**(13)**		(2,786)		368	
Mortgages receivable	**2,766,200**		3,024,155		2,868,651	
Accrued interest	**11,455**		13,411		14,515	
Allowance for credit losses	**(14,635)**		(14,551)		(8,925)	
Total mortgages receivable	**$ 2,763,020**		$ 3,023,015		$ 2,874,241	

[1] Includes $56,777 (2008 - $176,436, 2007 - nil) of CMHC-insured and $37,869 (2008 - $12,267, 2007 - nil) of other insured single family dwelling mortgages.

Single Family Dwelling Mortgages*.* In this segment, Equitable Trust focuses on offering mortgages to borrowers who have difficulty qualifying for financing from conventional financing institutions due to the borrower's self-employed status, limited credit history or historical credit issues. Insured single family dwelling mortgages comprised 2.1% of Equitable's mortgage portfolio.

Multi-Unit Residential Mortgages. This segment includes properties with more than four residential units. The average principal amount secured by mortgages on multi-unit residential buildings is much larger than on single family dwellings, which results in efficiencies of scale for Equitable Trust. As at December 31, 2009, multi-unit residential mortgages (excluding held for sale) represented $383.9 million or 13.9% of Equitable's mortgage portfolio.

CMHC-Insured Multi-Unit Residential Mortgages. CMHC-insured mortgages are granted on multi-unit residential properties that are held for securitization. These mortgages are pooled and sold through the NHA-MBS Program where Equitable Trust retains an ongoing interest in the mortgages (See "Mortgage Backed Securities"). This segment represented $141.5 million or 5.1% of Equitable's mortgage portfolio.

Mixed-Use Property Mortgages. This segment includes properties comprised of both residential and commercial space. These mortgages are primarily originated by Equitable Trust's Commercial Mortgage - Broker Services team. This segment represented $325.8 million or 11.8% of Equitable's mortgage portfolio.

Commercial Mortgages. This segment deals primarily in larger commercial mortgages on retail, office and industrial properties. As at December 31, 2009, $689.4 million in mortgages or 24.9% of Equitable's mortgage portfolio was comprised of commercial mortgages. Retail and office sectors accounted for the majority of the commercial mortgage portfolio at December 31, 2009 with industrial property and recreational/hotel sectors comprising the balance of the portfolio.

Mortgages Held for Sale. This segment is comprised of 25.5% residential and 74.5% commercial mortgages on properties across Canada at December 31, 2009. These mortgages are originated by third-party lenders who require financing prior to pooling and eventually selling the mortgages to investors.

Construction Mortgages. This segment deals in construction mortgages made to developers and renovators of residential and commercial buildings and are generally short-term in nature. As of December 31, 2009, construction mortgages represented approximately $110.6 million or 4.0% of Equitable's mortgage portfolio.

Mortgage Origination. Independent mortgage brokers originated the majority of Equitable Trust's funding activity in 2009. One major mortgage brokerage firm accounted for approximately 56% of this funding activity, primarily in the non-single family dwelling segments. The remainder of the brokered mortgages was originated by mortgage brokers, none of which provided more than 7.2% of the total dollar volume of new mortgage production.

Mortgage Backed Securities

Since 1994, Equitable Trust has funded and securitized mortgaged assets under the NHA-MBS Program. Also, since 2008 Equitable Trust has sold NHA-MBS under the CMB Program. Equitable Trust's participation in the NHA-MBS Program has been a steady, profitable and low-risk area of business.

In 1994, Equitable Trust entered into an exclusive agreement with First National Financial LP ("FNFLP") whereby Equitable Trust would originate CMHC-insured multi-unit residential mortgages brokered by FNFLP across Canada and securitize these mortgages through the NHA-MBS Program. The Company expects to extend this agreement for a further five (5) year term in 2010. 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.

As an issuer of the NHA-MBS, Equitable Trust retains the responsibility for administering CMHC-insured mortgages after their sale to investors through the NHA-MBS Program until the maturity of the mortgage. Equitable Trust has outsourced this administrative function on the multi-unit residential mortgages to FNFLP and pays a servicing fee to FNFLP.

Under the NHA-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 on the underlying mortgages. This excess interest on mortgages is retained by Equitable Trust, net of the servicing fees paid to third parties, if any, and represents ongoing earnings to Equitable.

Deposit Taking

Equitable Trust is a federally regulated deposit taking institution and is a member institution of the CDIC.

Equitable Trust has both non-registered accounts and registered TFSAs. Equitable Trust's GIC products consist of short and long term GICs which are available in both the non-registered accounts and TFSAs. A cashable GIC issued for a one year term, cashable after 30 days, is available for non-registered accounts. A savings account is available within the TFSA. Equitable guarantees payment of the principal amount plus interest to the GIC holder in accordance with the terms of the GIC.

Equitable Trust sources its deposits primarily through the use of deposit agents who are members of the RDBA or the IIROC. RDBA members tend to be small to medium sized regionally based deposit agents, while IIROC members include bank-owned affiliates and other large investment dealers. The six largest bank affiliated deposit agents provided Equitable with the majority of its outstanding GICs at December 31, 2009.

Risk Factors

The Company, 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 31 through 35 of the Company’s 2009 Management’s Discussion and Analysis and those pages are incorporated herein by reference.

DIVIDENDS

The declaration and payment of dividends are subject to the discretion of the Board of Directors and depend on, among other things, the Company’s financial condition, general business conditions and other factors the Board of Directors considers to be relevant. In addition, the Company’s ability to pay dividends, at expected levels or at all, is subject to regulatory restrictions.

The Company’s Board of Directors has chosen to maintain the Company’s quarterly common share dividend at $0.10 per share. The Company declared and paid dividends totaling $0.40 per common share for each of the last three financial years.

On September 1, 2009, 2,000,000 Series 1 Preferred Shares were issued and commenced trading on the TSX. An initial dividend of $0.605822 per share was paid on December 31, 2009. Thereafter, the Company intends to declare and pay quarterly dividends at a rate of $0.453125 per share for an initial period ending September 30, 2014.

The Company’s Series 1 Preferred Shares are entitled to preference over the common shares with respect to the payment of dividends.

On March 4, 2009, the Company announced the introduction of a Dividend Reinvestment Plan. Participation in the plan is optional and under the terms of the plan, cash dividends on common shares are used to purchase additional common shares at the volume weighted average trading price of the common shares on the TSX for the five trading days immediately preceding the dividend payment date. Common shares issued as a result of participation in this plan would be issued from the Company’s treasury.

DESCRIPTION OF CAPITAL STRUCTURE

General Description of Share Capital

The Company's authorized share capital consists of an unlimited number of common shares, an unlimited number of preference shares, issuable in series. As of December 31, 2009, 14,903,846 common shares and 2,000,000 Series 1 Preferred Shares were issued and outstanding. The material provisions of the common shares and the preference shares are summarized or otherwise referred to below.

Common Shares

Holders of the Company's common shares are entitled to one vote per share 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 the holders of the preference 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.

Preference Shares

The preference 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 preference 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 the return of capital if all amounts so payable were paid in full, as the case may be.

The material provisions of the preference shares, including the non-cumulative 5-year rate reset preferred shares, Series 1 of the Company (the "Series 1 Preferred Shares") and the non-cumulative floating rate preferred shares, Series 2 of the Company (the "Series 2 Preferred Shares"), are described on pages 4 through 14 of the short form prospectus of the Company dated August 24, 2009 in connection with the public offering of the Series 1 Preferred Shares, and those pages are incorporated herein by reference.

Debentures

On December 18, 2009, the Company entered into a master trust indenture with Equity Transfer & Trust Company, as Trustee (the "Master Trust Indenture"), in connection with the issuance of debentures. Pursuant to the terms of the Master Trust Indenture, the aggregate principal amount of debentures is unlimited and may be issued in one or more series. The Board of Directors of the Company is authorized to determine the aggregate principal amount of the debentures and the attributes attaching to the debentures by resolution and set forth in a supplemental indenture. The debentures of any series shall rank equally with other debentures of such series.

On December 18, 2009, the Company entered into a first supplemental trust indenture with Equity Transfer & Trust Company, (the "First Supplemental") in connection with the issuance of up to $30,800,000 aggregate principal amount of Series 8 subordinated debentures (the "Series 8 Debentures") of the Company. Pursuant to the First Supplemental, the Company issued $23.2 million in Series 8 Debentures. The Series 8 Debentures will pay fixed interest of 6.50% semi-annually for the first five years of its ten year term, and then bear a floating interest rate that is calculated at the 90-day Banker's Acceptance Rate plus 480 basis points, payable quarterly until maturity on December 18, 2019.

The material details of the Series 8 Debentures may be found in Note 13 to the Company's 2009 audited consolidated financial statements, which are incorporated herein by reference.

MARKET FOR SECURITIES

Trading Price and Volumes

The Company's common shares and Series 1 Preferred Shares are traded on the TSX under the symbols ETC and ETC.PR.A, respectively. The following table sets out the price range and trading volume for these securities on the TSX for each month of the year ended December 31, 2009.

Period	Common Shares		Series 1 Preferred Shares[1]	
	Price Range	Volume	Price Range	Volume
January 2009	$11.75 - $14.50	91,517	-	-
February 2009	$10.00 - $12.15	206,180	-	-
March 2009	$ 9.20 - $11.40	279,104	-	-
April 2009	$10.43 - $13.64	420,306	-	-
May 2009	$13.51 - $18.00	154,187	-	-
June 2009	$17.00 - $18.45	316,911	-	-
July 2009	$16.79 - $18.50	152,979	-	-
August 2009	$18.32 - $19.00	247,815	-	-
September 2009	$18.99 - $22.09	1,623,201	$25.14 - $25.85	345,834
October 2009	$20.60 - $21.91	140,819	$25.30 - $25.50	52,091
November 2009	$19.95 - $21.74	187,476	$25.37 - $26.70	70,988
December 2009	$20.00 - $21.40	290,419	$25.79 - $26.75	47,792

(1) The Series 1 Preferred Shares commenced trading on September 1, 2009.

Prior Sales

During the year ended December 31, 2009, the Company issued $23.2 million principal amount of Series 8 Debentures. The gross proceeds of the offering of the Series 8 Debentures were used by the Company to purchase the Series 8 subordinated debt of Equitable Trust, which qualified as Tier 2B regulatory capital and which, in turn, was used for general corporate purposes.

DIRECTORS AND OFFICERS

Directors

Each director of the Company is also a director of Equitable Trust. Each director is elected for a term of one year, expiring at the next annual meeting of the Company. The following are the names and municipalities of residence of all directors as at December 31, 2009.

Name and Municipality of Residence	Principal Occupation	Director Since	Board Committee Membership	Common Share Shareholdings
Austin Beutel Toronto, Ontario, Canada	Chairman, Oakwest Corporation Limited, an investment holding company	January 1, 2004	Chairman of the Board Corporate Governance (Chair) Human Resources & Compensation	2,144,640
Eric Beutel Toronto, Ontario, Canada	Vice-President, Oakwest Corporation Limited, an investment holding company	January 1, 2004	Investment (Equitable Trust)	2,154,640[1]

Name and Municipality of Residence	Principal Occupation	Director Since	Board Committee Membership	Common Share Shareholdings
Joseph Dickstein Toronto, Ontario, Canada	Vice-Chairman, PPI Financial Group, a financial services company	January 1, 2004	Human Resources & Compensation (Chair) (Equitable Trust) Corporate Governance	21,900
Eric Kirzner Toronto, Ontario, Canada	Professor of Finance, Rotman School of Management, University of Toronto	January 1, 2004	Audit (Chair) Corporate Governance	2,800
Andrew Moor Toronto, Ontario, Canada	President and Chief Executive Officer of the Company and Equitable Trust	May 18, 2007	Investment (Equitable Trust)	21,801
Katherine Rethy Toronto, Ontario, Canada	Corporate Director and President of KAR Development Corp., a real estate investment company	May 15, 2008	Audit Corporate Governance	2,200
Lionel Robins Toronto, Ontario, Canada	President, PFDL Investments Limited, an investment holding company	January 1, 2004	Human Resources & Compensation (Equitable Trust)	122,199
Morris Shohet Toronto, Ontario, Canada	Principal, The Dorchester Corporation, a real estate investment company	May 11, 2009	Investment (Equitable Trust)	6,500
Michael Shulman Toronto, Ontario, Canada	President, The Birchwood Group Inc., an investment holding company	January 1, 2004	Audit Investment (Equitable Trust)	25,000

(1) Includes 2,144,640 shares held by Emberwood Glen Enterprises Ltd. Emberwood is a wholly-owned subsidiary of Oakwest Corporation Limited whose shares are controlled or directed, directly or indirectly, by both Austin Beutel and Eric Beutel.

The information as to shares beneficially owned or over which control or direction is exercised has been furnished by the respective directors.

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. Moor, who prior to his appointment as President and Chief Executive Officer of the Company on March 1, 2007 was President and Chief Executive Officer of Invis Inc., and
- Ms. Rethy, who prior to 2006 was Senior Vice-President, Global Services of Falconbridge Limited.

Officers

The following table lists the name, municipality of residence and principal occupation of each executive officer of the Company and Equitable Trust 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 Trust
John Ayanoglou Markham, Ontario, Canada	Senior Vice-President, Finance and Chief Financial Officer of the Company and Equitable Trust

Name and Municipality of Residence	Position
William Edmunds Toronto, Ontario, Canada	Senior Vice-President, Credit and Chief Risk Officer of Equitable Trust
Kimberley Graham Toronto, Ontario, Canada	Vice-President, General Counsel , Chief Compliance Officer and Corporate Secretary of the Company and Equitable Trust
Kimberly Kukulowicz Toronto, Ontario, Canada	Vice-President, Mortgage Services of Equitable Trust
Tamara Malozewski Toronto, Ontario, Canada	Vice-President, Finance of the Company and Equitable Trust
Caryn Markman Toronto, Ontario, Canada	Vice-President, Residential Mortgages of Equitable Trust
David Soni Toronto, Ontario, Canada	Vice-President, Financial Controls of Equitable Trust
Nicholas Strube Toronto, Ontario, Canada	Treasurer of Equitable Trust
David Downie Toronto, Ontario, Canada	Assistant Vice-President, Commercial Mortgage Origination of Equitable Trust
June Chan Toronto, Ontario, Canada	Director, Finance of Equitable Trust
John Simoes Toronto, Ontario, Canada	Controller of Equitable Trust

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

- Mr. Moor, who prior to joining the Company in March 2007, held the position of President and Chief Executive Officer of Invis Inc.
- Mr. Ayanoglou who, prior to joining the Company in May 2008, held the position of Vice-President, Chief Financial Officer and Corporate Secretary of Xceed Mortgage Corporation, and served as Chief Financial Officer of Cartier Partners prior to that.
- Mr. Edmunds who, prior to joining the Company in July 2007, held the position of President and Chief Risk Officer of GE Money Trust Company. He has held executive positions with financial institutions for over 14 years.
- Ms. Graham who, prior to joining the Company in July 2009, held the position of Assistant Vice-President, Legislative Compliance and Legal Counsel with Canadian Tire Corporation, Limited. She also served as Senior Legal Counsel with the Royal Bank of Canada from 2003 to 2008 and prior to that she practiced commercial real estate law.
- Ms. Malozewski was appointed Vice President, Finance of the Company in February 2008. She has held the same position with Equitable Trust since November 2003.
- Ms. Markman who, prior to her appointment as Vice-President, Residential Mortgages in December 2007, held the position of Assistant Vice-President, Residential Mortgages with Equitable Trust.
- Ms. Chan who, prior to January 2006, was an Audit Manager at Ernst & Young LLP.

- Mr. Simoes who, prior to joining the Company in August 2008, held the position of Director of Finance of Xceed Mortgage Corporation.
- Mr. Soni who, prior to April 2006, was an independent consultant in banking, finance, treasury and risk management.

At December 31, 2009, the above-named directors and executive officers as a group beneficially owned, directly or indirectly, or exercised control over 2,432,565 common shares of the Company, representing approximately 16.3% of the total number of outstanding common shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, 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, chief executive officer or chief financial officer of any company that was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued:

(i) while the director or executive officer was acting in the capacity of a director, chief executive officer or chief financial officer; or

(ii) after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the person was acting in the capacity as director, chief executive officer or chief financial officer;

(b) 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, while that person was acting in that capacity or within a year of that person 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; or

(c) 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.

To the knowledge of the Company, 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

To the knowledge of the Company, no director or executive officer of the Company has an existing or potential conflict of interest with the Company or Equitable Trust.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

In the ordinary course of business, the Company and Equitable Trust are parties to legal proceedings. Although the outcome of such proceedings is difficult to predict, based on current knowledge, the Company and Equitable Trust 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.

In the ordinary course of business, the Company and Equitable Trust may be subject to penalties or sanctions imposed by regulatory authorities from time to time. The Company and Equitable Trust expect that any such penalties imposed under these categories against the Company or Equitable Trust would not be material and would include penalties such as late filing fees.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of the Company, no director, or executive officer, or an associate or affiliate thereof has or had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or will materially affect the Company or Equitable Trust.

MATERIAL CONTRACTS

During the 2009 financial year, the Company entered into the Master Trust Indenture and the First Supplemental Indenture In connection with the issuance of the Series 8 Debentures. The particulars of both the Master Trust Indenture and the First Supplemental Indenture are described under heading Description of Capital Structure and have been filed by the Company on SEDAR at www.sedar.com.

TRANSFER AGENT AND REGISTRAR

Computershare Investor Services Inc. is the transfer agent and registrar for the Company's common shares and Series 1 Preferred Shares at the following address: 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1.

EXPERTS

The Company's auditors are KPMG LLP, Bay Adelaide Centre, 333 Bay Street, Suite 4600, Toronto, Ontario, M5H 2S5.

AUDIT COMMITTEE INFORMATION

Audit Committee Mandate

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

Composition of the Audit Committee

The following directors were members of the Audit Committee as at December 31, 2009: Eric Kirzner (Chair), Katherine Rethy and Michael Shulman. Each member of the Audit Committee is both independent and financially literate and holds the same position with Equitable Trust.

Relevant Education and Experience

The relevant education and experience of each Audit Committee member as at December 31, 2009 is described below.

Eric Kirzner (Chair) – 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 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, Chair of the Independent Review Committee 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.

Katherine Rethy – Ms. 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. Ms. Rethy has an LL.B. from the University of Windsor and an M.B.A. from York University and is a graduate of the ICD – Rotman Directors' Education Program.

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 public securities in North America. He is a Chartered Accountant and the former Chair of a national firm of Chartered Accountants.

Pre-Approval Policies and Procedures

The Audit Committee has set out in its mandate that it will pre-approve all non-audit services in excess of $15,000 to be provided by the external auditors.

External Auditor Service Fees

Category	2009	2008
Audit Fees	$345,000	$342,000
Audit–related Fees	$150,500	$178,500
Tax–related Fees	$9,000	$9,000
All Other Fees	$16,500	-
Total	$521,000	$529,500

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 interim financial statements.

Audit-related Fees

Audit-related fees relate to services provided in connection with the Series 1 Preferred Shares' prospectus, the specified procedures report and translations. In 2008, these fees were paid in connection with the prospectus for the common shares.

Tax-related Fees

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

All Other Fees

All other fees relate to the provision of training under International Financial Reporting Standards.

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, 2009, which are 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 Corporate Secretary of 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. <u>Role and Responsibility</u>

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) the identification and monitoring of the Company's Business, Control/Management, Operational, Strategic and Reputational Risks as set out in The Equitable Trust Company's Internal Capital Adequacy Assessment Process; (v) compliance with legal and regulatory requirements, including the Company's system of internal controls; and (vi) the performance of other responsibilities as delegated to the Audit Committee by the Board.

B. <u>Duties</u>

The Audit Committee shall have the following duties:

Financial Reporting

- Review the interim and annual 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 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 significant management estimates 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 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 at least annually 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 Head of Internal Auditor the quarterly and periodic reports of the internal audit department and review any problems encountered by the Head of Internal Audit;
- Discuss with the Head of Internal Audit and Company management the effectiveness of the Company's internal control procedures;
- Meet in private with the Head of Internal Audit at least twice annually; and
- Assess the performance of the Head of Internal Audit and confirm his or her appointment and/or dismissal.

External Auditors

- Oversee the work of the external auditors appointed to express an opinion on the financial statements based on their audit or in performing other audit, review or attest services, including the resolution of disagreements between management and the external auditors regarding financial reporting;

- Evaluate the performance of the external auditors and make recommendations to the Board regarding: (i) the external auditors to be nominated for appointment by the shareholders of the Company, and (ii) the compensation of the external auditors;
- Review the terms of the external auditor's engagement letter;
- Review the rotation plan for partners on the engagement;
- Review annually the total fees paid to the external auditors by category;
- Pre-approve all non-audit services in excess of $15,000 to be provided to the Company by the external auditors;
- Review the annual audit plan with the external auditors and management, making recommendations as to the scope, extent and manner in which the external audit will be conducted;
- Review a report from the external auditors describing the auditors' internal quality-control procedures, and all relationships between the external auditors and the Company that may affect the independence of 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.

Risk Management

- Review, at least annually, the Company's policies and framework for managing the Company's business, control/management, operational, strategic and reputational risks, for approval by the Board, and review reports demonstrating compliance with such policies;
- Review and approve the Company's Business Continuity Plan;
- Review, at least annually, the Company's Outsourcing Policy and the report on outsourcing arrangements; and
- Ensure emerging risks are identified and appropriately managed.

Compliance and Internal Controls

- Require management to implement and maintain appropriate internal control procedures, including anti-fraud controls, and review, evaluate and approve those procedures;
- Receive reports from management and internal audit on the design and operating effectiveness of internal controls and any significant control breakdowns;
- Receive reports from management on the Company's compliance with legal and regulatory requirements and the effectiveness of the Company's compliance policies;
- Review and approve procedures for the receipt, retention and treatment of complaints received regarding accounting, internal accounting controls, or auditing matters and 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 or 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. <u>Membership</u>

1. The Committee shall consist of a minimum of three directors.
2. Each member must be independent and financially literate as defined by National Instrument 52-110.

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

D. Vacancies

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

E. Chair and Secretary

1. The Board shall appoint one of the directors elected to the Committee as the Chair of the Committee. In the absence of the appointed Chair, the members shall elect one of the Committee members present to act as Chair 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 each Committee meeting shall be sent to each member of the Committee 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 Committee meeting shall also be given to the external auditor and the Head of Internal Audit, to attend and be heard at each meeting and to have the opportunity to discuss matters with the independent directors, without the presence of management.

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

6. The Committee shall report to the Board on its proceedings after each of its meetings.

7. The Committee shall regularly meet in-camera alone, and meet separately with each of the external auditor and management.

G. Frequency

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.