EQUITABLE GROUP INC.

MANAGEMENT INFORMATION CIRCULAR

Notice of Annual Meeting of Shareholders

May 19, 2011

March 29, 2011

EQUITABLE GROUP INC.

April 6, 2011

Dear Shareholders,

We invite you to join our Board of Directors and Senior Management team for our 2010 annual meeting of shareholders which will be held on Thursday, May 19, 2011 at 10:00 a.m. (local time), at the TMX Broadcast Centre, The Exchange Tower, 130 King Street West, Toronto, Ontario.

The items of business to be considered and voted upon by shareholders at this meeting are described in the Notice of meeting and the accompanying Management Information Circular.

Your participation at this meeting is important to us and we encourage you to exercise your right to vote. If you cannot attend this meeting in person, please use the enclosed form of proxy or voting instruction form to submit your vote prior to the meeting.

Sincerely,

Austin Beutel
Chairman of the Board

Andrew Moor
President and Chief Executive Officer

EQUITABLE GROUP INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

The Annual Meeting of Shareholders of Equitable Group Inc. (the "Company") will be held at the TMX Broadcast Centre, The Exchange Tower, 130 King Street West, Toronto, Ontario on **Thursday, May 19, 2011** at 10:00 a.m. (local time) for the following purposes:

1. to receive the financial statements of the Company for the year ended December 31, 2010 and the Auditors' Report on those financial statements;
2. to elect the Board of Directors;
3. to appoint KPMG LLP as auditors and to authorize the directors to fix their remuneration; and
4. to transact such other business as may be properly brought before the meeting or any adjournment thereof.

Shareholders as at April 12, 2011 will be entitled to vote at the meeting. If you are unable to attend the meeting in person, please complete and return the enclosed form of proxy in the envelope provided or by fax to 416-263-9524 or 1-866-249-7775. To be valid, proxies must be received by the Company's transfer agent, Computershare Investor Services Inc., Proxy Department, at 100 University Avenue, 9th Floor, North Tower, Toronto, Ontario, M5J 2Y1, no later than 10:00 a.m. (local time) on Tuesday, May 17, 2011.

By order of the Board of Directors,

Kimberley Graham
Vice-President, General Counsel
and Corporate Secretary

April 6, 2011

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FORWARD-LOOKING STATEMENTS IN THIS MANAGEMENT INFORMATION CIRCULAR

From time to time, Equitable Group Inc. (the "Company" or "Equitable") makes written or oral forward-looking statements within the meaning of applicable securities laws ("forward-looking statements"). The Company makes forward-looking statements in this Management Information Circular, in other filings with Canadian securities regulators and in other communications. Forward-looking statements in this document include, but are not limited to, statements about the Company's objectives, strategies and initiatives, financial result expectations and other statements made herein. 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", "will occur" or "will 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. All forward-looking statements in this Management Information Circular are qualified by these cautionary statements. These statements are made as of the date of this Management Information Circular.

Equitable does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws. Additional information can be found on SEDAR at www.sedar.com.

EQUITABLE GROUP INC.

MANAGEMENT INFORMATION CIRCULAR

All information is as of March 29, 2011, unless otherwise indicated.

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 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. 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.

PART 1 – VOTING INFORMATION

WHO CAN VOTE

If you held common shares of the Company as of April 12, 2011, you or the person you appoint as your proxyholder can attend the Meeting and vote your shares. Each common share you own entitles you to one vote. As of March 29, 2011, we had 14,955,305 issued and outstanding common shares.

HOW TO VOTE

You can vote by proxy or attend the Meeting and vote in person.

Voting by proxy

If you are eligible to vote but **will not be** attending the Meeting in person**,** you can authorize another person, called a proxyholder, to attend the Meeting and vote on your behalf. If you sign the enclosed form of proxy you are giving authority to Austin Beutel or Andrew Moor, each a director of the Company, to vote your common shares at the Meeting. If you wish to choose **anyone else as your proxyholder**, just print the person's name in the blank space on the form of proxy and indicate how you would like your shares voted. **If you have voted by proxy, you may not vote in person at the Meeting, unless you revoke your proxy.**

If you appoint a proxyholder but do not tell them how you want to vote your shares, your shares will be voted **FOR** the election of the nominated directors who are listed in the form of proxy and Circular, and **FOR** the appointment of KPMG LLP as the auditors of the Company.

If there are any amendments or variations to matters identified in the Notice of Meeting or other matters which may properly come before the Meeting, the proxyholder you appointed can vote in any way he or she wants**.**

As at the date of this Circular, management knows of no such amendment, variation or other matter expected to come before the Meeting.

PROXY VOTING PROCESS

Registered Shareholders

You are a registered shareholder if your name appears on your share certificate. If you are a registered shareholder and wish to appoint a proxyholder just print the person's name in the blank space on the form of proxy, indicate how you would like your shares voted and return the proxy by mail to **Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1 or by fax to 416-263-9524 or 1-866-249-7775 prior to 10:00 a.m. (local time) on Tuesday, May 17, 2011 or to the Chairman of the annual Meeting on the day of the annual Meeting, at any time prior to the commencement of the annual Meeting or any adjournment thereof.**

You also have the option to vote by telephone or by internet as set out in the form of proxy. Please ensure you have your control number (also located on the front of the form) to identify yourself to the system. If you plan to appoint a proxyholder, complete the form of proxy executed by the intermediary and restricted to the number of shares beneficially owned by you but otherwise not completed.

Non-Registered Shareholders

Most of the Company's shareholders are beneficial owners who are non-registered shareholders. You are a non-registered shareholder if you beneficially own common shares that 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 your behalf. Intermediaries have obligations to forward Meeting materials to the non-registered shareholders unless otherwise instructed by the holder.

You will receive from your intermediary a voting instruction form or a form of proxy which includes the procedures to be followed for voting; these instructions must be followed carefully. Sign and return the completed form in the envelope provided. You may also vote your shares by calling the toll free number or accessing the internet site indicated on the form and following the instructions. Please ensure you have your control number (located on the front of the voting instruction form) to identify yourself to the system.

If you wish to vote in person at the Meeting, insert your own name in the blank space provided for proxyholder appointment and return the signed form according to the intermediary's instructions. Do not complete the voting section of the form since your vote will be taken at the Meeting.

VOTING IN PERSON

Registered Shareholders

If you are a registered shareholder and wish to vote your common shares in person at the Meeting, do not complete or return the form of proxy. Your vote will be taken and counted at the Meeting. Please register with the transfer agent, Computershare Investor Services Inc., upon arrival at the Meeting.

Non Registered Shareholders

If you are a non-registered shareholder and wish to vote in person at the Meeting, insert your name in the blank space provided on the voting instruction form or form of proxy provided by the intermediary and carefully follow the return instructions. Do not otherwise complete the voting instruction form as your vote will be counted at the Meeting. Please register with the transfer agent, Computershare, upon arrival at the Meeting.

CAN I REVOKE MY PROXY?

You may revoke your proxy after you have returned it by completing and signing another form of proxy bearing a later date and delivering it to Computershare at the address or fax number specified above, no later than 10:00 a.m. (local time) on Tuesday, May 17, 2011. You may also deliver a written statement to this effect signed by you or your authorized attorney to Kimberley Graham, Vice-President, General Counsel and Corporate Secretary at the registered office of the Company, at any time up to 10:00 a.m. (local time) on Tuesday, May 17, 2011 or to the Chairman on the day of the Meeting, prior to its commencement, or any adjournment thereof.

VOTING SECURITIES AND PRINCIPAL HOLDERS

To the knowledge of the directors and officers of the Company, as at the date of this Circular, the only persons or companies which beneficially owned, or exercised control or direction over, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to the outstanding voting securities of the Company are the following:

Name	Number of common shares	Percentage of outstanding common shares
Emberwood Glen Enterprises Ltd.(1)	2,144,640	14.3%
I.A. Michael Investment Counsel Ltd.(2)	1,925,000	12.9%
Franklin Templeton Investments Corp.(3)	1,762,535	11.8%

(1) Emberwood Glen Enterprises Ltd. is 100% owned by Oakwest Corporation Limited ("Oakwest"). Austin Beutel and Eric Beutel, directors of the Company, exercise control or direction over the common shares of Oakwest. (These shares were acquired in the ordinary course of business and not with the purpose of influencing or changing the control of the Company.) Eric Beutel beneficially owned, or exercised control or direction over, an additional 9,000 common shares.

(2) I.A. Michael Investment Counsel Ltd. has indicated that these shares were acquired in the ordinary course of investing activities.

(3) Franklin Templeton Investments Corp. on behalf of its operating division, Bissett Investment Management, has 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.

PART 2 – BUSINESS OF THE MEETING

FINANCIAL STATEMENTS

The consolidated financial statements for the year ended December 31, 2010 together with the auditor's report thereon are included in the 2010 Annual Report, and are available on our website at www.equitabletrust.com under Investor Relations.

ELECTION OF DIRECTORS

The Company's Articles of Amalgamation provide for the Board of Directors (the "Board") to consist of a minimum of three (3) and a maximum of twelve (12) directors. The Board has set the number of directors to be elected at eleven (11). The eleven nominees proposed for election as directors are named in the section "Director Nominees". All are presently directors of both the Company and its wholly-owned subsidiary, The Equitable Trust Company ("Equitable Trust") with the exception of David LeGresley and Lynn McDonald. All have established their eligibility and willingness to serve as directors, and have the relevant expertise essential to ensure appropriate strategic direction and oversight. The term of office of each director will expire on the election of directors at the next Annual Meeting of Shareholders.

Unless authority is withheld, the persons named in the enclosed form of proxy or voting instruction form intend to vote **FOR** the election of the director nominees.

APPOINTMENT OF AUDITORS

The Board recommends that KPMG LLP be re-appointed to serve as the Company's auditors for the year ending December 31, 2011. KPMG LLP has served continuously as the Company's auditors since 2004 and as Equitable Trust's auditors since 2002. Unless authority is withheld, the persons named in the accompanying form of proxy or voting instruction form intend to vote **FOR** the re-appointment of KPMG LLP 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.

Pre-Approval Policies and Auditors' Fees

The Audit Committee has adopted a formal written policy for the pre-approval of services performed by the Company's auditors. All services and associated fees are pre-approved by the Audit Committee and must be permitted by securities regulations governing auditor independence.

Fees paid to KPMG LLP for the years ended December 31, 2010 and December 31, 2009 were as follows:

Category	2010	2009
Audit Fees	**$352,000**	$345,000
Audit–Related Fees	**$22,500**	$150,500
Tax Fees	**$12,500**	$9,000
All Other Fees	**$90,000**	$16,500
Total	**$477,000**	$521,000

Further details on the auditors' fees are provided on page 16 of the Company's Annual Information Form dated February 23, 2011 which is available on the Company's website at www.equitabletrust.com and on SEDAR at www.sedar.com.

PART 3 – DIRECTOR NOMINEES

Director Information

Our Board of Directors is responsible for the stewardship of the Company and overseeing management. As shareholders, you elect the Board as your representatives. The following pages present information about each of the director nominees. This information includes their biographies, their membership on Board committees, and their attendance at Board and committee meetings during the year ended December 31, 2010. Also included is the number and value of common shares and Deferred Share Units ("DSUs") beneficially owned, directly or indirectly, or controlled or directed as at the end of the two most recently completed financial years and as at the date of the Circular.

Austin Beutel
Toronto, Ontario, Canada

Director Since: January 1, 2004

Independent

Meets Share Ownership Guidelines

Expertise/Experience: Finance and M & A

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 a Bachelor of Commerce degree from McGill University, a Masters of Business Administration from Harvard University, and the Chartered Financial Analyst designation. Mr. Beutel has more than 50 years of business experience.

Public company directorships in the past five years

- Astral Media Inc. (1973-present)
- Accord Financial Corp. (1990-2010)
- Aecon Group Inc. (2005-present)
- Opta Minerals Inc. (2006-present)

Board/Committee Membership	Attendance	Total Compensation(6)	
	#	Year	Amount
Board	6 of 6	2010	$92,229
Corporate Governance Committee (Chair)	3 of 3	2009	$83,957
Equitable Trust's Human Resources and Compensation Committee	1 of 1		

Securities held

Year	Common shares(1) (#)	DSUs(2) (#)	Total market value of common shares and DSUs(3)	Minimum shareholding requirement
2011	2,150,640(4)	2,047	$64,576,674	$40,000
2010	2,150,640(4)	2,039	$53,795,680	$40,000
2009	2,144,640(4)	1,011	$45,595,057	$40,000

Eric Beutel

Toronto, Ontario, Canada

Director Since: January 1, 2004

Independent

Meets Share Ownership Guidelines

Expertise/Experience: Finance and Real Estate

Eric Beutel is Vice-President of Oakwest Corporation Limited, a private investment holding company. He holds a Masters of Business Administration from the University of Ottawa.

Public company directorships in the past five years

- Liquidation World Inc. (2008-present)
- Seprotech Systems Incorporated (2004-2006)

Board/Committee Membership	Attendance	Total Compensation[6]	
	#	Year	Amount
Board	5 of 6	2010	$66,729
Equitable Trust's Investment Committee (Chair)	6 of 6	2009	$60,782

Securities held

Year	Common shares[1] (#)	DSUs[2] (#)	Total market value of common shares and DSUs[3]	Minimum shareholding requirement
2011	$2,153,640[5]	2,047	$64,666,674	$40,000
2010	$2,153,640[5]	2,039	$53,870,650	$40,000
2009	$2,154,640[5]	1,011	$45,829,015	$40,000

Joseph Dickstein

Toronto, Ontario, Canada

Director Since: January 1, 2004

Independent

Meets Share Ownership Guidelines

Expertise/Experience: Finance

Joseph Dickstein is Vice-Chairman of PPI Financial Group, one of the largest independent life insurance marketing organizations in Canada.

Public company directorships in the past five years

None

Board/Committee Membership	Attendance	Total Compensation[6]	
	#	Year	Amount
Board	6 of 6	2010	$66,729
Corporate Governance Committee	3 of 3	2009	$55,982
Equitable Trust's Human Resources and Compensation Committee (Chair)	4 of 4		

Securities held

Year	Common shares[1] (#)	DSUs[2] (#)	Total market value of common shares and DSUs[3]	Minimum shareholding requirement
2011	21,900	2,047	$714,474	$40,000
2010	21,900	2,039	$598,468	$40,000
2009	21,900	1,011	$486,832	$40,000

Eric Kirzner

Toronto, Ontario, Canada

Director Since: January 1, 2004

Independent

Meets Share Ownership Guidelines

Expertise/Experience: Investment Management and Risk Management

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 the Investment Industry Organization of Canada. He holds a Bachelor of Arts degree and a Masters of Business Administration from the University of Toronto.

Public company directorships in the past five years

None

Board/Committee Membership	Attendance	Total Compensation[6]	
	#	Year	Amount
Board	6 of 6	2010	$79,129
Audit Committee (Chair)	4 of 4	2009	$68,982
Corporate Governance Committee	1 of 1		
Equitable Trust's Human Resources and Compensation Committee	3 of 3		

Securities held

Year	Common shares[1] (#)	DSUs[2] (#)	Total market value of common shares and DSUs[3]	Minimum shareholding requirement
2011	2,800	2,047	$141,474	$40,000
2010	2,800	2,039	$121,159	$40,000
2009	2,800	1,011	$ 80,957	$40,000

David LeGresley

Toronto, Ontario, Canada

Director Since: **Proposed**

Independent

Expertise/Experience: Capital Markets; M&A; Financial Services Management; Strategy; Executive Compensation

David LeGresley is a former executive of National Bank Financial holding positions in the area of corporate and investment banking and most recently serving as Vice Chairman from 2006 to 2008.

He currently sits on the advisory committee for CANFAR (the Canadian Foundation for AIDS Research) and is a member of the Institute of Corporate Directors. Mr. LeGresley received a Bachelor of Applied Science degree in Engineering from the University of Toronto and a Masters of Business Administration from Harvard Business School.

Public company directorships in the past five years

- Pembina Pipeline Corporation (2010-present)
- NB Split Corp. (2006-present)

Board/Committee Membership	Attendance	Total Compensation	
	#	Year	Amount
Not currently a director	-	-	

Securities held

Year	Common shares[1] (#)	DSUs[2] (#)	Total market value of common shares and DSUs[3]	Minimum shareholding requirement
2011	10,000	-	$300,000	$40,000
2010	4,000	-	$ 99,960	-

Lynn McDonald
Toronto, Ontario, Canada
Director Since: **Proposed**
Independent

Expertise/Experience: Finance

Lynn McDonald is a former managing director at CIBC World Markets. She is a director of the Bridgepoint Health Foundation and serves as Chair of their Finance and Audit Committee. She is also an independent trustee of Greystone Health Trust, an Ontario Hospital Association trust fund, and Chair of Frontier College, a national literacy organization. Ms. McDonald earned a Bachelor of Arts (Honours) degree in economics from the University of Waterloo and is a graduate of the Institute of Corporate Directors-Rotman Directors Education Program.

Public company directorships in the past five years

None

Board/Committee Membership	Attendance	Total Compensation	
	#	Year	Amount
Not currently a director	-	-	

Securities held

Year	Common shares[1] (#)	DSUs[2] (#)	Total market value of common shares and DSUs[3]	Minimum shareholding requirement
2011	-	-	-	$40,000
2010	-	-	-	-

Andrew Moor
Toronto, Ontario, Canada
Director Since: May 17, 2007
Non-independent
Meets Share Ownership Guidelines
Expertise/Experience: Finance

Andrew Moor is President and Chief Executive Officer of the Company and Equitable Trust. Prior to joining the Company, he was the President and Executive Officer of Invis Inc. Mr. Moor received a Bachelor of Science in Engineering from the University of London, a Masters of Business Administration from the University of British Columbia, and is a graduate of the Institute of Corporate Directors-Rotman Directors Education Program.

Public company directorships in the past five years

- Sleep Country Canada Income Fund (2003-2008)

Board/Committee Membership	Attendance	Total Compensation	
	#	Year	Amount
Board	5 of 6[7]	2010	-
Equitable Trust's Investment Committee	6 of 6	2009	-

Securities held

Year	Common shares[1] (#)	DSUs[2] (#)	Total market value of common shares and DSUs[3]	Minimum shareholding Requirement[8]
2011	28,095	-	$842,850	$565,000
2010	27,095	-	$677,104	$550,000
2009	21,801	-	$463,271	$ 40,000

Katherine Rethy
Toronto, Ontario, Canada

Director Since: May 15, 2008

Independent

Meets Share Ownership Guidelines

Expertise/Experience: Law, Corporate Governance and Leadership

Katherine Rethy is a Corporate Director and President of KAR Development Corp., a leadership consulting company. Ms. Rethy is an accomplished senior executive with over 24 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.

Ms. Rethy received her Bachelor of Science from the University of Toronto, her LL.B. from the University of Windsor and her Masters of Business Administration from York University and is a graduate of the Institute of Corporate Directors-Rotman Directors Education Program.

Public company directorships in the past five years

- TransForce Income Operating Trust (2003-2007)

Board/Committee Membership	Attendance	Total Compensation[6]	
	#	Year	Amount
Board Audit Committee Corporate Governance Committee	6 of 6 4 of 4 3 of 3	2010 2009	$ 63,529 $ 51,582

Securities held

Year	Common shares[1] (#)	DSUs[2] (#)	Total market value of common shares and DSUs[3]	Minimum shareholding requirement
2011	2,200	2,047	$123,474	$40,000
2010	2,200	2,039	$106,165	$40,000
2009	2,200	1,011	$ 68,207	$40,000

Lionel Robins
Toronto, Ontario, Canada

Director Since: January 1, 2004

Independent

Meets Share Ownership Guidelines

Expertise/Experience: Finance

Lionel Robins is President of PFDL Investments Limited, an investment holding company.

Public company directorships in the past five years

None

Board/Committee Membership	Attendance	Total Compensation[6]	
	#	Year	Amount
Board Equitable Trust's Human Resources and Compensation Committee Equitable Trust's Investment Committee	6 of 6 4 of 4 6 of 6	2010 2009	$62,329 $52,782

Securities held

Year	Common shares[1] (#)	DSUs[2] (#)	Total market value of common shares and DSUs[3]	Minimum shareholding Requirement
2011	122,199	2,047	$3,723,444	$40,000
2010	122,199	2,039	$3,104,940	$40,000
2009	122,199	1,011	$2,618,186	$40,000

Morris Shohet
Toronto, Ontario, Canada
Director Since: May 11, 2009
Independent
Meets Share Ownership Guidelines
Expertise/Experience: Real estate Investment and Development

Morris Shohet is Principal of The Dorchester Corporation, a real estate investment company.

Mr. Shohet received his Bachelor of Engineering in Civil Engineering from McGill University, and his Masters of Business Administration from Harvard University.

Public company directorships in the past five years

None

Board/Committee Membership	Attendance	Total Compensation[6]	
	#	Year	Amount
Board Equitable Trust's Investment Committee	6 of 6 6 of 6	2010 2009	$62,329 $43,204

Securities held

Year	Common shares[1] (#)	DSUs[2] (#)	Total market value of common shares and DSUs[3]	Minimum shareholding requirement
2011	8,500	2,047	$312,474	$40,000
2010	6,500	2,039	$213,622	$40,000
2009	6,500	1,011	$159,582	$40,000

Michael Shulman
Toronto, Ontario, Canada
Director Since: January 1, 2004
Independent
Meets Share Ownership Guidelines
Expertise/Experience: Investment Management

Michael Shulman has been President of The Birchwood Group Inc. since 1987, a company which invests in private equity and public securities in North America. He is a Chartered Accountant and the former Chairman of a national firm of chartered accountants.

Public company directorships in the past five years

None

Board/Committee Membership	Attendance	Total Compensation[6]	
	#	Year	Amount
Board Audit Committee Corporate Governance Committee Equitable Trust's Investment Committee	9 of 9 5 of 5 3 of 3 1 of 1	2010 2009	$65,329 $61,182

Securities held

Year	Common shares[1] (#)	DSUs[2] (#)	Total market value of Common shares and DSUs[3]	Minimum shareholding requirement
2011	25,000	2,047	$807,474	$40,000
2010	25,000	2,039	$675,937	$40,000
2009	25,000	1,011	$552,707	$40,000

(1) The information as to shares owned or over which control or direction is exercised has been provided by the respective nominees.
(2) Includes 1,000 DSUs which were awarded to the independent directors in each of 2009 and 2010 plus 47 DSUs acquired by way of dividend equivalents as of January 4, 2011.
(3) The value of the common shares is based on the closing trading price of the Company's common shares on the Toronto Stock Exchange ("TSX") on December 31, 2010. The value of the DSUs is based on the volume-weighted average trading price of the Company's common shares on the TSX five days prior to December 31, 2010. The valuation methodology used to determine the fair value of the DSUs and the accounting fair value is the same.

(4) 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. Also includes 6,000 shares held by Benjamin Beutel Holdings Inc. whose shares are also controlled or directed by Austin Beutel.

(5) 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. Eric Beutel beneficially owned, or controlled or directed, 9,000 Company common shares.

(6) Includes annual director and committee chair retainers, meeting fees, and the market value of the 1,028 DSUs, inclusive of dividend equivalents and the appreciation in value of the DSUs outstanding as of December 31, 2009, received during the year ended December 31, 2010. The value of the DSUs is based on the volume-weighted average trading price of the Company's common shares on the TSX five days prior to December 31, 2010. The valuation methodology used to determine the fair value of the DSUs and the accounting fair value is the same.

(7) Did not attend Board meeting held to discuss his compensation.

(8) Mr. Moor's share ownership requirement, as Chief Executive Officer of the Company, is one times base salary. See "CEO Share Ownership Requirement" on page 21.

Interlocking Directorships

As at the date of this Circular, no two directors serve together on the Board of another public company.

DIRECTOR COMPENSATION

The Corporate Governance Committee is responsible for reviewing the amount and form of non-management director compensation and recommending any changes to the Board for approval. In reviewing directors' compensation, the Committee considers the responsibilities and time commitment required of the directors and uses data from a comparator group, which is a subset of our executive peer group representing corporations and financial institutions in comparable businesses.

Following its review in 2010, the committee did not recommend any changes to the amount or form of compensation which continued to be comprised of an annual retainer, meeting fees paid in cash, and equity-based compensation known as Deferred Share Units ("DSUs").

Each non-management director of the Company, other than the Chairman of the Board, receives an annual retainer for serving as a director together with a fee for each Board and Committee meeting attended. Austin Beutel, as Chairman of the Board, receives a fixed annual retainer and no meeting fees.

During the year ended December 31, 2010, the annual retainers and meeting fees paid to the non-management directors were as follows:

Type	Amount
Board Chair retainer	$62,500[1] per annum
Board retainer	$ 20,000 per annum
Audit Committee Chair retainer	$15,000 per annum
Other Committee Chair retainer	$ 5,000 per annum
Board and Committee meeting fees	
More than 2 hours in duration	$ 1,200 per meeting
2 hours or less in duration	$ 600 per meeting

(1) The retainer paid to the Chairman of the Board is inclusive of all meeting fees.

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. On February 23, 2011, Equitable Trust's Board increased the aggregate maximum amount payable to all directors for serving on the Board and its committees in any financial year from $500,000 to $750,000. In 2010 the total annual retainers and meeting fees paid to all non-management directors totalled $320,500.

Deferred Share Unit Plan

The Deferred Share Unit Plan was established in 2009 with a view to strengthen the alignment of interests between the non-management directors and the Company's shareholders by linking director compensation to the future value of the Company's common shares. Under the Plan, notional units are allocated to the non-management directors by the Board on the recommendation of the Corporate Governance Committee. The number of DSUs granted is based on the volume-weighted average trading price of the common shares of the Company on the TSX for the five trading days prior to the grant. DSUs vest at the time of grant and are only redeemable when a director ceases to be a member of the Board (the "Separation Date") and must be redeemed for cash no later than the end of the first calendar year commencing after the Separation Date. On redemption of a DSU, a director is entitled to a payment equal to the number of DSUs multiplied by 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 DSUs do not entitle the holder to voting or other shareholder rights. The DSU Plan is administered by the Board.

DSUs granted in 2010

Position	Grant Date	DSUs (#)	Base Price[1] ($)	Value of DSUs[2] ($)
Chairman of the Board	May 17, 2010	1,000	25.11	25,110
Other non-management directors	May 17, 2010	7,000	25.11	175,770

(1) The volume-weighted average trading price of a Company common share on the TSX for the five days prior to December 31, 2010.
(2) The number of DSUs times the base price.

Director Compensation Table

The following table shows compensation paid and DSUs awarded to the non-management directors during the year ended December 31, 2010.

Name	Fees earned ($)			Share-based awards (DSUs)[1] ($)	All other compensation ($)	Total ($)
	Director and Board Chair Retainer	Committee Chair Retainer	Attendance Fees			
Austin Beutel	62,500	-	-	29,729	0	92,229
Eric Beutel	20,000	5,000	12,000	29,729	0	66,729
Joseph Dickstein	20,000	5,000	12,000	29,729	0	66,729
Eric Kirzner	20,000	15,000	14,400	29,729	0	79,129
Katherine Rethy	20,000	-	13,800	29,729	0	63,529
Lionel Robins	20,000	-	12,600	29,729	0	62,329
Morris Shohet	20,000	-	12,600	29,729	0	62,329
Michael Shulman	20,000	-	15,600	29,729	0	65,329
TOTAL	202,500	25,000	93,000	237,835	0	558,335

(1) Each non-management director was awarded 1,000 DSUs on May 17, 2010 and received an additional 28 DSUs by way of dividend equivalents during the year ended December 31, 2010 plus the appreciation in value of DSUs outstanding as at December 31, 2009. The value shown is based on the volume-weighted average trading price of the Company's common shares on the TSX for the five days prior to December 31, 2010. The valuation methodology used to determine the fair value of the DSUs and the accounting fair value is the same.

Director Share Ownership Requirement

The Board believes that share ownership by each director further aligns the interests of directors with the shareholders they represent. Each non-management director is required to hold common shares and/or deferred share units with a market value equal to two times the director's annual cash retainer within one year of joining the Board. As at the date of this Circular, all current directors met this requirement.

Outstanding Option-based and Share-based Awards

The following table shows all option and DSU awards outstanding as at December 31, 2010 to the non-management directors. No options have been granted to directors since May 2008 and all further grants of options were permanently discontinued in 2009.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised options[(2)] ($)	Number of DSUs [(3)] (#)	Market or pay-out value of DSUs[(4)] ($)
Austin Beutel	NIL	N/A	N/A	NIL	2,039	51,187
Eric Beutel	NIL	N/A	N/A	NIL	2,039	51,187
Joseph Dickstein	NIL	N/A	N/A	NIL	2,039	51,187
Eric Kirzner	NIL	N/A	N/A	NIL	2,039	51,187
Katherine Rethy	25,000[(1)]	21.63	May 15, 2013	84,000	2,039	51,187
Lionel Robins	NIL	N/A	N/A	NIL	2,039	51,187
Morris Shohet	NIL	N/A	N/A	NIL	2,039	51,187
Michael Shulman	NIL	N/A	N/A	NIL	2,039	51,187

(1) Katherine Rethy was granted 25,000 options on May 15, 2008 pursuant to her election to the Board. The exercise price of the options is $21.63. The options vest at the rate of 20% on each anniversary date of the grant over a five-year period. The valuation methodology used to determine the fair value of options and the accounting fair value is the same.

(2) The value shown for the unexercised option was in-the-money at December 31, 2010. This value is based on the difference between the closing price of the Company's common shares on December 31, 2010 on the TSX ($24.99) and the exercise price of the options.

(3) Includes 1,011 DSUs held by each non-management director as at December 31, 2009 plus the 1,000 DSUs awarded to each non-management director on May 17, 2010 and 28 dividend equivalents credited during the year ended December 31, 2010.

(4) The fair value of the DSUs is based on the volume-weighted average trading price of the Company's common shares on the TSX five days prior to December 31, 2010 plus DSUs acquired by way of dividend equivalents during the year ended December 31, 2010. The valuation methodology used to determine the fair value of the DSUs and the accounting fair value is the same.

Outstanding Option-based Awards – Value Vested During the Year

The following table shows the value of Katherine Rethy's option-based award that vested during 2010. Ms. Rethy is the only non-management director with outstanding options.

Name	Options vested during the year (#)	Option-based awards – value vested during the year ($)	Options exercised during the year (#)
Katherine Rethy	5,000	9,350	0

(1) The value of the stock options that vested in the year ended December 31, 2010 is determined by multiplying the number of options vested during the year by the difference between the closing price of the Company's common shares on the TSX on the date of vesting and the exercise price of options. If the closing price of the Company's common shares was below the exercise price, the stock option had no current value and are valued at $0. Ms. Rethy did not exercise any options in 2010.

MEETING ATTENDANCE

Board members are expected to attend the Annual Meeting as well as Board meetings and committee meetings upon which they serve. During the year ended December 31, 2010, attendance of all directors at Board and committee Meetings was 98% and 100% respectively. The table below is a summary of Board and committee meetings held during the year ended December 31, 2010.

	Board (6 meetings)		Audit Committee (4 meetings)		Corporate Governance Committee (3 meetings)		Human Resources & Compensation Committee (4 meetings)		Investment Committee (6 meetings)		Total	
	#	%	#	%	#	%	#	%	#	%		%
Austin Beutel[(1)]	6/6	100	-	-	3/3	100	1/1	100	-	-	10/10	100
Eric Beutel	5/6	83	-	-	-	-	-	-	6/6	100	11/12	92
Joseph Dickstein	6/6	100	-	-	3/3	100	4/4	100	-	-	13/13	100
Eric Kirzner[(2)]	6/6	100	4/4	100	1/1	100	3/3	-	-	-	14/14	100
Andrew Moor[(3)]	6/6	100	-	-	-	-	-	-	6/6	100	12/12	100
Katherine Rethy	6/6	100	4/4	100	3/3	100	-	-	-	-	13/13	100
Lionel Robins[(4)]	6/6	100	-	-	-	-	4/4	100	3/4	100	13/14	93
Morris Shohet	6/6	100	-	-	-	-	-	-	6/6	100	12/12	100
Michael Shulman[(5)]	6/6	100	4/4	100	2/2	100	-	-	2/2	100	14/14	100

(1) Mr. Beutel ceased to be a member of Equitable Trust's Human Resources and Compensation Committee on May 17, 2010.

(2) Effective May 17, 2010, Mr. Kirzner was appointed to the Human Resources and Compensation Committee and ceased to be a member of the Corporate Governance Committee.

(3) Did not attend the December 10, 2010 Board meeting held to discuss 2010 compensation decisions for the President and CEO.

(4) Mr. Robins was appointed a member of Equitable Trust's Investment Committee on May 17, 2010.

(5) Effective May 17, 2010, Mr. Shulman ceased to be a member of the Investment Committee and was appointed a member of the Corporate Governance Committee.

ADDITIONAL DISCLOSURE CONCERNING THE DIRECTORS

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, no director nominee:

(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 an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (an "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;

(b) is, as at the date of this Circular, or has been within ten 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 ten 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;

(d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a 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 director nominee.

PART 4 – EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

The following discussion and analysis focuses on the compensation of our executives. For purposes of this section, "executive officers" means the President and Chief Executive Officer and those persons in charge of a principal business unit or function of ETC or performing a policy making function within the Company. The Company's Named Executive Officers ("NEOs") are the President and Chief Executive Officer, Senior Vice-President and Chief Financial Officer, Senior Vice-President, Credit and Chief Risk Officer and our two other most highly compensated executive officers.

This Compensation Discussion and Analysis outlines the Company's policy and practices with respect to executive compensation and explains the significant elements of compensation awarded to the Company's NEOs during the year ended December 31, 2010.

Executive Compensation Philosophy

The Company recognizes the importance of compensation in attracting, motivating, and retaining highly qualified executives critical to the success of the Company. In August 2010, the Board approved the Company's Compensation Policy which formalized the Company's compensation framework based on our philosophy of paying for performance that is aligned with the business strategy of the Company to drive business performance, reward prudent management of a financial institution, be competitive and maximize long-term shareholder value.

Based on the above philosophy, the Company continues to develop its compensation program having set the following key objectives:

1. Pay for Performance: Our compensation program must recognize individual and corporate performance. Executive compensation must include a greater "pay at risk" component reflective of the performance of the Company relative to the risks taken. An executive's performance is assessed against their personal targets and key financial, risk, strategic and operational measures all of which are aligned with the Company's business strategy and objectives. The amount of pay at risk is determined by the level and nature of the position.

2. Risk Management: Our compensation program must foster effective risk management to maintain the integrity of the institution for shareholders, depositors, customers, employees and regulatory and governmental bodies.

3. Competitive Alignment: Compensation must be competitive with our comparator group of companies if we are to be able to attract, motivate and retain seasoned individuals with the necessary experience to lead the Company as it continues to grow and succeed.

4. Alignment of Interests: Our compensation program must reflect the alignment of interests between the company's executive team and its shareholders. Our executives' compensation incorporates a balance between short and long term incentives.

5. Alignment with the Financial Stability Board's (FSB) Principles for Sound Compensation Practices: Our compensation program is to include practices that are aligned with the FSB Principles.

Our compensation program incorporates these objectives to the extent necessary to align with our stated compensation philosophy.

Determining Executive Compensation

Human Resources and Compensation Committee

The Board has delegated responsibility to the Human Resources and Compensation Committee (the "HR Committee") for the oversight and review of the Company's executive compensation program including individual compensation arrangements of the President and Chief Executive Officer, Senior Vice-President and Chief Financial Officer, Senior Vice-President, Credit and Chief Risk Officer, executives reporting to the President and CEO and for any individual whose total direct compensation exceeds a certain threshold. The HR Committee ensures that total compensation paid to all executives is consistent with the objectives of the Company's compensation program. The HR Committee recommends to the Board of Directors, for approval, the total compensation for the President and Chief Executive Officer and other select members of the executive team.

All members of the HR Committee are "independent" within the meaning of the Canadian Securities Administrators independence rules (the "CSA rules").

Benchmarking

The competitive market for executive talent is drawn from various businesses within the financial services industry. The Company regularly reviews elements of compensation and compensation levels based on market research, intelligence, HR consultants, trends and competitive practices obtained through participation in various compensation surveys. For benchmarking purposes, the Committee periodically reviews the compensation for comparable positions in companies within the same industry having similar scope of operations with which the Company would compete for executive talent. Although there is no one perfect peer group, the following comparator group was used in 2010 to inform the compensation decisions; AGF Management Limited, Canadian Western Bank, First National Financial LP and Home Capital Group Inc. In early 2011 the comparator group was reviewed and benchmarking was conducted. This information will be used in informing compensation decisions in 2011.

Competitive Positioning

In determining executive compensation, the HR Committee considers a number of factors including; competitive compensation data, individual skills, experience and difficulty in achieving individual, departmental and corporate performance objectives.

The HR Committee uses competitive data to inform compensation decisions, though no precise positioning is targeted. Given that there are limited comparables of similar size, nature of operations and market capitalization to the Company, judgment is applied in considering annual compensation while ensuring consideration is always given to the key objectives of the compensation program.

Input from Chief Executive Officer

The HR Committee seeks the input of the CEO before the committee finalizes their recommendations. The CEO makes specific recommendations to the HR Committee regarding executive compensation based on his review of each executive s performance.

Compensation Consultants

Towers Watson is the independent advisor to the HR Committee on compensation related issues. In 2010, Towers Watson's advice was limited to a review of the Company's compensation policy and the development of a short-term incentive scorecard. Towers Watson's fees for the year ending December 31, 2010 regarding such services were $21,939.

In late 2010, the HR Committee requested Towers Watson to provide independent advice on and conduct an analysis of the Company's compensation program and pay levels. This advice will be ongoing in 2011 and will be considered by the HR Committee when considering enhancements, if any, to the compensation program.

Elements of Executive Compensation

The Company's compensation program consists of four elements: base salary, short term incentive in the form of annual cash bonus, long term incentive in the form of stock options and benefits. The mix of base salary, cash bonus and options varies with position and reflects the function each individual performs and his or her ability to impact the financial performance of the Company and resulting shareholder value. The more senior the position, the greater the link between individual, departmental and Company performance and compensation.

Base Salary

In determining the base salary of executives, the Company's primary goal is to ensure that the competencies, and experience required for a particular role are recognized. Base salaries of the most senior executives are determined on an individual basis and not within the formalized salary ranges that apply to other executives reporting to the CEO. All executive salaries, including those within formalized ranges, are set in reference to the executive's level of accountability, competitive market data, internal pay relationships and the executive's proven capabilities. Base salaries are reviewed annually and adjusted, as appropriate, based on the above as well as on general market conditions, and company performance. Significant changes to an executive's mandate may also result in changes to base salary. In 2010, base salary increases for the NEOs were merit based and averaged 3.1% as compared to 3.4% for the Company as a whole.

Short-Term Incentive

The Company provides a short-term incentive in the form of an annual cash bonus for all of its executives. The Company believes this element of compensation helps to motivate executives to achieve annual targets which align with short-term corporate objectives and to reward them to the extent such targets are achieved. This element of compensation is considered "at risk" as it is tied to the achievement of financial, corporate and strategic objectives relating to the implementation of the Company's business strategy, and the individual's personal targets.

At the beginning of each year, the HR Committee establishes performance objectives for the President and CEO, which are based on the Company's strategic, financial, operational and risk objectives, and recommends them for approval by the Board. The performance objectives for the remaining NEOs are reviewed and approved by the President and CEO in consultation with each NEO. The objectives vary based on roles and accountabilities and are generally expected to be measurable and achievable over the course of the year.

Short-term incentive opportunities are set as a percentage of base salary and the percentage varies with the executive level. Maximum bonus opportunities for the NEOs range from 25% to 100% of base salary.

The maximum bonus entitlements for each NEO in 2010 based on a percentage of base salary was as follows:

President and CEO	100%
Senior Vice-President, Finance and Chief Financial Officer	70%
Senior Vice-President, Credit and Chief Risk Officer	70%
Vice-President, Residential Mortgages	25%
Assistant Vice-President, Commercial Mortgage Origination	25%

Actual payouts for the NEOs are generally less than the maximum payout, but may, from time to time exceed the maximum depending on the Company's performance relative to its performance targets and any individual performance which significantly exceeds objectives set for the year.

In assessing personal performance, an overall rating is determined based on the achievement of personal objectives set at the beginning of each year for each executive together with consideration of the individual's overall contribution to the Company. In assessing overall performance, consideration is also given to any intervening events that may have arisen, over the course of the year, which had an impact on the executive's ability to meet his or her original objectives, as well as any new objectives that were mutually agreed upon during the year.

The HR Committee has the discretionary authority to determine if short-term incentive awards will be paid in any given year and if so, the amount that will be made available under the incentive compensation program. In making its determination, the HR Committee considers both qualitative and quantitative data on business performance and the successful implementation of the Company's strategic initiatives. In 2010, the Company's performance was measured against the following six factors: earnings per share, capital ratio, growth in on balance sheet mortgage assets, growth in single family business, improvement in capabilities of single family business and growth in commercial mortgage business. The discretionary portion of the short-term incentive allows the HR Committee to consider the NEO's overall performance against the achievement of his or her individual performance objectives which are determined at the beginning of the year and are to align with the departmental and corporate objectives, and any other factors determined to have contributed to the overall performance of the Company and long term value creation.

The CEO recommends to the HR Committee the amount to be paid to each of the other executives based on his assessment of their individual performance in attaining their performance objectives and the Company's overall performance against key financial metrics. The HR Committee reviews the performance and makes recommendations to the Board on the amount to be paid to the Senior Vice-President, Finance and Chief Financial Officer, the Senior Vice-President, Credit and Chief Risk Officer and the Vice-President, General Counsel and approves the compensation of the remaining members of the executive team including the other NEOs.

The HR Committee evaluates the President and CEO's performance against a number of factors, including his objectives which are based on quantitative and qualitative factors. The HR Committee may review and consider compensation paid to other chief executive officers in the Company's comparator group and the increases granted to other executives within the Company before determining the CEO's overall compensation awards. The HR Committee will then recommend the President and CEO's compensation awards to the Board for approval. In 2009, the Board approved an amendment to the CEO's employment contract which provides for the deferral of the CEO's short-term incentive bonus over three years. See the description under Compensation Awards-CEO.

Long-Term Incentive

The Company provides a long-term incentive in the form of options granted under the Company's Share Option Plan (the "Option Plan") to eligible employees, including NEOs. This element of compensation aligns the interests of executives with the interest of the shareholders. The Company also believes this component of compensation enhances its' ability to attract, motivate and retain employees instrumental to the Company's success. As such, option grants may be made to new executives at the time of their employment as an additional incentive and/or annually to existing executives as a continuing incentive to build shareholder value and to provide executives with an opportunity to build, over time, a meaningful economic stake in the Company.

In determining the number of options to be granted to any executive, the HR Committee considers a number of factors including; the number and term of any previously granted options, the position level of the executive, the responsibilities associated with such position level and the overall performance of the executive as assessed by the President and CEO. Once a determination is made, the HR Committee submits its recommendation to the Board for modification or approval. Details on the Option Plan can be found starting on page 26 of this Circular.

Benefits

Executives receive the same benefits as all employees, including medical and dental care plans and life, disability and accident insurance. In addition, members of the executive team are entitled to participate in an annual executive medical program.

The Company does not have a pension plan for its executives 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") (collectively the "Plan"). Commencing January 1, 2011 the Company's maximum contribution to the DPSP increased by 1%. The Company will now make a maximum contribution of 4.5% of annual salary per year to the DPSP during the first five years of employment and 7% after five years of employment. The Company's contributions vest after two years of Plan membership. In the event of termination within the two-year period of Plan membership, 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.

2010 COMPENSATION AWARDS

The total amount of the 2010 bonus payout was approved by the HR Committee in December 2010. The approval of the HR Committee was based primarily on the Company's strong earnings performance and overall corporate performance at the end of its third quarter together with the expected financial performance for the year ending December 31, 2010. In making their determination, the HR Committee gave specific consideration to management's success in attaining budget measured principally by earnings per share, exceeding a defined capital ratio, growth in on balance sheet mortgage assets, growth in single family business, improvement in capabilities of the single family business and growth in the commercial mortgage business.

Andrew Moor, President and CEO

All President and CEO compensation decisions are made by the Board in consultation with the HR Committee.

In December 2009, the Board approved an increase in Mr. Moor's base salary for 2010 from $517,500 to $550,000. The 6.3% increase reflected Mr. Moor's achievements as set by the Board for the 2009 fiscal year.

For the year ending December 31, 2010, Mr. Moor was entitled to a cash bonus of up to 100% of his base salary. The HR Committee considered Mr. Moor’s compensation in light of the Company’s corporate and financial performance and his personal performance in attaining his objectives for the year. These objectives included: building the single family business, deepening organizational strength, growing on balance sheet mortgage assets, developing expertise in defined areas of commercial mortgage lending, operating the business prudently by exceeding a defined total capital ratio, and generating shareholder returns as measured by EPS, expense control and ROE.

In making its determination, the Board’s desired goal was to create more incentive to drive more successful long-term performance of the Company. Given this goal the Board decreased the short term component of Mr. Moor’s compensation and increased the long term component. A performance bonus of $300,000 representing 54.5% of Mr. Moor’s base salary was approved and 70,000 stock options were awarded representing a 75% increase (as compared to the 2009 award) in Mr. Moor’s long-term component of his compensation. The estimated value of this option grant was $441,000.

In accordance with Mr. Moor’s employment agreement, as amended by the Board in December 2009 to better align his compensation with the Financial Stability Forum’s principles for sound compensation practices, Mr. Moor’s annual cash bonus as determined by the HR Committee and approved by the Board is to be paid out over three years. One-third of the bonus is paid out in the year in which it is earned with the remaining two thirds being paid satisfied by payments made over the following two years; one-third being satisfied in each of such years. Each one-third payment is satisfied by a calculation which aligns the deferred payment to the Company’s performance during such period based on a number of components including the price of the Company’s common shares and the aggregate dividend payments. In 2010, Mr. Moor received the second one-third portion of his 2009 cash bonus in the amount of $192,211, which represented an 11.4% increase in value as a result of the increase in share price and other considerations factored into the calculation.

CEO Share Ownership Requirement

As provided for in the Compensation Policy, the President and CEO is required to hold, within four years of his appointment to the position, common shares with a total value equal to one times his base salary based on the greater of fair market value and the value at the time of purchase of the shares.

John Ayanoglou, Senior Vice-President, Finance and Chief Financial Officer

The Board considered Mr. Ayanoglou’s performance against his personal targets and the overall corporate targets for 2010. Mr. Ayanoglou’s personal targets included specific goals related to financial reporting and transition to IFRS, regulatory relationships and reporting, treasury management, securitization management and cost control and process efficiency.

In determining Mr. Ayanoglou’s compensation, the HR Committee considered the performance evaluation and compensation recommendations provided by the President and CEO. The Committee recommended and the Board approved a performance bonus of $150,000, representing 61.5% of Mr. Ayanoglou’s 2010 base salary and 88% of his maximum short-term incentive opportunity, and a grant of 12,500 options. The estimated value of this option grant was $76,875.

William Edmunds, Senior Vice-President, Credit and Chief Risk Officer of Equitable Trust

The Board considered Mr. Edmunds' performance against his personal targets and the overall corporate targets for 2010. Mr. Edmunds' personal targets included prudent lending, prudent portfolio management, business growth, leadership, productivity, and margin and profitability on new business.

In determining Mr. Edmunds' compensation, the HR Committee considered the performance evaluation and compensation recommendation provided by the President and CEO. The Committee recommended and the Board approved a performance bonus of $150,000, representing 61.5% of Mr. Edmunds' 2010 base salary, and 88% of his maximum short-term incentive opportunity and a grant of 12,500 options. The estimated value of this option grant was $76,875.

David Downie, Assistant Vice-President, Commercial Mortgage – Broker Services of Equitable Trust

Mr. Downie's personal targets included specific goals related to further developing the Company's direct origination capabilities for commercial mortgages, increasing market penetration across Canada, and developing a presence in the Quebec market. In determining Mr. Downie's compensation, the HR Committee considered the performance evaluation and compensation recommendation provided by the President and CEO. As a result of Mr. Downie's superior performance against his personal targets during 2010, the Committee approved a performance bonus of $70,000 representing 31.6% of Mr. Downie's 2010 base salary and 126% of his maximum short-term incentive opportunity, and awarded a grant of 5,000 stock options. The estimated value of this option grant was $30,750.

Caryn Markman, Vice-President, Residential Mortgages

Ms. Markman's personal targets were related to building the sales and marketing function for single family residential mortgages including: improving the sales effectiveness across Canada, launching single family origination in British Columbia, managing the marketing and promotional activities and recommending improvements to products and processes to improve market penetration.

In determining Ms. Markman's compensation, the HR Committee considered the performance evaluation and compensation recommendation provided by the President and CEO. The Committee considered the strong performance of the single family residential business unit during 2010 and approved a performance bonus of $40,000, representing 23.3% of Ms. Markman's 2010 base salary and 92% of her maximum short- term incentive opportunity, and a retention bonus in the amount of $71,141 made pursuant to an agreement entered into with Ms. Markman in 2008. Ms. Markman was also awarded 5,000 stock options. The estimated value of this option grant was $30,750.

There have been no material changes to the Company's compensation program since the end of the Company's most recently completed financial year.

Cost of Management Ratio

The following table shows the total aggregate compensation for the NEOs and the percentage of net income in each of the last three years.

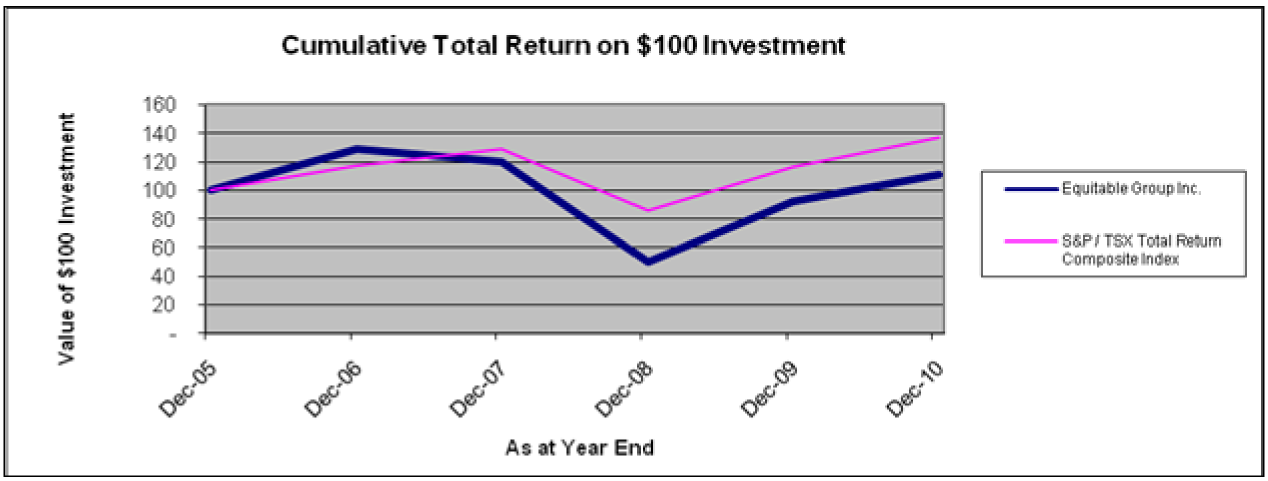
	2010	2009[(1)]	2008[(2)]
Total Aggregate NEO Compensation	$ 2,917,000	$2,592,000	$2,734,000
Net Income After Tax	$54,267,000	$51,438,000	$38,611,000
% of Net Income After Tax	5.38%	5.04%	7.08%

(1) NEOs in 2009 were Andrew Moor, John Ayanoglou, William Edmunds, David Downie and Kimberly Kukulowicz.

(2) NEOs in 2008 were Andrew Moor, Randy Nanek (who resigned from the Company effective February 12, 2008), John Ayanoglou (who was appointed Chief Financial Officer in May 2008), William Edmunds, David Downie and Timothy Storus (who left the Company in March 2009).

Performance Graph

The following graph shows the cumulative total shareholder return for $100 invested in the Company's common shares against the cumulative total shareholder return of the S&P/TSX Composite Index for the period beginning December 31, 2005 and ending December 31, 2010. It assumes the reinvestment of all dividends.



	Dec-05	Dec-06	Dec-07	Dec-08	Dec-09	Dec-10	Compound Annual Growth
Equitable Group Inc.	100.00	129.59	119.95	49.88	92.64	111.15	2.14%
S&P / TSX Total Return Composite Index	100.00	117.26	128.79	86.28	116.53	137.05	6.51%
NEO Compensation	1,291,401	2,036,178	3,319,285	2,555,087	2,591,809	2,916,962	17.70%

The trend shown by the above graph is a steady increase in the cumulative shareholder return from 2005 to the second quarter of 2007, followed by a rapid decline which continued until the end of 2008 as a result of global economic conditions. 2009 saw a return to a steady increase in cumulative shareholder return which continued into 2010. The compound annual growth for the total compensation of the NEOs is 17.70% and compound annual growth rate of the Company's net income after tax is 22.4% over the same five-year period.

SUMMARY COMPENSATION TABLE

The following table summarizes the aggregate compensation paid by the Company to the President and CEO, 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 ("NEOs") whose salary and bonus received for the financial year ended December 31, 2010 was greater than $150,000.

Name and principal position	Year	Salary ($)	Option-based awards[11] ($)	Non-equity Incentive Plan Compensation ($) Annual incentive plans ($)	Non-equity Incentive Plan Compensation ($) Long-term incentive plans ($)	Pension value[12] ($)	Total compensation[13] ($)
Andrew Moor President and Chief Executive Officer	2010 2009 2008	550,000 517,500 500,000	441,000 148,000 52,500	300,000[1] 517,500 400,000	- - -	11,000 11,000 9,375	1,302,000 1,194,000 961,875
John Ayanoglou Senior Vice-President, Finance and Chief Financial Officer	2010 2009 2008	243,904 236,800 142,300[2]	76,875 46,250 178,100	150,000 147,000 75,000	- - -	8,537 5,920 -	479,316 435,970 395,400
William Edmunds Senior Vice-President, Credit and Chief Risk Officer of Equitable Trust	2010 2009 2008	243,904 236,800 228,800	76,875 46,250 35,000	150,000 147,000 120,000	- - -	8,537 5,920 4,290	479,316 435,970 388,090
David Downie, Assistant Vice-President, Commercial Mortgage-Broker Services of Equitable Trust	2010 2009 2008	221,450 215,000[3] 25,800[4]	30,750 18,500 52,500[5]	70,000 50,000 459,300[6]	- - -	11,000 5,892 15,351	333,200 289,392 552,951
Caryn Markman Vice-President, Residential Mortgages of Equitable Trust	2010 2009 2008	171,605[7] 26,495[9] 168,500	30,750 9,250 8,750	111,143[8] - 37,500[10]	- - -	9,632 1,325 6,319	323,130 37,070 221,069

(1) Pursuant to the terms of the Employment Agreement, as amended by an Amendment Agreement made as of December 7, 2009, Mr. Moor received $100,000 representing one third of his 2010 annual bonus, with the remaining two thirds being deferred over the next two years. Each one-third cash payment is satisfied by payment of a deferred amount calculated in accordance with the terms of the Amendment.

(2) John Ayanoglou was appointed Senior Vice-President, Finance and Chief Financial Officer of the Company effective May 19, 2008. His 2008 salary represents his annual salary of $228,800 pro-rated from his employment date to December 31, 2008.

(3) Pursuant to the terms of Mr. Downie's employment agreement made as of November 1, 2008, Mr. Downie was entitled to a base salary of $215,000 for the year ending December 31, 2009.

(4) The base salary reported for Mr. Downie in 2008 was pro-rated from November 1, 2008 at his then annual rate of $215,000.

(5) Mr. Downie was awarded 30,000 options in 2008 for retention purposes.

(6) Prior to October 31, 2008, Mr. Downie had a variable compensation arrangement with the Company which was based on mortgage origination volumes and margins achieved on such originations. In 2008, Mr. Downie earned $459,300 under this arrangement.

(7) Represents pro-rated amount of Ms. Markman's annual base salary of $174,400 as a result of Ms. Markman taking maternity leave effective December 1, 2010. Amount also includes $11,068 of unpaid vacation days.
(8) Amount includes $71,143 bonus paid for retention purposes.
(9) Represents pro-rated amount of Ms. Markman's annual base salary of $174,400 as a result of Ms. Markman taking maternity leave.
(10) This amount does not include $1,000 awarded as a ten-year anniversary bonus.
(11) The Black-Scholes option pricing model is used to determine the value of stock options for compensation purposes. The Black-Scholes compensation value assumes a forfeiture of 0%. The Black-Scholes compensation value of stock options differs from the accounting fair value disclosed in the Company's financial statements. The assumptions used in the accounting fair value calculation are based on an expected forfeiture rate of 25%. This is consistent with Section 3870 of the CICA Handbook and reflects forfeitures as well as the exercise pattern of the NEOs. The weighted average fair value of each option granted in 2010 is $6.30 for Mr. Moor and $6.15 for all other NEOs. In 2009, the Black-Scholes option pricing model was used to determine the value of stock options for compensation purposes. The Black-Scholes compensation value and the accounting fair value calculation assumed a forfeiture of 25%. Under this assumption, the weighted average fair value of each option granted in 2009 was $3.70. If a forfeiture of 0% was used, the weighted average fair value of each option granted in 2009 would be $4.93.
(12) The Company's contribution to the NEO's Deferred Profit Sharing Plan.
(13) 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 Option-based Awards and Share-based Awards

The following table shows all options that were granted to the NEOs during the year ended December 31, 2010 plus all unexercised options that are outstanding as at December 31, 2010. The Company has not granted any share-based awards to date.

Name	Number of securities underlying unexercised options		Option exercise price ($)	Option expiry date	Value of unexercised options[1] ($)
	Vested	Unvested			
Andrew Moor	90,000	60,000	34.49	March 1, 2012	0
	18,000	12,000	28.63	December 7, 2012	0
	12,000	18,000	11.55	November 25, 2013	403,200
	8,000	32,000	20.60	December 7, 2015	175,600
	0	70,000	24.50	December 10, 2016	34,300
John Ayanoglou	12,000	18,000	20.90	May 1, 2013	122,700
	4,800	7,200	11.55	November 25, 2013	161,280
	2,500	10,000	20.60	December 7, 2015	54,875
	0	12,500	24.75	December 7, 2016	3,000
William Edmunds	18,000	12,000	31.75	August 1, 2012	0
	8,000	12,000	11.55	November 25, 2013	268,800
	2,500	10,000	20.60	December 7, 2015	54,875
	0	12,500	24.75	December 7, 2016	3,000
David Downie	12,000	6,000	11.55	November 25, 2013	241,920
	1,000	4,000	20.60	December 7, 2015	21,950
	0	5,000	24.75	December 7, 2016	1,200
Caryn Markman	2,000	3,000	11.55	November 25, 2013	67,200
	500	2,000	20.60	December 7, 2015	10,975
	0	5,000	24.75	December 7, 2016	1,200

(1) The value of unexercised "in-the-money" options as at December 31, 2010 (some of which have not yet vested) is determined by multiplying the number of unexercised options held by each NEO as at December 31, 2010 by the difference between the closing price of the Company's common shares on the TSX on December 31, 2010 ($24.99) and the exercise price of such options.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table shows the value of option-based awards that vested in the year ended December 31, 2010, and the annual short-term incentive/cash bonus that was awarded to NEOs for the year then ended.

Name	Option-based awards - value vested during the year[1] ($)	Non-equity incentive plan compensation - value earned during the year ($)
Andrew Moor	101,580	300,000
John Ayanoglou	56,271	150,000
William Edmunds	55,735	150,000
David Downie	71,970	70,000
Caryn Markman	13,405	111,143[2]

(1) The value of the stock options that vested in the year ended December 31, 2010 is determined by multiplying the number of options vested during the year by the difference between the closing price of the Company's common shares on the TSX on the date of vesting and the exercise price of options. If the closing price of the Company's common shares was below the exercise price, the stock option had no current value and are valued at $0. There were no stock options exercised during 2010 and no gains realized by any NEO.

(2) Amount includes $71,143 of bonus paid for retention purposes.

Securities Authorized for Issuance under Equity Compensation Plans

The following table lists the number of common shares to be issued upon the exercise of outstanding options under the Option Plan, the weighted-average exercise price of the outstanding options, and the number of securities remaining for future issuance under the Plan as at December 31, 2010.

Plan Category	Number of securities to be issued upon exercise of outstanding options (#)	Weighted-average price of outstanding options ($)	Number of securities remaining available for future issuance under equity compensation plans[1] (#)
Equity compensation plans approved by securityholders	896,150	24.18	598,194

(1) Based on the maximum number of common shares reserved for issuance under the Option Plan upon the exercise of stock options of 1,494,344.

Option Plan

The Option Plan was established for the purpose of attracting, motivating and retaining employees instrumental to the Company's success. It also serves as a continuing incentive to build shareholder value and to provide executive officers and employees with an opportunity to build, over time, a meaningful economic stake in the Company.

Options are granted at an exercise price equal to the closing price of the Company's common shares on the TSX on the day preceding the grant. Each option, unless earlier terminated, expires on the date determined by the Board at the time of grant of such option, but in any event, no later than ten years after the date of such grant. Prior to 2009, options were granted with a five-year term and vested 20% per year commencing on the first anniversary date of the grant. Commencing in 2009, the Board granted options for a six-year term which vest over five years. Options may be exercised in whole or in part before the expiration date set by the Board at the time of the grant. Should the expiry date occur during a blackout period or within the ten business days immediately following such blackout period imposed by the Company, the expiry date will be automatically extended for 10 business days after the last day of the blackout period.

The Option Plan is a rolling plan whereby any exercise, cancellation or expiration of Options will allow for additional new grants under the Option Plan. The Option Plan provides for the granting of options to certain directors, officers, full-time employees and consultants of the Company and Equitable Trust. Options are regularly granted to executives and selected employees in conjunction with other compensation awards. The Board discontinued granting options to the non-management directors in 2009.

Options cannot be transferred, pledged or assigned, subject to the right to transfer options to an option holder or held by a wholly owned holding company of the option holder at the time it ceases to be wholly owned by the option holder. The Company does not provide any financial assistance to facilitate the purchase of common shares on the exercise of options. In the event of a change of control, all options held become exercisable.

Other terms and conditions of the Option Plan include:

Event	Options Vested but Unexercised on Departure Date	Unvested Options on Departure Date
Resignation	Exercisable for 30 days, or as may be determined by the Board	Forfeited
Retirement	Exercisable for 30 days	Forfeited
Termination	Exercisable for 30 days	Forfeited
Death	Exercisable by the earlier of the original expiry date and one year	Forfeited

The Option Plan authorizes the Board to make certain amendments to the Plan without prior shareholder approval. The Board may also, subject to certain conditions, amend particular features of granted options, such as the mechanics of grant, vesting, exercise and early expiry. Certain amendments to the Option Plan that cannot be made without shareholder approval include:

(a) 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 Option Plan;
(b) a reduction in the exercise price of options or any cancellation and reissuance of options at a lower exercise price to the same person;
(c) an extension of the expiry date of an option held by insiders; and
(d) any change to the class of eligible recipients that may be granted options.

On February 23, 2011 the Board exercised its authority and amended the Plan to comply with amendments to the Canadian Income Tax Act and its application to tax withholdings on exercised options.

The number of common shares issuable to insiders at any time, or within any one-year period shall not exceed 10% of the Company's outstanding common shares. In 2010 the Board granted to the Company's insiders a total of 143,000 options, representing 1.0% of the total number of outstanding common shares on a non-diluted basis, of which 100,000 or 69.9% were granted to the NEOs.

No insider can be granted options exceeding 5% of the number of issued and outstanding common shares. The maximum number of common shares issued to an insider in 2010 pursuant to options granted was 70,000 common shares, representing 0.5% of the total number of outstanding common shares on a non-diluted basis.

As of the date of this Circular, there were 957,850 common shares issuable pursuant to options granted, representing 6.4% of the total number of outstanding common shares.

Defined Contribution Plan Table

The following table shows details concerning RRSP and DPSP contributions for each NEO as at December 31, 2010.

Name	Accumulated value at start of year ($)	Compensatory ($)	Non-compensatory[(1)] ($)	Accumulated value at year-end ($)
Andrew Moor	42,945	11,000	14,862	68,807
John Ayanoglou	11,890	8,537	26,872	47,299
William Edmunds	33,547	8,537	17,096	59,180
David Downie	49,149	11,000	15,089	75,238
Caryn Markman	15,943	9,632	11,309	36,884

(1) NEO's contribution to the Group RRSP and interest earned on Company's and NEO's contributions.

TERMINATION AND CHANGE OF CONTROL

Andrew Moor, John Ayanoglou and William Edmunds are the only NEOs with employment agreements with the Company which include detailed provisions relating to payments and other obligations arising on the termination of their employment. These provisions are set out in the following tables.

Andrew Moor, President and CEO

Compensation Component	Termination with Cause	Termination without Cause	Death	Change of Control	Voluntary Termination
Severance	Cessation of salary. Entitled to accrued and unpaid base salary plus any accrued and outstanding vacation pay.	Salary continuance of base salary plus average performance bonus for the immediately preceding three (3) years, for the following period: • If termination occurs within the first five (5) years of employment, the earlier of 12 months or re-employment; • If termination occurs on or after the fifth year of employment, the earlier of 13 months, plus one additional month for each year of employment to a maximum of 24 months, or re-employment. Accrued and outstanding vacation pay, and upon re-employment, or upon request, a lump sum payment of 50% of salary continuance for remaining period; all other benefits will cease.	Cessation of salary. Payment of any accrued and outstanding vacation pay.	Cessation of salary. Payment of any accrued and outstanding vacation pay.	Upon giving sixty (60) days prior written notice, entitled to salary continuance until the end of the sixty (60) day period. Payment of any accrued and outstanding vacation pay.
Performance Bonus	Entitled to cash amount of deferred bonus calculated in accordance with Employment Agreement.	If terminated *prior* to the end of any fiscal year, entitled to payment of the average performance bonus for the immediately preceding three (3) years, pro-rated to the number of days in that fiscal year up to the date of termination.	Entitled to payment of the average performance bonus for the immediately preceding three	Entitled to cash amount of deferred bonus calculated pursuant to Employment Agreement.	Not applicable.

Compensation Component	Termination with Cause	Termination without Cause	Death	Change of Control	Voluntary Termination
		If terminated between January 1 of any year and the Board of Directors meeting dealing with year-end matters in February of that same year, entitled to receive full bonus for the preceding fiscal year.	(3) years, pro-rated to the number of days in that fiscal year up to the date of death, plus entitled to cash amount of deferred bonus calculated pursuant to Employment Agreement.		
Stock options	In accordance with the Company's Share Option Plan, all options will cease to be exercisable within a period of 30 days after the termination date.	Acceleration of all unvested options that will vest on the next date after the date of termination.	In accordance with the Company's Share Option Plan, options may be exercised within a period determined by the Board of Directors provided that such period is the earlier of (i) the expiry date of the options, and (ii) 12 months following the date of death.	In accordance with the Company's Share Option Plan, all options vest and become exercisable.	In accordance with the Company's Share Option Plan, all options will cease to be exercisable within a period of 30 days after the termination date.
Other	Not applicable.	Continued coverage under the Company's benefits program for the lesser of the salary continuance period or upon re-employment.	Not applicable.	Not applicable.	Upon giving sixty (60) days prior written notice, entitled to continued benefit coverage until the end of the sixty (60) day period.

John Ayanoglou, Senior Vice-President, Finance and Chief Financial Officer and William Edmunds, Senior Vice-President, Credit and Chief Risk Officer

Compensation Component	Termination with Cause	Termination without Cause	Death	Change of Control	Voluntary Termination
Severance	Cessation of salary. Payment of any accrued but unpaid base salary and outstanding vacation pay to the date of termination.	Salary continuance of base salary plus average performance bonus for the immediately preceding three (3) years, for the following period: • If termination occurs within the first five (5) years of employment, the earlier of 12 months or re-employment; • If termination occurs on or after the fifth year of employment, the earlier of 13 months, plus one additional month for each year of employment to a maximum of 24 months, or re-employment. Accrued and outstanding vacation pay, and upon re-employment, or upon request, a lump sum payment of 50% of salary continuance for remaining period; all other benefits will cease.	Cessation of salary. Payment of any accrued but unpaid base salary and outstanding vacation pay to the date of death.	Cessation of salary. Payment of any accrued and outstanding vacation pay.	Upon giving thirty (30) days prior written notice, entitled to salary continuance until the end of the thirty (30) day period. Payment of any accrued and outstanding vacation pay.
Performance Bonus	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.
Stock options	In accordance with the Company's Share Option Plan, all options will cease to be exercisable within a period of 30 days after the termination date.	If termination occurs during *first* year after a grant of options, none of the options pertaining to such grant will vest. If termination occurs during the *second* year after a grant of options, the options which would vest at the next anniversary date of such grant will be deemed to have vested. If termination occurs during the *third year or later* after a grant of options, the options which would vest at the next two (2) anniversary dates of such grant will be deemed to have vested.	In accordance with the Company's Share Option Plan, options may be exercised within a period determined by the Board of Directors provided that such period is the earlier of (i) the expiry date of the options, and (ii) 12 months following the date of death.	In accordance with the Company's Share Option Plan, all options vest and become exercisable.	In accordance with the Company's Share Option Plan, all options will cease to be exercisable within a period of 30 days after the termination date.
Other	Payment of any amounts owed pursuant to the Company's benefit program to the date of termination.	*Within first 5 years of employment*: • Continued coverage under the Company's benefit program for the earlier of 12 months or re-employment. *After 5 years of employment:*: • Continued coverage under the Company's benefit program for a period of 13 months plus one additional month for each year of employment to a maximum of 24 months. Continued coverage under the Company's benefit program for the earlier of 12 months or re-employment.	Payment of any amounts owed pursuant to the Company's benefit program to the date of death.	Not applicable.	Upon giving thirty (30) days prior written notice, entitled to continued benefit coverage until the end of the thirty (30) day period.

David Downie, Assistant Vice-President, Commercial Mortgage-Broker Services
Caryn Markman, Vice-President, Residential Mortgages

Compensation Component	Termination with Cause	Termination without Cause	Death	Change of Control	Voluntary Termination
Severance	Cessation of salary. Payment of any accrued but unpaid base salary and outstanding vacation pay to the date of termination.	Cessation of salary. Entitled to eight (8) week's salary plus any such payments as afforded by the common law as well as any accrued and outstanding vacation pay.	Not applicable.	Not applicable.	Not applicable.
Performance Bonus	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.
Stock options	Unvested options are cancelled on day of termination and vested options are exercisable for 30 days from date of termination	Unvested options are cancelled on day of termination and vested options are exercisable for 30 days from date of termination	In accordance with the Company's Share Option Plan, options may be exercised within a period determined by the Board of Directors provided that such period is the earlier of (i) the expiry date of the options, and (ii) 12 months following the date of death.	In accordance with the Company's Share Option Plan, all options vest and become exercisable	In accordance with the Company's Share Option Plan, all options will cease to be exercisable within a period of 30 days after the termination date
Other	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.

Termination and Change of Control Benefits

The following table shows the estimated incremental payments that would be paid to each NEO following the termination of their employment or change of control, assuming the triggering event took place on December 31, 2010:

Event	Andrew Moor ($)	John Ayanoglou ($)	William Edmunds ($)	David Downie ($)	Caryn Markman ($)
Termination with Cause/Death					
• Severance	408,000[1]	-	-	-	-
• Options[2]	196,400	124,567	118,495	101,158	29,075
• Other[3]	15,212	7,723	965	4,385	-
Termination without Cause					
• Severance[4]	974,390	382,904	382,904	-	-
• Options	319,020[5]	249,134	236,990	101,158	29,075
• Other[3]	15,212	7,723	965	4,385	-
Change of Control					
• Severance	408,000[1]	-	-	-	-
• Options[6]	613,100	341,855	326,675	265,070	79,375
• Other[3]	15,212	7,723	965	4,385	-

(1) Includes the remaining deferred portion of the 2010 and 2009 performance bonus calculated in accordance with Mr. Moor's Employment Agreement.
(2) Includes amount of vested options held by the NEO as at December 31, 2010. The value of the options is the difference between the closing price of the common shares on December 31, 2010 on the TSX ($24.99) and the exercise price of the option.
(3) Includes accrued and outstanding vacation pay to the date of termination/change of ownership or control of Company. It does not include payments required under the Company's benefit programs as such amounts are not determinable.
(4) Includes 2010 base salary and average performance bonus for NEO's period of employment. Mr. Moor's severance includes the deferred portion of the performance bonus granted on December 7, 2009 and December 10, 2010 calculated in accordance with Mr. Moor's Employment Agreement.
(5) Includes all vested options together with all unvested options that would vest on the next anniversary date of the grant would be exercisable.
(6) Under the terms of the Share Option Plan, all unvested options held become immediately exercisable upon a change of control. The value of the options is the difference between the closing price of the common shares on December 31, 2010 on the TSX ($24.99) and the exercise price of the options.

PART 5 – STATEMENT OF 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 our corporate governance practices with a view to continually improving them and comparing them with evolving practices, changing circumstances and our needs.

Board of Directors

Independence

The Corporate Governance Committee annually reviews the independence of each director against the definition of "independence" in the CSA rules. Based on the information obtained from questionnaires completed by each of the proposed nominees, the Board affirmatively determined that ten of the eleven nominees standing for election to the Board on May 19, 2011 have no material relationship with the Company and are in their opinion, independent. The following table sets out the relationship of the non-management director nominees to the Company.

Name	Independent	Not Independent	Reason for Non-Independence status
Austin Beutel	✓		
Eric Beutel	✓		
Joseph Dickstein	✓		
Eric Kirzner	✓		
David LeGresley	✓		
Lynn McDonald	✓		
Andrew Moor		✓	President and CEO of the Company
Katherine Rethy	✓		
Lionel Robins	✓		
Morris Shohet	✓		
Michael Shulman	✓		

Pursuant to their mandates, the Board and each of its committees may engage their own independent advisor.

Board Meetings

The Board held six meetings in 2010. The independent directors meet *in camera* before or after each regularly scheduled Board meeting. As a result, the Board met six times during 2010 without management and non-independent directors. With the exception of Equitable Trust's Investment Committee, Board Committees are composed entirely of independent directors. Each year, members of the Board attend an all-day strategy session with management to discuss and approve the Company's strategic plan.

Independent Chair

The Chairman of the Board is a non-executive director and is independent within the meaning of CSA rules. Austin Beutel has been Chairman of the Board of the Company since 2004 and of Equitable Trust since 1999. He is also Chairman the Corporate Governance Committee.

The Board annually reviews and approves the mandate for the non-executive Chairman of the Board whose responsibilities include, but are not limited to, providing leadership to the Board, enhancing Board effectiveness and promoting a culture of integrity and compliance throughout the Company, approving the agendas for all Board meetings, presiding at all Board meetings and sessions of the independent directors, participating in director recruitment, orientation, continuing education and regular evaluations of the Board, 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. Such duties include approving the Company's strategic plan, corporate financial objectives and operating budgets, overseeing risk management, ensuring a culture of integrity and compliance is promoted throughout the Company, and approving the President and CEO's compensation and the compensation of select members of the executive team. The mandate is annually reviewed by the Corporate Governance Committee and approved by the Board. A copy of the Board mandate is attached to this Circular as Schedule "A". The mandate is also available on our website at www.equitabletrust.com under Corporate Governance.

Risk Management

The Company's approach for identifying, analyzing, responding to and managing its risks is set out in its Enterprise Risk Management ("ERM") Framework. The Board is informed of all of the Company's risks and approves all risk management policies; however, it has delegated oversight of risk management to its Audit and Investment Committees who receive regular quarterly updates. Management has established an ERM Committee whose mandate includes monitoring the Company's eight key risks as set out in the Risk Management section of the Company's 2010 MD&A, and identifying all current and emerging risks. The ERM Committee reports quarterly to the Board on the Company's risks in the context of its business and strategic objectives. The Audit Committee receives quarterly reports on the Company's internal controls from the head of Internal Audit, and on the Company's compliance processes from the Chief Compliance Officer. In 2010 the Board gave consideration to the establishment of a Risk Committee and is desirous of implementing same in 2011.

Strategic Planning

The Company's strategic and capital plans and capital budget are approved by the Board annually. Directors also receive quarterly updates on the progress of each line of business.

Position Descriptions

The Board has developed mandates for the non-executive Chairman of the Board and the President and CEO, and position descriptions for a Committee Chair and individual directors. All are reviewed and approved on an annual basis.

Director Orientation and Continuing Education

Orientation

The Corporate Governance Committee oversees the orientation of new directors to ensure they fully understand the role of the Board, its committees and their responsibilities as directors. New directors meet with the Chairman of the Board to discuss Board processes and dynamics and the governance framework, and with the President and CEO and other members of the senior management team to discuss Company strategy, performance, organization structure, the regulatory framework and other issues facing the Company. New directors are also provided with orientation materials consisting of the Board's mandate, committee terms of reference, compliance requirements for directors, corporate policies, minutes from recent Board and committee meetings, the Code of Conduct, and other relevant corporate and business information concerning the Company. New directors are also invited to attend a full set of committee meetings.

Continuing Education

Directors are kept informed of new and changing regulations and on matters which may impact the Company's operations through reports presented at the quarterly Board meetings. Educational reading materials on corporate governance, executive compensation and other topics are also included in the material provided to the Board. The President and CEO provides quarterly updates to the Board on strategy and other matters affecting the Company. Directors are provided with periodic presentations by senior management on new and changing regulatory requirements as well as emerging best practices.

In 2010, directors attended information sessions on International Financial Reporting Standards ("IFRS"), Basel III and Anti-Money Laundering and Anti-Terrorist Financing. To facilitate ongoing education the Directors are canvassed to determine their training needs and interests. Topics identified for 2011 include risk management, IFRS and executive compensation.

Ethical Business Conduct

In accordance with the Board's mandate, the Board, together with the President and CEO, are responsible for promoting a culture of integrity and ethical behaviour.

The Company's Code of Conduct (the "Code") was last reviewed and approved by the Board in 2008. The Code establishes the Company's standards of business practices and ethical behaviour applicable to all directors, officers and employees. The Code addresses several matters, including conflicts of interest, confidentiality of corporate information, protection and use of corporate assets, compliance with laws and reporting of any illegal or unethical behaviour. The Code is regularly reviewed by the Board to ensure it meets current industry trends and standards and clearly communicates the Company values and principles. A copy of the Code is accessible on SEDAR www.sedar.com and on our website at www.equitabletrust.com. A copy of the Code may also be obtained by contacting the Corporate Secretary at the address set out in Part 6 of this Circular.

The Code is provided to all employees at the time of hire, and to all directors upon joining the Board. Each year all directors and employees are required to acknowledge that they have read, understand and complied with the Code. The Board monitors compliance with the Code through Equitable Trust's Corporate Governance and Conduct Review Committee. The Company conducts an annual certification process to monitor compliance with the Code and the Chief Compliance Officer reports the results of such process to the Corporate Governance Committee annually. Any waivers to the Code must be granted by the Board which to date, has never been required.

Employees are encouraged to raise any concerns or report any suspected violations with respect to the Code to senior management. The Company has recognized that employees may feel uncomfortable using this channel and plans to implement a compliance and ethics hotline which is a secure reporting system for all directors and employees to report any workplace issue or concern on a confidential basis. All concerns raised will be investigated and reported to the Audit Committee by the Chief Compliance Officer.

In addition to monitoring compliance with the Code, the Company also has in place a Whistleblower Policy to address the reporting, retention and treatment of complaints and concerns regarding questionable accounting, auditing and other matters. Any complaints and concerns raised under this policy are brought to the attention of the Chief Compliance Officer and reported to the Chair of the Audit Committee. Once the compliance and ethics hotline, described above, is put in place, complaints and concerns raised under the Whistleblower Policy will also be reportable through the hotline and will be investigated and reported to the Chair of the Audit Committee.

Conflicts of Interest

Under the Code and in accordance with applicable law, all directors are expected to avoid situations where personal interests conflict or could reasonably appear to conflict with their fiduciary duties to the Company. The Code further provides that each director must disclose in writing to the Company the nature and extent of any actual or potential conflict of interest. In addition, any director who is party to an actual or potential material contract or transaction with the Company or has a material interest in any person who is a party to an actual or potential material contract or transaction with the Company is not permitted to attend any part of a meeting of the directors during which the contract or transaction is discussed or to vote on any decision. Through the annual director's questionnaires, directors are asked questions with a view to determine the existence of any material interests with the Company and to identify other business relationships and other companies or entities with which they have relationships. These responses assist the Board and Senior Management in identifying conflict of interest situations in advance.

Nomination of Directors

The Corporate Governance Committee is responsible for identifying and considering prospective candidates to be appointed to the Board. The Committee maintains a matrix setting out the desired skills and competencies the Board should possess in order to fulfill its many responsibilities such as risk management, Board experience, industry knowledge and senior executive experience in a financial services company. The Committee identifies any gaps in the Board's composition and seeks candidates to fill those gaps. The matrix is reviewed annually and updated as appropriate to ensure the Board has the appropriate mix of skills and experience in order to meet its current and long-term needs.

The Committee invites suggestions for potential candidates from other directors and senior officers. In making recommendations to the Board, the Committee considers (i) the competencies and skills considered necessary for the Board, as a whole, to possess, (ii) the competencies and skills of each existing director, and (iii) the appropriate size of the Board to ensure it meets the demands of Board and Committee work. Potential candidates are first interviewed by the Chairman of the Board and the CEO to assess suitability and discuss his or her interest and ability to devote the time required to serve on the Board. The preferred candidates are evaluated by the Committee who considers each candidate's skills, competencies, integrity, independence, any conflicts of interest, results of background checks and behavioural qualities. The Committee will then make a recommendation to the Board on the candidates for nomination to the Board of Directors.

Majority Voting

The Board has adopted a policy regarding majority voting for the election of directors. Under this policy, 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.

Compensation

The Corporate Governance Committee, which is composed of four independent directors, is charged with the responsibility for reviewing and benchmarking director compensation to ensure it is competitive and adequately reflects the responsibilities and risks involved in being an effective director and making recommendations to the Board regarding the adequacy and form of compensation for its independent directors. The Committee has the authority to retain any compensation consultant to assist in determining Board compensation. More detailed disclosure of director compensation is provided in this Circular.

Equitable Trust's HR Committee has the responsibility for overseeing executive compensation, including that of the President and CEO, with a view to effectively align the compensation program with the company's compensation philosophy and objectives.

Specific disclosure of executive compensation starts on page 16 of this Circular.

Board Committees

The Company's Board has established an Audit Committee, and a Corporate Governance Committee, both of which are composed entirely of independent directors. Equitable Trust's Board has established four Committees: the Audit Committee, the Investment Committee, the Human Resources and Compensation Committee and the Corporate Governance and Conduct Review Committee.

Audit Committee

The Audit Committee is composed of three independent directors; namely, Eric Kirzner (Chair), Katherine Rethy and Michael Shulman, and each is financially literate. At each of its four meetings held in 2010, the Committee held an *in* *camera* session without management present and met with the external auditor, the Director of Internal Audit, the Chief Financial Officer and the Chief Compliance Officer, and alone.

The Committee is responsible for; (i) overseeing the quality and integrity of the annual and quarterly financial statements; (ii) the performance of the internal audit function; (iii) the qualifications and independence of the external auditors; (iv) the identification and management of the Company's business, control/management, operational, strategic and reputational risks; (v) compliance with legal and regulatory requirements; and (vi) the effectiveness of the Company's internal controls.

In 2010 the Committee's work included:

- **Reviewing:** the interim and annual financial statements, management's discussion and analysis and the press releases of the Company; the Company's systems of internal controls over financial reporting; the compensation of the external auditor; and the Annual Information Form.

- **Appointing**: a new head of Internal Audit and approving a new mandate; approving Internal Audit's annual work plan and three-year plan; receiving quarterly reports from the Internal Audit Department; and assessing the performance of the head of Internal Audit.

- **Assessing:** the Company's transition plan to International Financial Reporting Standards and reviewing management's updates with respect to same, and the performance of Chief Financial Officer and Chief Compliance Officer ("CCO") for input into compensation approval process.

- **Evaluating:** the effectiveness of the CFO and CCO as input into their compensation approval process; the Company's disclosure controls and internal control procedures to ensure compliance with laws.

- **Examining**: quarterly reports from the CCO and the Chief Anti-Money Laundering Officer on matters relating to compliance with laws and regulations.

- **Monitoring:** the quality, appropriateness and disclosure of the Company's critical accounting policies, reporting practices and management's key estimates and judgements; and compliance with applicable legal and regulatory requirements, including anti-money laundering regulations.

Investment Committee

The Investment Committee is composed of four directors, three of whom are independent. The current members are Eric Beutel (Chair), Andrew Moor, Lionel Robins and Morris Shohet. The Committee held six meetings during 2010.

The Committee is responsible for: (i) reviewing the mortgage portfolio and risk tolerance; (ii) monitoring the Company's credit, interest rate and funding risks, as well as market risks; (iii) reviewing policies for managing these risks and reports demonstrating compliance with the risk management policies; (iv) establishing appropriate lending limits for the Company and the President and CEO for approval by the Board; (v) reviewing the securities portfolio and monitoring the Company's investment practices; and (vi) reviewing the collective allowance.

In 2010 the Committee's work included:

- **Reviewing:** comprehensive reporting on the amount, nature, characteristics, concentration and quality of the Company's mortgage portfolio and any significant exposures to credit risk; allowances for credit losses, various stress test reports; the Company's liquidity position and treasury activities.

- **Assessing:** the Company's credit, liquidity and funding and interest rate risk profiles; reviewed Board policies which address the management of such risks; and the performance of the CRO as input into his compensation approval process.

- **Monitoring:** the Company's securities portfolio; developments in market conditions and legislative changes.

- **Approving**: mandates of the Company's Asset Liability and Treasury Committees.

Human Resources and Compensation Committee

The Human Resources and Compensation Committee is composed of three independent directors; namely, Joseph Dickstein (Chair), Eric Kirzner and Lionel Robins. The Committee is responsible for; (i) reviewing the CEO's corporate goals and objectives, evaluating his performance in light of those corporate goals and objectives and recommending his compensation based on this evaluation; (ii) reviewing the performance of the Company's officers and CEO direct reports and approving their compensation; (iii) overseeing the compensation and human resources principles and related program and policies; (iv) recommending the appointment of officers; (v) reviewing executive employment agreements and (vi) reviewing succession planning for senior management. The Committee also has the power to retain consultants or advisors as it may deem necessary or advisable to carry out its responsibilities.

In 2010 the Committee's work included:

- **Establishing:** the performance objectives for the CEO that support the Company's strategic plan, evaluated the CEO's performance against such objectives and based on this evaluation, recommended his compensation for approval by the independent Board members.

- **Assessing:** the alignment of the Company's compensation program and practices with the compensation principles of the Financial Stability Board and identified opportunities to strengthen the program.

- **Recommending**: for approval by the Board the annual grants of options to management for 2010 performance pursuant to the Share Option Plan.

- **Monitoring:** compensation and governance trends and legislative and disclosure requirements.

- **Approving:** the compensation for direct reports of the CEO (including the named executive officers), the chief compliance officer, the head of internal audit and the 11 highest paid employees of the Company; the Company's compensation philosophy; the compensation policy; the enhancements to the Company's Deferred Profit Sharing Plan; and the Compensation Discussion and Analysis for inclusion in the 2010 Management Information Circular.

Corporate Governance Committee

The Corporate Governance Committee is composed of four independent directors; namely, Austin Beutel (Chair), Joseph Dickstein, Katherine Rethy, and Michael Shulman. The Committee is responsible for; (i) reviewing the mandates of the Board, the non-executive chair, the committee chairs and the CEO; (ii) identifying candidates qualified to become directors; (iii) reviewing the appropriateness of director compensation; director orientation and continuing education programs; (iv) reviewing policies designed to promote a culture of integrity and ethical conduct; and (v) evaluating overall Board effectiveness and approving this Statement of Corporate Governance Practices.

In 2010 the Committee's work included:

- **Reviewing:** the competencies of the Board, its committees and potential candidates for the Board; the effectiveness of the Board and its committees; the criteria for selecting new directors and the Company's orientation and continuing education program for directors; the Company's policies for assessing Responsible Persons, managing Reputational Risk and Insider Trading.

- **Conducting**: a search for director nominees in 2010 to supplement the competencies currently represented on the Board.

- **Confirming:** the independence of all directors except Andrew Moor who is the President and CEO.

- **Recommending**: to the Board for approval the 2010 equity grant of deferred share units to directors.

- **Monitoring:** regulatory developments and leading trends in corporate governance practices.

- **Approving:** the Company's corporate governance practices disclosure in the Management Information Circular.

- **Receiving:** a report on compliance with the Company's Code of Conduct during the previous financial year.

The Committee mandates are available on the Company's website at www.equitabletrust.com.

Board Performance Assessments

The Corporate Governance Committee leads the annual evaluation of the effectiveness and performance of the Board as a whole, the Committees and the Board Chair by way of a feedback survey. The survey includes questions seeking the directors' views on the effectiveness and performance of the Board, the Board significant achievements made during the year, and what they consider to be their objectives for the next year. The directors' specific views on their evaluation of the Board's role in strategic planning, director compensation, and CEO evaluation is also sought. In 2010, the directors were requested to identify areas in which they would like to receive training to enhance their knowledge and/or effectiveness, such as executive compensation, IFRS and Basel III. Completed questionnaires are then sent to the Committee Chair for analysis and tabulation. He then prepares a summary to the Committee and to the Board, including a tabulation of the scores, and qualitative commentary. Directors are free to raise any concerns they may have to the Chair at any time.

The Committee and the Board review the summary report at the December strategic planning meeting. Any required changes to Board and committee processes are considered by the Board and feedback is provided to Management as appropriate. The results of the 2010 assessment were discussed with the Corporate Governance Committee and the Board in December, 2010. The identified areas for further training were provided to management who prepared an annual schedule.

PART 6 – OTHER INFORMATION

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 nominee for election as a director of the Company in connection with the purchase of securities of the Company or any other indebtedness. 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 understanding provided by the Company or Equitable Trust.

DIRECTORS' AND OFFICERS' INSURANCE

The Company has purchased liability insurance for the benefit of its directors and officers. The limit of such insurance, which expires on May 31, 2011, is $20 million. The deductible is $200,000 per event. For the fourteen month period ending May 31, 2011, the premium for such coverage was $149,880.

AVAILABILITY OF DOCUMENTS

Additional information relating to the Company can be obtained from its website at www.equitabletrust.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, 2010, included in the Annual Report.

Copies of the information referred to in this section may be obtained upon request from the Corporate Secretary of the Company at its head office, 30 St. Clair Avenue West, Suite 700, Toronto, Ontario M4V 3A1 or by e-mail at corporatesecretary@equitablegroupinc.com.

DIRECTORS' APPROVAL

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

Kimberley Graham
Vice-President, General Counsel and Corporate Secretary
April 6, 2011

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

The Board shall directly, or through a Board Committee:

Strategic Planning

- Review the effectiveness of the strategic planning process and annually approve a strategic plan taking into account the opportunities and risks of the Company's business, and oversee its implementation.
- Review and approve the Internal Capital Adequacy Assessment Process.
- Review and approve annual financial and capital plans, including debt/equity issues and major business development initiatives, and capital management policies.
- Approve any capital expenditure in excess of $100,000 over the budgeted capital plan**.**
- Monitor corporate performance against the strategic, financial and capital plans.

Risk Management

- Review and approve the Company's risk appetite statement and review management's assessment of the risk profile and the Company's performance relative to risk appetite.
- 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, and ensure appropriate systems are implemented to manage these risks.
- Approve the delegation of credit approvals and investment authority to senior management.
- Oversee the implementation of a comprehensive legislative compliance management program.

Regulators

- Review and discuss with senior management the Company`s response to recommendations and suggestions made by the Office of the Superintendent of Financial Institutions pursuant to their supervisory activities.

Internal Controls

- Oversee the integrity of the Company's internal controls, management information systems and audit procedures, and receive assurances from the Audit Committee on a regular basis that these systems are designed and operating effectively.
- Ensure there are appropriate oversight functions independent of management.
- Review and approve the financial statements and related disclosures prior to their release.

Committees

- Establish such committees of the Board, or merge or dispose of any Board Committee as the Board deems advisable.
- Approve the membership and mandates of each Board committee.

Succession Planning and Human Resource Management

- Appoint the Chief Executive Officer, determine his or her role and responsibilities, monitor and assess performance and approve compensation, taking into consideration Board expectations and fixed objectives.
- Appoint the officers.

- Review the performance evaluations of the performance of the Chief Financial Officer, Chief Risk Officer and Chief Compliance Officer and approve their compensation.
- Oversee the training, and development of the Chief Executive Officer and other senior officers.
- Oversee the design and operation of the Company's compensation program; monitor and review the compensation program to ensure it aligns with the Company's business strategy and operates as intended.
- Establish appropriate structures and procedures to enable the Board to function independently of management.
- Review the succession plan for the Chief Executive Officer and the Chairman of the Board and oversee the succession process for key senior management roles.

Corporate Governance

- Establish the "tone from the top" together with the Chief Executive Officer and set professional standards and corporate values that promote a culture of integrity and compliance throughout the Company.
- Take reasonable measures to satisfy itself as to the integrity of the Chief Executive Officer and senior officers and that they are creating a culture of integrity throughout the Company.
- Approve the Company's Code of Conduct and such other policies as may be approved by the Board from time to time, monitor compliance with the Code and such policies, and receive reports assuring the Board that the Code and such policies are being adhered to. Approve any waivers from the Code for the benefit of any director or senior officer.
- 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 mandates for the Board, Board Chair, committee chair and a director.
- Review and approve any significant changes to the Company's organization structure, controls or the independence of key control groups.

Communication and Public Disclosure

- Oversee the implementation of measures for receiving feedback from the Company's shareholders.
- With the assistance of the Audit Committee, review and approve the Company's Disclosure Control Policy.