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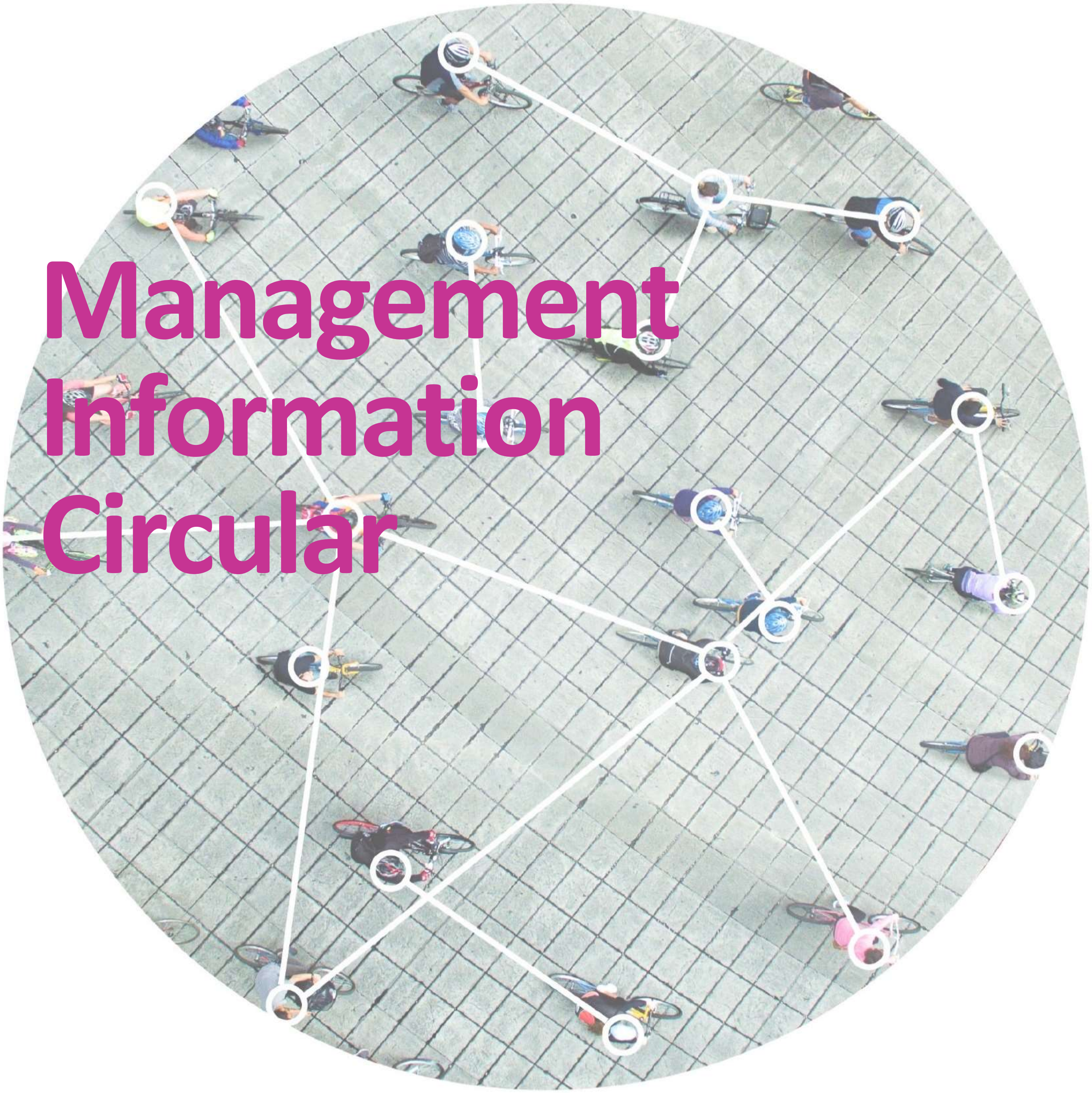
Management Information Circular



Notice of Annual Meeting of Shareholders and Management Information Circular

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May 17, 2017

Your vote is important. This document tells you who can vote, what you will be voting on and how to vote.

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Voting by proxy is the easiest way to vote

Please refer to your proxy form or your voting instruction form included in this package or to the section entitled Voting Information for more information on the voting methods available to you. **If you elect to vote on the internet or by telephone, you do not need to return your proxy form or voting instruction form.**

Dear Shareholders,

Please join us at our annual meeting of shareholders which will take place on Tuesday, May 17, 2017 at 10:00 a.m. (Eastern Time) at our head office in the Equitable Bank Tower, 30 St. Clair Avenue West, Toronto. The meeting is your opportunity to hear about our operational and financial performance over the past year and our plans for the future.

The Management Information Circular contains important information about the meeting and the business to be conducted, voting, our corporate governance practices and how we compensate our executive officers and directors. Please take some time to read the document and remember to vote. You can find more information about Equitable in our 2016 Annual Report and on our website.

The Board of Directors would like to recognize and thank Eric Kirzner, who is retiring from the Board at the end of the meeting, for his wisdom, judgment and contributions he has provided over many years of service to Equitable and our shareholders.

If you cannot attend the meeting, a listen-only webcast with accompanying slides will be available on our website at www.equitablebank.ca.

The Board and management thank you for your continued support, and we hope you can join us in person or via the webcast.

Sincerely,

David LeGresley
Chair of the Board

Andrew Moor
President and Chief Executive Officer

Notice of 2017 Annual Meeting of Shareholders

When	**Where**
Wednesday, May 17, 2017 10:00 a.m. (Eastern Time)	Equitable Bank Tower 30 St. Clair Avenue West 5th Floor Toronto, Ontario

For the purposes of

1. receiving the consolidated financial statements and auditors' report for the year ended December 31, 2016;
2. electing the directors for the coming year;
3. appointing KPMG LLP as auditors and authorizing the directors to set their remuneration; and
4. considering any other business as may properly come before the meeting.

Holders of common shares as at April 4, 2017 will be entitled to vote at this meeting. Please read this material carefully and vote your shares as early as possible so that your shares will be represented at the meeting. Please complete, sign and return the form of proxy or voting instruction form, or vote over the internet or by telephone. Your vote must be received by our transfer agent, Computershare Investor Services Inc., by 10:00 a.m. (Eastern Time) on Monday May 15, 2017.

By order of the Board of Directors,

Andrew Moor
President and Chief Executive Officer

April 12, 2017

We encourage you to sign up for electronic delivery of shareholder materials

Registered shareholders can go to www.computershare.com/eDelivery and click on "Sign up for eDelivery" at the bottom of the page. Enter your Holder Account Number from your form of proxy, and enter your postal code (if you are a Canadian resident), or your Family or Company Name (if you are a non-resident of Canada), and click "Sign In".

Non-registered shareholders can go to www.proxyvote.com using the control number found on your voting instruction form and following the instructions. You can also register for eDelivery when you have finished voting at www.proxyvote.com, by clicking the "Go Paperless" button and following the instructions.

Management Information Circular

You have received this Management Information Circular (Circular) because you owned Equitable Group Inc. common shares on April 4, 2017 (record date).

You have the right to attend our 2017 Annual Meeting of Shareholders (Meeting) and to vote your shares in person or by proxy.

Management is soliciting your proxy for the Meeting. The solicitation will be primarily by mail; however, proxies may also be solicited personally by officers and directors and other representatives of the Company. We pay all costs for soliciting proxies.

In this document:

- *Equitable*, the *Company*, *we us*, and *our* mean Equitable Group Inc.
- The *Bank* means Equitable Bank, the Company's wholly-owned subsidiary.
- *You* and *your* refer to the shareholder.
- *Shares* mean Equitable's common shares.

Date of Information

All information in this Circular is as of March 31, 2017, unless we state otherwise.

Principal holders of 10% or more of Equitable common shares

To the knowledge of our directors and officers, the only persons or companies which beneficially own, directly or indirectly, or exercise control or direction over 10% or more of our common shares are the following:

	Number of common shares	Percentage of outstanding common shares
Stephen Smith(1)	2,981,200	18.09%
Mawer Investment Management Ltd.(2)	2,052,119	12.45%
Oakwest Corporation Limited(3)	2,000,000	12.13%
Beutel, Goodman & Company Ltd.(4)	1,945,069	11.80%

1. Stephen Smith beneficially owns, directly or indirectly, or exercises control or direction over these shares which were acquired for investment purposes.
2. Mawer Investment Management Ltd. acquired these shares in the ordinary course of investing activities.
3. Eric Beutel, a director of the Company, beneficially owns, or exercises control or direction over, 9,000 common shares. He is also an officer and a director of Oakwest and exercises control or direction over the common shares held by Oakwest which were acquired in the ordinary course of business and not with the purpose of influencing or changing the control of the Company.
4. Beutel, Goodman & Company Ltd. 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 client accounts.

Contacting the Transfer Agent

For general shareholder enquiries, you can contact Computershare at:

Phone 1-800-564-6253 (toll-free within Canada and United States)

Fax 1-888-453-0330 (within Canada and United States)

email service@computershare.com

Mail Computershare Investor Services Inc.
100 University Avenue
8th Floor, North Tower
Toronto, Ontario M5J 2Y1

SUMMARY HIGHLIGHTS

The following are highlights of some of the important information you will find in this Circular. You should read the entire Circular before voting.

Shareholder Voting Matters

Voting Matter	Board Vote Recommendation	Page Reference for more information
Election of ten directors	FOR each nominee	8
Appointment of KPMG LLP as auditors and the authorization of the directors to fix their remuneration	FOR	9

Our Director Nominees

Name	Age	Occupation	Independent	Committee Membership	Attendance in 2016	Other public boards
Eric Beutel	54	Vice-President, Oakwest Corporation Ltd.	Yes	Investment (Chair), Governance, Risk & Capital	100%	2
Johanne Brossard	56	Corporate Director	Yes	HR & Compensation, Governance	100%	0
Michael Emory	61	President and CEO, Allied Properties REIT	Yes	Investment, HR & Compensation	96%	1
Kishore Kapoor	60	Corporate Director	Yes	Audit	100%	0
David LeGresley	58	Corporate Director	Yes	Chair of the Board	100%	1
Lynn McDonald	65	Corporate Director	Yes	Audit, Risk & Capital, HR & Compensation (Chair)	100%	0
Andrew Moor	56	President and CEO, Equitable Group Inc. and Equitable Bank	No	-	100%	1
Rowan Saunders	52	President and CEO, Economical Mutual Insurance Company	Yes	Audit, Governance	96%	0
Vincenza Sera	60	Corporate Director	Yes	Investment, Risk & Capital, Governance (Chair)	100%	2
Michael Stramaglia	57	Corporate Director and President, Matrisc Advisory Group Inc.	Yes	Audit (Chair), Risk & Capital, HR & Compensation	100%	0

Highlights of our Governance Practices

We are committed to adhering to high standards of governance which we believe is good for our shareholders, our employees and our company. Some of our governance practices are highlighted in the following table:

Size of board	10	Majority voting policy	Yes
Percentage of independent directors	90	Director retirement age	72
Fully independent board committees	Yes	Separate Chair of the Board and CEO roles	Yes
In camera sessions at each board and committee meeting	Yes	Share ownership requirements for directors and senior executives	Yes
Percentage of women on the board	30	Gender diversity policy for directors	Yes
All directors are financially literate	Yes	Formal annual board assessment process	Yes
Average age of director nominees	58	Meeting attendance requirements for directors	Yes
Individual voting for directors	Yes	Code of Business Conduct	Yes
Directors elected annually	Yes	Clawback policy for senior executives	Yes

VOTING INFORMATION

Who can vote

You have the right to vote if you held common shares at the close of business on April 4, 2017. Each common share is entitled to one vote.

We had 16,475,149 common shares outstanding as of the record date. Our common shares trade under the symbol “EQB” on the Toronto Stock Exchange (“TSX”).

We will need a quorum
To transact business at the Meeting, we must have at least two persons holding or representing by proxy not less than 25% of the outstanding shares entitled to be voted at the Meeting.

How to vote

There are two ways to vote – by proxy or in person at the Meeting. How you vote depends on whether you’re a registered or non-registered shareholder:

- You are a **registered shareholder** if you have a share certificate issued in your name or that appears on a statement from a direct registration system on the records of our transfer agent.
- You are a **non-registered shareholder** if your common shares are registered in the name of an intermediary (for example, a bank, trust company, investment dealer, clearing agency, or other institution). Most of our shareholders are non-registered holders.

If you are not sure whether you are a registered or non-registered shareholder, please contact Computershare by email at service@computershare.com. Alternatively, please call Computershare toll-free at 1-800-564-6253 (within Canada and the United States).

Confidentiality

Computershare counts and tabulates the votes to maintain confidentiality. Computershare only refers proxies to us when it is clear that a shareholder wants to communicate with the Board or management, the validity of the form is in question, or the law requires it.

Shareholder Approval

A simple majority (50% plus one) of votes cast in person or by proxy at the Meeting is required to approve each item of business, except for the election of directors (see our policy on majority voting on page 8).

Voting Results

Following the meeting we will post the voting results on SEDAR and our website at www.equitablebank.ca.

Non-Registered Shareholder

Option 1 – By proxy (voting instruction form)

Internet

Go to www.investorvote.com and follow the instructions.

Phone

Call 1-866-732-VOTE (8683) and follow the instructions. If you vote using this method you cannot appoint anyone other than the directors named on your proxy as proxyholder.

If using either of these methods you will need your 15 digit Control Number located in the lower left corner of the proxy form.

Mail

Return the completed voting instruction form In the prepaid envelope provided.

If you vote by telephone or internet, do NOT complete or return the voting instruction form. **Your voting instructions must be entered by 10:00 a.m. (Eastern Time) on Monday May 15, 2017**.

Your intermediary will follow your voting instructions and vote on your behalf. Alternatively, you may receive from your intermediary a proxy form which has been pre-authorized by your intermediary indicating the number of shares to be voted, which is to be completed, dated, signed and returned in accordance with instructions provided.

Option 2 – In person at the Meeting

We do not have access to the names or holdings of our non-registered shareholders. **If you want your shares to be voted in person at the Meeting you must first appoint yourself as proxyholder. Follow the instructions on the voting instruction form to appoint yourself as proxyholder, or to appoint someone else to attend and vote for you, and submit as directed on the form. Your voting instructions must be received by 10:00 a.m. (Eastern Time) on Monday May 15, 2017**.

Proxyholders must register with Computershare upon arrival at the Meeting.

If you voted through your intermediary and would now like to vote in person, contact your intermediary to see whether this is possible and what procedure you would need to follow.

Registered Shareholder

Option 1 – By proxy (proxy form)

Internet

Go to www.investorvote.com and follow the instructions.

Phone

Call 1-866-732-VOTE (8683) and follow the instructions. If you vote using this this method you cannot appoint anyone other than the directors named on your proxy as proxyholder.

If using either of these methods you will need your 15 digit Control Number located in the lower left corner of the proxy form.

Mail

Return the completed voting instruction form in the prepaid envelope provided.

Computershare must receive your proxy form or you must have voted by telephone or Internet **no later than 10:00 a.m. (Eastern Time) on Monday May 15, 2017.**

Option 2 - In person at the Meeting

Attend the Meeting and register with Computershare at the registration table. **You need not complete or return the proxy form**. However, you may still wish to complete and return the form of proxy to ensure your vote is counted.

Option 3 – By proxyholder

David LeGresley, Chair of the Board, and Andrew Moor, President and Chief Executive Officer are Equitable's proxyholders who will vote your shares at the Meeting according to your instructions.

You can appoint anyone you want to be your proxyholder; it does not have to be another shareholder. Simply insert the person's name in the blank space provided on the proxy form and return it in the envelope provided. If your proxyholder does not attend the Meeting, your shares will not be voted.

Your proxyholder can vote your shares as he or she sees fit, unless you indicate otherwise.

How your shares will be voted

You can choose to vote FOR, WITHHOLD or AGAINST, depending on the item to be voted on. When you sign the proxy form or voting instruction form, you authorize David LeGresley or Andrew Moor, who are directors, to vote your shares for you at the Meeting according to your instructions. **If you do not indicate how you want to vote your shares, the persons designated in the enclosed form of proxy or voting instruction form will vote**:

- **FOR** the election of the 10 nominated directors in this Circular; and
- **FOR** the appointment of KPMG LLP as our independent auditors.

If there are any amendments to the items of business or any other matters that may properly come before the Meeting, it is intended that the discretionary authority shall be exercised by the individuals named in the form of proxy or voting instruction form and that person will vote the common shares in accordance with his or her best judgement.

As at the date of this Circular, we are not aware of any amendment or other matter that will be brought before the Meeting.

Changing your vote

If you are a **registered shareholder** and have voted by proxy, you may revoke your proxy by providing new voting instructions on a proxy form with a later date, or at a later time if you are voting by telephone or on the internet. Any new instructions, however, will only take effect if received by Computershare **no later than 10:00 a.m. (Eastern Time) on Monday, May 15, 2017,** or if the Meeting is adjourned or postponed, by 10:00 a.m. on the second-last business day before the date of the reconvened meeting.

You may also revoke your proxy and vote in person at the Meeting, or at any adjournment thereof, by delivering a notice to this effect signed by you or your authorized attorney to Andrew Moor, President and Chief Executive Officer, at the registered office of the Company, at any time up to 10:00 a.m. (Eastern Time) on Monday, May 15, 2017, or giving your notice to the Chair of the Meeting before the Meeting starts.

If you are a **non-registered shareholder** you may revoke your proxy or voting instructions by contacting your intermediary.

Voting Employee shares

If you hold shares purchased through the Employee Share Purchase Plan you will have received a voting instruction form. You may vote your shares by:

Telephone: Call 1-866-732-VOTE (8683) and follow the instructions provided. If you vote using this method you cannot appoint anyone other than David LeGresley or Andrew Moor as your proxyholder.

Internet: Go to www.investorvote.com and follow the instructions.

Mail: Return the completed voting instruction form in the prepaid envelope provided.

Shareholder Proposals

We did not receive any shareholder proposals for this Meeting.

BUSINESS OF THE MEETING

Financial Statements

Equitable's audited consolidated financial statements for the year ended December 31, 2016 are included in our 2016 Annual Report. You received a copy of the annual report if you requested a copy or one was otherwise required to be sent to you.

Election of Directors

Our articles allow us to have up to 12 directors. The Board has fixed the number of directors to be elected at the Meeting at ten in accordance with the Company's by-laws, and each director will hold office until the next annual meeting of shareholders. All nominees were elected at last year's annual meeting, except for Kishore Kapoor who joined the Board on November 10, 2016 and who is standing for election for the first time.

The Board recommends you vote ***for*** each of our ten director nominees

Each nominated director has expressed his or her willingness to serve on our Board until our next annual meeting of shareholders. If elected they will also serve on the Board of Equitable Bank, our wholly-owned subsidiary.

You can read more about the director nominees starting on page 10.

Majority Voting for Directors

Our Majority Vote Policy applies to this election. Under this Policy, any nominee in an uncontested election who receives more *withheld* votes than *for* votes in favour of his or her election, must immediately submit his or her resignation to the Chair of the Board. The Corporate Governance Committee will recommend to the Board whether or not to accept the resignation. It is generally expected that the Committee and the Board will accept the resignation absent exceptional circumstances. The director offering to resign will not participate in the discussion. The Board shall issue, within 90 days of receiving the final voting results, a press release announcing the resignation of the director in question or its rationale for not accepting the resignation.

Equitable will promptly issue a press release on the full voting results for the election of directors.

Appointment of Auditors

KPMG LLP (KPMG) has served as auditors of the Company since 2004, and of Equitable Bank since 2002.

Each year the Audit Committee assesses the performance, service quality and independence of the external auditors based on recommendations by the Chartered Professional Accountants of Canada and the Canadian Public Accountability Board. Based on the satisfactory results of the 2016 review, the Board recommends that KPMG be reappointed as the auditors of the Company until the close of the next annual meeting of shareholders.

The Board recommends you vote ***for*** KPMG as our external auditors for 2017 at such remuneration as may be fixed by our directors

Last year, the vote was 99.31% *for* KPMG as our auditors.

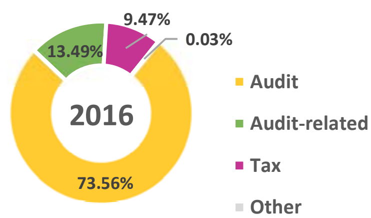
Pre-approval policy and auditor service fees

The Audit Committee has adopted a policy that requires the Committee to pre-approve all audit and permitted non-audit services (including the fees and conditions) to be provided by the external auditors. For further information on this policy, see the Company's 2016 Annual Information Form on SEDAR and on our website.

Fees paid by Equitable to KPMG for the years ended December 31, 2016 and December 31, 2015 were as follows:

Category	2016[1] $	2015[1] $
Audit Fees	425,100	406,000
Audit–related Fees	78,000	47,500
Tax Fees	54,780	48,500
Other Fees	20,000	301,550
Total	577,880	803,550

1. Amounts exclude HST, CPAB fees, and disbursements



Audit Fees
Audit fees include amounts paid or accrued for professional services rendered by the auditors in connection with the audit of the Company's annual consolidated financial statements, the review of the Company's interim financial statements, and accounting advisory services related to the audited financial statements. The increase of $19,100 from 2015 to 2016 is partly due to ad hoc advisory services provided in 2016.

Audit-related Fees
Audit-related fees include amounts of $47,500 paid in 2016 and 2015 for a specified procedures report to support Equitable's participation in CMHC sponsored securitization programs. Also included in the 2016 fees is $30,000 for advisory services rendered to assist with the Company's transition to IFRS 9 *"Financial Instruments"* that is mandatorily effective for annual periods beginning on or after January 1, 2018.

Tax Fees
Tax fees were paid for professional services primarily relating to reviews of the Company's corporate and commodity tax returns, filing of Scientific Research and Experimental Development ("SRED") tax claims, and for tax advisory services. The increase of $6,000 is largely due to fees paid for assistance with a CRA SRED audit.

Other Fees
Other fees paid in 2016 relate to a Cybersecurity review. The decrease of $281,550 is primarily due to a broader scope of work performed in 2015 in connection with the launch of Equitable Bank's digital banking platform, *EQ Bank*.

DIRECTOR NOMINEES

The Board is responsible for supervising the management of the business and affairs of the Company. The following pages include a profile of each of our director nominees, including his or her experience, qualifications, committee memberships, meeting attendance in 2016, public board memberships, and previous voting results. Also disclosed are the total holdings of Equitable common shares and deferred share units of the nominees as at April 6, 2016 and March 31, 2017. The total value is calculated by multiplying the number of common shares and DSUs held by each nominee as at April 6, 2016 and March 31, 2017 by the closing price of our common shares on the Toronto Stock Exchange on these dates, being $50.90 and $69.37. The share ownership requirements (SOR) were amended as of May 17, 2016 and directors are required to hold 3 times their total annual retainer (previously, the requirement was 3 times the annual cash retainer). In addition, a new share ownership was required for the Chair of the Board. You can read more about equity ownership on page 18.

9 of our 10 director nominees are independent

Eric Beutel

Toronto, Ontario, Canada | Age 54 | Director since 2004 (a Director of Equitable Bank since 1994) | Independent

Areas of expertise

- Finance
- Real Estate
- Risk Management
- Governance

2016 Shareholder Voting Results

100.00% *for*

Eric Beutel is Vice-President of Oakwest Corporation Limited, a private investment holding company. He holds a Bachelor of Arts degree from York University and a Master of Business Administration degree from the University of Ottawa.

Board and Committee Membership	2016 Attendance	Other public company directorships in the past five years
Board	8 of 8 / 100%	In-Touch Survey Systems Ltd. (2013 – present)
Corporate Governance	5 of 5 / 100%	CHAR Technologies Ltd. (formerly Cleantech Capital Inc.) (2014 - present)
Investment (Chair)	25 of 27[2] / 93%	NexGen Financial Corporation (2012 - 2014)
Risk and Capital	4 of 4 / 100%	

Ownership and value of equity

					Share Ownership Requirement[3]	
Date	Common shares	DSUs	Total Common shares and DSUs	Total value of Common shares and DSUs ($)	Meets SOR	Total as a multiple of SOR
March 31, 2017	2,009,000[1]	6,255	2,015,255	139,798,239	Yes	665.70x
April 6, 2016	2,009,000[1]	5,550	2,014,550	102,540,595	Yes	1139.33x

1. Of this total, 2,000,000 shares are held by Oakwest Corporation Limited, and 2,500 shares are held by Benjamin Beutel Holdings Inc. Mr. Beutel directly or indirectly, controls or exercises direction over these shares in his capacity as a director, officer and/or shareholder of these companies.
2. Total number of meetings held includes 23 meetings held to approve credit transactions which exceeded Management approval limits.
3. The value of the Director Share ownership requirement was $90,000 on April 6, 2016. On May 17, 2016 it increased to $210,000.

Johanne Brossard

Toronto, Ontario, Canada   Age 56   Director since February 2015   Independent

Areas of expertise

- Financial Services
- Compliance
- Governance
- Legal and Regulatory
- Risk Management
- Senior Executive

2016 Shareholder Voting Results

99.99% *for*
0.01% *withheld*

Johanne Brossard, a Corporate Director, is an accomplished senior executive with more than 30 years of experience in the financial services industry in Canada, Europe and Japan. Ms. Brossard was President and CEO of Bank West, a subsidiary of Desjardins, from 2013 to 2014 and as Desjardins' Senior Vice-President of National Online Banking Development. She also served three years as President and Chief Executive Officer of ResMor Trust Company, a wholly-owned subsidiary of Ally Financial Inc. USA. From 1996 to 2008 Ms. Brossard served in various senior level positions for ING Direct in Amsterdam, Japan and France, including her term as President and CEO of ING Bank of Canada from 2003 to 2008. In 2007, she was inducted into Canada's 100 Most Powerful Women Hall of Fame. Ms. Brossard holds a Master of Business Administration degree from the Richard Ivey School of Business at the University of Western Ontario and a General Management Certificate from INSEAD. She is a director of Ellicom Inc., and a member of the Institute of Corporate Directors with the ICD.D designation.

Board and Committee Membership	2016 Attendance	Other public company directorships in the past five years
Board	8 of 8 / 100%	None
Corporate Governance	5 of 5 / 100%	
Human Resources and Compensation	5 of 5 / 100%	

Ownership and value of equity

Date	Common shares	DSUs	Total Common shares and DSUs	Total value of Common shares and DSUs ($)	Share Ownership Requirement: Meets SOR	Share Ownership Requirement: Total as a multiple of SOR[1]
March 31, 2017	2,000	1,214	3,214	222,955	Yes	1.06x
April 6, 2016	1,000	583	1,583	80,574	Yes	1.00x

1. The value of the Director Share ownership requirement was $90,000 on April 6, 2016. On May 17, 2016 it increased to $210,000.

Michael Emory

Toronto, Ontario, Canada   Age 61   Director since May 2014   Independent

Areas of expertise

- Governance
- Human Resources/Compensation
- Real Estate
- Risk Management
- Senior Executive
- Strategic Planning

2016 Shareholder Voting Results

99.93**%** *for*
0.07% *withheld*

Michael Emory is President and Chief Executive Officer and a trustee of Allied Properties REIT, a position he has held since 2003. He has also served as President and Chief Executive Officer and a director of Allied Canadian Development Corporation since 1988. Prior to 1988, Mr. Emory was a partner with the law firm of Aird & Berlis LLP, specializing in corporate and real estate finance. Mr. Emory received his Bachelor of Arts (Honours) degree from Queen's University and his J.D. from the University of Toronto.

Board and Committee Membership	2016 Attendance	Other public company directorships in the past five years
Board	7 of 8 / 88%	Allied Properties REIT (2003 – present)
Human Resources and Compensation	5 of 5 / 100%	
Investment	25 of 27[1] / 93%	

Ownership and value of equity

Date	Common shares	DSUs	Total Common shares and DSUs	Total value of Common shares and DSUs ($)	Share Ownership Requirement: Meets SOR	Share Ownership Requirement: Total as a multiple of SOR[2]
March 31, 2017	1,600	1,599	3,199	221,915	Yes	1.06x
April 6, 2016	1,600	962	2,562	130,406	Yes	1.45x

1. Total number of meetings held includes 23 meetings held to approve credit transactions which exceeded Management approval limits.
2. The value of the Director Share ownership requirement was $90,000 on April 6, 2016. On May 17, 2016 it increased to $210,000.

Kishore Kapoor

Winnipeg, Manitoba, Canada | Age 60 | Director since November 2016 | Independent

Areas of expertise

- Governance
- Finance/Accounting
- Risk Management
- Senior Executive
- Strategic Planning

2016 Shareholder Voting Results

N/A

Kishore Kapoor is a Corporate Director. He is standing for election to the Board for the first time. Until 2011 he was President of Wellington West Holdings Inc., the parent company of a number of subsidiaries that provided wealth management and corporate finance services to retail and institutional clientele in Canada. He was also co-founder and Executive Vice President, Corporate Development of Assante Corporation, previously one of the largest wealth management firms in Canada, from 1994 until 2005. Mr. Kapoor currently serves as a Director and member of the Audit Committee of Richardson Financial Group Limited. He has a Bachelor of Science degree from the University of Manitoba and is a Chartered Accountant and former tax partner with KPMG LLP.

Board and Committee Membership	2016 Attendance	Other public company directorships in the past five years
Board	3 of 3 / 100%	Manitoba Telecom Services Inc. (May 2006 – March 2017)
Audit	-	

Ownership and value of equity

Date	Common shares	DSUs	Total Common shares and DSUs	Total value of Common shares and DSUs ($)	Meets SOR	Total as a multiple of SOR
March 31, 2017	1,425	335	1,760	123,003	on track	0.58x

Mr. Kapoor was appointed to the Board and the Audit Committee on November 10, 2016. He attended all regularly scheduled Committee meetings held in November and December, 2016 by invitation, including those he was not a member of, for education purposes and received no attendance fees.

David LeGresley

Toronto, Ontario, Canada | Age 58 | Chair of the Board | Director since 2011 | Independent

Areas of expertise

- Capital Markets
- Financial Services
- Governance
- Human Resources/Compensation
- Mergers & Acquisitions
- Strategic Planning

2016 Shareholder Voting Results

99.33% *for*

0.67% *withheld*

David LeGresley, a Corporate Director, is Chair of the Board of both the Company and the Bank. He has over 30 years of experience in the financial services industry. Mr. 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 serves as a Director and Chair of the Audit Committee of Pembina Pipeline Corporation. Mr. LeGresley received a Bachelor of Applied Science degree in Engineering from the University of Toronto and a Master of Business Administration degree from Harvard Business School. He is a member of the Institute of Corporate Directors with the ICD.D designation.

Board and Committee Membership	2016 Attendance	Other public company directorships in the past five years
Board	8 of 8 / 100%	Pembina Pipeline Corporation (2010 – present)

Ownership and value of equity

Date	Common shares	DSUs	Total Common shares and DSUs	Total value of Common shares and DSUs ($)	Meets SOR	Total as a multiple of SOR
March 31, 2017	17,000	6,448	23,448	1,626,588	Yes	3.39x[1]
April 6, 2016	17,000	4,951	21,951	1,117,306	Yes	12.41x

1. On April 6, 2016 Mr. LeGresley met the Director Share Ownership requirement of $90,000. Effective May 17, 2016, a separate Board Chair share ownership requirement came into effect. See page 18 for details.

Lynn McDonald

Toronto, Ontario, Canada | Age 65 | Director since 2011 | Independent

Areas of expertise

- Finance
- Financial Services
- Governance
- Human Resources/Compensation
- Risk Management

2016 Shareholder Voting Results

99.97% *for*
0.03% *withheld*

Lynn McDonald, a Corporate Director, is a former Managing Director at CIBC World Markets and a former deputy minister in the Ontario Government. She is an independent director of a wholly-owned funds management subsidiary of the Ontario Hospital Association. Ms. McDonald is a former Chair of the Board of Frontier College, a national literacy organization and remains a member of the College's Finance and Audit Committee. She is also a former director of Bridgepoint Active Care Foundation where she was Chair of the Finance and Audit Committee, and a former Governor of Trent University where she was Chair of the Investment and Audit Committee. Ms. McDonald earned a Bachelor of Arts (Honours) degree in Economics from the University of Waterloo and is a member of the Institute of Corporate Directors.

Board and Committee Membership	2016 Attendance	Other public company directorships in the past five years
Board	8 of 8 / 100%	None
Audit	4 of 4 / 100%	
Human Resources and Compensation (Chair)	5 of 5 / 100%	
Risk and Capital	4 of 4 / 100%	

Ownership and value of equity

Date	Common shares	DSUs	Total Common shares and DSUs	Total value of Common shares and DSUs ($)	Meets SOR	Total as a multiple of SOR[1]
March 31, 2017	3,950	4,020	7,970	552,879	Yes	2.63x
April 6, 2016	3,650	3,347	6,997	356,147	Yes	3.96x

1. The value of the Director Share ownership requirement was $90,000 on April 6, 2016. On May 17, 2016 it increased to $210,000.

Andrew Moor

Toronto, Ontario, Canada | Age 56 | Director since 2007 | Not Independent (Management)

Areas of expertise

- Finance
- Financial Services
- Governance
- Real Estate
- Strategic Planning

2016 Shareholder Voting Results

99.99% *for*
0.01% *withheld*

Andrew Moor has been President and Chief Executive Officer of the Company and Equitable Bank since March 2007. He previously served as President and Chief Executive Officer of Invis Inc. from February, 2002 to February, 2007. Mr. Moor is currently a director and Chair of the Audit Committee of Sleep Country Canada Holdings Inc. and is a member of the Institute of Corporate Directors with the ICD.D designation. He has a Bachelor of Science degree in Engineering from University College, London and holds a Master of Business Administration degree from the University of British Columbia.

Board and Committee Membership	2016 Attendance	Other public company directorships in the past five years
Board	8 of 8 / 100%	Sleep Country Canada Holdings Inc. (2015 – present)

Ownership and value of equity

Date	Common shares	RSUs	PSUs	Total Common shares, RSUs and PSUs	Total value of Common shares, RSUs and PSUs ($)	Share Ownership Requirement[1] Meets SOR	Total as a multiple of SOR
March 31, 2017	151,030	-	19,738	170,769	11,846,246	Yes	18.37
April 6, 2016	115,811	2,323	6,336	124,470	6,709,638	Yes	10.50

1. The CEO's share ownership requirement includes Performance Share Units (PSUs) and Restricted Share Units (RSUs). See page 30 for details.

Rowan Saunders

Toronto, Ontario, Canada Age 52 Director since 2013 Independent

Areas of expertise

- Governance
- Risk Management
- Senior Executive
- Strategic Planning

2016 Shareholder Voting Results

100.0% *for*

Rowan Saunders is President & Chief Executive Officer Economical Mutual Insurance Company. He previously served as President and Chief Executive Officer of Royal & Sun Alliance Insurance Company of Canada from 2003 to 2016. Mr. Saunders is a member of the Board of Directors of the Insurance Bureau of Canada (IBC) and was the IBC's past Chair. He received a Bachelor of Arts degree from York University, holds the Canadian Risk Management designation, and is a Fellow of the Insurance Institute of Canada.

Board and Committee Membership	2016 Attendance	Other public company directorships in the past five years
Board	8 of 8 / 100%	None
Audit	4 of 4 / 100%	
Corporate Governance	4 of 5[1] / 80%	

Ownership and value of equity

Date	Common shares	DSUs	Total Common shares and DSUs	Total value of Common shares and DSUs ($)	Share Ownership Requirement[2] Meets SOR	Total as a multiple of SOR
March 31, 2017	2,000	2,301	4,301	298,360	Yes	1.42x
April 6, 2016	2,000	1,654	3,654	185,989	Yes	2.06x

1. Mr. Saunders was unable to attend one meeting of the Corporate Governance Committee in 2016 due to a conflict with another board meeting. Mr. Saunders had notified the Committee Chair well in advance of this absence.
2. The value of the Director Share ownership requirement was $90,000 on April 6, 2016. On May 17, 2016 it increased to $210,000.

Vincenza Sera

Toronto, Ontario, Canada Age 60 Director since 2013 Independent

Areas of expertise

- Finance
- Financial Services
- Governance
- Real Estate

2016 Shareholder Voting Results

99.99% *for*
0.01% *withheld*

Vincenza Sera is a Corporate Director. She is Chair of the Board of DREAM Industrial REIT and the former Chair of the Ontario Pension Board. She is also a member of the Board of Directors of the Ontario Financing Authority, DREAM Unlimited Corp. and Investment Management Corporation of Ontario. Ms. Sera was previously Managing Director in Investment Banking with National Bank Financial and served as a Vice-President with Canadian Imperial Bank of Commerce. She has more than 25 years of experience in capital markets, corporate finance and corporate governance including eight years lending to real estate projects and companies. Ms. Sera received her Master of Business Administration degree from the University of Toronto. She is a member of the Institute of Corporate Directors with the ICD.D designation.

Board and Committee Membership	2016 Attendance	Other public company directorships in the past five years
Board	8 of 8 / 100%	DREAM Industrial REIT (2012 – present)
Corporate Governance (Chair)	5 of 5 / 100%	DREAM Unlimited Corp. (2013 – present)
Investment	27 of 27[1] / 100%	
Risk and Capital	4 of 4 / 100%	

Ownership and value of equity

Date	Common shares	DSUs	Total Common shares and DSUs	Total value of Common shares and DSUs ($)	Share Ownership Requirement[2] Meets SOR	Total as a multiple of SOR
March 31, 2017	2,000	2,301	4,301	298,360	Yes	1.42x
April 6, 2016	2,000	1,654	3,654	185,989	Yes	2.06x

1. Total number of meetings held includes 23 meetings held to approve credit transactions which exceeded Management approval limits.
2. The value of the Director Share ownership requirement was $90,000 on April 6, 2016. On May 17, 2016 it increased to $210,000.

Michael Stramaglia

Toronto, Ontario, Canada | Age 57 | Director since 2014 | Independent

Areas of expertise

- Finance
- Financial Services
- Governance
- Investment Management
- Risk Management
- Senior Executive

2016 Shareholder Voting Results

99.99% *for*
0.01% *withheld*

Michael Stramaglia is President and Founder of Matrisc Advisory Group, a risk management consulting firm. He is currently Executive in Residence at the Global Risk Institute and is a director of the Economical Insurance Group, Foresters Financial, and the Canadian subsidiaries of Munich Reinsurance Company of Canada. Mr. Stramaglia has over 30 years of financial services experience, including prior executive leadership roles where he served as Executive Vice-President and Chief Risk Officer for Sun Life Financial, Executive Vice-President and Chief Investment Officer for Clarica and as President and CEO of the Zurich Life Insurance Company of Canada. Mr. Stramaglia is a qualified actuary and Chartered Enterprise Risk Analyst. He received his Honours Bachelor of Mathematics degree from the University of Waterloo and is a member of the Institute of Corporate Directors with the ICD.D designation.

Board and Committee Membership	2016 Attendance	Other public company directorships in the past five years
Board	8 of 8 / 100%	None
Audit (Audit)	4 of 4 / 100%	
Human Resources and Compensation	5 of 5 / 100%	
Risk and Capital	4 of 4 / 100%	

Ownership and value of equity

					Share Ownership Requirement[1]	
Date	Common shares	DSUs	Total Common shares and DSUs	Total value of Common shares and DSUs ($)	Meets SOR	Total as a multiple of SOR
March 31, 2017	1900	1,599	3,499	242,726	Yes	1.16x
April 6, 2016	900	962	1,862	94,776	Yes	1.05x

1. The value of the Director Share ownership requirement was $90,000 on April 6, 2016. On May 17, 2016 it increased to $210,000.

Meeting Attendance

Quarterly meetings of the board and board committees are scheduled sufficiently in advance where possible to minimize conflict with other commitments on directors' schedules. The Board holds at least seven meetings per year, two of which are devoted solely to strategy. In addition to its quarterly meetings, the Investment Committee was convened 23 times in 2016 to adjudicate on credit applications exceeding management approval limits. These meetings are called as required and generally with less than one week's notice.

Directors are expected to attend all regularly scheduled meetings of the board and its Committees, except where personal circumstances beyond the director's control prevent the director from doing so. Directors are required to attend at least 75% of the combined total of board and committee meetings. Directors are also expected to attend the Company's annual meeting of shareholders. At our last annual meeting held on May 17, 2016, all but one of the director nominees attended.

David LeGresley, Chair of the Board, and Andrew Moor, President and CEO and a director, regularly attend all Committee meetings in order to provide the necessary information to facilitate decision-making.

Independent directors met *in camera* without management present at each regularly scheduled meeting.

Below is a summary of overall attendance at board and board committee meetings in 2016 of the relevant members for that period, including the director who is not standing for re-election.

2016 Attendance

	Meetings	Attendance
Board	8	100%
Audit Committee	4	100%
Corporate Governance Committee	5	95%
Human Resources and Compensation Committee	5	100%
Investment Committee (regularly scheduled)	4	100%
Investment Committee (non-regularly scheduled)[1]	23	94%
Risk and Capital Committee	4	100%
Total number of meetings	**53**	**98%**

1. These meetings were held to approve credits exceeding management approval limits

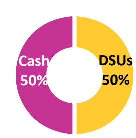
Director Compensation

Objective

Our director compensation program is designed to attract individuals with the desired competencies, skills and experience to serve as directors of Equitable while aligning the interests of our directors and shareholders.

Director compensation components

Annual Directors' Retainer: Since 2009, this retainer has been equally split between cash and DSUs. In 2016, on the recommendation of the Corporate Governance Committee, the Board increased both the cash and equity portions of a director's annual retainer from $30,000 each to $35,000 each, for a total annual retainer of $70,000.



DSUs are awarded to all non-employee directors, including the Chair of the Board, following their election to the Board by the shareholders. Both the annual cash retainer and DSU grant are pro-rated for periods of partial service.

Board Chair Retainer: The Chair of the Board receives a flat annual retainer of $160,000 for all work performed during the year, including attendance at meetings. This retainer is also split evenly between cash ($80,000) and DSUs ($80,000 grant value).

Committee Chair Retainer: Additional retainers are paid to each Committee Chair in recognition of the additional workload.

Andrew Moor does not receive any director compensation because he is our CEO.

Investment Committee Member Retainer: An annual $10,000 retainer was implemented in 2016 for Investment Committee members. The retainer eliminated the meeting fee for Investment Committee meetings held to adjudicate on credit transactions.

Meeting Fees: The amounts of these fees are listed in the table below and are payable in cash.

Decision-making process

The Corporate Governance Committee reviews all aspects of director compensation every two years and makes compensation recommendations to the Board for its review and approval. Recommendations take into consideration the directors' time commitment, workload, the complexity of issues and decision-making, and director compensation practices at comparable companies.

The Corporate Governance Committee compares director compensation against a reference group consisting of publicly traded financial services companies used for benchmarking Executive Officer compensation as well as companies in the broader universe comparable in size and complexity to Equitable as measured by financial criteria, including market capitalization and other measures.

Directors of the Company also serve as directors of Equitable Bank, and board and committee meetings of both entities run concurrently. The Company does not hold any material assets directly, other than Equitable Bank common and preferred shares and subordinated debentures. As a result, Equitable Bank assumes all directors' costs.

Directors are also reimbursed for out-of-pocket expenses they incur while attending meetings or when they conduct business on behalf of Equitable.

Effective May 17, 2016, fees and retainers were as follows:

Annual retainers	**($)**
Chair of the Board	**160,000**
• Cash • Equity (DSUs)	80,000 80,000
Board member	**70,000**
• Cash • Equity (DSUs)	35,000 35,000
Investment Committee member retainer	10,000
Committee Chair retainers	
Audit	20,000
Corporate Governance	10,000
Human Resources and Compensation	15,000
Investment	10,000
Risk and Capital	10,000
Meeting Fees	
More than 2 hours in duration	1,500
2 hours or less in duration	750
Shareholder meeting fee	600

Deferred Share Units

To align the interests of directors with the Company's shareholders, directors receive half of their annual retainer in DSUs. DSUs are notional shares that have the same value as Equitable common shares. DSUs vest at the time of grant and accrue dividend equivalents when dividends are paid on the common shares. DSUs are only redeemable after a director leaves the board and are payable in cash on an after-tax basis. The redemption value of a DSU equals the market value of a common share at the date of redemption. A director may elect up to two redemption dates after leaving the board, with the cash payment calculated by multiplying the number of DSUs held in the director's DSU account by the market value of a common share on the redemption date. No redemption date may be later than December 15 of the calendar year following the calendar year in which the director retired from the board.

2016 Director Compensation Table

	Fees Earned				Share-based award value (DSUs)[2] ($)	All Other Compensation ($)	Total ($)
	Director/ Board Chair Retainer ($)	Investment Committee Retainer[1] ($)	Committee Chair Retainer ($)	Attendance Fees ($)			
Eric Beutel	33,125	6,250	10,000	29,850	35,000	-	**114,225**
Johanne Brossard	33,125	-	-	24,600	35,000	-	**92,725**
Michael Emory	33,125	6,250	-	22,350	35,000	-	**96,725**
Kishore Kapoor	4,936[3]	-	-	3,750	18,027[4]	-	**26,713**
Eric Kirzner	33,125	-	10,000	23,100	35,000	-	**101,225**
David LeGresley	80,000	-	-	-	80,000	-	**160,000**
Lynn McDonald	33,125	-	15,000	29,850	35,000	-	**112,975**
Rowan Saunders	33,125	-	-	22,350	35,000	-	**90,425**
Vincenza Sera	33,125	6,250	10,000	29,850	35,000	-	**114,225**
Michael Stramaglia	33,125	-	20,000	29,250	35,000	-	**117,375**
TOTAL	349,936	18,750	65,000	214,950	378,027	-	1,026,663

1. A $10,000 annual retainer for Investment Committee members came into effect on May 17, 2016.
2. Represents the value of DSUs that were granted on May 22, 2016.
3. Reflects service as a director since November 10, 2016.
4. Represents pro-rated value of DSUs that were granted to Mr. Kapoor upon his appointment to the Board on November 10, 2016.

Share Ownership Requirement

Our share ownership requirement is intended to align Directors' interests with the shareholders they represent. Concurrent with changes made to the compensation structure in 2016, share ownership requirements for our non-employee directors were strengthened to include the requirement that each non-employee director hold common shares and/or DSUs with a value of at least three times the director's annual retainer within five years of joining the board. The Chair of the Board is also required to hold shares and/or DSUs with a value of at least three times the total annual retainer for his position.

All non-employee directors meet their share ownership requirement except for Kishore Kapoor who joined the Board in November 2016 and has until 2021 to satisfy the requirement

For purposes of determining compliance with this requirement, the directors' shares and DSUs are valued at the higher of cost or market value as at March 31, 2017.

	Minimum share ownership requirement as of May 17, 2016	Time to achieve
Chair of the Board	3x total retainer (3 x $160,000 = $480,000)	Within 5 years of initial appointment
Non-employee directors	3x total retainer (3 x $70,000 = $210,000)	Within 5 years of initial appointment

Director prohibitions against monetizing or hedging

Directors are subject to many of our policies and practices, including our Insider Trading Policy, which prohibits directors from, directly or indirectly, entering into any short selling arrangements, or in any of the following in respect of Equitable securities, including DSUs granted under the DSU Plan:

- selling Equitable securities they do not own, have not paid for or have the right to own (engaging in a "short sale"),
- the trading of puts, calls or options in respect of the Company's shares,
- entering into equity monetization transactions involving any securities subject to our share ownership requirements or that is the equivalent of "short selling", and
- entering into any brokerage arrangements which might result in a sale at a time when the director is not permitted to trade.

Share-based Awards

The table below shows the market value of deferred share units as at March 31, 2017. These are valued using the closing price of our common shares on the TSX on March 31, 2017.

	Share-based Awards			
	Outstanding DSUs as of April 6, 2016[1] (#)	2016 DSU award[2] (#)	Outstanding DSUs as of March 31, 2017[4] (#)	Market value of vested DSUs not paid out or distributed ($)[5]
Eric Beutel	5,550	615	6,255	433,909
Johanne Brossard	583	615	1,214	84,215
Michael Emory	962	615	1,599	110,923
Kishore Kapoor[3]	0	334	335	23,239
Eric Kirzner	5,550	615	6,255	433,909
David LeGresley	4,951	1,407	6,448	447,298
Lynn McDonald	3,347	615	4,020	278,867
Rowan Saunders	1,654	615	2,301	159,620
Vincenza Sera	1,654	615	2,301	159,620
Michael Stramaglia	962	615	1,599	110,923

1. Includes dividend equivalents credited to each non-employee director's account from the date of grant to April 6, 2016.
2. Actual number of DSUs received pursuant to grant value of $80,000, for the Chair of the Board, and $35,000 for all other non-employee directors, excluding Kishore Kapoor.
3. Kishore Kapoor received a pro-rated amount of DSUs ($18,027) pursuant to his appointment to the Board on November 10, 2016.
4. Includes dividend equivalents credited to each non-employee director's account from the date of grant to March 31, 2017.
5. Value based on the $69.37 closing price of the Company's common shares on the TSX on March 31, 2017.

Additional Disclosure Concerning our Directors

To the Company's knowledge, as at the date of this Circular or within the last 10 years, no director nominee is or has:

(a) been a director, chief executive officer ("CEO") or chief financial officer ("CFO") of any company that was subject to a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of 30 consecutive days that was issued:

  (i) while the proposed director was acting in the capacity as a director, CEO or CFO;

  (ii) 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) been a director or executive officer of any company, including the 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; or

(c) 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.

Furthermore, to the knowledge of the Company, after due inquiry, no director nominee has been subject to: (a) any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a director nominee.

BOARD COMMITTEE REPORTS

Report of the Audit Committee

Members	
Michael Stramaglia (Chair) Kishore Kapoor (appointed November 10, 2016) Eric Kirzner Lynn McDonald Rowan Saunders	*100% independent and financially literate within the meaning of the CSA rules*

The Audit Committee is responsible for overseeing (i) the quality and integrity of our financial reporting; (ii) our control functions; namely our internal audit and finance functions; (iii) the qualifications, independence and service quality of the external auditors; and (iv) the effectiveness of our internal controls.

The Committee meets at least once each quarter and reports on its activities to the Board. Activities are based on its mandate and annual workplan. At each quarterly meeting the Committee meets *in camera* without management present, and also meets separately *in camera* with each of the Chief Financial Officer, the Vice-President of Internal Audit and the external auditors. The Committee held four meetings in 2016.

The Committee is satisfied that it has fulfilled its responsibilities under its mandate and has approved this report.

2016 Highlights

Financial Reporting and Internal Controls

- received presentations from the CFO related to the Company's quarterly and annual financial performance and operating results
- reviewed and recommended for Board approval the quarterly and annual consolidated financial statements, the related MD&A and earnings releases, and annual information form
- discussed with management and KPMG significant estimates and areas of judgment regarding accounting principles and financial statement presentation, including the Bank's allowance for credit losses
- reviewed management's report assessing the effectiveness of the Company's disclosure controls and procedures and internal controls over financial reporting
- reviewed enhanced disclosures mandated by OSFI
- received updates on the Bank's implementation project to address the new financial instruments accounting standards under IFRS 9 with a focus on loan impairment
- approved the mandate for the Chief Financial Officer and assessed his performance
- approved the budget and resources of the Finance function

External Auditors

- oversaw the work of the external auditors
- reviewed and approved the annual audit plan and monitored the audit plan's execution
- received written confirmation from KPMG of its independence, including written disclosure of all relationships between KPMG and Equitable
- assessed KPMG's performance on (i) qualifications, skill and experience of the engagement team, (ii) quality of communications and service, and (iii) independence, objectivity and professional skepticism, all of which were rated satisfactory
- received updates from KPMG on auditing developments
- recommended the approval of the auditors' fees to the Board for approval and proposed that the Board recommend to the shareholders the appointment of KPMG as the external auditor
- pre-approved all engagements with KPMG and the associated fees, and received quarterly reports on fees paid for audit, audit-related, tax and other services
- reviewed the report from the Canadian Public Accountability Board pursuant to their inspection of KPMG's audit of Equitable
- discussed with KPMG the impact of upcoming accounting standards, including the effect on the financial statements and related disclosures

Internal Auditor

- reviewed the performance and independence of the Vice-President of Internal Audit and approved the mandate, budget and resources of the Internal Audit function
- reviewed and approved Internal Audit three-year plan and the 2017 schedule of audits, and reviewed quarterly reports of all internal audit activities, including the risk assessment scoring model to satisfy itself that the plan is appropriate and addresses the Bank's seven core risks over a measurable cycle
- received quarterly report of internal audit activities, findings and recommendations
- considered the results of the external quality assurance review of the Internal Audit function

Legal and Regulatory

- received reports on litigation claims against Equitable Bank
- received management's report on the Bank's whistleblower program and procedures

Risk and Capital Committee

Members	
Eric Kirzner (Chair) Eric Beutel Lynn McDonald Vincenza Sera Michael Stramaglia	*100% independent*

The Risk and Capital Committee is responsible for: (i) reviewing the Core Risks and assessing whether the key risks of the Company have been identified and adequately monitored; (ii) reviewing Equitable's risk appetite and risk tolerance limits established in the context of its Risk Appetite Statement; (iii) reviewing Equitable's actual risk profile against the approved risk appetite and assessing the Company's policies, programs, procedures and controls in place to manage its core risks; (iv) identifying and monitoring future trends and emerging risks; and (v) taking an enterprise-wide view of risks faced by the Company.

The Committee met four times in 2016. At each meeting the Committee met *in camera* without management present and separately *in camera* with the Chief Risk Officer.

The Committee is satisfied that it has fulfilled its responsibilities under its mandate and has approved this report.

2016 Highlights

Risk Oversight

- reviewed and recommended for Board approval the Bank's risk appetite framework, which includes the risk appetite statement
- received regular reporting on the assessment of the Bank's risk profile against risk appetite and monitored the Bank's capital targets and ratios
- received quarterly reports from the Chief Risk Officer on his enterprise-wide view of the Bank's core risks and the policies, programs and controls to manage these risks
- reviewed the quarterly risk dashboards submitted by the Enterprise Risk Management Committee and the report on the Bank's enterprise-wide stress testing program
- received regular updates on Equitable's emerging risks
- received updates on the development of the Bank's recovery plan
- reviewed the adequacy of the Bank's insurance coverage
- received regular updates on fraud management initiatives
- received regular status updates on the effectiveness of the Bank's cybersecurity program
- received regular updates on the Bank's progress with the AIRB initiative
- reviewed the enhancements made to the risk rating system for the commercial loan portfolio
- participated in a number of discussions on management's oversight of key risks and risk strategies related to its business operations

Risk Culture

- received updates on the Bank's activities in building a culture that promotes accountability and encourages open communication and transparency on all aspects of risk taking

Risk Function

- reviewed the organizational structure and resources of the Risk function and approved the budget
- approved the mandate of the Chief Risk Officer and assessed his performance

Human Resources and Compensation Committee

Members	
Lynn McDonald (Chair) Johanne Brossard Michael Emory Michael Stramaglia	*100% independent*

The Committee is responsible for: (i) overseeing the design and operation of the compensation program to ensure alignment with the Company's strategy, risk appetite framework, and regulatory requirements; (ii) setting performance objectives for the CEO which are aligned with the Company's strategy and regularly measuring his performance against these objectives; (iii) determining the compensation of the CEO and Executive Officers in consultation with independent advisors; (iv) overseeing senior management succession planning and talent management; and (v) reviewing an annual report on executive compensation for inclusion in the Company's Management Information Circular.

The Committee met five times in 2016, with one meeting scheduled solely for the approval of the Compensation Discussion and Analysis. The Committee also met with its independent advisor at four of these meetings, and met in *camera*, without management present, at each meeting.

The Committee is satisfied that it has fulfilled its responsibilities under its mandate and has approved this report.

2016 Highlights

CEO and Executive Compensation

- developed in conjunction with the Chair of the Board and the CEO, the CEO's 2016 performance objectives for approval by the Board
- in conjunction with the Chair of the Board, assessed the CEO's performance against established objectives and made compensation recommendations for approval by the Board
- reviewed and discussed with the independent advisor trends and best practices in executive compensation and governance updates
- reviewed the performance assessments and approved the compensation of the Executive Officers, including the Named Executive Officers
- reviewed and recommended for Board approval the 2016 Short-term Incentive Plan performance targets and adjustments thereto to reflect changes in the operational plan
- recommended the appointment of two new Vice-Presidents
- reviewed and discussed with the CRO the alignment of the compensation program with Equitable's risk appetite framework
- reviewed the Compensation Discussion and Analysis
- reviewed and recommended for Board approval amendments to the Employee Share Purchase Plan to enable employees to transfer their funds held in the ESPP to a tax-free savings account or a registered retirement savings plan

Succession Planning and Talent Management

- reviewed the succession plan for the CEO and emergency succession plans for key Executive Officers
- reviewed and discussed strategies for training, engaging and developing talent and gained greater visibility of the Bank's high performers

Employee Engagement

- reviewed and discussed the results of the 2016 employee engagement survey and management action plans

Corporate Governance Committee

Members Vincenza Sera (Chair) Eric Beutel Johanne Brossard Rowan Saunders	*100% independent*

The Committee is responsible for: (i) identifying individuals qualified to become directors of the Company; (ii) recommending candidates for election or re-election as directors; (iii) overseeing the development and assessment of the Company's corporate governance policies and practices, including a code of conduct; (iv) determining the desired experience, mix of skills and other qualities to assure appropriate board composition; (v) reviewing and recommending the compensation of non-employee directors of the Company; (vi) evaluating board, board committee and individual director performance; (vii) reviewing regulatory compliance; and (viii) acting as the conduct review committee for the Bank's Board and reviewing its policies and practices relating to self-dealing.

The Committee met five times in 2016, one of which was a meeting to approve the governance disclosure, including the Statement of Corporate Governance Practices in the 2016 Circular. At each meeting the Committee met *in camera* without management present, and met in separate *in camera* sessions with the Chief Compliance Officer and the Chief Anti-Money Laundering Officer at four of these meetings. The Committee also met separately *in camera* with the Vice-President, Internal Audit at one meeting.

The Committee is satisfied that it has fulfilled its responsibilities under its mandate and has approved this report.

2016 Highlights

Composition of the Board

- reviewed and recommended to the Board for approval the nominees for election as directors
- assessed the independence, attendance record and directorships held by each director prior to nominating all directors for election at the annual meeting of shareholders
- reviewed Committee membership and recommended changes to the Board for approval
- reviewed board composition and recruitment in light of the upcoming director retirement

Director Recruitment

- oversaw the director selection process, including identification of selection criteria and the selection of an executive search firm
- reviewed potential candidates and recommended the appointment of Kishore Kapoor to the Board in November 2016

Board Performance

- oversaw actions taken by Management to help improve board efficiency, including the streamlining of the policy review process and rationalizing the responsibilities of the Investment Committee, the Audit Committee, and the Risk and Capital Committee
- monitored the Board's progress against its 2016 objectives
- established the annual schedule of director education topics
- reviewed and enhanced the annual board evaluation process by implementing a peer review process

Corporate Governance

- reviewed the mandates of the Chair of the Board, Committee Chairs and the CEO
- monitored developments and proposed changes to securities laws, disclosure and other regulatory requirements
- monitored director share ownership requirements
- reviewed the board interlock between two of our directors
- discussed the emergency preparedness planning process for the Chair of the Board
- reviewed and approved our corporate governance disclosure

Regulatory Compliance

- met quarterly with the CCO and received updates on compliance with applicable laws and regulations, and the Code of Business Conduct, and approved the annual Compliance Plan
- met quarterly with the CAMLO and received updates on the design and operation of the Bank's anti-money laundering/anti-terrorist financing program
- approved the mandates for the Chief Compliance Officer and the Chief Anti-Money Laundering Officer
- approved the budget for the Compliance function and oversaw its effectiveness, independence and resources
- reviewed internal audit reports relating to the adequacy and effectiveness of the Bank's procedures and controls to manage regulatory compliance risk

Conduct Review

- reviewed and recommended for Board approval the directors' report to OSFI on conduct review activities in 2016
- approved certain related party transactions

Investment Committee

Members Eric Beutel (Chair) Michael Emory Vincenza Sera	*100% independent*

The Committee is responsible for: (i) monitoring the Bank's credit, market and liquidity risks; (ii) reviewing appropriate limits for these risks; and (iii) ensuring compliance with regulatory requirements for these risks.

The Committee had four regularly scheduled meetings in 2016 and met *in camera* without management present at each meeting. The Committee also met 23 times in 2016 to deal with credit applications in excess of management approval limits.

The Committee is satisfied that it has fulfilled its responsibilities under its mandate and has approved this report.

2016 Highlights

Oversight of Credit Risk

- reviewed detailed reports on the quality of the Bank's mortgage portfolio and closely monitored all changes, in particular all significant exposures to credit risk, problem loans, impaired loans, and the status of loan losses
- reviewed quarterly reports concerning the adequacy of the collective and individual allowances for potential credit losses in the mortgage portfolio and the appropriateness of the collective allowance methodology
- reviewed and approved the single family and commercial mortgage risk appetite statements
- approved changes in credit approval limits to management and approved credit applications which exceeded those limits
- reviewed and approved changes to the Bank's lending policies and received confirmation that the Bank's lending policies and practices continue to comply with regulatory guidelines
- considered the results of reviews by the Bank's regulator relating to the Bank's real estate secured lending activities and oversaw management's actions in response

Oversight of Liquidity and Funding, and Market Risks

- reviewed and recommended to the Board for approval the Bank's policies and limits for managing and mitigating liquidity risk
- reviewed quarterly reports on liquidity and interest rate risk positions and the assumptions underlying the various stress tests for these risks
- monitored the declining value in the Bank's preferred share portfolio and were satisfied that these declines were a function of market conditions and there was a small risk of credit loss
- reviewed internal audit reports relating to the adequacy and effectiveness of the Bank's procedures and controls to manage its credit, liquidity and market risks

Letter to Shareholders

Dear shareholder,

The Human Resources and Compensation Committee (the "HRC Committee") and the Board of Directors are committed to providing a clear and transparent description of our executive compensation framework, including our philosophy, approach to making decisions, and the compensation provided to our Named Executive Officers ("NEOs").

2016 Performance Highlights

- 16.9% ROE – exceeds most industry benchmarks
- Record EPS of $8.49 – 10% increase over 2015
- 14% CET1 Ratio – ahead of regulatory minimums

OUR APPROACH TO EXECUTIVE COMPENSATION

Equitable is committed to an executive compensation program that aligns with:

- Company performance
- Shareholder interests and long-term value creation
- Equitable's risk parameters, culture and values
- Comparable financial institutions

Annually the HRC Committee actively considers the appropriateness of implementing an advisory vote on executive compensation. At this time, the HRC Committee feels sufficient feedback is received on the executive compensation programs through its regular interactions with shareholders.

2016 COMPANY PERFORMANCE

- Increased book value by 18% over 2015
- Grew assets under management by 27%
- Sustained low loss levels, recording provisions for credit losses of $2.4 million or 2 bps of average loan balances
- Achieved lowest efficiency ratio of all publicly listed Schedule I banks at 37.8%
- Successfully launched Digital Bank in January – accumulated nearly $1 billion in deposits by year end
- Achieved AON Hewitt Best Employer 2017 with a PLATINUM standing within Top 30

KEY 2016 COMPENSATION DECISIONS

The HRC Committee and Board considered corporate and individual performance for 2016 compensation decisions, as well as relevant experience, internal equity, and competitiveness against the external market when setting both target and actual compensation levels.

Salary. On average, NEO base salaries increased by 2.9% in 2017

Short-term incentive. Equitable had very good corporate performance in 2016:

- *Financial performance*: achieved a maximum score of 1.17x, given superior performance of financial metrics
- *Strategic goals*: upon HRC Committee review, achieved a score of 1.05x, given performance against strategic objectives
- *Overall score*: 1.225x, aligned with corporate performance

Equitable's 5-year TSR is 160% - well above the TSX Capped Financials Index at 66% and the TSX Composite Index at 49%

Long-term incentive. In March 2017, Equitable granted stock options, Restricted Share Units ("RSUs") and Performance Share Units ("PSUs") in accordance with the Company's established policy. All NEOs received a grant equal to their target award. The aggregate grant value awarded to the five NEOs was $1.4 million, an increase in grant date value of 8.3% compared to the previous year.

The Board and HRC Committee remain committed to a pay-for-performance philosophy and continue to assess the executive compensation framework regularly to ensure alignment with Equitable's short- and long-term business strategy, and risk parameters.

Lynn McDonald

Lynn McDonald
Chair, HRC Committee

David LeGresley
Chair of the Board

Compensation Discussion and Analysis

The information provided in this section on Executive Compensation pertains to the Company and its sole wholly-owned subsidiary, Equitable Bank (the "Bank"), a Schedule I Bank under the Bank Act (Canada), hereinafter jointly referred to as the Company.

We outline our compensation program design, specifically with respect to the following NEOs in 2016:

NEO	Title
Andrew Moor	President & Chief Executive Officer ("CEO")
Tim Wilson	Vice President & Chief Financial Officer ("CFO")
Ron Tratch	Vice President & Chief Risk Officer ("CRO")
Darren Lorimer	Vice President, Commercial Lending
David Downie	Vice President, Commercial Mortgage Origination

EXECUTIVE COMPENSATION PHILOSOPHY, OBJECTIVE & PRINCIPLES

Objective

Our compensation program is designed to attract, motivate and retain the necessary talent to meet the Company's corporate objectives.

Guiding Principles

The compensation program has been designed based on the following guiding principles:

COMPETITIVE	PAY FOR PERFORMANCE
• Compensation is regularly compared to similar positions in the Canadian market and/or Canadian financial services • HRC Committee considers individual performance, experience, internal equity and retention in its evaluation and decisions	• Significant portion of compensation provided through incentives tied to the success of the Company / individual • Pay "at risk" amount is reviewed to ensure it reflects the level / nature of the position, generally increasing with seniority
OPERATES WITHIN OUR RISK PARAMETERS	**ALIGNED WITH SHAREHOLDER INTERESTS**
• Compensation is regularly reviewed against the Office of the Superintendent of Financial Institution's ("OSFI") Corporate Governance Guideline and the Financial Stability Board ("FSB") Principles • The CRO reviews the compensation programs to ensure alignment with the Company's risk appetite	• Executives receive a significant portion of their "at risk" compensation in long-term incentives, tied directly to share price • Half of the CEO's long-term incentives are comprised of PSUs, which are tied to relative total shareholder return ("TSR")

COMPENSATION GOVERNANCE AND OVERSIGHT

The Company's compensation governance structure consists of the Board of Directors, the HRC Committee, and its independent advisor, Willis Towers Watson. The Company has a Board-approved Compensation Policy ("Policy") which outlines the Company's compensation philosophy, principles and program guidelines that apply to all employees, including NEOs.

Board of Directors	• Ensures compensation program attracts, motivates and retains highly qualified critical employees • Ensures practices are aligned with the business strategy and are in compliance with the Principles for Sound Compensation Practices and Implementation Standards established by the FSB
NEOs	• VP, Human Resources at least annually reports to the HRC Committee on the Policy effectiveness • CRO reports to the HRC Committee at least annually on the alignment of compensation programs and payouts with sound risk management principles and practices • Internal Audit reports periodic assessments of this Policy to the Audit and HRC Committees
HRC Committee **Independent Committee Members**: Lynn McDonald (Chair) Johanne Brossard Michael Emory Michael Stramaglia	• Assists the Board's oversight of the Company's compensation philosophy and structure • Reviews the Compensation Policy and applicable compensation programs • Reviews and recommends annual corporate and individual performance targets for the CEO to the Board and annually recommends CEO compensation to the Board following an evaluation of performance against targets • Reviews and approves total compensation of the NEOs, except for the CEO which is approved by the Board • Assesses appropriateness of compensation relative to actual performance and business risks • Reviews the senior level organizational structure of the Company • Supports the Board in oversight of succession planning and talent management • Reviews and monitors share ownership requirements for the CEO, CFO and CRO The members of the HRC Committee have gained experience serving as senior leaders in large organizations, all having extensive experience and knowledge in Human Resources, Executive Compensation, Finance, Corporate Governance, Risk Management and Public Company Leadership. Members of the HRC Committee also sit on other committees, including the Corporate Governance Committee, the Investment Committee, the Audit Committee and the Risk and Capital Committee. This provides the HRC Committee with the knowledge, skills, experience and background to effectively fulfill its mandate. Cross-Committee membership supports effective oversight of compensation and alignment with risk management. In 2016, the HRC Committee held five meetings, with management in attendance. At each meeting, the HRC Committee holds an *in camera* session without management present. No employee or executive, including the CEO, is present when his or her compensation is discussed.

Independent Advice

The HRC Committee has engaged Willis Towers Watson as an external independent compensation advisor since 2009. In 2016, the services provided by Willis Towers Watson to the HRC Committee included:

- Providing competitive market compensation data, as required
- Highlighting compensation and regulatory trends and best practices
- Providing input into annual incentive plan process including the corporate scorecard
- Reviewing the Compensation Discussion and Analysis section of the Management Information Circular
- Providing advice on peer pay practices and stock option valuations

The HRC Committee regularly meets with Willis Towers Watson without management present to discuss compensation related matters free from the influence of management, ensuring oversight of compensation. Decisions made by the HRC Committee are based on multiple sources and do not necessarily reflect advice received from Willis Towers Watson.

The table below shows the fees paid to Willis Towers Watson in 2015 and 2016, in respect of services provided to the HRC Committee:

Services Performed	Fees paid in 2016 ($)	Fees paid in 2015 ($)
Executive Compensation-related fees	76,738	90,328
All other fees	0	0

Compensation Decision Making Process

MANAGEMENT

Vice-President, Human Resources
- Compensation levels and mix assessment
- Manages performance assessment process

Chief Risk Officer
- Assesses company performance against risk appetite and stress tests incentive plans
- Together with the Risk & Capital Committee, assesses alignment of compensation with compensation philosophy, business objectives, and risk profile

Chief Executive Officer
- Assesses NEO performance and compensation

INDEPENDENT COMPENSATION CONSULTANT
- Research, analysis and advice on benchmarking best practices and emerging trends in executive compensation

HRC COMMITTEE
- Assesses CEO performance
- Approves NEO compensation / recommends CEO compensation to the Board

BOARD
- Approves design of incentive plans
- Approves Corporate Performance Scorecard
- Reviews and approves CEO compensation and targets
- Approves all equity awards

COMPENSATION RISK MANAGEMENT PRINCIPLES AND PRACTICES

Effective risk management is critical to our success and the achievement of our business objectives. Our compensation program is designed to ensure it does not incentivize excessive risk taking. The Board regularly reviews the program to ensure its effectiveness. The core risks faced by the Company are described on pages 53 through 62 of our 2016 Annual Report.

The Company seeks to align pay with our business strategy to drive performance, reward prudent management of a financial institution and protection of depositors, maximize long-term shareholder return, and attract and retain key talent, while considering risk appetite.

The HRC Committee has implemented a number of risk-mitigating features, including the following:

WHAT WE DO	WHAT WE DON'T DO
✓ Minimum share ownership requirements (CEO, CFO, CRO)	X Provide guaranteed, multi-year bonuses
✓ Clawback & Anti-Hedging Practices	X Repeat performance measures across incentive plans
✓ Code of Business Conduct and Ethics	X Payout incentives if unwarranted by performance
✓ Significant percentage of "at risk" compensation	X Reprice or replace underwater stock options
✓ Capped incentive opportunities	X Implement single trigger voluntary change of control termination provisions for new executive contracts
✓ External independent advice	
✓ Competitive target positioning against peer group	X Grant, renew or extend loans to employees
✓ Assess / review risk and compliance accountabilities	X Include the value of unexercised option awards in determining ownership compliance
✓ HRC Committee and Board discretion of awards	

The performance goals for all employees, including executives, must incorporate the following:

- Understand the Company's risk and compliance management frameworks, policies, guidelines and practices
- Ensure all decisions take into account risk / compliance management considerations and adhere to the appropriate related policies
- Positively promote effective risk / compliance management culture in all daily operations and decisions
- Proactively approach compliance management and anticipate changes to compliance regulations
- Demonstrate awareness of risks and manage responsibilities in a manner consistent with the Company's Risk Appetite Framework

Clawback Provision

The compensation clawback provision is in effect if, in the opinion of the independent directors of the Board, the Company's financial results are restated due, in whole or in part, to intentional fraud or willful misconduct by the CEO, the CFO and/or the CRO. The HRC Committee reviews all incentive compensation awarded to these executives that is attributable to performance during the time period restated. Pursuant to this review, the Board will have the discretion to recoup all or a portion of incentive awards that have been awarded or are vested, and cancel unvested LTI awarded in the preceding 12 months that are in excess of the amount that would have been received by these executives under the restated financial statements.

Anti-Hedging Practices

Under the Company's trading policies, all employees and directors are prohibited from entering into any transaction that is designed to, or has the effect of, hedging or offsetting a decrease in the market value of their outstanding equity compensation awards or equity securities of the Company.

Share Ownership Requirements for Executive Officers

The Board strongly supports equity ownership by our employees. The Board approved share ownership requirements for the CEO, CFO and CRO as shown in the table below. Personal shareholdings and RSUs and PSUs count towards their share ownership requirement. Share ownership status is calculated using the higher of acquisition cost and the market value as at the date of compliance, which is March 31.

	Share Ownership Requirement ($ & multiple of base salary)		Ownership Level ($ & multiple of base salary) (as at March 31, 2017)		Years to Meet Requirement
President & CEO	$645,000	3x	$11,846,246	18.37 x	Met
Vice-President & CFO	$356,400	1x	$560,787	1.57 x	Met
Vice-President & CRO	$283,000	1x	$313,899	1.11 x	Met

Based on the foregoing, the HRC Committee is satisfied that the Company's Compensation Policy and program does not encourage the undertaking of risks which could have a material adverse effect on the Company.

ALIGNING COMPENSATION WITH FSB PRINCIPLES

The FSB Principles were designed to enhance the stability and soundness of financial institutions by protecting them against excessive risk taking. The Company believes that its approach to compensation aligns with OSFI in the Corporate Governance Guideline and with the FSB Principles as outlined in the table below.

	FSB Principles	Our Compensation Practices
Effective Governance of Compensation	**The Board actively oversees the design and operation of the Company's compensation system**	• The Board governs the Company's compensation philosophy and structure through the review and approval of the Compensation Policy and incentive plans • The Board approves CEO compensation • The HRC Committee: ○ reviews the performance of the Executive Officers ○ approves compensation for NEOs, excluding CEO ○ makes determinations with respect to incentive compensation and criteria, and ○ oversees the hiring, promotion and compensation of Executive Officers
	The Board monitors and reviews the compensation system to ensure it operates as intended	• The HRC Committee monitors and reviews the compensation system to ensure alignment with risk management principles and practices, including the Compensation Philosophy, compensation program design, and incentive performance targets / outcomes / payouts • The HRC Committee engages an independent compensation advisor to assist in the compensation program review, including the structure and level of compensation for NEOs
	Staff engaged in financial and risk control must be independent, have appropriate authority, and be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the Company	• Compensation for employees in control functions, including risk, internal audit, compliance, and finance, is determined based on the Company's overall results and their individual performance and is independent of the specific businesses they support • The CFO, Vice-President, Internal Audit, Chief Compliance Officer ("CCO") and the CRO meet *in camera* with the appropriate Board Committee (Audit, Risk and Capital, and/or Corporate Governance) at each Committee meeting • The Vice-President, Internal Audit reports directly to Chair of the Audit Committee • The Audit Committee Chair recommends the Vice-President, Internal Audit's compensation
Effective Alignment of Compensation with Prudent Risk Taking	**Compensation must be adjusted for all types of risk**	• All incentive plans include a discretionary element which allows the HRC Committee to consider risk when making compensation determinations for NEOs • Incentive threshold, target, and maximum performance levels are reviewed by the HRC Committee and are set considering multiple perspectives including historical performance, budget and strategic plan and external factors
	Compensation outcomes must be symmetric with risk outcomes	• Performance-based incentives are based on qualitative and quantitative criteria • Short-term incentives are based on pre-established thresholds, targets, and maximum percentages of base salary by employee level, with no minimums or guaranteed bonuses • Performance-based incentive programs are stress tested to assess the impact of maximum bonus payouts on the Company's capital position • Incentive compensation for all employees is subject to forfeiture if an employee resigns or is terminated for cause • Incentive compensation for the CEO, CFO and CRO is subject to clawback and forfeiture in the event of a financial restatement resulting from intentional fraud or willful misconduct • The CRO reviews the compensation programs to ensure alignment with the Company's risk appetite
	Compensation payout schedules must be sensitive to the time horizon of risks	• Significant portion of a NEO's pay is in long-term incentives to ensure alignment of compensation with the risk time horizon and to enhance the focus on longer-term value • Share ownership requirements for the CEO, CFO and CRO align interests with shareholders • Employees are prohibited from engaging in any hedging transactions with respect to the Company's shares
	The mix of cash, equity and other forms of compensation must be consistent with risk alignment	• The portion of equity-based compensation increases with seniority • Having a significant portion of compensation subject to vesting and potential reduction or forfeiture at maturity allows the Committee to ensure that, over time, actual compensation paid is aligned with risk-adjusted performance

Comparator Group

The competitive market for executive talent is drawn from businesses within financial services and broader general industry. It is challenging to determine one specific peer group for purposes of benchmarking the NEOs given our structure, size and scope as well as complexities associated with specific benchmarks. As such, the comparator group data is considered holistically in conjunction with other factors when making compensation decisions.

Screening Criteria. Companies within the same industry, across industries, and with which we compete for executive talent (e.g., other larger banks but on a position-by-position scope-adjusted basis) are evaluated. The appropriate sample used to assess the competitiveness of pay varies based on role and where talent is recruited and lost. The peer group considers the following criteria:

INDUSTRY
Financial services excluding asset management organizations

GEOGRAPHY
Canadian companies

SIZE
½ to 2x Equitable's revenue, assets, and market capitalization

Review Process.
The HRC Committee reviews compensation levels, trends, and competitive practices every other year based on market research provided by our independent advisor.

2016 Comparators
Canadian Western Bank
The Co-operators Group Ltd.
Economical Mutual Insurance Co.
First National Financial Corp.
Genworth MI Canada Inc.
Home Capital Group Inc.
Laurentian Bank

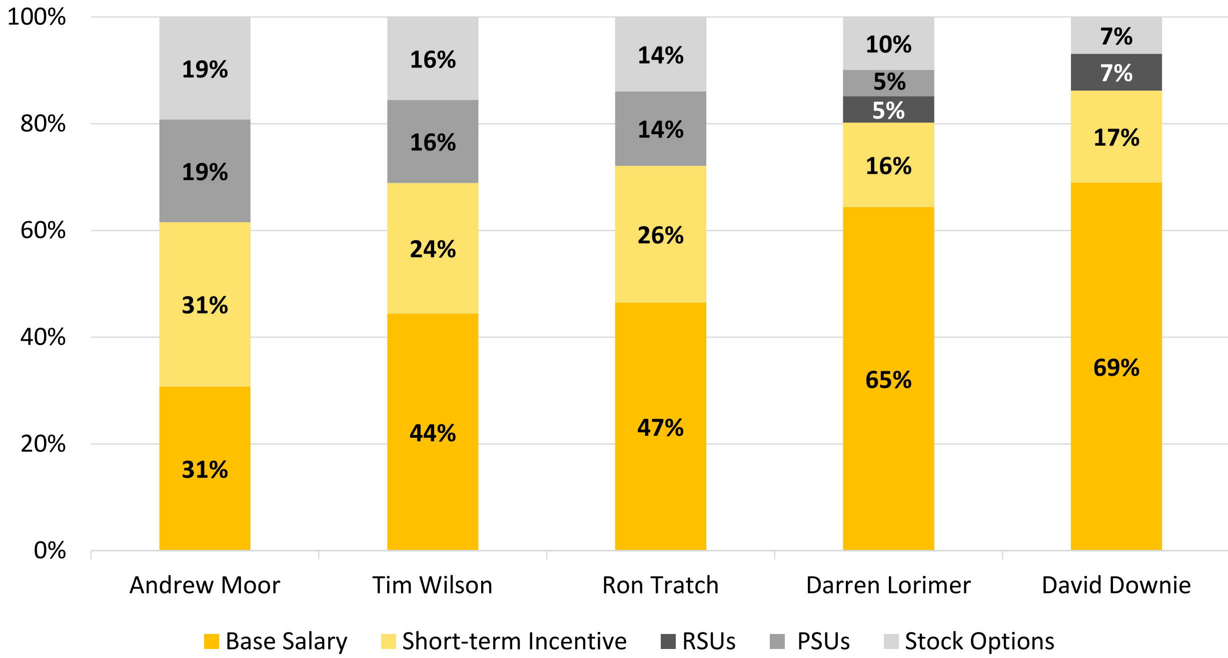
Secondary Reference. Equitable also reviews a broader financial industry survey sample as an additional point of validation when making compensation decisions.

- The most recent Willis Towers Watson executive compensation review completed in 2015 concluded that all elements of compensation for the CEO, CFO and CRO were generally within the competitive range of our comparator group and other financial industry compensation survey data. A competitive market review will be completed again in 2017
- On average, compensation is competitively positioned and consistent with the compensation philosophy

ELEMENTS OF EXECUTIVE COMPENSATION

<table>
<tr><th colspan="3">Element</th><th>Features / Objective</th><th>Performance Period</th><th>Form</th></tr>
<tr><td colspan="6">Total Direct Compensation</td></tr>
<tr><td>FIXED</td><td rowspan="2">SHORT-TERM</td><td>Base Salary</td><td>• Annually reviewed in accordance with contracts
• Reviewed every two years for market competitiveness
Objective: competitive compensation for skills and experience / attract and retain key top talent</td><td>1 year</td><td>Cash</td></tr>
<tr><td rowspan="3">AT RISK</td><td>Short-term Incentive</td><td>• Corporate performance measures: return on equity (⅓), earnings per share (⅓), common equity tier 1 ratio (⅓)
• Multiplier: +/- 20% based on strategic objectives
• Individual performance scorecard
Objective: award achievement of specific goals</td><td>1 year</td><td>Cash</td></tr>
<tr><td rowspan="2">LONG-TERM</td><td>Long-term Incentive:
Restricted Share Units ("RSU") & Performance Share Units ("PSUs")
(awarded under the Restricted Share Unit Plan)</td><td>• PSU payout based on relative TSR rank
Objective: align interests of executives and shareholders to create shareholder value / reward achievement of sustained long-term performance / attraction and retention</td><td>3 years (100%) vest</td><td>Cash</td></tr>
<tr><td>Share Option Plan</td><td>• Opportunity to purchase shares at the exercise price
Objective: align interests of executives and shareholders to create shareholder value / reward achievement of sustained long-term performance / attraction and retention</td><td>7 year term/ 4 year (25% per year) vest</td><td>Options</td></tr>
<tr><td colspan="6">Indirect Compensation</td></tr>
<tr><td colspan="3">Health benefits
Group Registered Retirement Savings Plan ("RRSP") & Deferred Profit Sharing Plan ("DPSP")
Employee Share Purchase Plan (ESPP)</td><td>• Provide market competitive benefit program
• Invest in employee health and well being
• Promote responsible retirement planning and support funding for income at retirement
• Consistent with the broad employee program</td><td>1 year</td><td>n/a</td></tr>
</table>

Target Total Direct Compensation Mix



BASE SALARY

Base salaries are set and reviewed annually with reference to the executive's level of accountability, competitive market data, internal pay relationships, individual role requirements, and the executive's proven capabilities as well as general market conditions and Company performance. Significant changes to an executive's mandate may also result in changes to base salary.

2016 and 2017 Base Salary Decisions

	2017	2016	% Increase (2017 - 2016)	2015	% Increase (2016 - 2015)
Andrew Moor	$645,000	**$645,000**	-[1]	$625,000	3.2%
Tim Wilson	$356,400	**$330,000**	8.0%	$300,000	10.0%
Ron Tratch	$283,000	**$268,000**	5.6%	$260,000	3.1%
Darren Lorimer	$265,000	**$255,000**	3.9%	$250,000[2]	2.0%
David Downie	$260,000	**$260,000**	0.0%	$254,125	2.3%

1. Consistent with the compensation policy for the CEO, salary is reviewed on a biannual basis.
2. Mr. Lorimer commenced employment October 1, 2015. The salary in table represents the full annualized salary.

SHORT-TERM INCENTIVE

The Company provides a cash short-term incentive ("STI") to NEOs. The STI is designed to motivate staff to achieve annual corporate and individual performance targets that align with our business, financial and strategic objectives. The STI provides an objective and transparent approach to ensuring direct pay-for-performance alignment and aligns with best practices.

Target STI Awards (% of base salary)

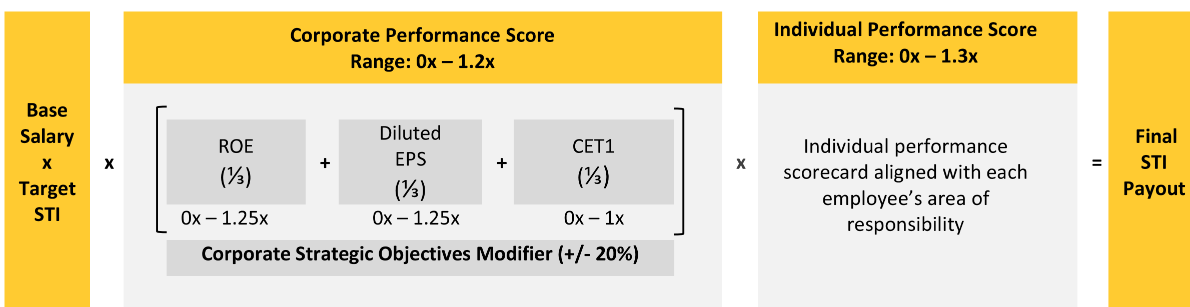
	Threshold	Target[1]	Maximum	Actual
Andrew Moor	20%	**100%**	150%	144.6%
Tim Wilson	11%	**55%**	82.5%	76.5%
Ron Tratch	11%	**55%**	82.5%	74.4%
Darren Lorimer	5%	**25%**	37.5%	34.5%
David Downie	5%	**25%**	37.5%	34.3%

1. Excluding the effect of corporate performance multiplier.

Corporate Performance. At the beginning of the year, the Board approves the corporate financial performance measures to be included in the STI plan and threshold, target and maximum performance levels to align with payout opportunities. Targets are established in context of last year's performance and budget.

The 2016 corporate financial performance measures are equally weighted:

- Earnings per Share ("EPS")
- Return on Equity ("ROE")
- Equitable Bank's Common Equity Tier 1 ("CET1") ratio



WHY ROE?
Key measure of ability to deliver return on shareholder's capital

WHY DILUTED EPS?
Single measure of profitability available to common shareholders

WHY CET1?
Risk-based measure of financial strength and reflects ability to balance risk and return, absorbing shocks and protecting depositors

The Corporate Performance Score is determined based on performance against each metric and subject to modification by +/- 20% based on the HRC Committee's year-end assessment of predetermined objectives ("Corporate Strategic Objectives Modifier").

The overall maximum Corporate Performance Score is capped at 1.4x (minimum = 0x), reflecting exceptional corporate performance at 1.2x plus an additional potential 20% for strategic objectives.

Individual Performance. The HRC Committee recommends individual performance targets for the CEO based on the Company's long-term business and strategic objectives to the Board for approval. The individual performance objectives for the remaining NEOs are reviewed and approved by the CEO in consultation with each NEO. Objectives vary based on respective roles and responsibilities.

At the end of the year, the CEO summarizes the performance of all direct reports for review and evaluation by the HRC Committee. An Individual Performance Score is determined based on an assessment of performance relative to the predetermined objectives.

The maximum Individual Performance Score is capped at 1.3x (minimum = 0), reflecting exceptional individual performance and contribution to the Company's objectives.

The final STI payout is then based on a combination of the Company's performance for the year and the individual performance scores.

Discretion

The HRC Committee's believes that although financial performance is an important consideration in determining the STI award, strict adherence to mathematical formulas could lead to unintended results. Accordingly, the HRC Committee retains the discretion to adjust STI awards based on qualitative considerations, such as extenuating circumstances and/or events that may have arisen over the course of the year which impacted the executive's ability to meet or exceed his or her original objectives, any new objectives that were mutually agreed upon during the year, as well as modifications to individual, departmental and/or corporate deliverables. If circumstances warrant, the total amount of the STI award can be adjusted downwards to zero.

Actual Performance

In accordance with its normal practice, the HRC Committee reviewed and approved performance targets and ranges for each of the annual incentive measures at the beginning of 2016. During the year, Senior Management recommended and the Board approved operational decisions that deferred recognition of profit from 2016 into future years and increased the long-term shareholder value. As an appropriate minor adjustment to reflect this decision, in November 2016, the HRC Committee revised the Earnings per Share and Return on Equity performance measure targets and ranges in accordance with the budget. This adjustment made no material impact on earned performance awards.

In February 2017, the HRC Committee reviewed the Company's 2016 financial performance relative to the adjusted EPS and ROE targets and the Company's CET1 ratio targets approved by the Board with performance results as follows:

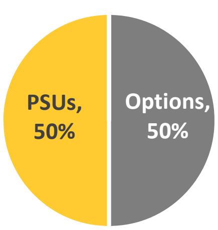
Performance Factor	Target	Actual	Below/Meets/Exceeds Target	Corporate Performance Score
Earnings Per Share	$7.91	$8.49	Exceeds	1/3 weight x 1.25 score
Return on Equity	16.0%	16.9%	Exceeds	1/3 weight x 1.25 score
CET1 ratio	≥ 13%	14%	Exceeds	1/3 weight x 1.0 score
Strategic Objectives	Not disclosed due to competitive harm	Not disclosed due to competitive harm	Exceeds	+5%
				1.225x corporate score

Based on the financial performance results and individual performance reviews conducted at the end of 2016, the HRC Committee approved all NEO STI awards, excluding the CEO. The HRC Committee also reviews the CEO's performance against objectives and recommends the CEO's STI award to the Board for approval.

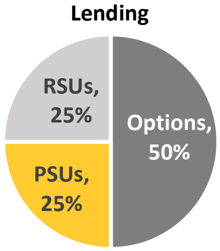
LONG-TERM INCENTIVE

The LTI comprises the following mix of vehicles:

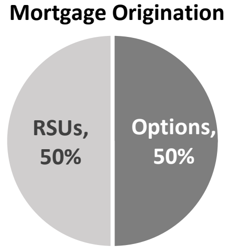
CEO, CFO, CRO



VP, Commercial Lending



VP, Commercial Mortgage Origination



Objectives

- Align the interests of Management with shareholders
- Enhance ability to attract, motivate and retain instrumental executives
- Provide opportunity for Management to build economic stake in the Company

The HRC Committee considers the following to determine individual grants:

- Market competitiveness (based on periodic benchmarking)
- Position level of the executive
- Responsibilities associated with position level
- Retention considerations
- Internal equity

The HRC Committee submits its recommendation to the Board for approval.

Target LTI Awards (% of base salary)

Position	Target
CEO*	**125%**
CFO	**70%**
CRO	**60%**
VP Commercial Lending**	**30%**
VP Commercial Mortgage Origination	**20%**

*The range for annual LTI grants for the CEO is 100% - 150% of salary, depending on factors considered at time of grant.
**Increased from 25% to 30% in 2017.

Share Unit Plan

Each RSU/PSU represents one notional common share and earns notional dividends, which are re-invested into additional RSUs/PSUs, as the case may be, when cash dividends are paid on the Company's common shares.

The number of RSUs/PSUs granted is determined on the grant date by dividing the target award value by the previous five-day weighted average trading price of a common share. The RSU/PSU award for each NEO granted in February 2017 is as follows:

	Number Awarded (#)			Grant Date Fair Value[1] ($)	Award (% of base salary)
	RSUs	PSUs	Total		
Andrew Moor	-	5,849	**5,849**	$419,257	65%
Tim Wilson	-	1,611	**1,611**	$115,477	35%
Ron Tratch	-	1,122	**1,122**	$ 80,425	30%
Darren Lorimer	267	267	**534**	$ 38,277	15%
David Downie	363	-	**363**	$ 26,020	10%

1. The grant date fair value shown is based on the volume-weighted average trading price of the common shares on the TSX for the five consecutive trading days prior to February 28, 2017 of $71.68 for RSU and PSU awards.

RSUs

Vesting. At the end of three years ("cliff vest"), subject to continued employment.

Payout. Cash (including those acquired as dividend equivalents) based on the volume-weighted average trading price of the Company's common shares on the TSX for the five consecutive trading days immediately prior to and ending on the vesting date. Payments are made by December 31st of the year the units vest, and withholding taxes apply.

PSUs

Vesting. At the end of three years ("cliff vest"), subject to continued employment.

The number of PSUs granted are adjusted at payout based on TSR relative to performance peers ("payout adjustment factor").

Number of RSUs/PSUs. Target RSU/PSU award value divided by previous five-day weighted average trading price of a common share.

Year 1 Year 2 Year 3

Grant → **Performance payout based on relative TSR against Performance Comparator Group** × **Payout Adjustment Factor** (75% to 125% of Grant) = **Payout (cash)**

Where TSR is negative, the payout adjustment factor is automatically reduced to threshold (75%)

Performance Comparator Group

- Bank of Montreal
- Canadian Imperial Bank of Commerce
- Canadian Western Bank
- Laurentian Bank
- Genworth MI Canada Inc.
- Home Capital Group Inc.
- Royal Bank of Canada
- National Bank of Canada
- The Toronto-Dominion Bank
- The Bank of Nova Scotia

WHY THESE COMPANIES?

- Reflects regulated financial institutions in businesses subject to similar risks as Equitable's

TSR Calculation

$$\frac{\text{20-day volume-weighted average share price ending Nov 30}^{th}\text{ year three of performance period} - \text{20-day volume-weighted average share price beginning Jan 1}^{st}\text{ year one of performance period} + \text{Dividends paid from Jan 1}^{st}\text{ year one to Nov 30}^{th}\text{ year three of performance period}^{1}}{\text{20-day volume-weighted average share price beginning Jan 1}^{st}\text{ year one of performance period}} \times 100 = \text{TSR}$$

1. Reinvested at time of receipt.

Payout. Cash (including those acquired as dividend equivalents) based on the volume-weighted average trading price of the Company's common shares on the TSX for the five consecutive trading days immediately prior to and ending on the vesting date. Payments are made by December 31st of the year the units vest, and withholding taxes apply.

Calculating Payout Adjustment Factor

TSR Relative to Peer Group	Performance Payout Criteria
11th	75%
10th	80%
9th	85%
8th	90%
7th	95%
6th	100%
5th	105%
4th	110%
3rd	115%
2nd	120%
1st	125%

Option Plan

The Option award for each NEO granted in February 2017 is as follows:

	Number Granted[1] (#)	Grant Date Fair Value[2] ($)	Award (% of base salary)
Andrew Moor	31,594	$419,252	65.0%
Tim Wilson	8,704	$115,502	35.0%
Ron Tratch	6,059	$80,403	30.0%
Darren Lorimer	2,882	$38,244	15.0%
David Downie	1,959	$25,996	10.0%

1. The number of Options granted is determined by dividing the target option award value by the estimated fair value of such Option.
2. The grant date fair value of $13.27 is calculated based on a Black-Scholes option pricing model, assuming a term of 7 years and vesting over 4 years.

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 Option Plan as at March 31, 2017. The Option Plan is the only component of the Company's compensation plan that allows for the issuance of equity securities.

Plan Category	Number of securities to be issued upon exercise of outstanding options (3.9% of outstanding common shares as at **March 31, 2017**)	Weighted-average price of outstanding options ($)	Number of securities remaining available for future issuance under equity compensation plans[1] (5.0% of outstanding common shares as at **March 31, 2017**)
Equity compensation plans approved by security holders	644,933	$50.29	830,637

1. Based on the maximum number of common shares reserved for issuance under the Option Plan upon the exercise of options of 1,475,570.

Eligibility	Executive Officers and other members of management
Maximum option term	Ten years (2017 grant was seven years)
Exercise price	Volume-weighted average trading price of the common shares for the five consecutive trading days immediately preceding the date of grant
Term, vesting and exercise of options	• 2017 Grant Term: seven years • Vesting: four year ratable (25% per year commencing on the first anniversary of the grant date) Options must vest before they can be exercised. 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.

Maximum number of shares issuable	• 1,475,570 common shares, representing 9.0% of the Company's issued and outstanding common shares as at March 31, 2017 • 644,933 shares issuable upon exercise of outstanding options (representing 3.9% of issued and outstanding common shares as at March 31, 2017) • 830,637 shares remain available for issuance (representing 5% of the Company's issued and outstanding shares as at March 31, 2017) The number of common shares issuable to insiders at any time or issued to insiders within any one-year period pursuant to all security based compensation arrangements shall not exceed 10% of the Company's outstanding common shares. No insider can be granted options exceeding 5% of the total number of issued and outstanding common shares. As of March 31, 2017 the total number of options to exercise common shares granted to an insider was 252,023 common shares, representing 1.5% of the total number of common shares outstanding.
Expiry of options	The earlier of: i. Original expiry date and 30 days after retirement date ii. Original expiry date and one year from date of termination due to death iii. Ten year anniversary date of the grant **Termination for cause / resignation**: forfeited **Termination without cause**: exercise outstanding exercisable options within 30 days and remaining options are forfeited.
Limit on Individual Grants	The Option Plan does not provide for a maximum number of shares which may be issued to an individual pursuant to the Option Plan and any other share compensation arrangement (expressed as a percentage or otherwise).
Transfer/assignment	Only to a legal representative in the case of a participant's death
Financial assistance	None provided
Change of control	All unvested options vest and become exercisable
Clawback	Grants are subject to clawback for misconduct by the CEO, the CFO and/or the CRO
Amendments to the Plan	The Board may, at any time, amend, suspend or terminate the Option Plan or any portion of the Option Plan, subject to any required shareholder or regulatory approval. Shareholder approval is required to: • Increase 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 • Reduce the exercise price of options or cancel and reissue options at a lower exercise price to the same person • Extend the term of an option beyond the expiry date (except where an expiry date would have fallen within a blackout period of the Company) • Extend eligibility to participate in the Option Plan to non-employee directors Amendments that may be made without shareholder approval include: • "Housekeeping" and administrative changes • Changes to the terms, conditions and mechanics of grant, vesting, exercise and early expiry • Any amendments designed to comply with applicable laws, tax or accounting regulations • Addition of a cashless feature, payable in cash or securities, which provides for a full deduction in the number of underlying securities from the Plan's reserve • Any other amendment, fundamental or otherwise, not requiring shareholder approval under applicable laws or the rules, regulations and policies of the TSX There were no amendments to the Option Plan in 2016.

BENEFITS

NEOs receive the same benefits as all employees, including medical and dental care plans and life, disability and accident insurance. In addition, executives are entitled to participate in an annual comprehensive fitness and medical assessment program.

The Company does not have a pension plan for its executives or employees. All employees, including executives are eligible to participate in our Group Registered Retirement Savings Plan (“RRSP”) and Deferred Profit Sharing Plan (“DPSP”) (collectively the “Plan”). The Company will make a maximum contribution equivalent to 5% of an employee’s annual base salary per year to the DPSP during the first five years of employment and up to 7.5% of the employee’s base salary after five years of continued employment. The Company’s contributions vest after two years of membership in the DPSP and are capped at the Canada Revenue Agency maximum for each year. In the event of termination within the initial two-year period of Plan membership, the Company’s 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.

In order to develop a sense of ownership and align the interests of the Company with those of its employees, the Company sponsors an Employee Share Purchase Plan (“ESPP”). Under the ESPP, employees may contribute up to 10% of their annual base salary to purchase common shares of the Company. The Company makes a matching contribution equivalent to 50% of the employee’s contribution and up to a maximum of $2,500 per year. Using the amounts contributed, common shares of the Company are purchased on the open market by an independent agent for the benefit of participating employees.

TALENT MANAGEMENT AND SUCCESSION PLANNING

The Board and the HRC Committee are responsible for succession planning for the CEO and for overseeing succession planning for other key executive roles, such as the CFO and CRO. This includes identifying potential succession candidates for the CEO’s role and ensuring that the senior leadership team has identified potential succession candidates for other key senior management roles, along with monitoring the Company’s career development plans for these individuals.

Representation of Women in Executive Officer Appointments

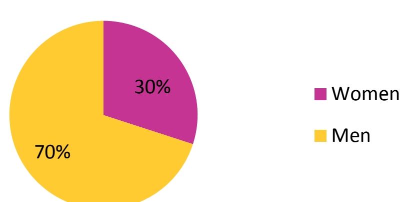
We believe that the diversity of our talent, ideas and experiences is a true strength at Equitable. We recognize the value of ensuring that Equitable’s employees have diverse attributes, including that it has a substantial number of employees who are women.

In appointing individuals to executive officer positions, Equitable weighs a number of factors, including the skills and relevant experience required for the position and the personal attributes of the candidate. The level of representation of women in these roles is also considered.

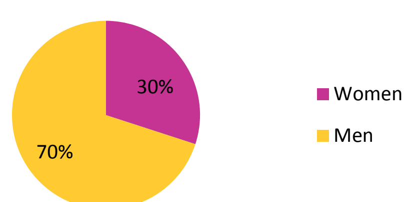
Our executive team includes our President and CEO and his direct reports, three of whom are women, representing 30% of the entire team.

At the present time Equitable has not adopted a target for the number of women in executive officer positions. Equitable does, however, regard the representation of women in these positions as an important issue and we are working diligently to achieve more gender diversity at this level. Our talent management program focuses not only on executive positions but places increasing emphasis on identifying and developing high potential individuals who are not yet in senior leadership roles.

Women Executive Officers at April 6, 2016

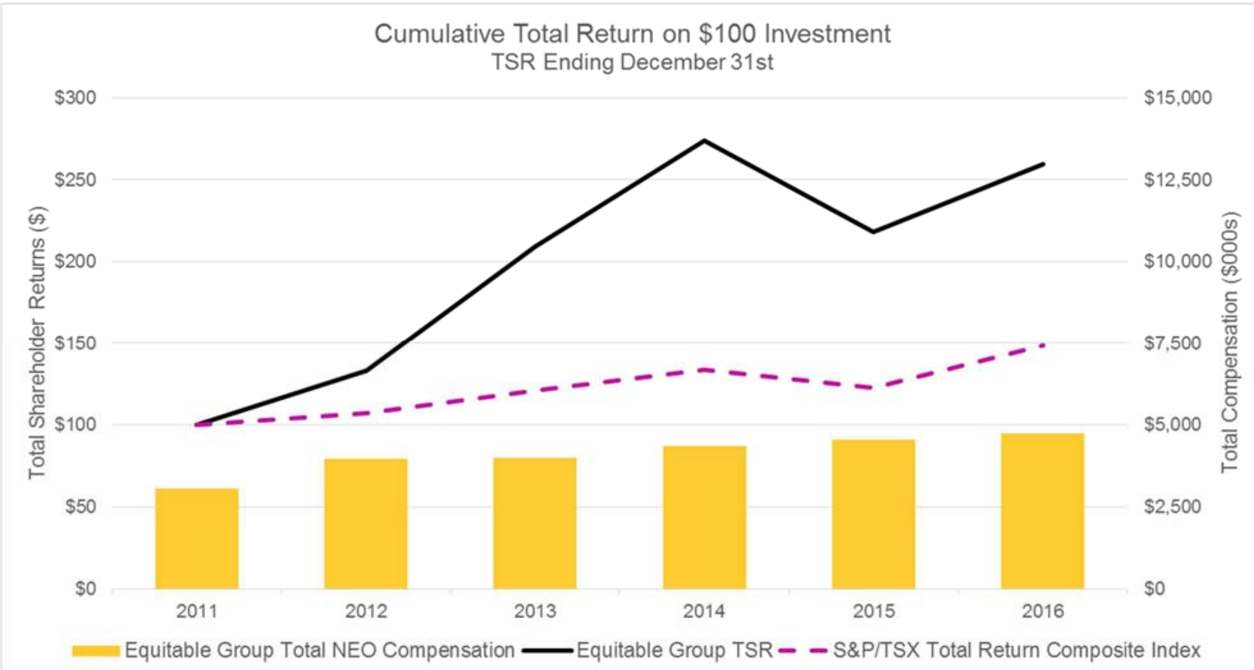


Women Executive Officers as at March 31, 2017



PAY FOR PERFORMANCE

The following graph compares the cumulative total shareholder return for $100 invested in the Company's common shares over the five year-period from December 31, 2011 to December 31, 2016 with the cumulative total shareholder return of the S&P/TSX Composite Index over the same period. It assumes the reinvestment of all dividends. Over the past five years, Equitable posted total shareholder returns of 160%, well above the S&P/TSX Index return of 49%. Over the same period, NEO compensation increased 55%.



	2011	2012	2013	2014	2015	2016
Equitable Group TSR	$100	$133	$210	$274	$218	$260
S&P / TSX Total Return Composite Index	$100	$107	$121	$134	$123	$149
Equitable Group Total NEO Compensation[1]	$3,056	$3,972	$3,985	$4,340	$4,534	$4,751

1. Total NEO compensation as reported in the Summary Compensation Table.

Cost of Management Ratio

The following table shows the total aggregate compensation for NEOs as a percentage of net income in each of the last three years:

	2016	2015	2014
Total Aggregate NEO Compensation	$4,751,474	$4,533,998	$4,340,209
Net Income After Tax	$138,330,000	$125,865,000	$106,718,000
Total Aggregate NEO Compensation as a % of Net Income After Tax	3.4%	3.6%	4.1%

SUMMARY COMPENSATION TABLE

The following table summarizes total compensation awarded to the NEOs of the Company and Equitable Bank in respect of the financial year ended December 31, 2016 and the two prior calendar years:

Name and Principal Position	Year	Salary ($)	Share-based Awards[1] ($)	Option-based Awards[2] ($)	Non-equity Incentive Plan Compensation Annual Incentive Plans ($)	Pension Value[3] ($)	All Other Compensation ($)	Total Compensation[4] ($)
Andrew Moor President and Chief Executive Officer	2016 2015 2014	645,000 625,000 600,000	419,257 390,599 375,000	419,252 390,627 375,000	932,350 937,500 900,000	13,005 12,685 12,465	2,500 2,500 2,500	2,431,364 2,358,911 2,264,965
Tim Wilson Vice President and Chief Financial Officer	2016 2015 2014	330,000 300,000 275,835	115,477 105,024 96,542	115,502 105,003 96,542	250,000 240,000 225,000	13,005 12,685 12,465	2,500 2,500 2,500	826,484 765,212 708,884
Ron Tratch Vice President and Chief Risk Officer	2016 2015 2014	268,000 260,000 229,450	80,425 78,024 65,000	80,403 78,003 65,000	200,000 200,000 90,000	13,005 12,685 11,472	2,500 2,500 2,500	644,333 631,212 463,422
Darren Lorimer Vice President, Commercial Lending	2016 2015	255,000 62,500	38,277 -	38,244 -	88,000 30,000	12,750 -	2,500 -	434,741 92,500
David Downie Vice-President, Commercial Mortgage Origination	2016 2015 2014	260,000 254,125 246,725	26,020 25,406 24,673	25,996 25,416 24,673	87,000 87,000 85,000	13,005 12,685 12,465	2,500 2,500 2,500	414,521 407,132 396,036

1. RSUs/PSUs were awarded in February 2017, March 2016, and March 2015 in recognition of the NEO's performance in 2016, 2015, and 2014, respectively. The grant date fair market value of the RSUs/PSUs is based on the volume-weighted average trading price of the Company's common share on the TSX for the five days prior to February 28, 2017 of $71.68, March 9, 2016 of $53.15, and March 5, 2015 of $59.98, respectively.
2. The Black-Scholes option pricing model is used to determine both the value of stock options for compensation purposes and the accounting fair value. In February 2017, the assumptions used in determining the number of options to be granted were an exercise price of $59.70, a stock volatility of 28.6%, a dividend yield of 1.4%, an option term of 4.75 years, and an interest rate of 1.04%. The fair value of each option granted for compensation purposes for performance in 2016 was $13.27. The accounting fair value of each option granted for performance in 2016 was $15.93 for Messrs. Moor, Wilson and Tratch, and $9.95 for Messrs. Downie and Lorimer as a result of a 25% forfeiture assumption applied to options granted to non-Senior Management. The actual exercise price for options granted in March 2017 was $71.68. In February 2016, the assumptions used in determining the number of options to be granted were an exercise price of $46.20, a stock volatility of 25.9%, a dividend yield of 1.3%, an option term of 4.75 years, and an interest rate of 0.46%. The fair value of each option granted for compensation purposes for performance in 2015 was $9.00. The accounting fair value of each option granted for performance in 2015 was $9.00 for Messrs. Moor, Wilson and Tratch and $6.75 for Messrs. Downie and Lorimer as a result of a 25% forfeiture assumption applied to options granted to non-Senior Management. The actual exercise price for options granted in March 2016 was $53.15. In February 2015, the assumptions used in determining the number of options to be granted were; an exercise price of $59.29, a stock volatility of 22.4%, a dividend yield of 1.1%, an option term of 4.75 years, and an interest rate of 0.73%. The fair value of each option granted for compensation purposes for performance in 2014 was $10.46. The accounting fair value of each option granted for performance in 2014 was $10.56 for Messrs. Moor and Wilson and $7.92 for Messrs. Tratch and Downie as a result of a 25% forfeiture assumption applied to options granted to non-Senior Management. The actual exercise price for options granted in March 2015 was $59.98.
3. Reflects the Company's contribution to the NEO's DPSP.
4. The value of perquisites and benefits for each NEO did not exceed $50,000 and/or 10% of the total annual salary and bonus.

Outstanding Option-based Awards and Share-based Awards

The table below shows all NEO Option-based and Share-based Awards that were outstanding as at December 31, 2016:

Name	Grant Year	Option-based Awards				Share-based Awards (RSUs/PSUs)	
		Number of securities underlying unexercised options	Option exercise price ($)	Option expiration Date	Value of unexercised in-the-money options[1] ($)	Number of shares or units that have not vested[2] (#)	Market or payout value of share-based awards that have not vested[3] ($)
Andrew Moor	2016	43,403	53.15	Mar 9, 2023	317,276	7,432	448,373
	2015	35,311	59.98	Mar 5, 2022	17,045	6,408	386,594
	2014	39,823	52.90	Mar 10, 2021	301,062	-	-
	2013	54,000	36.11	Mar 7, 2020	1,314,900	-	-
	2012	47,692	29.32	Mar 5, 2019	1,485,129	-	-
Tim Wilson	2016	11,667	53.15	Mar 9, 2023	85,286	1,998	120,539
	2015	9,142	59.98	Mar 5, 2022	4,388	1,649	99,484
	2014	7,406	52.90	Mar 10, 2021	55,989	-	-
	2013	10,000	36.11	Mar 7, 2020	243,500	-	-
	2012	10,000	27.23	May 12, 2019	332,300	-	-
	2012	27,000	29.32	Mar 5, 2019	840,780	-	-
Ron Tratch	2016	8,667	53.15	Mar 9, 2023	63,356	1,485	89,590
	2015	6,155	59.98	Mar 5, 2022	2,954	1,110	66,966
	2014	2,464	52.90	Mar 10, 2021	18,628	-	-
	2013	3,328	36.11	Mar 7, 2020	81,037	-	-
	2012	1,905	29.32	Mar 5, 2019	59,322	-	-
	2011	7,500	26.01	Dec 12, 2018	258,375	-	-
Darren Lorimer	2016	3,472	53.15	Mar 9, 2023	25,380	595	35,896
	2015	5,000	55.32	Nov 23, 2022	25,700	-	-
David Downie	2016	2,824	53.15	Mar 9, 2023	20,643	483	29,139
	2015	2,336	59.98	Mar 5, 2022	1,121	421	25,399
	2014	2,650	52.90	Mar 10, 2021	20,034	-	-
	2013	2,710	36.11	Mar 7, 2020	65,989	-	-
	2012	595	29.32	Mar 5, 2019	18,528	-	-

1. Based on the closing price of the Company's common shares on the TSX on December 31, 2016 of $60.46 less the exercise price of the options.
2. Includes RSUs / PSUs accumulated on the reinvestment of dividends.
3. Based on the volume-weighted average trading price of a Company common share on the TSX for the five days prior to December 31, 2016 of $60.33.

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, 2016, the annual short-term incentive/cash bonus awarded to each NEO in respect of 2016 performance (paid in February 2017), and the share-based award value vested during the year.

Name	2016			2015		
	Option-based awards - value vested during the year[1] ($)	Non-equity incentive plan compensation - value earned during the year ($)	Share-based awards - value vested during the year ($)	Option-based awards - value vested during the year[1] ($)	Non-equity incentive plan compensation - value earned during the year ($)	Share-based awards - value vested during the year ($)
Andrew Moor	539,786	932,350	145,071	1,165,448	937,500	178,987
Tim Wilson	300,635	250,000	80,804	391,477	240,000	99,306
Ron Tratch	26,931	200,000	26,851	86,956	200,000	32,816
Darren Lorimer	3,550	88,000	-	-	-	-
David Downie	31,148	87,000	28,863	73,579	87,000	35,712

1. Value is based on the closing price of the Company's common shares on the TSX on the date of vesting and the exercise price of the options. If the closing price of the Company's common shares was below the exercise price, the option had no current value and is valued at $0.

TERMINATION AND CHANGE OF CONTROL

The Company had employment agreements in place with each NEO during 2016. The details relating to payments and other obligations arising under various scenarios pursuant to the terms of employment agreements and plan terms and conditions are described below. Except where stated otherwise, (i) the salaries of each NEO will cease as of the date of termination, and (ii) each NEO is entitled to receive any accrued and outstanding base salary and amounts owing under the Company's benefits program, including accrued vacation pay, up to the date of termination.

Termination with Cause

In the event of termination with cause, no NEO is entitled to any further compensation following their date of termination. In addition, any unvested options are cancelled and any vested options are exercisable for 30 days from the date of termination. The RSUs and PSUs held by such NEO would be immediately forfeited and cancelled.

Termination without Cause

Severance	• Mr. Moor is entitled to salary continuance in an amount equal to his base salary plus the average performance bonus for the immediate preceding three years, for a period equal to the Severance Period (as defined below) or until re-employment. In the event of re-employment, or upon request, Mr. Moor is entitled to a lump sum payment of 50% of salary continuance for the balance of the Severance Period. The Severance Period is equal to 12 months until the fifth anniversary of employment upon which time it increases to 13 months and increases by one additional month on each anniversary of commencement of employment thereafter, to a maximum of 24 months. Mr. Moor's Severance Period is 17 months based on nine years of employment. • Mr. Wilson is entitled to salary continuance in an amount equal to his base salary plus the average performance bonus for the immediate preceding three years, for the earlier of the Severance Period (as defined above) or re-employment. In the event of re-employment, Mr. Wilson is entitled to a lump sum payment of 50% of salary continuance for the balance of the Severance Period. Mr. Wilson's Severance Period is 12 months based on four years of employment. • Mr. Lorimer is entitled to six months' pay in lieu of notice, to be paid by way of salary continuance, during the first three years of employment, plus one additional month pay in lieu of notice for each year of employment thereafter, up to a maximum of 18 months. Salary continuance is based on salary as at the date of termination plus average bonus over the preceding three years of completed employment or total completed years of employment, whichever is less. In the event of re-employment, Mr. Lorimer is entitled to a lump sum payment of 50% of salary continuance for the balance of the notice period. Mr. Lorimer's notice period is six months based on one year of employment.

	• While neither Messrs. Tratch nor Downie are entitled to salary continuance, Mr. Tratch is entitled to three months' notice, plus one month notice for each year of employment after the first year (or pay in lieu thereof), up to a maximum of 18 months, and Mr. Downie is entitled to eight weeks' notice, plus an additional week of notice for each year of employment (or pay in lieu thereof). Mr. Tratch's notice period is seven months based on five years of employment while Mr. Downie's notice period is 25 weeks based on 17 years of employment.
Performance Bonus	• If terminated *prior* to the end of any fiscal year, Mr. Moor and Mr. Wilson are entitled to a payment equal to the average performance bonus earned for the immediate preceding three years, pro-rated to the number of days in that fiscal year to the date of termination. If terminated between January 1st and the Board meeting dealing with year-end matters in February of that same year, Messrs. Moor and Wilson each receive a full bonus for the preceding fiscal year. • Messrs. Tratch, Lorimer and Downie are not entitled to any pro-rated performance bonus in the year of termination.
Options	• Mr. Moor's unvested options that would have vested in the fiscal year following the date of termination would be deemed vested and exercisable for a period of 30 days from the date of termination. • Mr. Wilson is entitled to the acceleration of vesting of those issued but unvested options which will vest on the next date after the date of termination, to be exercised within 30 days of the date of termination. • For Messrs. Tratch, Lorimer and Downie, all unvested options are cancelled upon termination and all vested options are exercisable for 30 days following termination.
Restricted Share Units	• Messrs. Lorimer and Downie are the only NEOs who are awarded RSUs and in the event of termination without cause are entitled to a pro rata number of RSUs based on the number of days during the vesting period prior to termination compared to the entire term of the vesting period. The balance of RSUs are forfeited and cancelled.
Performance Share Units	• All NEOs, except Mr. Downie who is not awarded PSUs, are entitled to a pro rata number of PSUs based on the number of days during the vesting period prior to termination. The balance of PSUs are forfeited and cancelled. • The Board having regard to the performance of the Company shall determine the extent to which the performance payout criteria have been satisfied as of the date of termination and shall determine the performance payout percentage to be applied in respect of such PSU award at that time.
Other	• Messrs. Moor and Wilson are entitled to continued coverage under the Company's benefits program for the duration of the Severance Period or until re-employment, whichever is earlier. • Messrs. Tratch and Downie are entitled to continued coverage under the Company's benefits program during the notice period. • Mr. Lorimer is entitled to continued coverage under the Company's benefits program during the minimum statutory notice period and is entitled only to health and dental benefits for the balance of the notice period. • Messrs. Moor and Wilson are entitled to outplacement services for a period determined at the sole discretion of the Company. • Additionally, Mr. Moor is entitled to work as a non-executive Director and/or to work in a consulting capacity up to a total maximum gross revenue to him, or to an operating or consulting company he may own for this purpose, of $200,000 per annum without triggering any re-employment provision.

Death

Severance	• Salary of a NEO immediately ceases as of the date of death.
Performance Bonus	• No NEO, other than Mr. Moor, is entitled to receive any amounts related to his performance bonus upon death. • Mr. Moor's estate/beneficiary is entitled to payment of any performance bonus, pro-rated to the number of days in that fiscal year up to the date of death.
Options	• Under the Option Plan, options may be exercised within a period determined by the Board provided that such period is the earlier of (i) the expiry date of the options, and (ii) 12 months following the date of death.
Restricted Share Units	• Messrs. Lorimer and Downie are the only NEOs who are awarded RSUs. In the event of death of either of these NEOs their estate/beneficiary is entitled to a pro rata number of RSUs based on the number of days during the vesting period prior to date of death as compared to the entire term of the vesting period. The balance of RSUs is forfeited.
Performance Share Units	• All NEOs, except Mr. Downie who is not awarded PSUs, are entitled to a pro rata number of PSUs based on the number of days during the vesting period prior to the date of death. The balance of PSUs are forfeited and cancelled. • The Board, having regard to the performance of the Company, shall determine the extent to which the performance payout criteria have been satisfied as of the date of death and shall determine the performance payout percentage to be applied in respect of such PSU award at that time.
Other	• No other benefits or payments are provided.

Change of Control

Severance	• If termination occurs within 12 months of a change of control, Mr. Moor is entitled to a lump sum payment representing base salary in lieu of the Severance Period, plus a payment in respect of the average performance bonus paid in the three years immediately preceding the date upon which notice of termination is provided, prorated to the Severance Period. • If termination occurs within 12 months of a change of control, Mr. Lorimer is entitled to the same severance as he would be entitled to upon termination without cause (see previous page). • No other NEO is entitled to any severance-related compensation upon termination following a change of control.
Performance Bonus	• If termination occurs within 12 months of a change of control and prior to the payment of the prior year's performance bonus, Mr. Moor is entitled to payment in respect of the full prior year performance bonus. In addition, he is entitled to a performance bonus in accordance with the short-term incentive plan, prorated, for the period up to and including the date of termination. • No other NEO is entitled to any performance bonus following a change of control.
Options	• Under the Option Plan, all options vest and become exercisable.
Restricted Share Units	• <u>If common shares of the successor corporation *are* listed on a recognized exchange</u>: the number of RSUs attributed to a NEO will be adjusted by the Board, or the successor board, to preserve the economic position of the award of RSUs. All other terms and conditions of the Restricted Share Unit Plan applicable to RSUs continue to apply for the balance of the vesting period. Vesting is not accelerated. • <u>If common shares of the successor corporation *are not* listed on a recognized stock exchange</u>: the fair market value of each RSU attributed to the NEO will be deemed to be the value at which the change of control occurred and the value of the RSUs will be crystallized at such value. The Board, or the successor board, may resolve to (i) accelerate the vesting date, or (ii) retain the original vesting date in respect of up to one-half of the crystallized value. If employment is terminated following a change of control, the vesting period will be accelerated and a settlement payment made. • Messrs. Lorimer and Downie are the only NEOs awarded RSUs.
Performance Share Units	• PSUs are treated in the same manner as RSUs, except that, where the common shares of the successor corporation *are not* listed on a recognized stock exchange, the Board, having regard to the performance of the NEO and the Company, will also determine (i) the extent to which the performance payout criteria have been satisfied by the NEO as of the date of the change of control and (ii) the performance payout percentage to be applied in respect of such PSU award at that time. • All NEOs, except for Mr. Downie, are awarded PSUs.
Other	• If termination occurs within 12 months of a change of control, Mr. Moor is entitled to continued coverage under Equitable Bank's benefits program for the Severance Period. • If termination occurs within 12 months of a change of control, Mr. Lorimer is entitled to the same benefits coverage as he would be entitled to upon termination without cause (see previous page). • None of Messrs. Wilson, Tratch or Downie are entitled to any other amounts upon a change of control.

Resignation or Retirement

Severance	• Mr. Moor may terminate his employment upon 60 days' prior written notice. This notice period may be waived by the Board at its sole discretion and, if waived, Mr. Moor is entitled to salary continuance only to the end of the 60 day period. • Mr. Wilson may terminate his employment upon 30 days' prior written notice. This notice period may be waived by the Board at its sole discretion and if waived, Mr. Wilson is entitled to salary continuance only to the end of the 30 day period. • No NEO is entitled to any severance-related payments.
Performance Bonus	• No NEO is entitled to any performance bonus upon resignation.
Options	• For all NEOs, vested options will cease to be exercisable within a period of 30 days after the date of resignation or retirement date, after which all outstanding options are forfeited.
Restricted Share Units	• Messrs. Lorimer and Downie are the only NEOs who are awarded RSUs. All RSUs are forfeited and cancelled upon resignation. • Upon retirement, these NEOs are entitled to a pro rata number of RSUs based on the number of days during the vesting period prior to retirement as compared to the entire term of the vesting period. The balance of RSUs is forfeited.
Performance Share Units	• All PSUs are forfeited and cancelled upon resignation. • Upon retirement, NEOs, except Mr. Downie who is not awarded PSUs, are entitled to a pro rata number of PSUs based on the number of days during the vesting period prior to retirement as compared to the entire term of the vesting period. The balance of PSUs is forfeited. • Upon retirement, the Board, having regard to the performance of the Company, shall determine the extent to which the performance payout criteria have been satisfied as of the date of retirement and shall determine the performance payout percentage to be applied in respect of such PSU award at that time.
Other	• In the event that the Board waives the 60 day notice period required of Mr. Moor to voluntarily terminate his employment, Mr. Moor is entitled to continued benefits coverage up to the end of the 60 day period. • In the event that the Board waives the 30 day notice period required of Mr. Wilson to voluntarily terminate his employment, Mr. Wilson is entitled to continued benefits coverage up to the end of the 30 day period. • In the event Mr. Moor resigns as a result of a material reduction in his status, powers or responsibilities, a reduction in his compensation, perquisites and benefits without his consent, or a failure to pay his base salary or performance bonus in accordance with his performance agreement ("Resignation with Good Reason"), Mr. Moor will be entitled to receive all such benefits and entitlements as if his employment was terminated without cause. • None of Messrs. Tratch, Lorimer or Downie are entitled to any other payments upon voluntary termination of employment.

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 upon a change of control, assuming the triggering event took place on December 31, 2016:

Event	Andrew Moor ($)	Tim Wilson ($)	Ron Tratch ($)	Darren Lorimer ($)	David Downie ($)
Termination with Cause					
Severance	-	-	-	-	-
Bonus	-	-	-	-	-
Options[2]	-	-	-	-	-
RSU/PSU	-	-	-	-	-
Other[3]	-	-	-	-	-
Termination without Cause					
Severance	2,204,390	556,333	178,667	132,500	125,000
Bonus	-	-	-	-	-
Options[2]	487,571	97,291	-	-	-
RSU/PSU	385,500	100,738	70,289	10,539	23,684
Other[3]	-	-	-	-	-
Change of Control					
Severance	2,204,390	-	-	-	-
Bonus	-	-	-	-	-
Options[2]	809,319	177,447	483,672	20,942	53,489
RSU/PSU	834,943	220,059	156,554	35,875	51,179
Other[2]	-	-	-	-	-
Death					
Severance	-	-	-	-	-
Bonus	-	-	-	-	-
Options[2]	-	-	-	-	-
RSU/PSU	385,500	100,738	70,289	10,539	23,684
Other[3]	-	-	-	-	-
Resignation					
Severance	-	-	-	-	-
Bonus	-	-	-	-	-
Options[2]	-	-	-	-	-
RSU/PSU	-	-	-	-	-
Other[3]	-	-	-	-	-
Retirement					
Severance	-	-	-	-	-
Bonus	-	-	-	-	-
Options[2]	-	-	-	-	-
RSU/PSU	385,500	100,738	70,289	35,875	23,684
Other[3]	-	-	-	-	-

1. The value of the option is the difference between the closing price of the common shares on December 31, 2016 on the TSX ($60.46) and the exercise price of the option.
2. Other incremental payments do not include payments required under the Company's benefits program as such amounts are not determinable.
3. All unvested options vest and 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, 2016 on the TSX ($60.46) and the exercise price of the options.

The following additional disclosure is designed to conform to the Basel Committee on Banking Supervision's ("BCBS") Pillar 3 disclosure requirements for remuneration. This disclosure covers only Senior Management and those employees who are designated as 'Other Material Risk Takers'.

For the purposes of this disclosure, the Company classified four individuals as Senior Management during 2016. These include the CEO, CFO, CRO and CCO. Other Material Risk Takers consist of the Officers and Business Unit Heads of Equitable Bank. For the year-ended December 31 2016, the Company designated 16 individuals as Other Material Risk Takers.

Outlined below is the aggregate value of compensation that was awarded to Senior Management and Other Material Risk Takers in 2015 and 2016.

Total Value of Compensation Awarded

Element of Compensation	Senior Management				Other Material Risk Takers			
	2016		2015		2016		2015	
	Non-Deferred ($)	Deferred [1] ($)	Non-Deferred ($)	Deferred [1] ($)	Non-Deferred ($)	Deferred [1] ($)	Non-Deferred ($)	Deferred [1] ($)
Fixed Compensation								
Cash-based	1,475,675	-	1,410,875	-	2,950,644	-	2,794,847	-
Shares and Share-linked Instruments	-	-	-	-	-	-	-	-
Other	22,428	-	19,818	-	72,648	-	66,131	-
Variable Compensation								
Cash-based	1,462,850	-	1,458,500	-	1,038,500	-	995,500	-
Shares and Share-linked Instruments	288,634	1,300,118	321,109	1,203,718	318,577	720,167	343,942	642,658
Other	50,649	-	43,702	-	186,545	-	171,728	-

1. Deferred Compensation includes options and RSUs granted in 2016 and 2015.

Other Compensation paid

Element of Compensation	Senior Management				Other Material Risk Takers			
	2016		2015		2016		2015	
	Number	Amount ($)	Number	Amount ($)	Number	Amount ($)	Number	Amount ($)
Sign-on Awards	-	-	-	-	-	-	1	83,700
Guaranteed Awards	-	-	-	-	-	-	1	25,000
Severance	-	-	-	-	-	-	-	-

Deferred Compensation

Deferred compensation is comprised of options, PSUs and RSUs. The following tables include deferred compensation that was outstanding as at December 31, 2016 and 2015, which had not expired, or been forfeited or cancelled, as well as previously deferred compensation which was paid out during 2016 and 2015. There were no clawbacks or other similar reversals or downward re-evaluations of outstanding awards in either year.

Element of Compensation	Senior Management		Other Material Risk Takers	
	2016 ($)	2015 ($)	2016 ($)	2015 ($)
Outstanding Deferred Compensation				
Vested[1]	4,477,810	3,792,745	1,232,610	1,395,502
Unvested[2]	2,410,077	1,771,661	1,234,516	927,000
Total Deferred Compensation Outstanding	6,887,887	5,564,406	2,467,126	2,322,502
Deferred Compensation Payouts during the year[3]	2,265,266	1,857,931	1,318,382	1,284,050

1. Outstanding vested compensation is comprised of options that were exercisable on December 31, 2016 and December 31, 2015, respectively, but that had not yet been exercised. Each outstanding option is valued at the closing price of a common share on the TSX on December 31, 2016 and December 31, 2015 respectively, less the option's exercise price.
2. Outstanding unvested compensation is comprised of outstanding options that were not exercisable on or before December 31, 2016 and December 31, 2015, respectively, in addition to RSUs and PSUs that had not vested by December 31, 2016 and December 31, 2015, respectively. Outstanding options are valued at the closing price of a Company common share on the TSX as at December 31, 2016 and December 31, 2015 less the exercise price. Outstanding unvested RSUs and PSUs are valued at the volume-weighted average trading price of a Company common share on the TSX for the five business days prior to December 31, 2016 and December 31, 2015, respectively, in addition to any dividend entitlement earned on such unvested RSUs and PSUs between the date that they were granted and December 31, 2016 and December 31, 2015, respectively.
3. Payouts during the year include the value of exercised options during the year, in addition to any RSUs paid out in 2016 and 2015. For 2016 and 2015, stock option payouts are valued at the sale price of a Company common share on TSX at the time of the exercise less the exercise price. The value of RSU payouts is calculated based on the volume-weighted average trading price of a Company common share on the TSX for each of the five business days up to and including the vesting date, for the vested RSUs in addition to any dividend entitlement that was earned on such RSU between the grant date and the vesting date.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

We are committed to high standards of ethical conduct and strong corporate governance practices which we believe are essential to fostering stakeholder trust and confidence, management accountability and long-term shareholder value.

Our corporate governance practices are consistent with Bank Act requirements and the guidelines and rules of the Office of the Superintendent of Financial Institutions (Canada), Canadian Securities Administrators and the Toronto Stock Exchange that apply to us. We regularly review and update our governance practices in light of changing regulations and evolving best practices.

This Statement of Corporate Governance Practices has been approved by the Corporate Governance Committee of the Board.

Where to find it

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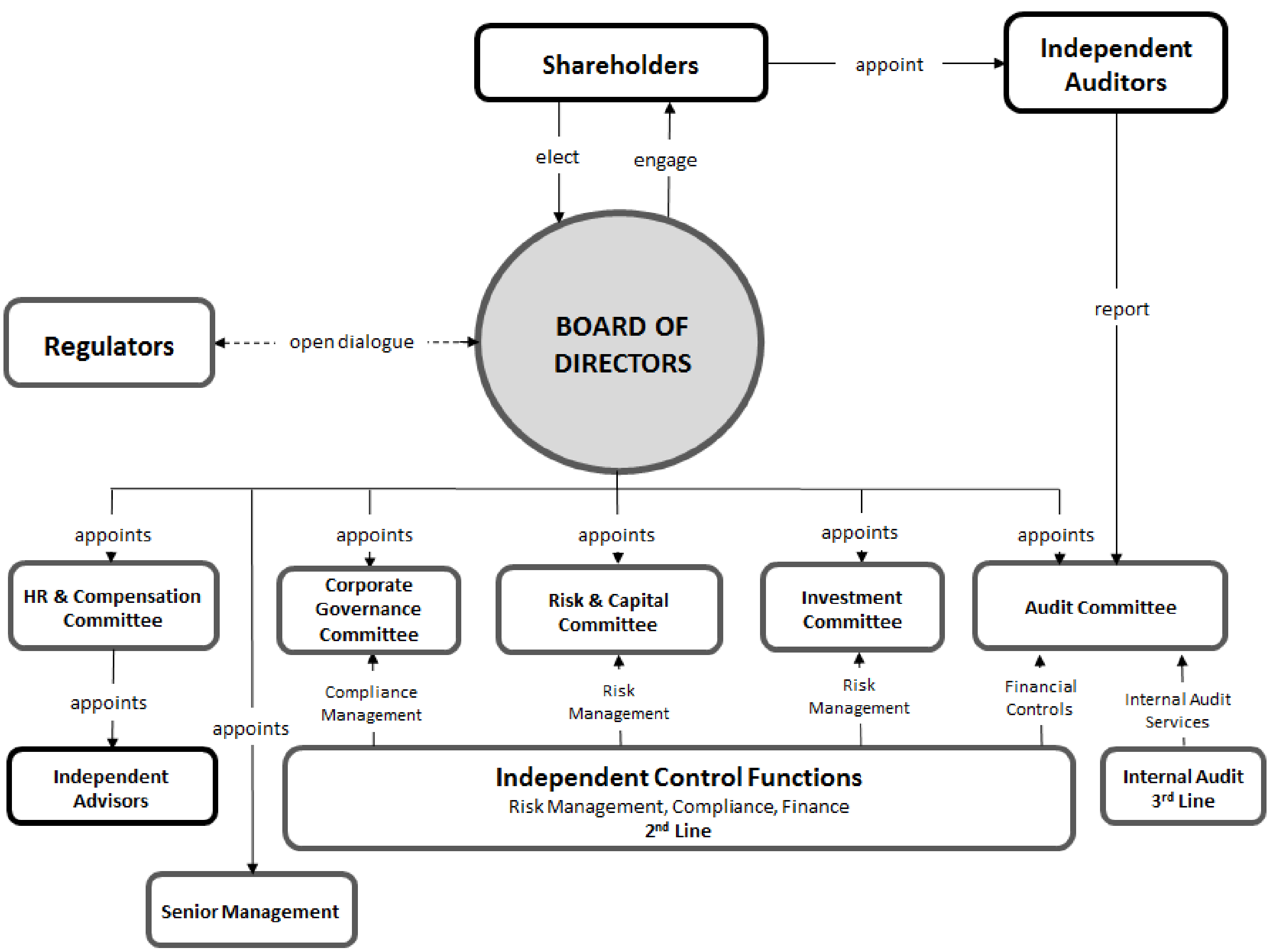
Board Committees 60
Composition of the Board, Nomination of Directors and Board Succession 61
Skills and Experience 62
Mechanisms of Board Renewal 64
Board Evaluation 65
Board Mandate 67

The following chart highlights our governance structure.



Integrity and Ethical Business Conduct

Equitable's Code of Business Conduct (Code), which is a reflection of the Bank's approach to business, governs the way directors, officers and employees deal with Equitable's customers, suppliers and other stakeholders, as well as each other. Together, all directors, officers and employees are responsible for preserving the Bank's reputation as a trusted partner dedicated to service. Equitable believes that acting ethically with honesty and integrity promotes a positive working environment, enhances Equitable's reputation and fosters future success. It is expected that all directors, officers and employees obey the law and adhere to high ethical standards. The Code addresses fundamental topics, such as conflicts of interest, confidentiality of corporate information, protection and use of corporate assets, and compliance with laws, regulations and other obligations including the reporting of any illegal or unethical behaviour.

All employees, officers and directors must confirm annually their compliance with the Code of Business Conduct

All employees and officers, as a condition of employment, and all directors, upon joining the Board, acknowledge in writing that they have read, understand and agree to comply with the Code. Each year, all directors, officers and employees are required to review and attest that they have complied with it during that fiscal year. For the year ended December 31, 2016, the President and Chief Executive Officer and all members of the Board have confirmed their compliance with the Code of Business Conduct. Equitable monitors compliance with the Code and the Chief Compliance Officer reports the results, as well as the adequacy and effectiveness of the Ethical Business Conduct Policy, to the Corporate Governance Committee annually.

Regular reporting on ethics and compliance to the Corporate Governance Committee assists the Board in monitoring adherence with the Code. Although waivers to the Code may be granted in exceptional circumstances with the approval of the Board, none were considered for approval in 2016.

A copy of the Code is accessible on SEDAR at www.sedar.com or on our website at www.equitablebank.ca.

Whistleblower Program

The Board has established a Whistleblower Policy to help safeguard the integrity of Equitable's financial reporting and business activities. The Whistleblower Program, including the Policy, supports the Board's commitment to ethical and professional behaviour and effective controls. It further assists Equitable's stakeholders in their reliance on the accuracy of our financial reporting. All directors, officers and employees are encouraged to ask questions or to immediately raise or report perceived or suspected concerns they may have without fear of retaliation. The Whistleblower Program provides multiple communication channels:

We have a multi-channel ethics hotline that enables our employees to raise concerns anonymously and confidentially

- Speak to their manager, another manager or Human Resources;
- Call a toll-free hotline, or access an online reporting tool, both of which are administered by an independent third party; and
- Call, email or write a letter marked "Confidential – only to be opened by the addressee" to the Chief Compliance Officer or the Chair of the Audit Committee.

Whistleblower concerns include any violation of any Equitable policy or financial matters, such as fraud, deficiencies in internal controls or deviations from full and fair recording of expenses and liabilities. All allegations are investigated internally or by an independent external party, action is taken where appropriate, and reported to the Audit Committee by the Chief Compliance Officer.

Conflicts of Interest

Directors seek to avoid situations where their interests might conflict with their duty to act in Equitable's best interest.

Directors must disclose their business and personal relationships with Equitable and other companies they have relationships with. They must also promptly report a potential, perceived or actual conflict of interest to the Chair of the Corporate Governance Committee. Directors who have an actual or potential conflict of interest do not participate in any related discussions or decisions.

Independence

The independence of the Company's directors is determined annually by the Board on the recommendation of the Corporate Governance Committee. The Board has established a Director Independence Policy which incorporates the definition of independence in the CSA rules. In addition, the Board, either directly or through one of its committees, adopts structures and procedures to ensure the Board functions independently of management. These structures include

90% of our director nominees are independent

- retaining external advisors to provide independent advice and counsel,
- conducting regular *in camera* sessions of the board and its committees without the CEO or any other member of management,
- appointing an independent non-executive Chair of the Board, and
- reviewing board interlocks.

A director will be considered independent if the Board has affirmatively determined that he or she has no direct or indirect material relationship with Equitable.

The information required to make this determination is collected from biographical material, reports, and questionnaires that are completed by the directors annually, and prior to their initial appointment. The Corporate Governance Committee reviews all information provided to determine if a director has any relationship with Equitable that could reasonably be expected to, or perceived to, interfere with the director's ability to act independently, and makes a recommendation to the Board based on this assessment.

The Board has reviewed all direct and indirect material relationships between each director nominee and Equitable. As shown in the table below, the Board has affirmatively determined that nine out of the ten nominated directors are independent, on the advice of the Corporate Governance Committee.

	Independent		Reason if not independent
	Yes	No	
Eric Beutel	✓		
Johanne Brossard	✓		
Michael Emory	✓		
Kishore Kapoor	✓		
Eric Kirzner	✓		
David LeGresley	✓		
Lynn McDonald	✓		
Andrew Moor		✓	President & CEO
Rowan Saunders	✓		
Vincenza Sera	✓		
Michael Stramaglia	✓		

Independent Chair of the Board

We have had a non-executive, independent Chair of the Board since 2004. The Chair of the Board presides over all board and shareholder meetings, and oversees the board committees. In carrying out his duties the Chair of the Board is expected to:

- provide leadership to the Board to ensure effective functioning of the Board
- act in an advisory capacity to the CEO on major strategic and business issues and corporate governance matters,
- oversee the Board's procedures so it can carry out its work effectively, efficiently and independently of management,
- participate in the recruitment of new directors,
- together with the Corporate Governance Committee, conduct the Board's annual evaluation process,
- assist the HRC Committee in monitoring and evaluating the performance of the CEO,
- manage the relationship between the Board and senior management, and
- require Management to provide timely and relevant information and access to other resources to support board work.

David LeGresley has served as independent Chair of the Board since 2014, and has been a director of Equitable since 2011.

The mandate of the Chair of the Board has been approved by the Board and can be found on our website at www.equitablebank.ca.

Position Descriptions

The Board has established position descriptions for a Committee Chair and individual directors which can be found on our website at www.equitablebank.ca. These position descriptions are reviewed on an annual basis by the Corporate Governance Committee for approval by the Board.

Other independence mechanisms

Independent Advisors	Pursuant to their mandates, the Board and each of its Committees may engage their own independent advisors.
In Camera meetings	The Board and each of its Committees set aside time for *in camera* sessions at each of their meetings to foster open and candid discussion among non-employee directors without management present. *In camera* sessions of the non-employee directors are held before and/or after every regularly scheduled meeting. *In camera* sessions of the Board are presided over by the Chair of the Board. *In camera* sessions of the board committees are presided over by the independent Committee Chairs.

Board interlocks and other board memberships

The Board has not adopted guidelines limiting the number of interlocking board and committee memberships but recognizes that it is important for directors to remain impartial and independent of each other even if they have a common board membership. A board interlock occurs when two or more of the Company's directors also serve together as board members of another company.

The Corporate Governance Committee reviews board and committee memberships of all directors as part of its annual evaluation of director independence. Currently, there is one interlocking board membership among Equitable's directors:

Director	Company
Rowan Saunders[1] Michael Stramaglia	Economical Mutual Insurance Company

1. Rowan Saunders is also President and CEO of Economical Mutual Insurance Company

The Corporate Governance Committee has considered this interlock and determined that it does not impair their independence.

The Board has also not adopted guidelines setting the specific number of other boards and committees on which a director may serve. The time commitment and expectations of our directors are, however, discussed with each director candidate by the Chair of the Board and the Chair of the Corporate Governance Committee prior to the candidate agreeing to being nominated as a director, or on an ongoing basis thereafter where required. In addition, each director is required to notify the Chair of the Board, the Chair of the Corporate Governance Committee and the Chief Executive Officer before accepting an invitation to join another Board.

Currently, none of our directors serve on more than three public company boards, and our directors who are sitting CEOs do not serve on more than two public company boards (including Equitable's). In addition, none of our Audit Committee members currently serve on any other public company audit committee.

Chief Executive Officer

The CEO is directly accountable to the Board for all of Equitable's activities. Among other things, the CEO is responsible for providing leadership and vision as well as achieving strategic and operational goals that will build long-term shareholder value. The Board has established a mandate for the CEO which can be found on our website in the Corporate Governance section at www.equitablebank.ca.

Role of the Board

Oversight and Mandate

The Board has overall responsibility for supervision of the management of Equitable's business and affairs. The Board must act in accordance with a number of rules and standards, including:

- the Business Corporations Act (Ontario)
- the Bank Act (Canada)
- other laws that apply to Banks and other financial services companies
- Equitable constating documents and by-laws
- mandates of the Board and each of its committees, and the Chair of the Board
- internal policies and procedures
- Code of Business Conduct.

The Board's responsibilities are described more fully in its mandate. The mandates of the Board and its five standing committees are available in the Corporate Governance section on the equitable.bank.ca website. The mandate of the Board is incorporated by reference into the Circular. Changes to the mandates are submitted to the Board for approval.

Below is an overview of the Board's role with respect to strategic planning, risk management, oversight of management, talent management and succession planning, internal controls and management information systems, and communications.

Strategic Planning

The Board provides oversight and direction in the strategic planning process throughout the year. We set annual corporate objectives (strategic initiatives) and financial objectives for achieving growth and creating value for shareholders. These objectives are approved by the Board and our progress towards achieving these objectives is monitored by the Board at each regularly scheduled meeting. Management also reports regularly on our operational and financial performance.

The Board holds two meetings each year dedicated to strategy – one to consider specific strategic initiatives and key opportunities and the other for the Board to review and approve our Strategic Plan where it also approves the capital expenditures budget.

Risk Management

The Board is responsible for overseeing the identification and monitoring of core risks to which Equitable is exposed and for satisfying itself that appropriate policies, procedures and practices are in place to effectively identify, monitor and manage them within our risk appetite framework. The Board delegates responsibility for the execution of certain areas of risk oversight to its Committees in order to ensure that they are treated with appropriate expertise, attention and diligence, with reporting to the Board in the ordinary course. In addition, the composition of the Risk and Capital Committee consists of five independent directors, including the Chairs of all board committees.

Our Enterprise Risk Management Framework is designed to enhance the identification and mitigation of risk throughout Equitable and to assist the Board and the Risk & Capital Committee with oversight responsibility for risk management

Each Committee assists the Board in its oversight of risk, as follows:

Risk and Capital Committee	• Oversees Equitable Bank's core and emerging risks and the adequacy of its Internal Capital Adequacy Assessment Process and strategic and capital plans. • Reviews Equitable Bank's risk profile against the approved risk appetite and has primary oversight for operational risk, business and strategic risk and reputational risk. • Oversees the risk management function.
Audit Committee	• Oversees the quality and integrity of our financial reporting processes. • Oversees the quality and effectiveness of our internal controls. • Oversees the performance of internal and external auditors.
Human Resources & Compensation Committee	• Oversees compensation risk and succession planning risk.
Corporate Governance Committee	• Oversees compliance with legal and regulatory requirements, governance policies and practices, and board succession.
Investment Committee	• Oversees credit, liquidity and funding, and market risks.

Equitable follows the three lines of defence approach to managing risk. Business Units are the first line; our Finance, Risk Policy and Compliance functions are our second line, and Internal Audit is our third line. See the Risk Management Framework section starting on page 53 of the Company's 2016 Annual Report for a detailed explanation of the core risks applicable to Equitable and our risk management processes, including our "three lines of defence" approach.

Succession Planning

The Board is responsible for succession planning at the executive level, including the development of the CEO succession plan. The HRC Committee is mandated to assist the Board in this regard by ensuring that an appropriate succession planning process is in place for key management positions. The HRC Committee reviews changes to our organizational structure and its impact on executive roles. The Board encourages the CEO to provide opportunities for the Board to interact with Equitable's Executive Officers and high potential employees, both for succession planning and career development purposes and to provide the Board with a broader perspective and context on issues relevant to Equitable. Certain Executive Officers regularly attend meetings of the Board and its Committees to provide necessary information to facilitate decision-making.

Internal Controls

With the assistance of the Audit Committee and the Corporate Governance Committee, the Board oversees the integrity and effectiveness of Equitable's internal controls and management information systems. The Board also oversees compliance with applicable audit, accounting and regulatory reporting requirements. Internal Audit reports directly to the Audit Committee Chair and updates the Audit Committee quarterly, while the Chief Financial Officer makes quarterly presentations on our financial results and forecasts to the Audit Committee and the Board.

Communication and Shareholder Engagement

Equitable is committed to effective communication with our shareholders and has developed practices in support of this commitment.

Equitable has a Disclosure Control Policy that establishes guidelines for communicating with shareholders, analysts, and the public generally. The policy includes measures to avoid selective disclosure of material information, identifies designated Equitable spokespersons and establishes internal review processes for key public communications. Our Code of Business Conduct addresses Equitable's obligations for continuous and timely disclosure of material information and sets standards requiring directors, officers and employees trading Equitable shares to comply with applicable laws.

Equitable's disclosure controls and procedures are designed to ensure that material information concerning Equitable is made known to our CEO and CFO. We also have a Disclosure Control Committee whose members are the CEO, CRO, CFO and Senior Legal Counsel. This Committee, which is chaired by the CFO, reviews all annual and quarterly filings and oversees the timely public release of material information about the Company. The Committee also reviews the design and implementation of procedures to support the financial reporting process and the certification of our financial reports by the CEO and CFO.

Communicating with the Board

You may contact the Board, the Chair of the Board or any Board member by directing your correspondence to the Corporate Secretary as follows:

phone (416) 515-7000

mail
Equitable Group Inc.
Equitable Bank Tower
30 St. Clair Avenue West, Suite 700
Toronto, Ontario M4V 3A1
(mark the envelope "Confidential")

email corporatesecretary@eqbank.ca

Shareholder Engagement

The table below outlines the key contacts and methods that shareholders can use to engage with Equitable:

Engagement with Equitable	
Board of Directors	Shareholders can: • Communicate with the independent directors as indicated on page 58 of this Circular • Write to the Chair of the Board at the address provided on page 58 of this Circular
Meetings, calls and discussions	The CEO and CFO meet regularly with financial analysts, the investment community and/or institutional investors.
Broker-sponsored conferences	The CEO and CFO speak at industry investor conferences about public information on our business and operations.
Quarterly conference call and webcast	The CEO and CFO hold quarterly earnings calls with analysts to review our most recently released financial information and operating results. The calls are broadcast live and, for a period of 3 months after each call, are archived on our website in the Investor Relations section at www.equitablebank.ca. Our annual meeting is webcast live and also remains available on our website for 3 months.
Investor Day	Select investors, analysts and other stakeholders were invited to attend our first Investor Day in the Fall of 2016. The presentations that were made are available on our website.

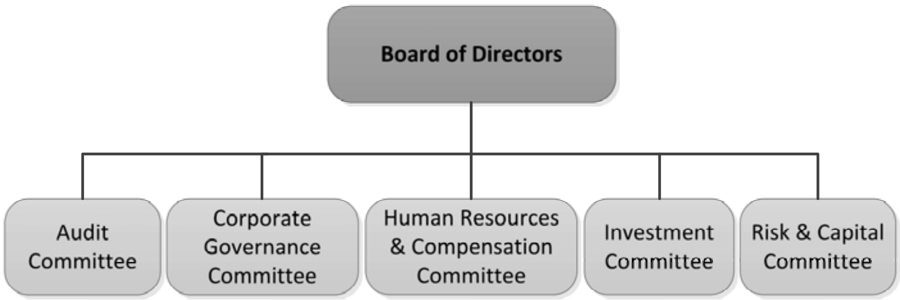
We also communicate with shareholders and other stakeholders through the annual report, management information circular, annual information form, news releases, and our website.

Board Committees

Currently there are five standing committees of the Board:

- Audit Committee
- Risk and Capital Committee
- Human Resources and Compensation Committee
- Corporate Governance Committee
- Investment Committee

The Board may also from time to time establish ad hoc committees to deal with important matters.



Each committee reviews its mandate annually and any changes are recommended for approval by the Board. All committee mandates are available at www.equitablebank.ca. At each regularly scheduled Board meeting, each Committee Chair reports to the Board on material matters considered by the Committee.

Committee mandates are posted in the corporate governance section of our website.

Each committee develops an annual workplan for the year that sets out its priorities and activities and oversight of particular risks. A description of each Committee's work can be found starting on page 21.

Each board committee is 100% independent. As Chair of the Board, David LeGresley is an ex-officio member of each board committee and regularly attends all committee meetings. The composition of the Risk and Capital Committee includes the Chairs of each board committee.

Committee Composition

Director	Audit	Corporate Governance	Human Resources & Compensation	Investment	Risk & Capital
Eric Beutel		✓		Chair	✓
Johanne Brossard		✓	✓		
Michael Emory			✓	✓	
Kishore Kapoor	✓				
Eric Kirzner	✓				Chair
David LeGresley					
Lynn McDonald	✓		Chair		✓
Rowan Saunders	✓	✓			
Vincenza Sera		Chair		✓	✓
Michael Stramaglia	Chair		✓		✓

The Corporate Governance Committee annually reviews the composition of each Committee and the designated Committee Chairs together with the Chair of the Board. Rotation of Committee members is based on continuity, the need for fresh perspective and the utilization of each director's particular experience and expertise. A new chair will be appointed to the Risk and Capital Committee to replace Eric Kirzner, the current Chair, who retires from the Board at the annual meeting of shareholders.

In the interest of improving the efficiency of board committees and creating more focus on strategic discussions, the Board has decided to dissolve the Investment Committee effective upon the close of the annual meeting of shareholders, with the duties of the Investment Committee being reallocated to other Committees. For example, oversight of the collective allowance and asset impairment would be assigned to the Audit Committee, and duties associated with the monitoring of credit risk, market risk and liquidity and funding risk and approving credits exceeding management approval limits, will be absorbed by the Risk and Capital Committee.

Composition of the Board, Nomination of Directors and Board Succession

The Corporate Governance Committee serves as the nominating committee of the Board. The Committee is responsible for making recommendations to the Board regarding the size and composition of the board and its Committees, taking into consideration legal requirements and scheduled director retirements, and for identifying and considering qualified candidates for nomination to the Board. It reviews the skills and competencies matrix regularly to ensure the board has the right mix of skills, experience and diversity.

Expectations of our Directors

Each member of the Board is expected to act honestly and in good faith and to exercise business judgment that is in Equitable's best interest. In accordance with the position description for Directors which has been established by the Board, each director is expected to, among other things:

- ensure personal compliance with Equitable's Code of Business Conduct and with all policies that apply to directors
- demonstrate high ethical standards and integrity in their personal and professional dealings
- devote the necessary time and energy to fully assume their responsibilities to Equitable
- develop an understanding of our strategy, business and industry
- participate in director orientation and education programs,
- make all reasonable efforts to attend all board and any committee meetings on which they serve and to come to such meetings fully prepared.

Skills and Experience

The Corporate Governance Committee in consultation with the Chair of the Board maintains a skills and competencies matrix outlining industry specific expertise, business experience and other skills considered necessary for the Board to carry out its mandate effectively. These areas of expertise are intended to dovetail with the general qualifications and attributes the Committee seeks in all Board members and candidates, such as high personal and professional ethics and integrity, practical wisdom, sound business judgment, and a willingness to devote the required amount of time to carry out the duties and responsibilities of board service.

The Committee reviews the matrix on a regular basis to ensure there is a sufficient range of skills, expertise and experience for the Board to meet its current and future needs, and Equitable's strategic priorities.

The table below identifies the skills and experience of our director nominees:

Skills & Experience	Total	E. Beutel	J.Brossard	M. Emory	K. Kapoor	D. LeGresley	L. McDonald	A. Moor	R. Saunders	V. Sera	M. Stramaglia
Governance Experience in board and governance practices of a public company or large organization	10	•	•	•	•	•	•	•	•	•	•
CEO/Senior Executive Broad business experience as a senior executive of a public company or large organization	7		•	•	•	•		•	•		•
Strategic Planning Experience in development and implementation of a strategic plan at a major organization	8		•	•	•	•	•	•	•		•
Risk Management Knowledge of and experience in risk management practices, internal risk controls, risk assessments and reporting; experience on a public company or regulated company board committee that oversees risk management	8	•	•	•	•	•		•	•		•
Finance / Accounting Knowledge of or experience in financial accounting and reporting, corporate finance and internal financial/accounting controls, and IFRS	9	•	•	•	•	•	•	•		•	•
Real Estate Knowledge of / experience in real estate development and in the real estate industry	6	•		•		•		•		•	•
Retail Banking Senior level experience in retail banking or in the online distribution of banking products and related technology issues	3		•					•			•
Human Resources/Compensation Knowledge of / experience in succession planning, talent management and retention, compensation program design and structure (in particular executive compensation programs)	9		•	•	•	•	•	•	•	•	•
Legal / Regulatory Training and/or experience in law and compliance with regulatory regimes	7		•	•	•	•		•	•		•
Technology Experience in or oversight of technology and operations	3		•					•	•		
Marketing/Branding Experience as a senior executive in sales and marketing strategies	3				•			•	•		

Nominating new candidates

The Committee may retain an external search firm to assist in identifying candidates that meet the specifications identified by the Committee. Candidates are considered based on merit, having regard to the skills, experience, background, personal qualities and knowledge in order to contribute to the broad range of issues with which the Board routinely deals. The Committee ensures that the list of potential director candidates includes a reasonable number of qualified women candidates.

Once potential, qualified candidates are identified, they meet with the Chair of the Board, the Chair of the Corporate Governance Committee, the CEO and two other members of the Corporate Governance Committee to discuss their interest and ability to devote sufficient time to serve on our Board. The Committee assesses the candidate's integrity and suitability by verifying his or her educational background, conducting background checks on the candidate, and assessing any independence concerns, disclosure issues or potential conflicts of interest.

In 2016, in planning for Eric Kirzner's upcoming retirement from the Board, the Committee assessed the skills represented on the Board and led a search for a director with a number of skills that in particular, might include a CA/CPA designation. An external search firm was engaged to help identify the best men and women candidates with the desired skills and experience. The search resulted in the appointment of Kishore Kapoor to the Board on November 10, 2016.

Nominating existing directors

In considering whether to recommend an existing director for re-nomination, the Corporate Governance Committee reviews the director's:

- continuing integrity and suitability,
- tenure on the board,
- attendance at a minimum of 75% of the combined board and committee meetings,
- continued effectiveness and performance, and
- compliance with Equitable's Code of Business Conduct.

Board Diversity

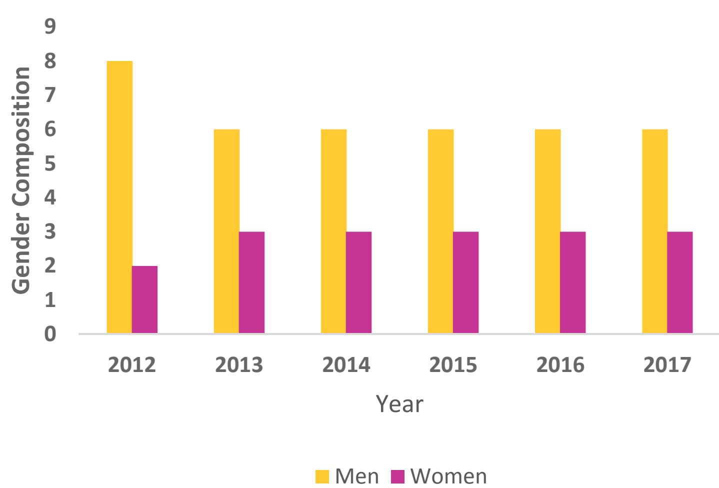
The Board acknowledges the value of diversity of all kinds in its composition as it believes diversity provides a broader range of perspectives and views in relation to the issues affecting Equitable, and promotes better corporate governance and decision-making.

The Board has adopted a written Gender Diversity Policy for achieving and maintaining gender diversity on the Board. The Board has ensured that this policy will be effectively implemented by embedding it into the selection process for new board members, which is the responsibility of the Corporate Governance Committee.

As part of the selection process, the Corporate Governance Committee will ensure that gender diversity remains a component of any director search and that a sufficient number of women candidates are included in the list of candidates for the Board's consideration. In recommending director nominees to the board, the Corporate Governance Committee will consider candidates on merit, based on a balance of skills, experience and knowledge. In identifying the best candidates, the Committee will consider the level of representation of women on the Board with a view to ensuring the Board benefits from a broader range of perspectives and relevant experience.

Under the Policy, the Board has committed to ensuring a minimum of 30% of the Board be comprised of women. Following the annual meeting of shareholders and assuming that all director nominees are elected as contemplated, the percentage of women on the Board will remain at 30%, and 33% of the independent directors.

The table below highlights gender composition of the independent directors should all nominated directors be elected on May 17, 2017, and over the last five years:



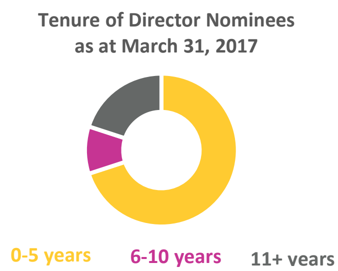
Mechanisms of Board Renewal

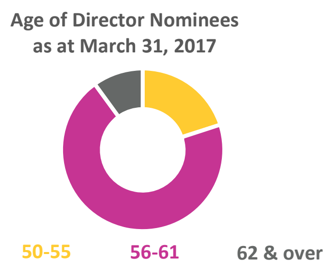
At this time, the Board does not have formal director term limits as it believes that the comprehensive knowledge and insight of our business that long serving directors possess must be balanced with the need for renewal, fresh perspectives and a healthy skepticism.

Instead, the two primary mechanisms of board renewal that the Board has implemented are a retirement age and an annual evaluation process.

Retirement

The Board has implemented a mandatory retirement age for directors which is reflected in the mandate of the Board of Directors, whereby a non-employee director will not stand for re-election at the annual meeting of shareholders after reaching 72 years of age. Eric Kirzner is retiring from the board at the annual meeting as he has reached the mandatory retirement age. With his retirement, there have been seven directors who have retired from our Board within the last five years, and six directors who have been elected or appointed. The relatively short director tenure of the majority of our independent directors enables the board to maintain a fresh perspective.



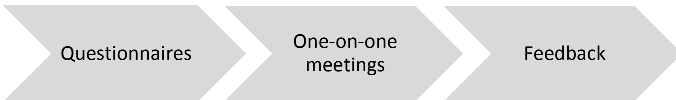


As at March 31, 2017, the average tenure of our independent director nominees is 5.6 years.

Director	Years of service on the Board as at the date of the Meeting	Latest retirement date from the Board
Eric Beutel	22 years	May 2036
Johanne Brossard	2 years	May 2033
Michael Emory	3 years	May 2028
Kishore Kapoor	.4 year	May 2029
David LeGresley	6 years	May 2031
Lynn McDonald	6 years	May 2024
Rowan Saunders	4 years	May 2037
Vincenza Sera	4 years	May 2029
Michael Stramaglia	3 years	May 2032

Board Evaluation

Board renewal is also managed through the regular board evaluation process. The Corporate Governance Committee is responsible for developing and overseeing the process for evaluating the effectiveness and performance of the Board, its Committees, Board and Committee chairs and individual directors. This evaluation also assists in establishing the Board's annual objectives. In 2016, the evaluation process was enhanced through the development and implementation of a peer review questionnaire.



Directors complete questionnaires aimed at evaluating the board as a whole, its Chair, the performance of each board committee on which the director serves, and the directors themselves. Feedback is sought on various matters such as the operation of the board, strategic direction and process, what the Board's priorities should be in the coming year, and suggested topics for director education sessions. In addition, beginning in 2016, Directors also complete a peer review questionnaire that solicits feedback on their assessment of other director's performance and contributions in Board discussions, and interpersonal skills.

The questionnaires include open-ended questions so directors can elaborate on their responses and suggest improvements where they believe is necessary.

Completed board questionnaires and peer reviews are sent to the Chair of the Board, and the completed evaluations of the Chair of the Board are sent to the Chair of the Corporate Governance Committee.

The Chair of the Board meets individually with each director annually to engage in a full and frank discussion of his or her performance and any other issue which either may wish to raise.

The Chair of the Board summarizes the input received from these discussions as well as from the completed questionnaires and submits the report to the Board for review and discussion. Feedback is provided to management as appropriate to ensure the right programs are in place for continuously improving the board's functioning and effectiveness. In 2016 the evaluation showed that the Board was functioning effectively and was supportive of the initiative to dissolve the Investment Committee and reallocated that Committee's duties to the Audit Committee and the Risk and Capital Committee which would enhance board efficiency and eliminate the overlap of duties. Other continuous improvements to board processes were adopted and implemented.

The Corporate Governance Committee reviews the assessment process annually and revises it as necessary to reflect evolving governance rules, best practices and findings from previous years.

Assessment	Items assessed	Action
Full Board	Board composition, roles and responsibilities, governance, interaction with management	The Chair of the Board prepares a summary report for the Board and provides the report to all Directors. The Chair of the Board together with the Corporate Governance Committee set the Board's objectives for the following year. The Chair of the Board and the CEO develop the schedule for director education sessions for the following year, and this schedule is reviewed by the Corporate Governance Committee
Chair of the Board	Preparedness, leadership, management of relationships with senior management	Chair of the Corporate Governance Committee reviews the results and discusses them with the Chair of the Board
Board Committees	Preparedness, participation, required knowledge and experience	The Chair of the Board incorporates feedback received on individual committees into the overall report prepared on the Board evaluation, which is provided to each Director
Peer review	Preparedness, contribution and participation, required skills, personal skills	The Chair of the Board incorporates feedback received on individual directors for discussion during one-on-one meetings with each Director
Self-assessment	Preparedness, contribution and participation, personal skills	The Chair of the Board uses feedback provided to review director performance and identify development opportunities through one-on-one meetings with each Director

DIRECTOR ORIENTATION AND CONTINUING EDUCATION

Orientation

The Corporate Governance Committee oversees the director orientation process to help familiarize new directors with Equitable's business, corporate governance practices and values as quickly as possible. Orientation is tailored for each director's knowledge, skills and experience.

New directors meet with the Chair of the Board to discuss the role of the board and its committees, and the contribution individual directors are expected to make. In addition, new directors have one-on-one meetings with the CEO and members of senior management on Equitable's strategy, regulatory environment and organizational structure.

New directors receive access to key corporate governance material, including board and committee mandates, key board policies, minutes from recent board and committee meetings and meeting material, annual reports, the Code of Business Conduct, as well as Equitable's strategic plans via our secure online board portal. They are also encouraged to attend all board committee meetings during their first year.

Continuing Education

The Corporate Governance Committee is responsible for the ongoing education of the directors. Educational needs of directors are identified through the annual board evaluation process, in one-on-one meetings with the Chair of the Board, and in board and committee meetings. The Committee in turn establishes an annual schedule of director education topics to be addressed during the year by outside experts.

Directors interact with senior management at each board and committee meeting and received regular and ad hoc presentations on current issues and matters of particular importance.

Many of our directors are members of the Institute of Corporate Directors (ICD) and have access to ICD publications and events designed to foster director education. Equitable Bank is also a member of the Global Risk Institute (GRI) which provides our directors with access to research material and enrolment in GRI educational programs.

The education sessions that the directors attended in 2016 are listed in the table below:

Date	Educational Session	Attended by
February 2016	Securitization; presentation by management	Board
May 2016	Marketing trends in banking products; presentation by external consultant	Board
	Auditing Developments Update including Enhanced Auditor's Report; presentation by KPMG	Audit Committee
June 2016	Consumer Trends in Canadian Retail Banking; external presentation	Board
August 2016	Executive compensation and governance trends, presentation by the independent compensation advisor	Human Resources & Compensation Committee
	Use and Governance of Data at Equitable; presentation by management	Board
November 2016	IFRS 9; presentation by management	Audit Committee
	Fintech; presentation by external fintech consultants	Board

OTHER INFORMATION

Directors' and Officers' Insurance

Equitable has purchased, at its expense, liability insurance for its directors and officers as well as those of Equitable Bank. The limit of such insurance, which expires on May 31, 2017, is $30 million. The deductible is $200,000 per event. For the year ending May 31, 2017, the premium for such coverage is $180,000.

Shareholder Proposals

Proposals to be considered at the 2018 annual meeting of shareholders must be submitted be received by Equitable by March 18, 2018.

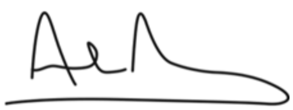
Accessing Documents

Financial information is provided in our 2016 financial statements and Management's Discussion and Analysis which form part of the Annual Report. These documents and other information about Equitable, including our Annual Information Form are available on our website at www.equitablebank.ca and on SEDAR at www.sedar.com.

Printed copies of the above documents, this circular and any document incorporated by reference are available at no charge by contacting our Investor Relations Department at (416) 515-7000 or at *investor@equitablebank.ca*.

Directors' Approval

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



Andrew Moor
President and Chief Executive Officer
April 12, 2017

Schedule “A”

Board of Directors’ Mandate

A. ROLE

The Board of Directors (the “Board”) is responsible for the stewardship of Equitable Group Inc. and Equitable Bank (the “Bank”) (collectively, the “Company”) and for supervising the management of the business and affairs of the Company. In carrying out these responsibilities the Board will, either directly or through its committees, perform the duties as outlined below.

B. ACCOUNTABILITIES AND RESPONSIBILITIES

Strategic and Capital Planning

1. Adopt a strategic planning process and annually approve the strategic plan which sets out Equitable’s short-term and long-term business objectives and takes into account the opportunities and risks of its business. In discharging this responsibility, the Board shall review emerging trends, the competitive and regulatory environment, and ensure the strategic plan is aligned with Equitable’s risk appetite.
2. Oversee the implementation of the strategic plan and monitor management’s execution against the approved plan.
3. Approve and oversee the annual financial plan and budgets, the Capital Management Policy and the Internal Capital Adequacy Assessment Process. Monitor Equitable’s performance against the financial plan and approve any material amendments to, or variances from, these plans, including any request for capital expenditures in excess of $1,000,000 over the budgeted expenditure amounts.
4. Review and approve the issuance and redemption of all regulatory capital instruments and declare dividends.
5. Review and approve major business development initiatives and material transactions.

Risk Management

1. Approve Equitable’s Risk Appetite Framework (RAF), including the risk appetite statements. Ensure the RAF is aligned with Equitable’s strategic, financial and liquidity plans; business unit strategies; day-to-day operations and compensation program.
2. Oversee the identification and monitoring of the principal risks affecting Equitable’s business and satisfy itself that appropriate policies, procedures and practices are in place for the effective and independent management of these risks and under the RAF.
3. Review the processes to ensure compliance with applicable regulatory, corporate and legal requirements.
4. Ensure the Board receives from management the information and input required to enable the Board to effectively perform its duties.
5. Oversee Equitable’s Crisis Management and Recovery Plans.
6. Approve the delegation of certain credit approvals and investment authority to management.

Internal Controls

1. Approve Equitable’s internal control framework.
2. Oversee the integrity and effectiveness of Equitable’s internal controls, including those for financial and non-financial reporting, and management information systems, and receive reports on the effective design of these systems and reasonable assurance that they are operating effectively.
3. Perform such duties, approve certain matters and review reports as may be required under policies approved by the Board.

Oversight of Senior Management

1. Appoint or remove the Chief Executive Officer.
2. Approve the objectives of the Chief Executive Officer, monitor progress against those objectives, and approve the compensation of the Chief Executive Officer.
3. Approve the appointment and compensation of Equitable’s executive officers, including the heads of the control functions, and ensure they have the appropriate qualifications and competencies to meet the expectations set by the Board and regulators. To the extent possible, satisfy itself as to the integrity of the Chief Executive Officer and other executive officers, and as to their effectiveness in fostering a culture of integrity, risk awareness and compliance throughout Equitable.
4. Approve Equitable’s compensation policy and oversee the design and operation of the compensation program to ensure it aligns with Equitable’s business strategy, values and risk appetite.
5. Ensure that an appropriate succession planning process is in place for the Chief Executive Officer, the Chair of the Board and executive officers.

6. Review significant changes to Equitable's organization structure.
7. Oversee Equitable's control functions having regard to their independence and effectiveness.

Corporate Governance

1. Review Equitable's approach to corporate governance in light of material changes to the Equitable's size, complexity, business strategy, market and regulatory environment.
2. Set and reinforce the "tone at the top" together with the Chief Executive Officer and promote a culture of integrity, risk, compliance and ethical conduct throughout the organization.
3. Oversee policies in respect of ethical personal and business conduct, including Equitable's Code of Business Conduct and ensure there is an ongoing, appropriate and effective process for ensuring adherence to the Code.
4. Approve policies and procedures for addressing directors' conflicts of interest.

Composition and Evaluation

1. Establish Board committees, appoint Board Committee Chairs and approve their respective mandates, and receive a report from each Committee Chair on material matters considered by the Committee.
2. Approve selection criteria for new directors, nominate directors for election, and oversee the orientation of new directors and an ongoing education of all directors.
3. Appoint the Chair from among the independent members of the Board and approve the mandate for the Board Chair position.
4. Approve mandates for the Board, Board committees and individual directors.
5. Review and approve the adequacy and form of compensation of directors.
6. Evaluate and review the performance of the Board, each of its Committees, Board and Committee Chairs and each of the directors. Periodically consider engaging an independent external advisor to assess or assist the Board in conducting such assessments.
7. Establish appropriate structures, policies and procedures to enable the Board to function independently of management.

Delegation of Authority to Chief Executive Officer

1. Delegate to the Chief Executive Officer the authority to manage Equitable's day-to-day activities within the framework established by the Board.

Communication and Public Disclosure

1. Approve material changes to Equitable's disclosure policy, ensuring that it provides for timely, reliable and accurate disclosure to analysts, shareholders, and the general public.
2. Review and approve all annual and quarterly financial statements and other public disclosure documents that require Board approval, and the declaration of dividends.
3. Ensure appropriate disclosure mechanisms, such as Equitable's management information circular, annual report and/or website, provide instructions on how to communicate with the independent directors.

Regulators

1. Consider reports from management, as required, on material regulatory matters and developments in Equitable's relationship with its regulators.
2. Meet with representatives of the Office of the Superintendent of Financial Institutions as required.
3. Ensure regulators are promptly notified of substantive issues affecting Equitable.

C. Composition

1. The composition and organization of the Board, including the number, qualifications, number of meetings, Canadian residency requirements, quorum requirements, meeting procedures and notices of meetings are as established by the relevant provisions of Equitable's by-laws. Each director shall possess the qualities set out in the Position Description for Directors.
2. Unless otherwise determined by the Board, no individual is eligible for appointment or election to the Board after reaching 72 years of age.
3. The Board shall establish independence standards for directors and at least annually, shall determine the independence of each director in accordance with these standards. A majority of the directors shall be independent in accordance with these standards.

D. Secretary

1. The Corporate Secretary or his or her designate shall act as Secretary at Board meetings. The Secretary shall record and maintain minutes of all meetings of the Board and subsequently present them to the Board for approval.

E. Meetings

1. The Board shall meet no less than four times each year as required by the *Bank Act* (Canada). The independent members of the Board shall hold unscheduled or regularly scheduled meetings, or portions of regularly scheduled meetings, at which management is not present.
2. Directors may participate in meetings in person or by telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate adequately with each other. A director participating by such means is deemed to be present at that meeting.
3. The Board may invite such persons as it may see fit to attend its meetings and to take part in discussions and considerations of the affairs of the Board.
4. Notice of each meeting shall be given to each director by pre-paid mail, by personal delivery, facsimile or electronic mail at least 24 hours before the date and time set for the meeting. Any member of management shall also attend whenever requested to do so by the Chair of the Board.

F. Access to Management and Outside Advisors

1. The Board shall have unrestricted access to management and employees of Equitable. The Board shall have the authority to retain and terminate independent legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the compensation of these advisors without consulting or obtaining the approval of any officer of Equitable. Equitable shall provide appropriate funding, as determined by the Board, for the services of these advisors.

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