EQUITABLE

Notice of Annual Meeting of Shareholders and Management Information Circular

May 13, 2015

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

EQUITABLE GROUP INC.

April 8, 2015

Dear Shareholder,

Please join us at our 11th annual meeting of shareholders which will take place on Wednesday, May 13, 2015 at 4:15 p.m. (Eastern Time) at the TMX Broadcast Centre, the Exchange Tower, 130 King Street West, Toronto, Ontario. The meeting is your opportunity to hear about our operational and financial performance over the past year and our plans for 2015 and beyond. You will also meet our directors and executive team and have the opportunity to ask questions following the presentation.

The business of the meeting is described in the accompanying Management Information Circular. It also provides information on how we compensate our executive officers and directors, and our corporate governance practices.

Your vote is important to us. If you cannot attend the meeting, you can vote by telephone, the internet, or by completing and returning the enclosed proxy or voting instruction form. Please refer to the "Voting Information" section of the Circular for further information.

We look forward to seeing you at the meeting and we thank you for your continued support.

Sincerely,

David LeGresley
Chair of the Board

Andrew Moor
President and Chief Executive Officer

EQUITABLE GROUP INC.

NOTICE OF 2015 ANNUAL MEETING OF SHAREHOLDERS

You are invited to attend our Annual Meeting of Shareholders.

WHEN
Wednesday, May 13, 2015
4:15 p.m. (Eastern Time)

WHERE
The TMX Broadcast Centre
The Exchange Tower
130 King Street West
Toronto, Ontario

FOR THE PURPOSES OF

1. receiving the financial statements for the year ended December 31, 2014 and the auditors' report on those financial statements;
2. electing the directors;
3. appointing KPMG LLP as auditors and to authorize the directors to set their remuneration; and
4. transacting such other business as may properly come before the meeting.

YOUR VOTE IS IMPORTANT

The accompanying Management Information Circular is being sent to you because you owned common shares of Equitable Group Inc. on April 2, 2015 (the record date). You are invited to attend and vote at this meeting. If you cannot attend, you are encouraged to vote your shares using the enclosed proxy form or request for voting instructions.

Please take some time to read this document. For more information about voting by proxy, telephone or internet, please see the section entitled "Voting Information" in the accompanying Management Information Circular. Your vote must be received by our transfer agent, Computershare Investor Services Inc. by 4:00 p.m. (Eastern Time) on May 11, 2015.

By order of the Board of Directors,

Andrew Moor
President and Chief Executive Officer
April 8, 2015

MANAGEMENT INFORMATION CIRCULAR

WHAT'S INSIDE

GENERAL INFORMATION

This Management Information Circular ("Circular") is provided in connection with soliciting your proxy for our Annual Meeting of Shareholders (the "Meeting") on May 13, 2015, or any adjournment thereof. 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.

Unless otherwise indicated, all information is as of April 8, 2015.

In this document:

- *Equitable,* the *Company, we, us,* and *our* mean Equitable Group Inc.
- *you* and *your* mean holders of our common shares.
- *common shares and shares* mean the Company's common shares.

Voting Securities, Principal Holders and Quorum

As at the close of business on April 2, 2015, there were 15,457,125 common shares outstanding. Our common shares trade under the symbol "EQB" on the Toronto Stock Exchange ("TSX"). A quorum for the transaction of business at the Meeting is at least two individuals present in person holding, or representing by proxy, not less than 10% of the votes eligible to be cast at the Meeting.

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

	Number of common shares	Percentage of outstanding common shares
Stephen Smith[(1)]	2,732,900	17.7%
Oakwest Corporation Limited.[(2)]	2,000,000	12.9%
Beutel, Goodman & Company Ltd.[(3)]	1,997,733	12.9%
Mawer Investment Management Ltd.[(4)]	1,851,497	12.0%

1. Stephen Smith beneficially owns, directly or indirectly, or exercises control or direction over these shares which were acquired for investment purposes.
2. Eric Beutel, a director of the Company, beneficially owns, or exercises control or direction over, 6,500 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.
3. 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.
4. Mawer Investment Management Ltd. acquired these shares in the ordinary course of investing activities.

Additional Information

Financial information is provided in our 2014 financial statements and Management's Discussion and Analysis which form part of the Annual Report. These documents and other information about the Company, including our Annual Information Form are available on our website (www.equitablebank.ca) and on SEDAR (www.sedar.com).

Copies of these documents, this Circular and any document incorporated by reference are available free of charge by contacting our Investor Relations Department as follows:

- Head office: Tim Wilson, Chief Financial Officer
  30 St. Clair Avenue West, Suite 700
  Toronto, ON M4V 3A1
- phone: 416-515-7000
- fax: 416-515-7001
- email: investor@equitablegroupinc.com

VOTING INFORMATION

What will I be voting on?

You will be voting on:

- the election of directors; and
- the appointment of KPMG LLP as auditors and for the Board's authorization to set their remuneration.

A simple majority (more than 50%) of votes cast, in person or by proxy, is required to approve each item of business.

Who can vote

If you held common shares at the close of business on April 2, 2015 (the record date), you are entitled to attend the meeting and vote your common shares. Each common share is entitled to one vote.

How to vote

You have two choices – you can vote by proxy, or you can attend the meeting and vote in person.

Registered Shareholders

You are a registered shareholder if the shares you own are registered in your name. Your name appears on your share certificate or a statement from a direct registration system on the records of our transfer agent, Computershare Investor Services Inc.

Voting in person

Do not complete or return the proxy form. Simply attend the Meeting and register with a representative of Computershare Investor Services Inc. at the registration table. Your vote will be taken and counted at the Meeting.

Voting by proxy

This is the easiest way to vote. It means you are giving someone else the authority to attend the meeting and vote on your behalf (called your proxyholder).

Complete the voting section of the proxy form, sign and return it to Computershare. By signing the enclosed proxy form you are giving David LeGresley, Chair of the Board, or Andrew Moor, President and Chief Executive Officer who are named in the proxy form, the authority to vote your shares at the Meeting or any adjournment.

You can choose 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.

You may return your proxy in the following manner:

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.

In both cases you will need your 15 digit Control Number located in the lower left corner of the proxy form to identify yourself to the system.

MAIL: Return the completed proxy form in the prepaid envelope provided.

Computershare must receive your proxy form or you must have voted by telephone or Internet **no later than 4:00 p.m. (Eastern Time) on Monday May 11, 2015.**

Changing your vote

You can **change** a vote you made by proxy by:

- voting again by telephone or on the internet, or completing a new proxy form that is dated later than the proxy form previously submitted and delivering it to Computershare **no later than 4:00 p.m. (Eastern Time) on Monday, May 11, 2015, or**

You can **revoke** your proxy 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 4:00 p.m. (Eastern Time) on Monday, May 11, 2015, or**

- giving your notice to the Chair of the Meeting before the Meeting starts.

Non-Registered Shareholders (Beneficial Owners)

You are a non-registered or beneficial shareholder if you hold common shares through an intermediary such as a trustee, financial institution or securities broker (each, a *Nominee*), or in the name of a clearing agency in which the intermediary is a participant, such as the Canadian Depository of Securities Limited ("CDS"). Most of our shareholders are non-registered holders.

Voting in person

Follow the instructions on the voting instruction form. Simply insert your name or the name of your proxyholder in the space provided on the voting instruction form to instruct your intermediary to appoint you as proxyholder, and return it according to the instructions. If you have appointed yourself you should present yourself to a representative of Computershare Investor Services Inc. at the registration table. Do **NOT** otherwise complete the voting instruction form as your vote will be counted 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.

Voting by proxy

Complete the voting instruction form and return it according to the instructions provided. 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.

You may return your voting instruction form in the following manner:

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 proxy form in the prepaid envelope provided.

In both cases you will need your 15 digit Control Number located in the lower left corner of the proxy form to identify yourself to the system.

Your voting instructions must be entered by 4:00 p.m. (Eastern Time) on Monday May 11, 2015. If you vote by telephone or internet, do NOT complete or return the voting instruction form.

Changing your vote

Contact your intermediary for information about how to revoke your vote and the timing requirements.

Employee Shareholders

If you hold shares purchased through the Employee Share Purchase Plan you will have received this Circular and 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 proxy form in the prepaid envelope provided.

How your proxy will be voted

Your proxy will be voted according to your voting instructions or you can let your proxyholder decide for you. If no instructions are indicated, then your proxyholder can vote your shares as he or she sees fit.

Unless you provide contrary instructions, shares represented by proxies received by Management will be voted as follows:

- **FOR** the election of each director nominee; and
- **FOR** the appointment of KPMG LLP as our independent auditors.

Amendments or other items of business at the Meeting

At the date of this Circular, Management is not aware of any matter to come before the Meeting other than the matters referred to in the Notice of Meeting.

Quorum for the Meeting

Under our by-laws, quorum constitutes two or more people present, in person, who are entitled to vote at the meeting and represent at least 10% of the issued and outstanding common shares. The two people are entitled to vote in their own right, by proxy, or as a duly authorized representative of a shareholder.

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

Confidentiality

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

Voting Results

Voting results of the Meeting will be filed with securities regulators following the Meeting and will also be posted to our website at www.equitablegroupinc.com.

BUSINESS OF THE MEETING

Receive Financial Statements

The consolidated financial statements for the year ended December 31, 2014 together with the auditors' report are included in our 2014 Annual Report, which was mailed to shareholders with this Circular. Copies of the 2014 Annual Report may be obtained from the Corporate Secretary upon request and will be available at the Meeting.

Election of Directors

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

Our articles provide that the number of directors shall be between 3 and 12. The Board is currently composed of 11 directors, including Andrew Moor, our President and Chief Executive Officer.

In 2014 Katherine Rethy announced her intention not to stand for re-election to the Board. Ms. Rethy has served as a director since May 2008 and both Management and the Board acknowledge with gratitude her valuable contribution during her tenure on the Board.

Voting is conducted on an individual director basis and we have a majority voting policy

In accordance with our by-laws, the Board has determined that ten directors will be elected at the Meeting. The Board has the ability to appoint additional directors between shareholder meetings and may do so for a number of reasons, including for Board succession purposes.

The nominees proposed for election as directors were recommended to the Board by the Corporate Governance Committee. All nominees, other than Johanne Brossard, were elected as directors at last year's annual meeting. Ms. Brossard joined the Board on February 24, 2015. Information about the director nominees starts on page 9.

Management does not contemplate that any nominated director will be unable to serve as a director. If, however, it does occur for any reason during or prior to the Meeting, it is intended that the discretionary authority shall be exercised by the individuals named in the proxy form or voting instruction form and that person will vote the common shares in accordance with their best judgement.

Appointment of Auditors

The Board recommends you vote *for* the reappointment of KPMG LLP as our independent auditors until the close of the next annual meeting of shareholders at such remuneration as may be fixed by our directors.

KPMG LLP has served continuously as the auditors of the Company since 2004 and of Equitable Bank since 2002. The Audit Committee's oversight responsibilities with respect to our external auditors includes conducting an annual assessment of KPMG's effectiveness and service quality. In 2014 this assessment considered such factors as (i) KPMG's independence, objectivity and professional skepticism, (ii) the quality of the engagement team, (iii) the quality of their communications, and (iv) the overall quality of the service provided. The Audit Committee's assessment included a review of management's evaluation as well as the Committee's own evaluation. Based on this assessment the Audit Committee concluded they were satisfied with KPMG's effectiveness and service quality and recommended to the Board that KPMG be put to the shareholders for reappointment.

Pre-Approval Policies and Auditor Service Fees

The Audit Committee has adopted a policy for the pre-approval of audit services and permitted non-audit services to be provided by the Company's external auditors. On an annual basis, the Audit Committee reviews and approves the terms, scope and associated fees of the external auditors' engagement. All services and associated fees must be pre-approved by the Audit Committee and must be permitted by securities regulations governing auditor independence. The Policy does not delegate any of the Audit Committee's responsibilities to management. Fees paid by the Company to KPMG LLP for the years ended December 31, 2014 and December 31, 2013 were as follows:

	2014[1] **$**	**2013[1]** **$**
Audit Fees	464,130	392,400
Audit–related Fees	115,000	93,500
Tax Fees	39,100	45,000
Other Fees	-	-
Total	618,230	530,900

1. Amounts exclude HST, CPAB fees, and disbursements

Audit Fees

Audit fees include amounts paid for professional services rendered by the auditors in connection with the audit of the Company's annual consolidated financial statements, and the review of the Company's interim financial statements. The increase of $71,730 from 2013 to 2014 was comprised of $62,370 related to a comfort letter provided for the Company's Series 3 Preferred Share issuance and $9,260 related to a consent letter provided for the Company's shelf prospectus.

Audit-related Fees

Audit-related fees include amounts of $40,000 paid in 2014 and $23,500 paid in 2013 for a specified procedures report to support Equitable's participation in CMHC sponsored securitization programs. The fees increased in 2014 as a result of additional reporting procedures mandated by CMHC. Included in the 2014 fees is $75,000 for French translation of the Company's base shelf prospectus and included in the 2013 fees is $70,000 for support related to documenting the Company's accounting policies and procedures.

Tax Fees

Tax fees were paid for professional services relating to reviews of the Company's corporate tax returns and for tax advisory services.

DIRECTORS

The Board is responsible for supervising the management of the business and affairs of the Company. The director profiles starting on page 9 provide information about our ten director nominees for election to the Board. All nominees have established their eligibility and willingness to serve as directors and, if elected, will hold office until the close of the next annual meeting of shareholders or until such office is earlier vacated. Information about the nomination process is provided on page 59.

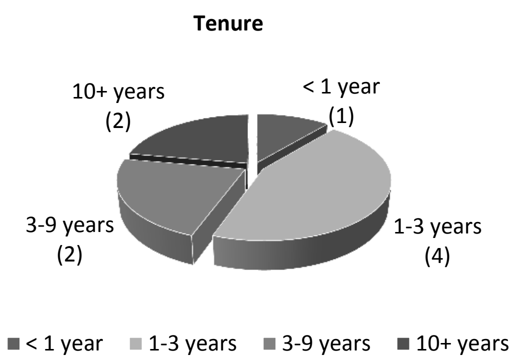
Majority Voting for Directors

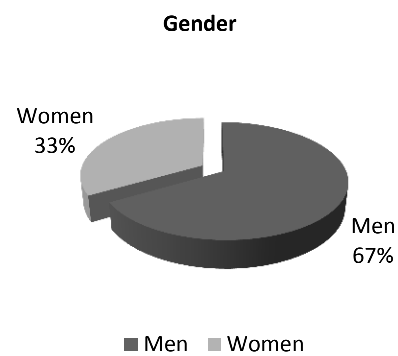
Our Majority Vote Policy applies to this election. Under this Policy, any nominee in an uncontested election who receives more *withheld* votes than *for* votes in favour of his or her election, must immediately tender his or her resignation. The Corporate Governance Committee will recommend to the Board whether or not to accept the resignation. 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. In addition, the Company will immediately issue a press release on the full voting results for the election of directors.

Diversity

Our Board is committed to ensuring there is a significant representation of women among its membership. Since 2011, four of the seven new directors appointed are women, and three of the nine independent nominees standing for election as directors at the Meeting are women.

The charts below indicate the tenure and gender of our non-employee director nominees as of April 8, 2015.





About our Director Nominees

The following pages include a profile of each nominated director proposed for election. These profiles provide details of each nominee's age, year first elected or appointed a Director, independence, current Board Committee memberships, meeting attendance in 2014, public company board memberships, areas of expertise and education and voting results for last year's director elections. Also included is information about the common shares and Deferred Share Units (DSUs) held by each director nominee as of the date of the Circular in each of 2015 and 2014.

Eric Beutel
Toronto, Ontario, Canada

Age 52

Director since 2004

Independent

Areas of expertise
- Finance
- Real Estate
- Risk Management
- Governance

2014 Annual Meeting
Votes in favour: 99.99%

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.

Public board membership during the last five years

- In-Touch Survey Systems Ltd. (2013 - present)
- Cleantech Capital Inc. (2014 – present)
- NexGen Financial Corporation (2012 - 2014)
- Big Lots Canada Inc. (2008-2011)

Board/Committee Membership	Attendance # of meetings	Total Compensation Year	Amount
Board[1]	8 of 9	2014	$ 95,725
Investment Committee (Chair)	29 of 29	2013	$ 92,100
Risk and Capital Committee	4 of 4		
Ad Hoc Committees	3 of 3		

Securities held

Date	Common shares (#)	DSUs (#)	Total market value of common shares and DSUs[1] ($)	Meets Share Ownership Requirement
April 8, 2015	2,006,500*	5,022	119,484,407	yes
April 9, 2014	2,006,500*	4,488	120,657,721	yes

* 2,000,000 of these shares are held by Oakwest Corporation Limited which are controlled or directed, directly or indirectly, by Mr. Beutel in his capacity as a director, officer and a shareholder of Oakwest.

Johanne Brossard
Toronto, Ontario, Canada

Age 54

Director since February 2015

Independent

Areas of expertise
- Financial Services
- Senior Executive
- Governance
- Regulatory
- Finance

Johanne Brossard, a Corporate Director, is an accomplished senior executive with more than 30 years in the financial services industry in Canada, Europe and Japan. Her most recent role was President and CEO of Bank West, a subsidiary of Desjardins, from 2013 to 2014 and as Desjardins' Vice-President of National Online Banking Development. Prior to that, she served three years as President and Chief Executive Officer of ResMor Trust Company, a federally regulated trust company and a wholly-owned subsidiary of Ally Financial Inc. USA. In 1996 Ms. Brossard joined ING Direct where she served in various senior level positions over a 14 year period in Amsterdam, Japan and France, and 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 received her Master of Business Administration degree from the Richard Ivey School of Business at the University of Western Ontario and has a General Management Certificate from INSEAD.

Public board membership during the last five years

None

Board/Committee Membership	Attendance # of meetings	Total Compensation Year	Total Compensation Amount
Board Human Resources & Compensation Committee Corporate Governance Committee	n/a	n/a	

Securities held

Date	Common shares (#)	DSUs (#)	Total market value of common shares and DSUs[1] ($)	Meets Share Ownership Requirement
April 8, 2015	Nil	107	6,356	No*

* Ms. Brossard has until February 24, 2018 to meet the three-year requirement.

Michael Emory
Toronto, Ontario, Canada

Age 59

Director since May 2014

Independent

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

2014 Annual Meeting
Votes in favour: 99.99%

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. He currently serves as a director of Real Property Association of Canada. Mr. Emory received his Bachelor of Arts (Honours) degree from Queen's University and his J.D. from the University of Toronto.

Public board membership during the last five years

Allied Properties REIT (2003 – present)

Board/Committee Membership	Attendance # of meetings	Total Compensation Year	Total Compensation Amount
Board	6 of 6	2014	$ 70,350
Human Resources & Compensation Committee	3 of 3		
Investment Committee	20 of 20		
Ad Hoc Committees	3 of 3		

Securities held

Date	Common shares (#)	DSUs (#)	Total market value of common shares and DSUs[1] ($)	Meets Share Ownership Requirement
April 8, 2015	1,600	483	123,730	Yes
April 9, 2014	-	n/a	n/a	n/a

Eric Kirzner

Toronto, Ontario, Canada

Age 70

Director since 2004

Independent

Areas of expertise

- Finance
- Investment Management
- Risk Management

2014 Annual Meeting
Votes in favour: 99.98%

Eric Kirzner is a Professor of Finance and the John H. Watson Chair in Value Investing at the Rotman School of Management at the University of Toronto. He also serves as lead external advisor to the Healthcare of Ontario Pension Plan, and as a member of the Canada Council for the Arts Investment Committee. Professor Kirzner holds a Bachelor of Arts degree and a Master of Business Administration degree from the University of Toronto.

Public board membership during the last five years

None

Board/Committee Membership	Attendance # of meetings	Total Compensation Year	Amount
Board	8 of 9	2014	$ 98,975
Audit Committee (Chair)	4 of 4	2013	$ 89,725
Risk and Capital Committee	4 of 4		

Securities held

Date	Common shares (#)	DSUs (#)	Total market value of common shares and DSUs[1] ($)	Meets Share Ownership Requirement
April 8, 2015	3,569	5,022	510,305	yes
April 8, 2014	2,840	4,488	438,121	yes

David LeGresley

Toronto, Ontario, Canada

Age 56

Director since 2011

Independent

Areas of expertise

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

2014 Annual Meeting
Votes in favour: 99.00%

David LeGresley is Chair of the Board of both the Company and the Bank. He is also a Corporate Director and 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.

Public board membership during the last five years

- Pembina Pipeline Corporation (2010-present)
- NB Split Corp. (2006-2012)

Board/Committee Membership	Attendance # of meetings	Total Compensation Year	Amount
Board (Chair)	9 of 9	2014	$152,725
Human Resources & Compensation Committee	2 of 2	2013	$ 77,100
Risk & Capital Committee (Chair)	4 of 4		
Ad Hoc Committees	3 of 3		

Securities held

Date	Common shares (#)	DSUs (#)	Total market value of common shares and DSUs[1] ($)	Meets Share Ownership Requirement
April 8, 2015	17,000	3,647	1,226,432	yes
April 9, 2014	17,000	2,333	1,159,195	yes

Lynn McDonald
Toronto, Ontario, Canada

Age 63

Director since 2011

Independent

Areas of expertise
- Finance
- Financial Services
- Governance
- Human Resources/ Compensation
- Risk Management

2014 Annual Meeting
Votes in favour: 98.97%

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 the Chair and an independent trustee of Greystone Health Trust, an Ontario Hospital Association trust fund. 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.

Other public company directorships in the past five years

None

Board/Committee Membership	Attendance # of meetings	Total Compensation Year	Total Compensation Amount
Board	9 of 9	2014	$103,225
Corporate Governance Committee (Chair)	7 of 7	2013	$ 75,475
Human Resources & Compensation Committee (Chair)	5 of 5		
Risk & Capital Committee	2 of 2		
Ad Hoc Committees	3 of 3		

Securities held

Date	Common shares (#)	DSUs (#)	Total market value of common shares and DSUs[1] ($)	Meets Share Ownership Requirement
April 8, 2015	3,450	2,843	373,804	yes
April 9, 2014	3,350	2,333	340,195	yes

Andrew Moor
Toronto, Ontario, Canada

Age 54

Director since 2007

Not Independent

Areas of Expertise
- Finance
- Financial Services
- Real Estate
- Strategic Planning

2014 Annual Meeting
Votes in favour: 99.99%

Andrew Moor is President and Chief Executive Officer of the Company and Equitable Bank, a position he has held since March 2007. Prior to joining the Company he was President and Chief Executive Officer of Invis Inc. from February 2002 to February 2007. Mr. Moor received a Bachelor of Science in Engineering from the University College, London and a Master of Business Administration degree from the University of British Columbia. He is a member of the Institute of Corporate Directors with the ICD.D designation.

Public board membership during the last five years

None

Board/Committee Membership	Attendance # of meetings	Total Compensation Year	Total Compensation Amount
Board	8 of 9[1]	2014	-
Investment Committee	24 of 29	2013	-

Securities held

Date	Common shares (#)	DSUs (#)	Total market value of common shares and DSUs ($)	Meets Share Ownership Requirement[2]
April 8, 2015	87,812	-	5,216,033	yes
April 9, 2014	79,710	-	4,782,600	yes

1. Mr. Moor did not attend one board meeting in 2014 which was a meeting solely of the independent directors.
2. Mr. Moor's share ownership requirement as CEO in 2014 was three times his annual base salary. Further details can be found on page 37 of the Circular.

Rowan Saunders

Toronto, Ontario, Canada

Age 50

Director since 2013

Independent

Areas of expertise
- Senior Executive
- Risk Management
- Strategic Planning
- Governance

2014 Annual Meeting
Votes in favour: 99.98%

Rowan Saunders has been President & Chief Executive Officer of Royal & Sun Alliance Insurance Company of Canada (RSA Canada), one of Canada's leading property and casualty insurance companies in terms of direct premiums written, since September 2003. He is also a member of the global Executive Committee of RSA Insurance Group plc. Since joining RSA Canada in 1987, Mr. Saunders has held progressive leadership positions in the areas of underwriting, marketing, sales and finance. He serves as a member of the Board of Directors of the Insurance Bureau of Canada (IBC) and was the IBC's past Chair. Mr. Saunders 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.

Public board membership during the last five years

None

Board/Committee Membership	Attendance # of meetings	Total Compensation Year	Amount
Board	9 of 9	2014	$80,475
Audit Committee	4 of 4	2013	$54,725
Corporate Governance Committee	7 of 7		

Securities held

Date	Common shares (#)	DSUs (#)	Total market value of common shares and DSUs[1] ($)	Meets Share Ownership Requirement
April 8, 2015	2,000	1,167	188,120	yes
April 9, 2014	1,000	677	100,374	yes

Vincenza Sera
Toronto, Ontario, Canada

Age 58

Director since 2013

Independent

Areas of expertise
- Finance
- Financial Services
- Governance
- Real Estate

2014 Annual Meeting
Votes in favour: 98.95%

Vincenza Sera is a Corporate Director. She is Chair of the Ontario Pension Board and Chair of the Board of DREAM Industrial REIT. She is a member of the Board of Directors of the Ontario Financing Authority and DREAM Unlimited Corp. 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.

Public board membership during the last five years

- DREAM Industrial REIT (2012 – present)
- DREAM Unlimited Corp. (2013 - present)

Board/Committee Membership	Attendance # of meetings	Total Compensation Year	Amount
Board	9 of 9	2014	$ 91,725
Corporate Governance Committee	7 of 7	2013	$ 56,225
Human Resources & Compensation Committee	5 of 5		
Investment Committee	20 of 20		
Ad Hoc Committees	3 of 3		

Securities held

Date	Common shares (#)	DSUs (#)	Total market value of common shares and DSUs[1] ($)	Meets Share Ownership Requirement
April 8, 2015	2,000	1,167	188,120	Yes
April 9, 2014	-	677	40,374	-

Michael Stramaglia
Toronto, Ontario, Canada

Age 55

Director since 2014

Independent

Areas of expertise
- Risk Management
- Finance
- Investment Management
- Senior Executive
- Financial Services
- Governance

2014 Annual Meeting
Votes in favour: 99.97%

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 serves on the boards of the Economical Insurance Group and Foresters. 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.

Public board membership during the last five years

None

Board/Committee Membership	Attendance # of meetings	Total Compensation Year	Amount
Board	6 of 6	2014	$61,350
Audit Committee	2 of 2	2013	-
Risk & Capital Committee	2 of 2		

Securities held

Date	Common shares (#)	DSUs (#)	Total market value of common shares and DSUs ($)	Meets Share Ownership Requirement
April 8, 2015	900	483	82,150	No*

*Mr. Stramaglia was elected a director on May 14, 2014 and is on track to meet the three-year requirement.

1. Total value of common shares is determined by multiplying the closing price of the Company's common shares on the Toronto Stock Exchange (TSX) on April 9, 2014 ($60.00) and on April 8, 2015 ($59.40), respectively, times the number of common shares outstanding on those dates. The dollar amount of the DSUs is based on the volume-weighted average trading price of the common shares on the TSX five days prior to April 9, 2014 and April 8, 2015 plus DSUs acquired through the reinvestment of dividends from the date of grant to April 8, 2015. The valuation methodology used to determine the fair value of the DSUs and the accounting fair value is the same.
2. The Board from time to time forms committees of the Board on an ad hoc basis. In 2014, the Board formed such a committee consisting of Messrs. LeGresley, Beutel and Emory and Mses. McDonald and Sera to consider the Company's strategic plan and other related matters. Directors serving on such committee were paid meeting fees for attendance at meetings. Such committee is no longer in existence.

Additional Disclosure Concerning the Director Nominees

To the knowledge of the Company, no director nominee:

(a) is, as at the date of this Circular or has been within the last 10 years, 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, or;

   (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) is, as at the date of this Circular, or has been within the last 10 years, 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;

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

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.

Director Attendance

Directors are expected to attend all regularly scheduled meetings of the Board and its committees, unless circumstances make it impossible to do so. They are also required to attend at least 75% of the combined total of Board and committee meetings and to attend the Company's annual meeting of shareholders.

David LeGresley, as Chair of the Board, regularly attends committee meetings.

The following tables show the number of Board and Board Committee meetings held in 2014 as well as the record of attendance by directors at meetings of the Board and its committees. One of the nine meetings held in 2014 was attended only by the Independent directors. The independent directors also met in camera without management present at each of the remaining meetings.

2014 Board and Committee meetings	#
Board	9
Audit Committee	4
Risk & Capital Committee	4
Corporate Governance Committee	7
Human Resources & Compensation Committee	6
Investment Committee (4 quarterly plus 25 meetings called on short notice to approve credits which exceeded management approval limits.)	29
Ad Hoc Committees	3

	Board	Audit Committee	Risk & Capital Committee	Corporate Governance Committee	Human Resources & Compensation Committee	Investment Committee[1]	Annual Meeting	Total Attendance #	Total Attendance %
Eric Beutel[4]	8/9	-	4/4	-	-	29/29	1/1	42/43	98
Michael Emory[2,4]	6/6	-	-	-	3/3	20/20	1/1	30/30	100
Eric Kirzner	8/9	4/4	4/4	-	-	-	1/1	17/18	94
David LeGresley[4]	9/9	2/2	2/2	-	3/3	-	1/1	17/17	100
Lynn McDonald[4]	9/9	-	2/2	7/7	6/6	-	1/1	25/25	100
Andrew Moor	8/9	-	-	-	-	24/29	1/1	33/39	85
Katherine Rethy	8/9	-	-	4/4	3/3	7/9	1/1	23/26	88
Rowan Saunders	9/9	4/4	-	7/7	-	-	1/1	21/21	100
Vincenza Sera[2,4]	9/9	-	-	7/7	6/6	20/20	1/1	43/43	100
Michael Stramaglia	6/6	2/2	2/2	-	-	-	1/1	11/11	100
Directors who retired in 2014									
Austin Beutel[3]	3/3	-	2/2	-	2/2	-	1/1	8/8	100
Joseph Dickstein	3/3	-	-	2/3	-	-	1/1	5/6	83
Morris Shohet	2/3	1/2	-	-	-	7/9	1/1	12/15	80

1. Includes four regularly scheduled meetings and 25 meetings called on less than one week's notice to approve loans which exceeded management approval limits.
2. Mr. Emory and Ms. Sera were appointed to the Investment Committee on May 14, 2014.
3. Austin Beutel retired from the Board on May 14, 2014 and was appointed Honourary Chair of the Board, by the Board that same day. Mr. Beutel attended all remaining Board meetings in 2014 in that capacity. See below for further information on the Honourary Chair position.
4. The Board from time to time forms committees of the Board on an ad hoc basis. In 2014, the Board formed such a committee consisting of Messrs. LeGresley, Beutel and Emory, and Mses. McDonald and Sera to consider the Company's strategic plan and other related matters. Such committee met three times and each such director attended each meeting. Such committee is no longer in existence.

Honourary Chair

Following Austin Beutel's retirement as Chair of the Board and a director on May 14, 2014, the newly-elected Board of Directors appointed Mr. Beutel Honourary Chair of the Board in recognition of his significant contribution to the Board during the 15 years he served as a director of both the Company and Equitable Bank, and his unique knowledge of the development of our business. In this non-voting, non-compensation role, Mr. Beutel continues to provide input on Board matters through his attendance at board meetings which will continue through 2015.

Director Compensation

Our Corporate Governance Committee is responsible for reviewing the adequacy and form of non-employee director compensation on a biennial basis. In doing so the Committee considers the following factors:

- the experience and skill of our directors,
- the time commitment required to serve on the board and one or more board committees,
- the complexity of the financial services industry and intensity of regulatory oversight,
- the size, scope and complexity of our business,
- competitive compensation to attract new candidates and retain existing directors, and
- alignment of directors' interests with shareholders.

Components of Director Compensation

Total compensation for non-employee directors, other than the Chair of the Board, consists of annual retainers, meeting fees and an annual equity award provided in the form of Deferred Share Units (DSUs). Directors are entitled to be reimbursed for travel and other expenses when they attend meetings or conduct business on behalf of the Company.

The annual retainer for the Chair of the Board is an all-inclusive fee, meaning that he receives no meeting fees or any other retainer for serving in that role.

The components of director compensation are outlined in the table below. As disclosed in the 2014 Management Information Circular, in 2013 the Corporate Governance Committee retained an independent consultant, Towers Watson, to assist in assessing the competitiveness of non-employee director compensation and to provide advice regarding market positioning and board compensation trends. In February 2014, based on Towers Watson's advice and on the recommendation of the Corporate Governance Committee, the Board approved the changes to the annual retainers as indicated in the table below.

	Before May 14, 2014	Effective May 14, 2014
Board Chair retainer		
• Cash	$62,500	$80,000
• Equity (DSUs)	$25,000	$80,000
Director retainer		
• Cash	$25,000	$30,000
• Equity (DSUs)	$25,000	$30,000
Committee Chair retainer		
Audit	$20,000	$20,000
Investment	$10,000	$10,000
Human Resources and Compensation	$10,000	$15,000
Risk and Capital	$ 5,000	$10,000
Corporate Governance	$ 5,000	$10,000
Board and Committee meeting fees[1]		
More than 2 hours in duration	$ 1,500	$1,500
2 hours or less in duration	$ 750	$ 750
Shareholder meeting fee	$ 600	$ 600

1. No fees are paid for meetings 15 minutes or less.

No Changes to compensation in 2015

In February 2014 the Committee recommended and the Board subsequently agreed that director compensation would be reviewed every two years. As a result, there are no changes to director compensation planned for 2015.

Total Director Compensation

The table below reflects compensation earned by our non-employee directors in 2014. Messrs. Emory and Stramaglia were elected to the Board at the annual shareholder's meeting on May 14, 2014. Messrs. Beutel, Dickstein, and Shohet did not stand for re-election at last year's meeting and retired from the Board on May 14, 2014.

As President and CEO, Andrew Moor does not receive compensation for service as a director. Information regarding his 2014 compensation is set out in the "Executive Compensation" section of this Circular.

2014 Director Compensation Table

	Director/ Board Chair Retainer ($)	Committee Chair Retainer ($)	Attendance Fees ($)	Share-based awards (DSUs) ($)	Total ($)
Eric Beutel[5]	28,125	10,000	27,600	30,000	**95,725**
Michael Emory[1,5]	18,750	0	21,600	30,000	**70,350**
Eric Kirzner	28,125	20,000	20,850	30,000	**98,975**
David LeGresley[2]	59,375	3,750	9,600	80,000	**152,725**
Lynn McDonald[5]	28,125	17,500	27,600	30,000	**103,225**
Katherine Rethy	28,125	0	18,600	30,000	**76,725**
Rowan Saunders	28,125	0	22,350	30,000	**80,475**
Vincenza Sera[5]	28,125	0	33,600	30,000	**91,725**
Michael Stramaglia[1]	18,750	0	12,600	30,000	**61,350**
Directors who retired in 2014					
Austin Beutel[3]	23,438	0	0	-	**23,438**
Joseph Dickstein[4]	9,375	0	5,100	-	**14,475**
Morris Shohet[4]	9,375	0	5,100	-	**14,475**
TOTAL	**307,813**	**51,250**	**204,600**	**320,000**	**883,663**

1. Reflects service as a director since May 14, 2014.
2. Reflects service as a director from January 1, 2014 to May 14, 2014 and as Chair of the Board from May 14, 2014 to December 31, 2014.
3. Reflects service as Chair of the Board until May 14, 2014.
4. Reflects service as a director until May 14, 2014.

Deferred Share Units

To align the interests of directors with the Company's shareholders, directors receive a portion of their annual retainer in deferred share units (DSU). A DSU is a notional share that has the same value as one common share. DSUs granted to directors vest immediately 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. Until December 31, 2014, the redemption value was equal to the market value of a common share multiplied by the number of DSUs credited to the director's DSU account on the date the director left the Board. The director could then elect a single redemption date provided that it occurred prior to the last business day of the calendar year following the calendar year in which the director ceased to be a director of the Company.

In November 2014, the Board approved amendments to the DSU Plan whereby effective January 1, 2015, the redemption value of a DSU equals the market value of a common share on the date of redemption. As well, 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 that the directorship ceased.

New non-employee directors who join the Board during the year will receive a pro-rated annual DSU grant based on the date they join the Board.

Share Ownership Requirement

The Board believes that share ownership by each director further aligns the interests of directors with the shareholders they represent. Each non-employee director is required to hold common shares and/or DSUs with a value equal to three times the director's annual cash retainer within three years of joining the Board. The share value is based on market price or the director's purchase price, whichever is higher. Share ownership requirements are reviewed periodically by the Corporate Governance Committee based on survey data and benchmarking. The current level will be maintained for 2015.

Directors are prohibited from, directly or indirectly, entering into any short selling arrangements, or in the trading of puts, calls or options in respect of the Company's shares while serving as a director of the Company.

All directors have met or exceeded the Director Share Ownership Requirement, except for Mr. Stramaglia, who joined the Board in May 2014, and Ms. Brossard, who joined the Board in February 2015. These directors are accumulating equity in accordance with our requirements.

As President and CEO, Mr. Moor has an ownership requirement of three times his base salary and he exceeds this requirement.

Outstanding Share-based Awards

The table below shows the value of outstanding share-based awards (DSUs) held by the non-employee directors as at December 31, 2014:

	Share-based Awards	
	Number of DSUs held [2] (#)	Market or pay-out value of vested DSUs not paid out or distributed[3] ($)
Eric Beutel	5,006	328,744
Michael Emory	481	31,587
Eric Kirzner	5,006	328,744
David LeGresley	3,636	238,776
Lynn McDonald	2,834	186,109
Katherine Rethy	5,006	328,744
Rowan Saunders	1,164	76,440
Vincenza Sera	1,164	76,440
Michael Stramaglia	481	31,587

1. Ms. Brossard is not represented in the above table as she was appointed to the Board effective February 24, 2015.
2. Includes dividend equivalents credited to each non-employee director's account from the date of grant to December 31, 2014.
3. The dollar amount of the DSUs is based on the volume-weighted average trading price of the common shares on the TSX five days prior to December 31, 2014 plus DSUs acquired through the reinvestment of dividends during 2014.

BOARD COMMITTEE REPORTS

The Board carries out its responsibilities directly and through its standing committees. The Committee reports below describe each such Committee's key responsibilities, activities and meetings in 2014. Each Committee is comprised of independent directors, with the exception of the Investment Committee. Each Committee Chair reports to the Board on matters reviewed by the Committee and its recommendations.

Report of the Audit Committee

Current Members: Eric Kirzner (Chair), Rowan Saunders, Mike Stramaglia. All members are financially literate in accordance with applicable Canadian securities rules.

Responsibilities

The Committee is responsible for overseeing the (i) quality and integrity of the Company's financial reporting; (ii) control functions; namely the internal audit and finance functions and, until November of 2014, the compliance function; (iii) the qualifications, independence and service quality of the external auditors; (iv) compliance with legal and regulatory requirements; and (vi) the effectiveness of the Company's internal controls. In November 2014 the Committee recommended and the Board approved transferring the responsibility to oversee regulatory compliance to the Corporate Governance Committee.

The Committee met four times in 2014. At each meeting the Committee met *in camera* without management present, and met separately with each of KPMG, the Vice-President of Internal Audit, the Chief Financial Officer, the Chief Compliance Officer, and the Chief Anti-Money Laundering Officer.

The Committee reviewed its mandate and is satisfied that it has fulfilled its responsibilities in 2014.

2014 Highlights

- reviewed and discussed with Management and KPMG the interim and annual consolidated financial statements, MD&A, press releases and annual information form and recommended their approval by the Board;
- reviewed with KPMG material changes in accounting policies and practices;
- 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, and the methodology for determining the collective allowance;
- reviewed Management's report each quarter on its assessment of the effectiveness of the Company's disclosure controls and procedures and internal controls over financial reporting with Management and KPMG;
- reviewed the external audit plan and monitored its execution. Reviewed and evaluated the results of the annual audit;
- reviewed and assessed KPMG's performance, taking into consideration such factors as the (i) relevant qualifications, skills and experience of the engagement team, (ii) quality of communications and service provided by KPMG, and (iii) KPMG's independence, objectivity and professional skepticism. Based on this assessment, recommended that the Board recommend to the shareholders the appointment of KPMG as the auditor of the Company;
- received updates from KPMG on accounting and auditing developments as well as current topics relevant to audit committees;
- pre-approved all non-audit services performed by KPMG and the associated fees, and received quarterly report on fees paid for audit, audit-related, tax and other services;
- reviewed the amendments to the Bank's internal control framework and recommended it to the Board for approval.
- approved the internal audit plan and reviewed quarterly reports of all internal audit activities, including the assessments of the effectiveness of internal controls and status of corrective actions, and observations on trends in audit issues;
- met regularly with the Chief Compliance Officer and received quarterly reports on compliance with applicable laws and regulations;
- met regularly with the Chief Anti-Money Laundering Officer and received quarterly updates on the anti-money laundering / anti-terrorist financing (AML) program;
- oversaw the effectiveness, independence and resources of the internal audit, finance and compliance functions and approved their budgets.
- approved the mandates for the Vice-President of Internal Audit, Chief Compliance Officer and Chief Financial Officer and assessed the individual performance of these individuals;
- received quarterly reports on legal matters against the Bank; and
- reviewed and recommend changes to the Committee's mandate to transfer functional reporting lines for Regulatory Compliance including AML to the Corporate Governance Committee.

Risk and Capital Committee

Current Members: David LeGresley (Chair), Eric Beutel, Eric Kirzner, Lynn McDonald and Mike Stramaglia.

Responsibilities

The Committee is responsible for; (i) reviewing the Core Risks and assessing whether the key risks of the Company have been identified; (ii) reviewing the Company's Risk Appetite and risk tolerance limits established in the context of its risk appetite; (iii) reviewing the Company'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) reviewing the Company's Internal Capital Adequacy Assessment Process (ICAAP); (v) identifying and monitoring future trends and emerging risks; and (vi) taking an enterprise-wide view of risks faced by the Company.

The Committee met four times in 2014. At each meeting the Committee met *in camera* without Management present and also met separately with the Chief Risk Officer.

The Committee reviewed its mandate and is satisfied that it has fulfilled its responsibilities in 2014.

2014 Highlights

- reviewed and recommended for Board approval the Company's risk appetite framework, which includes the risk appetite statement, and received regular reporting on the assessment of the Company's risk profile against risk appetite;
- received quarterly reports from the Chief Risk Officer on his enterprise-wide view of the Company'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 Company's enterprise-wide stress testing programs conducted throughout the year;
- received regular updates on the Company's top and emerging risks and reviewed the annual update of the emerging risk inventory;
- reviewed and recommended for approval by the Board the Internal Capital Adequacy Assessment Process and monitored the Bank's quarterly capital position;
- reviewed Management's proposal for, and recommended Board approval of, the redemption of the Series 1 preferred shares and issuance of new Series 3 Preferred Shares, the proceeds of which were used to acquire Basel III compliant Series 3 Preferred Shares of the Bank and thereby optimizing the Bank's regulatory capital position;
- discussed with the Chief Risk Officer the alignment of the Company's compensation program with its Core Risks;
- reviewed and approved changes to the Committee's mandate which were made to further enhance alignment with OSFI's Corporate Governance Guideline;
- reviewed the enhancements made to the operational risk management function, framework and policy;
- oversaw the independence of the Risk function, reviewed its organizational structure and approved its budget and resources, and approved the mandate of the Chief Risk Officer; and
- oversaw the succession planning process for the Chief Risk Officer position and the transition to the new CRO as of January 1, 2015.

Human Resources and Compensation Committee

Current Members: Lynn McDonald (Chair), Michael Emory, Katherine Rethy and Vincenza Sera. Johanne Brossard was appointed to this Committee on February 24, 2015.

Responsibilities

The Committee is responsible for: (i) overseeing the compensation philosophy and the design and application of the compensation program to ensure alignment with the Company's risk appetite framework; (ii) determining performance objectives for the CEO and regularly measuring his performance against these objectives; (iii) evaluating the performance of the CEO and recommending his compensation based on this evaluation in consultation with independent advisors; (iv) reviewing the performance of the Company's executive officers and approving their compensation; (v) overseeing succession planning, talent development and retention strategies for executive officers; and (vi) overseeing share ownership requirements for the CEO and executive officers.

As required by its mandate, Committee members have, or must be willing to acquire within a reasonable period of time following their appointment, an understanding of issues relating to human resources and compensation, and performance management so they can fully contribute to achieving the Committee's objectives.

The Committee met six times in 2014. The CEO and the Vice-President, Human Resources attended five of these meetings. At each of these meetings the Committee met without management present and also met separately with its independent compensation advisor. The Committee is satisfied that it has fulfilled its responsibilities under its mandate with respect to the 2014 fiscal year and has provided this report on its activities:

2014 Highlights

- developed in conjunction with the CEO his 2014 performance objectives;
- reviewed the CEO's annual performance objectives, assessed his mid-year and annual performance against these objectives and the financial results, and recommended compensation based on this evaluation for approval by the independent board members;
- reviewed the analysis provided by the Committee's independent advisor on the competitiveness of the CEO's target total direct compensation;
- reviewed with the CEO his performance assessments of the Executive Officers and approved their compensation;
- reviewed and recommended for board approval the metrics for the 2014 corporate performance scorecard;
- approved revised termination/change of control arrangements for Executive Officers to align with current market practices and pursuant to discussions with the independent advisor;
- approved the terms and conditions of the retirement of the Chief Risk Officer;
- reviewed and discussed with the CRO the alignment of the compensation program with the Company's risk appetite framework;
- reviewed and recommended for Board approval changes to the Restricted Share Unit Plan and the replacement of Restricted Share Units with Performance Share Units for Executive Officers;
- reviewed and discussed with the independent advisor market trends and best practices in executive compensation, and the regulatory landscape;
- reviewed the analysis provided by the Committee's independent advisor on changes to the Company's comparator group for benchmarking and competitive positioning purposes in respect of the Executive Officers;
- oversaw the succession process for Ron Tratch into the role of Chief Risk Officer as of January 1, 2015 and approved his compensation arrangements;
- discussed with Management the Company's approach to talent management and reviewed emergency succession plans for executive officer positions;
- reviewed and discussed the results of the 2014 employee engagement survey;
- reviewed the independence and performance of the Committee's independent advisor; and
- reviewed and approved a report on executive compensation for inclusion in the Management Information Circular.

Corporate Governance Committee

Current Members: Lynn McDonald (Chair), Katherine Rethy, Rowan Saunders and Vincenza Sera. Johanne Brossard was appointed to this Committee on February 24, 2015.

Responsibilities

The Committee is responsible for; (i) identifying individuals qualified to become directors of the Company; (ii) recommending nominees for election to the Board at each annual meeting of shareholders or to fill vacancies on the Board; (iii) developing and recommending the Company's corporate governance policies, practices and processes; (iv) determining the desired experience, mix of skills and other qualities to assure appropriate Board composition; (v) reviewing and recommending the compensation of the non-employee directors of the Company; (vi) evaluating Board, Board Committee and individual director performance; and (vii) acting as the conduct review committee for the Bank and review its policies and practices relating to self-dealing. In addition, and as approved by the Board in November 2014, the Committee is now responsible for overseeing regulatory compliance, including AML, which was previously a responsibility of the Audit Committee.

The Committee met seven times in 2014 and each meeting was attended by the CEO. The Committee met *in camera* without the CEO present at each of these meetings. The Committee is satisfied that it has fulfilled its responsibilities under its mandate in 2014 and has provided this report on its activities:

2014 Highlights

- undertook a rigorous search to identify a director candidate with strong experience in retail banking and digital banking and in February 2015, recommended to the Board for approval the appointment of Johanne Brossard as a new director;
- strengthened board committee membership by recommending an increase in the number of members serving on the Risk & Capital Committee from four to five, and on the Human Resources & Compensation Committee from three to four. In addition, recommended to the Board for approval changes to board committee composition with a view to committee and committee chair succession planning;
- co-ordinated the transition of David LeGresley as the new Board Chair with the retirement of Austin Beutel from the Board in May 2014, recommending that Mr. Beutel be appointed Honourary Chair upon his retirement;
- conducted the annual evaluation of the effectiveness and performance of the Board, its committees and individual directors;
- reviewed the content of the director orientation program for new directors and oversaw the board's continuing education program, ensuring that specific requests for education topics received through the annual Board evaluation process were accommodated;
- reviewed and recommended to the Board for approval nominees for election as directors;
- assessed the independence of each director nominee standing for election at the 2015 annual meeting of shareholders;
- discussed an emergency preparedness planning process for the Chair of the Board;
- received a report on compliance with the Code of Business Conduct by all Company employees and directors;
- reviewed and recommended for board approval the mandates of the Board, Chair of the Board, Committee Chairs, individual directors and CEO;
- monitored developments and proposed changes to securities laws, disclosure and other regulatory requirements;
- discussed the workload among the Board Committees and agreed to assume responsibility for overseeing regulatory compliance, including AML, from the Audit Committee as of November 2014 with a view to better balancing the committee's work;
- reviewed and recommended our corporate governance disclosure in the Circular to the Board for approval;
- received a report on the adherence by all directors, officers and employees to the Code of Business Conduct;
- reviewed and recommended for Board approval the directors' report to OSFI on conduct review activities in 2014;
- approved related party transactions and recommended board approval of the Bank's policies and procedures for monitoring related party transactions; and
- received a report on the Company's Corporate Social Responsibility program.

Investment Committee

Current Members: Eric Beutel (Chair), Michael Emory, Andrew Moor, and Vincenza Sera.

Responsibilities

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 2014. These meetings were attended by the Chief Financial Officer, the Chief Risk Officer, the Vice-President of Commercial Credit, the Vice-President of Residential Credit, the Vice-President of Commercial Lending (since July 2014) and the Vice-President and Treasurer. The Committee also meets to approve credits which exceed management approval limits and in 2014 there were 25 such meetings.

The Committee is satisfied that it has fulfilled its responsibilities under its mandate for the 2014 fiscal year and has provided this report on its activities:

2014 Highlights

- 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 the adequacy of the collective and individual allowances for potential credit loss in the mortgage portfolio and the appropriateness of the collective allowance methodology;
- approved the delegation of credit approval limits to Management and approved credit applications which exceeded those limits;
- reviewed and recommended to the Board for approval changes to the Bank's lending policies;
- reviewed and recommended to the Board for approval the Bank's policies and limits for managing and mitigating liquidity and market risks and reviewed reports demonstrating compliance with these policies;
- reviewed reports from the Bank's Asset Liability Committee on the management of liquidity and interest rate risk positions;
- 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; and
- monitored the strategy of the Bank's securities portfolio and developments in market conditions.

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

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

HIGHLIGHTS

- Benchmarking executive compensation against comparator group
- Share ownership requirements for the top 3 senior management employees
- Our Board engages an independent compensation advisor
- Anti-hedging policy on equity
- Our Board utilizes informed judgement to ensure incentive payouts are reflective of business performance
- Clawback policy for CEO, CFO and CRO
- Caps on the annual bonus and Performance Share Units payouts
- Payout criteria for Performance Share Units relative to performance of comparator group

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.

Compensation Governance and Oversight

The Company's compensation governance structure consists of the Board of Directors, the Human Resources and Compensation Committee (the "HRC Committee"), and its independent advisor, 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 Executive Officers. The Board is accountable for ensuring that the principles, objectives, design parameters and implementation standards of the Company's compensation program attract, motivate and retain highly qualified employees critical to the success of the Company and that such practices are aligned with the business strategy and are in compliance with the Principles for Sound Compensation Practices and Implementation Standards established by the Financial Stability Board ("FSB Principles").

The Vice-President, Human Resources reports to the HRC Committee, at least annually, on the effectiveness of the Policy and the overall compensation program, and the Chief Risk Officer ("CRO") is accountable for reporting to the HRC Committee on the alignment of compensation programs and payouts with sound risk management principles and practices. Internal Audit reports the results of its periodic assessment of this Policy and the compensation program to the Audit Committee and the HRC Committee.

Role and Composition of the HRC Committee

The HRC Committee assists the Board in its oversight role with respect to the Company's compensation philosophy and structure by at least annually:

- reviewing the Compensation Policy and applicable compensation program;
- reviewing and approving annual corporate and individual performance targets relevant to the compensation of the President and CEO (the "CEO") and annually recommending to the Board the CEO's compensation, following an evaluation of the CEO's performance against such targets;
- approving and recommending for Board approval, the total compensation of each of the CEO and his direct reports ("Executive Officers") and any Named Executive Officer ("NEO") whose compensation is disclosed in the Management Information Circular;
- assessing the appropriateness of compensation relative to actual performance and business risks undertaken;
- reviewing the senior level organizational structure of the Bank,
- supporting the Board in its oversight of succession planning and talent management; and
- reviewing and monitoring share ownership requirements for the CEO, CFO and CRO.

The HRC Committee is comprised entirely of independent directors: Lynn McDonald, who serves as Chair, Michael Emory, Vincenza Sera, Katherine Rethy and, as of February 24, 2015, Johanne Brossard. None of these individuals have ever been an employee or executive of the Company. The members of the HRC Committee have gained experience in compensation matters by serving as senior leaders in large organizations, with all members having extensive experience and knowledge in areas relevant to the Committee's responsibilities including Human Resources, Executive Compensation, Finance, Corporate Governance, Risk Management and Public Company Leadership. The Committee Chair also serves as our Chair of the Corporate Governance Committee and sits on the Risk and Capital Committee. The Board believes that collectively, this experience provides the HRC Committee with the knowledge, skills, experience and background to fulfill its mandate effectively. Moreover, the cross-membership between this Committee and the Risk and Capital Committee supports the effective oversight of compensation and its alignment with our risk management principles and practices.

Overall, the Company manages compensation risk in consultation with the HRC and Risk & Capital committees, through its organizational structure, management oversight, the design of its compensation program (including caps on incentive payouts), anti-hedging, clawback and related risk management policies and practices.

In addition, the HRC Committee has adopted good governance practices which include utilizing an annual work plan to map out all regularly occurring matters for which the HRC Committee has responsibility, holding *in camera* sessions without management present, and working with an external advisor to advise the Committee on the compensation program. These practices have strongly supported the HRC Committee in effectively carrying out its mandate.

In 2014, the HRC Committee held six meetings. The CEO and the Vice-President, Human Resources attend the meetings of the HRC Committee. No employee or executive, including the CEO, is present when his or her compensation is discussed.

Role of the Independent Advisor

The HRC Committee benefits from the expertise provided by an external subject matter expert in the area of executive compensation and Towers Watson has been the HRC Committee's external independent compensation advisor since 2009. In 2014 the services provided by Towers Watson to the HRC Committee included:

- reviewing the competitiveness of compensation for the CEO, CFO and CRO;
- providing advice on compensation trends;
- providing advice and recommendations on the amended and restated Restricted Share Unit ("RSU") plan for the purpose of designing and implementing Performance Share Units ("PSU");
- providing input into annual incentive plan process including the corporate scorecard;
- reviewing the Compensation Discussion and Analysis section of the Management Information Circular; and
- providing general advice on issues including employment contracts, peer group formation, peer pay practices and stock option valuations.

The HRC Committee regularly meets with Towers Watson, without management present, to discuss relevant issues and to ensure that the HRC Committee is able to discuss compensation related matters free from the influence of management, thereby ensuring the overall effectiveness of the HRC Committee's oversight of compensation. Decisions made by the HRC Committee are based on multiple sources and do not necessarily reflect advice received from Towers Watson.

The table below shows the fees paid to Towers Watson in 2014 and 2013, in respect of services provided to the HRC Committee:

Services Performed	Fees paid in 2014 ($)	Fees paid in 2013 ($)
Executive Compensation-related fees	165,975[1]	96,985
All other fees	0	0

1. Fee increase year over year due to Executive competitive compensation review and Long-term incentive design enhancements.

Aligning Compensation with Risk Management Principles

Effective risk management is critical to our success and the achievement of our business strategies. Our compensation program is designed to ensure it does not create an incentive for risk taking outside of the Company's risk tolerance and the Board reviews the program regularly to confirm that it is operating as intended.

Equitable, like other financial institutions, is exposed to several risk factors, many of which are beyond our direct control. The Board plays an active role in monitoring the Company's core risks and in determining policies that are best suited to manage these risks. The Risk and Capital Committee assists the Board in its oversight of the Company's management of its core risks and is accountable for reviewing its assessment of the compensation program and its alignment with the Company's core risks with the HRC Committee. The core risks faced by the Company are described on pages 65 through 74 of our 2014 Annual Report which has been provided with this Circular and is also available on our website at www.equitablegroupinc.com.

The Company seeks to align pay with our business strategy to drive business performance, reward prudent management of a financial institution and the protection of its depositors, be competitive and maximize long-term shareholder return within the constraints of the Company's pre-defined risk appetite. In consideration of the risks associated with the compensation program, the HRC Committee has implemented a number of risk-mitigating features, including the following:

- incentive compensation is awarded based on the achievement of corporate targets that reflect the Company's key performance metrics;
- key determinants of employees' incentive compensation also include a requirement to achieve individual targets, which include behaviours and outcomes desired by the Company, as well as the attainment of departmental and corporate objectives. When making related compensation decisions, managers are also required to consider employees' risk and compliance accountabilities during the performance assessment process;
- the current design of the annual incentive plan supports risk mitigation as corporate and individual performance scores and associated bonus payouts are capped. As such, the Company's compensation program discourages employees, including Executive Officers, from taking undue risks that exceed the Company's Board-approved risk appetite;
- the HRC Committee has the authority to reduce short-term incentives to zero and the Board has overriding discretion to adjust the awards of the NEOs as it deems appropriate;
- unvested incentive compensation is subject to forfeiture in the event of termination of employment;
- minimum share ownership requirements are in place for the CEO, CFO and CRO;
- a clawback provision is in place with respect to incentive compensation awarded to the CEO, CFO and CRO;
- Company policy prohibits all employees from engaging in any hedging activities with respect to the Company's securities;
- the HRC Committee engages an independent compensation advisor to provide advice to the HRC Committee and review key program design changes; and,
- the Risk and Capital Committee, alongside the HRC Committee, reviews the alignment of the compensation program with the Company's core risks on an annual basis.

The individual performance component for all employees responsible for the Company's oversight functions (i.e., accounting and finance, risk management, internal audit and compliance) is linked to overall Company performance and performance against individual objectives. These employees do not report into businesses they support and the success or financial performance of business areas they support or monitor does not directly affect their performance assessment or compensation. This approach ensures employees remain objective in carrying out their oversight roles and aligns behaviours with our overall success.

To further promote prudent risk management and corporate governance principles in its annual compensation program, the Company requires that performance goals for all employees, including executives, must incorporate the following effective behavior measures:

- understand the Company's risk and compliance management frameworks, policies, guidelines and practices;
- ensure that all decisions take into account risk management and compliance considerations, and adhere to the appropriate related policies and practices;
- positively promote an effective risk and compliance management culture in all daily operations and decisions;
- proactively approach compliance management and anticipation of changes to compliance regulations; and
- demonstrate awareness of risks and manage responsibilities in a manner consistent with Equitable's Risk Appetite Framework.

CLAWBACK PROVISION

As noted above, a compensation clawback provision is in effect whereby, 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 and the Board will review 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 Long-term Incentive ("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.

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 Financial Stability Board ("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 the recommendations issued by the Office of the Superintendent of Financial Institutions Canada ("OSFI") in the Corporate Governance Guideline, and with the FSB Principles as outlined in the table below.

FSB Principles	Our Compensation Practices	
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 HRC Committee: o reviews the performance of the Executive Officers and makes compensation recommendations to the Board; o makes determinations with respect to incentive compensation and criteria; and o oversees the hiring, promotion and compensation of Executive Officers.	**Effective Governance of Compensation**
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. Such reviews include, but are not limited to, the Compensation Philosophy, the design of the compensation programs, and incentive performance targets, outcomes and related payouts. • the HRC Committee engages an independent compensation advisor to assist in the compensation program review, including the structure and level of compensation to Executive Officers.	
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 firm	• 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 the Audit Committee. • the compensation of the Vice-President, Internal Audit is recommended by the Chair of the Audit Committee.	
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 Executive Officers. • 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, external factors, and payout outcomes.	**Effective Alignment of Compensation with Prudent Risk Taking**
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 awards for the CEO, CFO and CRO are subject to clawback and forfeiture in the event of a financial restatement resulting from intentional fraud or willful misconduct.	
Compensation payout schedules must be sensitive to the time horizon of risks	• a meaningful portion of an Executive Officer's pay is in long-term incentives to ensure alignment of compensation with the risk time horizon and to enhance the focus on creating longer-term value. • we have share ownership requirements for the CEO, CFO and CRO to align their interests with shareholders. • employees and directors 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 mix of compensation changes with seniority such that the more senior the position, the greater the percentage of pay delivered in equity-based compensation. • 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.	

Executive Compensation Philosophy

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

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

- to be competitive and to align with the achievement of corporate, departmental and individual objectives;
- to incent effective teamwork amongst employees, a culture of exceptional service, efficient use of economic and regulatory capital, prudent management to maintain integrity of the institution for depositors, customers and shareholders and delivery of strong financial performance;
- to align with OSFI's Corporate Governance Guideline and the FSB Principles;
- to foster effective risk management practices and reward results that are aligned with the Company's risk appetite;
- to ensure pay is aligned with performance and the amount of pay "at risk" is reflective of the level and nature of the position; and,
- to align executive compensation with shareholder interests and long-term value creation. For executives, a progressively larger portion of their total compensation is provided as deferred variable compensation, based on the Company's performance and is not guaranteed.

Our compensation philosophy for executive positions is to ensure a competitive level of total compensation relative to comparative positions in the Canadian market and/or Canadian financial services sector, as appropriate. The HRC Committee takes into account such factors as individual performance, relevant experience, internal equity and retention considerations in its evaluation. In addition, the components of each executive's overall compensation vary with the position and the ability for that position to impact the Company's performance.

This compensation philosophy results in a significant portion of each executive's compensation being "at risk" in order to motivate executives and to align their interests with the creation of long-term shareholder value. Generally, the percentage of total compensation that is "at risk" increases with the seniority of the position. The HRC Committee supports a compensation structure where the link between performance and pay is transparent and easily understood by its employees. Overall, the compensation program applies to all employees and is designed to align with each individual's overall stewardship and governance responsibilities.

Compensation Decision Making Process

Management

Vice-President, Human Resources
- provides information on compensation levels and mix and supporting analysis
- manages performance assessment process

Chief Risk Officer
- provides input on company performance against Board-approved risk appetite, and stress testing of incentive plans
- together with the Risk & Capital Committee, provides input on alignment of compensation program & practices with sound risk management principles & practices as well as the Company's compensation philosophy, business objectives, and risk profile

Chief Executive Officer
- provides input on assessing the performance of Executive Officers and related compensation decisions

Human Resources and Compensation Committee
- assesses CEO performance
- determines compensation for executives and makes recommendations to the Board on CEO and Executive Officers' compensation

Independent Compensation Consultant
- provides research, analysis and advice on benchmarking best practices and emerging trends in executive compensation

Board
- approves design of incentive plans
- approves Corporate Performance Scorecard
- reviews and approves CEO compensation
- reviews and approves NEO compensation

Benchmarking and Competitive Positioning

The competitive market for executive talent is drawn from various businesses within the 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. We regularly review compensation levels based on market research provided by our independent advisor, as well as trends and competitive practices obtained through participation in various compensation surveys. For benchmarking and competitive positioning purposes in respect of the NEOs, the HRC Committee periodically reviews the compensation for comparable positions in 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). The appropriate sample to be used to assess the competitiveness of pay varies based on role and where talent is recruited and lost. Given the complexity associated with specific benchmarks, the Company does not have a specific market positioning against select peers but rather all market data is considered for reference.

The Company annually reviews the compensation for the CEO, CRO and CFO against the market. A comprehensive market compensation review including all the CEO's direct reports is completed every second year. For the purposes of these reviews, a comparator group of similar types of businesses was created and is reviewed annually, considering industry, revenue, assets, and market capitalization. As a result of the most recent review, Economical Mutual Insurance Company and The Co-operators Group Ltd. were added in 2015.

The following table outlines the scope statistics for the current comparator group.

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

	Revenue	**Market Cap.**[1]	**Assets**
25th Percentile	$627	$1,428	$5,771
50th Percentile	$803	$2,632	$20,083
75th Percentile	$874	$3,413	$25,954
Average	$1,186	$2,463	$17,741
Equitable	*$523*	*$1,012*	*$12,855*
Percentile Rank	*Lowest*	*Lowest*	*39P*

All data sourced from S&P Capital IQ reflecting the latest fiscal year and all values are displayed in millions.
1. Market Capitalization equals total common shares multiplied by closing share price as of December 31, 2014. Economical Mutual Insurance Co. and The Co-operators Group Ltd. Are not publicly-traded and therefore are not included in the Market Cap. Percentile statistics.

The most recent Towers Watson executive compensation report prepared for the HRC Committee concluded that base salary, target total cash and total direct compensation for the CEO, CFO and CRO were generally within the competitive range of our comparator group and other financial industry compensation survey data. Upon review of the Towers Watson report, the HRC Committee was satisfied that on average, our compensation is positioned competitively and is consistent with the Company's compensation philosophy.

Elements of Executive Compensation

Our compensation program consists of four elements: base salary, short-term incentive in the form of an annual cash bonus, long-term incentive in the form of RSUs, PSUs and options, and benefits. The mix of base salary, cash bonus, RSUs/PSUs and options varies by position, reflecting the function each individual performs and his or her ability to impact the financial performance of the Company and resulting shareholder value. Although base salary provides a level of income reflecting each executive's level of responsibility, capabilities and market experience, the incentive programs are based on individual, departmental and overall Company performance, and are not guaranteed elements of compensation.

	Element	Objective	Performance Period	Form
Total Direct Compensation	Base Salary *Fixed*	• competitive compensation for required skills and experience • recruit and retain top talent	1 year	Cash
Total Direct Compensation	Short-term Incentive *At risk*	• award achievement of specific corporate financial goals • award achievement of personal objectives tied to each employee's area of responsibility • award achievement of pre-determined strategic objectives	1 year	Cash
Total Direct Compensation	Long-term Incentive (RSUs and PSUs awarded under the Amended and Restated Restricted Share Unit Plan) *At risk*	• align interests of executives and shareholders with respect to shareholder value creation • reward achievement of sustained long-term performance • retention	3 years	RSUs settled in cash PSUs Settled in cash
Total Direct Compensation	Long-term Incentive (Share Option Plan) *At risk*	• align interests of executives and shareholders with respect to shareholder value creation • reward achievement of sustained long-term performance	7 year term/ 4 year vesting	Options
Indirect Compensation	Other (Benefits) • Health benefits • Group Registered Retirement Savings Plan ("RRSP") & Deferred Profit Sharing Plan ("DPSP") • Employee Share Purchase Plan (ESPP)	• 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	1 year	Cash

Base Salary

In determining the base salary of executives, our primary goal is to ensure that the competencies and experience required for a particular role are recognized. All executive salaries are set with reference to the executive's level of accountability, competitive market data, internal pay relationships, individual role requirements, and the executive's proven capabilities. Base salaries are reviewed annually and adjusted, as needed, based on the above as well as general market conditions and Company performance. Significant changes to an executive's mandate may also result in changes to base salary.

Short-term Incentive

The Company provides a cash short-term incentive ("STI") to all of its full-time employees, including executives. The STI is designed to motivate staff to achieve annual corporate and individual performance targets that align with our business and our financial and strategic objectives. As such, this element of compensation is "at risk", and payouts earned are directly tied to the achievement of key financial and strategic objectives.

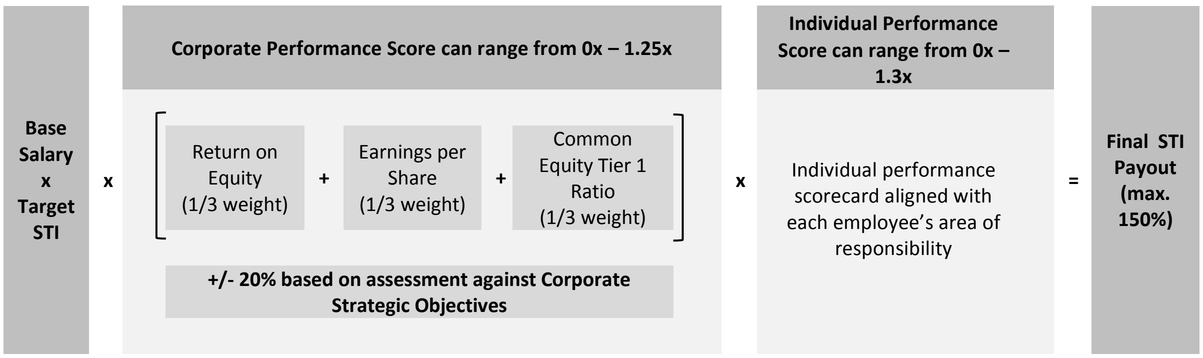
Our STI plan defines "threshold", "target" and "maximum" award levels, incorporates both financial and corporate performance targets, provides an objective and transparent approach to ensuring direct pay-for-performance alignment (i.e., both above and below performance expectations), and aligns with best practices. Under the plan, the aggregate amount of funds available for distribution is based on the Company's overall financial performance for the year and individual performance ratings. A participant's final STI award is derived by multiplying his or her target STI opportunity by the corporate and individual performance scores.

In 2014, the target award opportunity was established at the beginning of the year at 100% of base salary for the CEO, 55% of base salary for the CFO and CRO, and 25% for other NEOs. The maximum possible award opportunity for all employees, including the NEOs, is 150% of their target award opportunity.

At the beginning of the year, the HRC Committee approves the corporate financial performance measures to be included in the STI plan and threshold, target and maximum performance levels for each measure to align with threshold, target and maximum payout opportunities. For 2014, the corporate financial performance measures included Earnings per Share ("EPS"), Return on Equity ("ROE") and Equitable Bank's Common Equity Tier 1 ("CET1") ratio, each weighted equally. At the end of the year, a Corporate Performance Score is determined based on performance against each metric. The resulting corporate score is subject to modification by up to +/- 20%, based on the HRC Committee's year-end assessment of the extent to which the Company achieved its predetermined strategic objectives for the year. The overall maximum Corporate Performance Score is capped at 1.45x (minimum = 0x), reflecting exceptional corporate performance at 1.25x plus an additional potential 20% for strategic objectives (1.25 + .20).

At the beginning of the year, individual performance objectives are set for each employee, including executives. At the end of the year, each employee's Individual Performance Score is determined based on an assessment of his or her 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 following chart summarizes the 2014 STI calculation approach:



Although the achievement of the Company's financial performance metrics is an important consideration when determining the annual STI performance award, it is the HRC Committee's view that 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 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. Also, if circumstances warrant, the total amount of the STI award can be adjusted downwards to zero.

In addition to establishing key financial performance metrics for the forthcoming year, the HRC Committee also establishes qualitative individual performance targets for the CEO based on the Company's long-term business and strategic objectives, and recommends these 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. The objectives vary, based on respective roles and accountabilities. At the end of the year, the CEO summarizes the performance of all direct reports for review and approval by the Committee.

In February 2015, the HRC Committee reviewed the Company's 2014 financial performance relative to the EPS, ROE and the Bank's CET1 ratio targets approved by the Board at the beginning of the year. The actual performance results and associated performance assessment are shown below:

Performance Factor	Target	Actual	Below/Meets/Exceeds Target
Earnings Per Share	$6.31	$6.59	Exceeds
Return on Equity	16.7%	17.6%	Exceeds
CET1 ratio	>12.5%	13.5%	Exceeds
Strategic Objectives	Not disclosed due to competitive harm	Not disclosed due to competitive harm	Exceeds

The rationale for our use of the aforementioned performance targets is outlined below:

Earnings per Share (“EPS”) is a key measure of senior management’s ability to deliver profitability to the Company’s common shareholders.

Return on Equity (“ROE”) reflects the Company’s profitability by revealing how much profit we have generated with the money that our common shareholders have invested. This is useful for comparing the Company’s profitability to that of its peers in the financial services sector.

Common Equity Tier 1 (CET1) ratio is a risk-based measure of the Bank’s financial strength and reflects Management’s ability to balance risk and return, while providing a prudent cushion to absorb shocks and protect the Bank's depositors.

In February 2015, based on the financial performance results and individual performance reviews conducted at the end of 2014, the HRC Committee approved the STI awards for each of the Executive Officers, except for the NEOs whose awards were recommended by the HRC Committee to the Board for their approval. The HRC Committee also reviewed the CEO’s achievement of his objectives and recommended the CEO’s STI award to the Board for their approval. For the year-ended December 31, 2014, the STI awards for each NEO were as follows:

	2014 Target STI Award (% of base salary)	2014 Actual STI Award (% of base salary)	2014 Actual STI Award ($)
Andrew Moor	100%	150%	900,000
Tim Wilson	55%	81.6%	225,000
William Edmunds	55%	78.4%	215,000
Ron Tratch	25%	34.6%	90,000
David Downie	25%	34.4%	85,000

Long-term Incentives

The Company provides LTI to eligible employees in the form of (i) RSUs (for those employees who are middle management and higher) and PSUs (for the CEO, and his direct reports), and (ii) Options (for those employees who are senior managers and higher). Both forms of equity-based compensation are designed to align the interests of Management with the interests of the Company’s shareholders. The Company also believes this component of compensation enhances its ability to attract, motivate and retain employees instrumental to our success, and serves as a continuing incentive to build shareholder value and to provide Management with an opportunity to build, over time, a meaningful economic stake in the Company.

In determining individual grant sizes, the HRC Committee considers a number of factors including: market competitiveness, the position level of the employee, the responsibilities associated with such position level, retention considerations, and internal equity. Once a determination is made, the HRC Committee submits its recommendation to the Board for approval.

Eligible executives are provided with LTI awards expressed as a percentage of base salary, the level of which is determined in accordance with the level and degree of influence of the position on overall Company success. To ensure that LTI awards are market competitive, the levels of these awards are periodically benchmarked relative to LTI awards for similar positions in companies within the Company’s comparator group or broader general industry. The Committee introduced a range for annual LTI grants for the CEO only. The range is 100% - 150% of salary, depending on various factors considered by the Committee at time of grant, including company and individual performance. LTI awards effective March 2015 for the NEOs are as follows: CEO - 125% of salary; CFO - 70% of salary; CRO - 50% of salary; and other Executive Officers - 25% of salary.

New in 2015 is the Company’s approach to enhancing the link between pay and performance, going forward, we will be replacing RSUs with PSUs for the CEO, CFO and CRO. For other Executive Officers, their awards of RSUs will now be split equally between RSUs and PSUs as described below.

This plan aligns with the HRC Committee's intent to grant a progressively greater portion of the NEOs total compensation in LTI, to align with the objective of deferring compensation in accordance with the Company's longer term risk adjusted performance. The grant value of LTI awarded to the CEO, CFO and CRO in March 2015 was split 50% in options and 50% in PSUs.

The number of PSUs or RSUs granted to an executive is determined on the grant date by dividing the target PSU or RSU award value by the previous five-day weighted average trading price of a common share. The number of Options granted to an executive is determined prior to the grant by dividing the target option award value by the estimated fair value of each Option utilizing the Black-Scholes Model.

Amended and Restated RSU Plan (the "RSU Plan")

Restricted Share Units / Performance Share Units

The RSU Plan fosters retention and aligns with the competitive market in terms of LTI mix and to more closely align executive LTI with performance, the RSU Plan was amended in February 2015 to introduce PSUs. 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. RSUs and PSUs are approved by the Board in February (in recognition of the previous year's performance) during the annual compensation review process and vest at the end of three years ("cliff vest"), subject to continued employment. Each RSU/PSU held at the end of the vesting period, including those acquired as dividend equivalents, will be paid to the participant in cash, the value of which will be based on the volume-weighted average closing price of the Company's common shares on the TSX for the five consecutive trading days immediately prior to vesting. RSUs are awarded to mid-level management employees and above, whereas PSUs are awarded to the Executive Officers only.

The number of RSUs and/or 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 PSU/RSU award for each NEO granted in March 2015 was as follows:

	2014 Performance – RSU/PSU Awards		
	Number Awarded (#)	Grant Date Fair Value[1] ($)	Award (% of base salary)
Andrew Moor	6,252 PSUs	375,000	62.5%
Tim Wilson	1,610 PSUs	96,542	35%
William Edmunds[2]	n/a	n/a	n/a
Ron Tratch	1,084 PSUs	65,000	25%
David Downie	411 RSUs	24,673	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 March 5, 2015 of $59.98 for RSU awards related to 2014 performance.
2. Mr. Edmunds retired from the Bank December 31, 2014.

Unlike RSUs, however, PSUs have a performance-based payout which adjusts the number of units at payout from 75% to 125% of the initial award (the "payout adjustment factor"). The payout adjustment factor is based on the ranking of the Company's total shareholder return ("TSR") over the vesting period as measured against the comparator peer group noted below. Once the payout adjustment factor has been applied and the number of PSUs has been determined, the participant is paid the cash value based on the volume-weighted average closing price of the Company's common shares on the TSX for the five consecutive days immediately prior to vesting.

The calculation of TSR is based on the 20-day volume weighted closing share price ending on November 30th in the year of vesting against the 20-day volume weighted closing share price beginning on January 1st in the year the award is made (including all dividends paid during the vesting period), divided by the 20-day volume weighted closing share price beginning on January 1st in the year the award is made.

Where TSR for the Company is determined to be negative, the payout adjustment factor in connection with that PSU payout is reduced to 75%.

The final value of the PSU payout, like the RSU payout, is dependent on the Company's share price and the final number of units awarded to a participant after being adjusted by the payout adjustment factor. PSU payments will be made by December 31 of the year in which the units vest, and withholding taxes apply.

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

Option Plan

The Option Plan was established for the purpose of attracting, motivating and retaining employees instrumental to the Company's success. It also serves as a continuing incentive to build shareholder value and to provide senior management with an opportunity to build, over time, a meaningful economic stake in the Company. Options are awarded to executives and other senior managers. The number of Options granted is determined by dividing the target option award value by the estimated fair value of such Option.

The Option award for each NEO granted in March 2015 is as follows:

	2014 Performance - Option Awards		
	Number Granted (#)	Grant Date Fair Value[1] ($)	Award (% of base salary)
Andrew Moor	35,511	375,000	62.5%
Tim Wilson	9,142	96,542	35%
William Edmunds[2]	n/a	n/a	n/a
Ron Tratch	6,155	65,000	25%
David Downie	2,336	24,673	10%

1. The grant date fair value of $10.56 is calculated based on a Black-Scholes option pricing model, assuming a term of 7 years and vesting over 4 years.
2. Mr. Edmunds retired from the Bank December 31, 2014.

Share Ownership Requirements for Executive Officers

The Board strongly supports equity ownership by our employees and believes that the CEO, CFO and CRO should have a meaningful investment in the common shares of the Company. The Board-approved share ownership requirements for these executives are shown in the table below. Personal shareholdings of RSUs and PSUs count towards their share ownership requirement.

	Share Ownership Requirement	Ownership Level ($)	Years to Meet Requirement
Andrew Moor, President & CEO	3 x base salary	5,585,365	Met
Tim Wilson, Vice-President & CFO	1 x base salary	234,442	Three
William Edmunds, Senior Vice-President & CRO	1 x base salary	474,203	Met

The incoming VP & CRO has a share ownership requirement of 1x base salary, with five years to meet this requirement.

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 April 8, 2015.

Plan Category	Number of securities to be issued upon exercise of outstanding options (4.0% of outstanding common shares as at April 8, 2015)	Weighted-average price of outstanding options ($)	Number of securities remaining available for future issuance under equity compensation plans[1] (5.6% of outstanding common shares as at April 8, 2015)
Equity compensation plans approved by security holders	615,375	$37.82	860,195

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.

The Option Plan is the only component of the Company's compensation plan that allows for the issuance of equity securities.

Eligibility	Executive Officers and other members of management
Reasons for payment	Designed to: • retain the Executive Officers and other members of management and encourage them to contribute to the Company's success • foster growth in the value of the investment of common shareholders
Maximum option term	Ten years or such earlier term as may be determined from time to time by the Board at time of grant
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	The Board grants options for a seven-year term with four-year ratable vesting. 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 Options must vest before they can be exercised. Options vest 25% per year over four years commencing on the first anniversary of the grant date
Maximum number of shares issuable	• 1,475,570 common shares, representing 9.6% of the Company's issued and outstanding common shares as at December 31, 2014 • 615,375 shares issuable upon exercise of outstanding options (representing 4.0% of issued and outstanding common shares as at April 8, 2015) • 860,195 shares remain available for issuance (representing 5.6% of the Company's issued and outstanding shares as at April 8, 2015) 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 number of issued and outstanding common shares. As of April 9, 2015 the maximum number of common shares issued to an insider was 251,515 common shares, representing 1.6% 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 Options are forfeited if a participant resigns or is terminated for cause. For termination without cause, the participant may exercise outstanding exercisable options within 30 days of termination. All remaining options are forfeited
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
Amendments to the Plan	The Board may, at any time, amend, suspend or terminate the Plan or any portion of the 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 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 Plan to non-employee directors

Eligibility	Executive Officers and other members of management
	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 of an option • any amendments designed to comply with applicable laws, tax or accounting regulations • the 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 and • 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 Plan in 2014**

Benefits

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

2014 Named Executive Officers' Compensation Awards

The section discusses the compensation awarded to our NEOs during 2014:

Andrew Moor, President and Chief Executive Officer
Tim Wilson, Vice-President and Chief Financial Officer
William Edmunds, Senior Vice-President and Chief Risk Officer of Equitable Bank
Ron Tratch, Vice-President, Commercial Credit of Equitable Bank
David Downie, Vice-President, Commercial Mortgage Origination of Equitable Bank

The total amount of the 2014 STI and LTI awards to all NEOs was reviewed by the HRC Committee and approved by the Board. The approval was based on the Company's strong earnings performance and overall corporate performance for the year ending December 31, 2014. In making their determination, the HRC Committee gave specific consideration to Management's success in achieving the corporate / financial targets which were established during the first quarter of 2014.

Andrew Moor, President and Chief Executive Officer

Mr. Moor has been President and CEO of Equitable since March 2007. Mr. Moor is a director of the Trust Companies Association and a past Chair of the Canadian Association of Accredited Mortgage Professionals. He holds an MBA from the University of British Columbia and a Bachelor of Science degree in Engineering from University College, London.

Responsibilities

Mr. Moor's responsibilities include: developing and executing strategic, operating and capital plans; overseeing the effectiveness of the Company's financial structure; maintaining a strong risk management culture; creating and overseeing a diverse, capable and engaged workforce; acting as official spokesperson for the Company; promoting the effectiveness of the Board and demonstrating strong leadership.

2014 Performance

CEO compensation decisions are made by the Board in consultation with the HRC Committee.

For the year ending December 31, 2014, Mr. Moor was eligible for a target STI award equivalent to 100% of his base salary and a maximum STI award of 150% of his base salary. As with all executive officers of the Bank, the HRC Committee considered Mr. Moor's compensation looking at both the Company's financial performance and Mr. Moor's own personal performance against a set of targets established for the year. The Company's financial performance was compared to benchmarks related to:

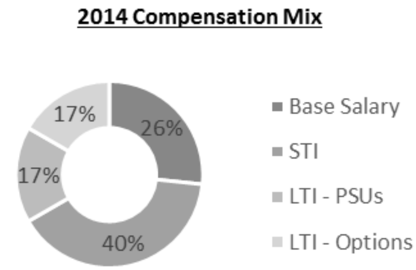
1. the Company's cost of capital;
2. prior year earnings per share; and
3. expectations for EPS, return on equity and the Bank's capital adequacy ratios established through the annual budget process at the end of 2013.

The financial performance during 2014 exceeded the goals established in the budget process primarily as a result higher asset balances than previously anticipated, strong Net Income Margin performance and maintaining a strong credit performance.

Mr. Moor's personal objectives were evaluated at a detailed level built from the key elements of the strategic plan for the Bank under the following significant groupings:

1. *Execution of the plan for the year:* including detailed targets related to maintaining a service focus, single family origination, commercial lending objectives, building HISA balances and the achievement of financial targets;
2. *Strategic Development*: including the evaluation and build of a digital banking platform, launching SFR lending in Quebec, launching a prime single family product and diversifying funding sources;
3. *Regulatory Positioning:* targets included execution of plans related to raising 'Basel III' compliant preferred shares, maintaining strong capital levels, adapting to regulatory change and ensuring that internal audit findings were effectively resolved on a timely basis; and
4. *Organizational and Capability Development:* goals were in the areas of ensuring that the culture of service was embraced throughout the Bank, setting the right "tone from the top" with the employee group, executing on the Bank's hiring program, maturing the Banks's talent management program, organizing effective succession of the Chief Risk Officer and working on key priorities identified through the employee engagement survey.

While Mr. Moor was assessed as performing more effectively in certain targets than others, the overall assessment of performance was strong with highlights including: external recognition of the Bank's strong customer service ethos, financial performance that exceeded budget, the successful evolution of the Bank's single family businesses and the development of talent and deeper skill sets within the Bank.



Based on the HRC Committee's assessment of his performance, a bonus payment of $900,000 was awarded to Mr. Moor, representing 150% of his base salary.

The Committee introduced a range for annual LTI grants for the CEO. The range is 100% - 150% of salary, depending on various factors considered by the Committee at time of grant, including company and individual performance. In March, 2015, Mr. Moor was granted 125% of his base salary in LTI, totalling an approximate value of $750,000. 50% of the LTI award was granted in options with an estimated value of $375,000 and the remaining 50% of the LTI award was granted in PSUs with an estimated value of $375,000. The LTI component of Mr. Moor's compensation package is distributed to provide alignment of compensation with risk time horizon, long-term value creation and strong alignment with competitive market practices.

Tim Wilson, Vice-President and Chief Financial Officer

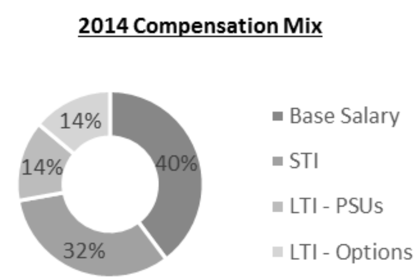
Mr. Wilson joined Equitable in January, 2012 as Vice-President and CFO. Prior to joining the Company, Mr. Wilson held the position of President of VISA Canada. During his career, he has also held other executive positions in the financial services sector. Mr. Wilson holds the CPA, CA designation and also holds a Master of Business Administration degree from Harvard University Graduate School of Business, as well as a Bachelor of Commerce degree from Queens University.

Responsibilities

Mr. Wilson is responsible for managing the financial affairs of the Company, including Finance, Accounting, Treasury and Deposit Services, as well as managing the legal function and supporting the CEO and Senior Management with strategic initiatives.

2014 Performance

In 2014, Mr. Wilson was assessed against specific goals related to leading the Company's capital market activities and managing its regulatory capital, diversifying funding sources, improving internal financial planning and reporting capabilities and ensuring effective team and corporate operations. Mr. Wilson was assessed as having performed strongly in executing the Bank's first issuance of $75 million of 'Basel III' compliant preferred shares and the redemption of an outstanding set of preferred shares. Mr. Wilson's key priority for the year was an initiative to diversify funding sources in which two notable achievements were the completion of the Bank's inaugural issue of $150 million of deposit notes to institutional investors and broadening the reach of the Bank's High Interest Savings Account and building balances to over $330 million. The engagement score of the finance team demonstrated his effectiveness in managing his responsibilities. Mr. Wilson's team improved financial reporting to allow management across the Bank to more effectively manage costs and the returns on equity attributed to each business line.



In February of 2014, the Board approved an increase in Mr. Wilson's base salary from $267,800 to $275,835. For the year ending December 31, 2014, Mr. Wilson was eligible for a target STI award equivalent to 55% of his base annual salary and a maximum STI award of 82.5% of his base annual salary. In recognition of his superior performance coupled with the Company's corporate and financial performance, Mr. Wilson received an STI award of $225,000, which represents 81.6% of his 2014 base annual salary. Mr. Wilson was also granted 70% of his annual salary in LTI, totalling an approximate value of $193,085, which was split equally between PSUs and options, as per the plans described in this Circular.

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

Mr. Edmunds has been Senior Vice-President and Chief Risk Officer of Equitable Bank since July 2007. Prior to joining Equitable, Mr. Edmunds held positions with a number of financial institutions and has over 39 years in the financial services industry, with an emphasis on risk management. Mr. Edmunds retired on December 31, 2014.

Mr. Edmunds received his Bachelor of Economics from the University of Western Ontario. Mr. Edmunds also holds the CPA, CGA designation and is a Fellow of the Institute of Canadian Bankers. He is a graduate of the Institute of Corporate Directors – Directors Education Program and a member of the Institute of Corporate Directors.

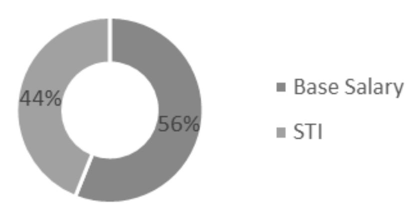
Responsibilities

Mr. Edmunds was responsible for risk management for the Company, including chairing the Enterprise Risk Management Committee, managing the Internal Capital Adequacy Assessment Process, risk analytics, the Company's stress testing program and the project management function.

2014 Performance

In 2014, Mr. Edmunds' individual performance was assessed against a number of specific goals established at the beginning of the year including managing the overall risk profile of the Bank and initiating a project on Advanced Internal Ratings Based ("AIRB") approach to allocate capital for credit risk. Mr. Edmunds received high ratings related to managing the overall risk profile of the Bank which was demonstrated by the exceptionally low credit losses incurred during the year, satisfactory assessments of the Bank's adoption of the B-20 underwriting standards for single family residential mortgages and progress on developing the Bank's operational risk management program. Mr. Edmunds led further enhancement of the institution's risk appetite framework and ICAAP with significant progress being made in developing more rigour in the quantification of risks, including key operational risks. The AIRB project proceeded more slowly than anticipated in light of some uncertainty about the evolution of this approach from international regulators, but, the project did make progress in identifying gaps between the Bank's current capabilities and regulatory expectations under AIRB.

2014 Compensation Mix



In February 2014, the Board approved an increase in Mr. Edmunds base salary from $266,300 to $274,300. For the year ending December 31, 2014, Mr. Edmunds was eligible for a target STI award of 55% of his base salary and a maximum STI award of 82.5% of his base salary. In recognition of both his strong personal performance and the Company's corporate and financial performance, Mr. Edmunds received an STI award of $215,000, which represents 78.4% of his base salary. Mr. Edmunds was not granted LTI as he retired on December 31, 2014.

Ron Tratch, Vice-President, Commercial Credit of Equitable Bank

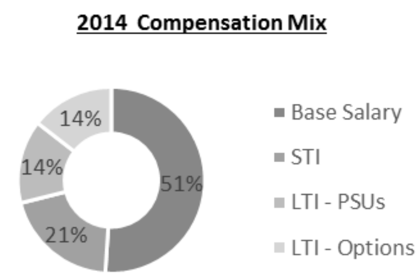
Mr. Tratch joined Equitable Bank in August 2011 as Vice-President, Commercial Credit. Prior to joining Equitable, Mr. Tratch held positions with a private equity firm and prior to that with GE Commercial Finance for a period of 15 years. He received his Bachelor of Commerce degree from the University of Calgary and holds the CPA, CMA designation.

Responsibilities

Mr. Tratch was responsible for management of the commercial credit risk operations of Equitable Bank until July 2014. In this role he oversaw credit decisions and funding for both Commercial Broker Services and Commercial Lending Services. He was also responsible for overseeing the Mortgage Services function for the Bank until early 2015. Through the latter part of the year, Mr. Tratch was working closely with Mr. Edmunds in preparation for taking on the responsibility of Chief Risk Officer of the Bank effective on January 1, 2015.

2014 Performance

Mr. Tratch's individual goals for 2014 were related to supporting the transition of the individual succeeding him as Vice-President of Commercial Lending, following a clear development plan to prepare himself for the transition to the Chief Risk Officer role and building expertise in the area of retail credit. Mr. Tratch was assessed as diligently pursuing his key goals and preparing himself to be able to take on the larger responsibilities of the Chief Risk Officer role. His attention to detail in developing a deep understanding of the Bank's risk methodologies and the risk management infrastructure were seen as positive signals that he was well prepared for a successful transition of responsibilities.



In February 2014, the Board approved an increase in Mr. Tratch's base annual salary from $222,750 to $229,450. For the year ending December 31, 2014, Mr. Tratch was eligible for a target STI award equivalent to 25% of his base salary and a maximum STI award equivalent to 37.5% of his base annual salary. In recognition of his performance and the Company's corporate and financial performance, Mr. Tratch received an STI award of $90,000, which represents 34.6% of his base annual salary. Mr. Tratch was also granted 50% of his 2015 base salary in LTI, totalling an approximate value of $130,000, split equally between PSUs and options. This LTI grant reflected the total compensation package approved by the Board regarding Mr. Tratch's promotion to the CRO role by awarding LTI based on his 2015 salary and at the higher % level related to his more senior role as CRO.

David Downie, Vice-President, Commercial Mortgage Origination of Equitable Bank

Mr. Downie was appointed Vice-President of the Bank in February 2013, having previously held the title of Assistant Vice-President. Prior to joining Equitable in 1999, Mr. Downie worked in the commercial mortgage market for 16 years.

Responsibilities

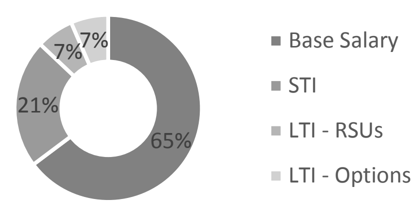
Mr. Downie is responsible for the Commercial Broker Services business and for the direct origination of commercial loans. He oversees teams in both Montreal and Toronto.

2014 Performance

In 2014, Mr. Downie's targets were established at the beginning of the year and were focused on origination targets for two of the Bank's commercial mortgage businesses, being smaller commercial loans primarily on mixed-use properties and larger more complex commercial loans that typically require a more sophisticated approach to credit evaluation, the development of stronger origination capabilities in certain targeted asset classes and the improvement of business processes in the commercial origination function. While the volumes of smaller loans being transacted were below expectations, this was judged to be reasonable performance in the context of a dynamic competitive environment. Volumes directly originated of larger loans exceeded expectations and progress was made in developing new relationships and good progress was made on building a pipeline to originate larger asset classes.

In February 2014, the Board approved an increase in Mr. Downie's base annual salary from $239,540 to $246,725. For the year ending December 31, 2014, Mr. Downie was eligible for a target STI award equivalent to 25% of his base salary and a maximum STI award equivalent to 37.5% of his base salary. In recognition of his performance and the Company's corporate and financial performance, Mr. Downie received an STI award of $85,000, which represents 34.5% of his base annual salary. Mr. Downie was also granted 20% of his base salary in LTI, totalling an approximate value of $49,345, split equally between RSUs and options.

2014 Total Compensation Mix



Changes to Executive Compensation for 2015

The Company continues to review its Compensation Policy and program in light of best practices; however, no changes to the program have been made to date other than salary increases.

Increases to base salary for the NEOs were approved in February 2015, as follows:

	2014 Base Salary ($)	2015 Base Salary ($)	% Increase
Andrew Moor	600,000	625,000	4.2%
Tim Wilson	275,835	300,000	8.8%
William Edmunds	274,300	n/a	n/a
Ron Tratch	229,450	260,000	13.3%
David Downie	246,725	254,125	3%

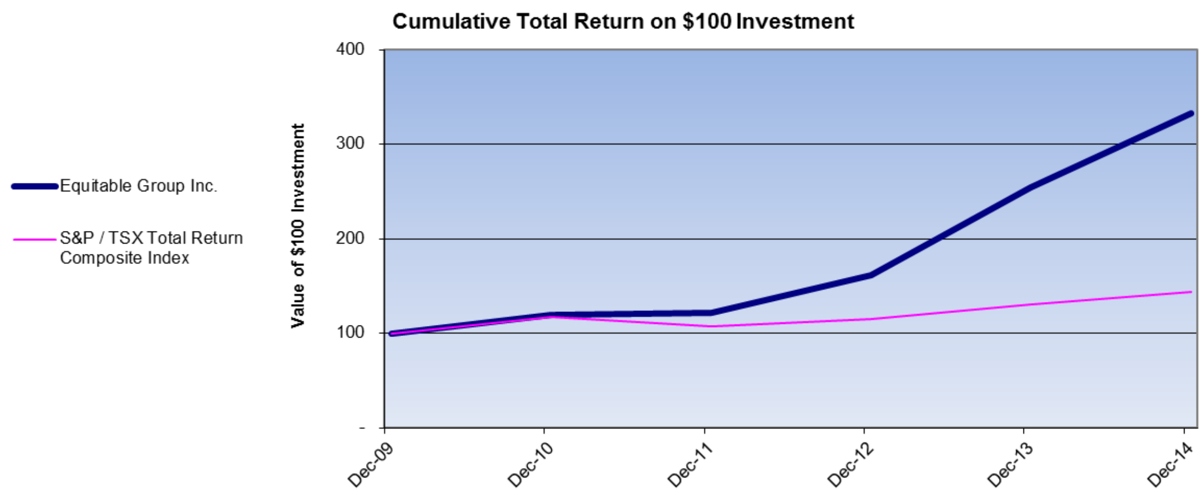
Cost of Management Ratio

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

	2014	2013	2012
Total Aggregate NEO Compensation	$4,340,209	$3,984,733	$3,971,502
Net Income After Tax	$106,718,000	$93,530,000	$81,207,000
Total Aggregate NEO Compensation as a % of Net Income After Tax	4.1%	4.3%	4.9%

Performance Graph

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, 2009 to December 31, 2014 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 233%, well above the S&P/TSX Index return of 44%. NEO compensation has increased 67% over the same period.



	31-Dec-09	31-Dec-10	31-Dec-11	31-Dec-12	31-Dec-13	31-Dec-14
Equitable Group Inc.	100	120	122	161	255	333
S&P / TSX Total Return Composite Index	100	118	107	115	130	144

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, 2014 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	2014	600,000	375,000	375,000	900,000	12,465	2,500	2,264,965
President and Chief	2013	600,000	120,023	360,000	895,620	12,135	2,500	1,990,278
Executive Officer	2012	585,000	117,011	351,000	767,000	11,910	1,750	1,833,671
Tim Wilson	2014	275,835	96,542	96,542	225,000	12,465	2,500	708,884
Vice-President and	2013	267,800	66,968	66,950	214,000	12,135	2,500	630,353
Chief Financial Officer	2012	258,167	65,006	318,200[5]	180,000	9,208	1,250	831,832
William Edmunds	2014	274,300	-	-	215,000	12,465	2,500	504,265
Senior Vice-President	2013	266,300	133,142	-	204,000	12,135	2,500	618,077
and Chief Risk Officer	2012	258,530	64,645	64,630	195,000	11,910	1,750	596,465
Ron Tratch	2014	229,450	65,000	65,000	90,000	11,472	2,500	463,422
Vice-President,	2013	222,750	22,270	22,275	83,000	11,137	2,500	363,932
Commercial Credit	2012	216,300	21,633	21,632	75,000	9,940	1,217	345,721
David Downie	2014	246,725	24,673	24,673	85,000	12,465	2,500	396,036
Vice-President,	2013	239,540	23,962	23,956	80,000	12,135	2,500	382,093
Commercial Mortgage Origination	2012	234,840	23,474	23,485	70,000	10,764	1,250	363,813

1. RSUs/PSUs were awarded in March 2015, 2014 and 2013 in recognition of the NEO's performance in 2014, 2013 and 2012, 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 March 5, 2015 of $59.98, March 10, 2014 of $52.90 and March 7, 2013 of $36.11, 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. The assumptions used in determining the fair value of options in 2015 were, an exercise price of $59.98, 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 in March 2015 for performance in 2014 was $10.56. The accounting fair value of each option granted in March 2015 for performance in 2014 was $10.56 for Messrs. Moor, Wilson and Tratch, and $7.92 for Mr. Downie as a result of a 25% forfeiture assumption applied to options granted to non-Senior Management. The assumptions used in determining the fair value of the options in 2014 were; an exercise price of $52.90, a stock volatility of 23.3%, a dividend yield of 1.5%, an option term of 4.75 years, and an interest rate of 1.59%. The fair value of each option granted for compensation purposes in March 2014 for performance in 2013 was $9.04. The accounting fair value of each option granted in March 2014 for performance in 2013 was $9.04 for Messrs. Moor and Wilson, and $6.78 for Messrs. Downie and Tratch as a result of a 25% forfeiture assumption applied to options granted to non-Senior Management. With the exception of 30,000 options granted on March 5, 2012 and 10,000 options granted on May 15, 2012, all of which were granted to Mr. Wilson, the assumptions used in determining the fair value of the options in 2012 were; an exercise price of $36.11, a stock volatility of 23.8%, a dividend yield of 1.75%, an option term of 4.75 years, and an interest rate of 1.44%. The fair value of each option granted for compensation purposes in March 2013 for performance in 2012 was $6.50. The accounting fair value of each option granted in March 2013 for performance in 2012 was $6.50 for Messrs. Moor, Wilson and Edmunds and $4.88 for Messrs. Downie and Tratch as a result of a 25% forfeiture assumption applied to options granted to non-Senior Management.
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**.**
5. Value for Mr. Wilson includes 30,000 options granted on March 5, 2012 and 10,000 options granted on May 15, 2012 pursuant to his employment agreement. The grant date fair value of each option was $6.83 and $4.83, respectively, based on the Black-Scholes option pricing model.

INCENTIVE PLAN AWARDS

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, 2014:

		Option-based Awards					Share-based Awards (RSUs)	
	Year	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]
		Vested (#)	Unvested (#)	($)		($)	(#)	($)
Andrew Moor	2014	-	39,823	52.90	Mar 10, 2021	508,540	2,287	146,800
	2013	13,500	40,500	36.11	Mar 7, 2020	1,596,240	3,309	212,401
	2012	23,846	23,846	29.32	Mar 5, 2019	1,733,604	-	-
	2011	56,000	14,000	24.50	Dec 10, 2016	2,881,900	-	-
	2010	35,000	-	20.60	Dec 7, 2015	1,577,450	-	-
Tim Wilson[4]	2014	-	7,406	52.90	Mar 10, 2021	94,575	1,275	81,841
	2013	2,500	7,500	36.11	Mar 7, 2020	295,600	1,837	117,915
	2012	5,000	5,000	27.23	May 12, 2019	384,400	-	-
	2011	14,000	15,000	29.32	Mar 5, 2019	1,054,150	-	-
William Edmunds	2014	-	-	-	-	-	-	-
	2013	7,457	-	36.11	Mar 7, 2020	220,429		
	2012	2,975	-	29.32	Mar 5, 2019	108,141		
	2011	2,500	-	24.75	Dec 7, 2016	102,300		
	2010	-	-	20.60	Dec 7, 2015	-		
Ron Tratch	2014	-	2,464	52.90	Mar 10, 2021	31,465	424	27,216
	2013	832	2,496	36.11	Mar 7, 2020	98,376	609	39,091
	2012	953	953	29.32	Mar 5, 2019	69,247	-	-
	2011	5,625	1,875	26.01	Dec 12, 2018	297,450	-	-
David Downie	2014	-	2,650	52.90	Mar 10. 2021	33,841	456	29,270
	2013	-	2,710	36.11	Mar 7, 2020	80,100	661	42,429
	2012	-	1,190	29.32	Mar 5, 2019	43,257	-	-
	2011	-	1,000	24.75	Dec 7, 2016	40,920	-	-

1. Value is based on the closing price of the Company's common shares on the TSX on December 31, 2014 of $65.67 less the exercise price of the options.
2. Includes RSUs accumulated on the reinvestment of dividends.
3. Value is based on the volume-weighted average trading price of a Company common share on the TSX for the five days prior to December 31, 2014 of $64.19.
4. Mr. Wilson was granted 30,000 options on March 5, 2012 and 10,000 options on May 15, 2012 pursuant to the terms of his employment agreement.

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, 2014, and the annual short-term incentive/cash bonus awarded to each NEO in respect of 2014 performance (paid in February 2015).

	2014			2013	
	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[2] ($)	Option-based awards - value vested during the year[1] ($)	Non-equity incentive plan compensation - value earned during the year ($)
Andrew Moor	1,480,243	900,000	-	795,062	895,620
Tim Wilson	326,200	225,000	-	75,025	214,000
William Edmunds	309,504	215,000	98,857	267,426	204,000
Ron Tratch	97,572	90,000	31,434	39,280	83,000
David Downie	122,079	85,000	39,325	261,674	80,000

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.
2. There were no share-based awards that vested in 2013.

Defined Contribution Plan Table

The following table shows details concerning RRSP and DPSP contributions for each NEO as at December 31, 2014:

	Accumulated value at start of year ($)	Compensatory ($)	Non-compensatory[1] ($)	Accumulated value at year-end ($)
Andrew Moor	148,026	12,465	14,913	175,404
Tim Wilson	35,356	12,465	12,727	60,548
William Edmunds	158,981	12,465	31,623	203,068
Ron Tratch	36,319	11,472	9,683	57,474
David Downie	160,984	12,465	27,538	200,988

1. Reflects the NEO's contribution to the Group RRSP, interests and dividend earned, plus changes in the fair market value of investments held.

TERMINATION AND CHANGE OF CONTROL

The Bank had employment agreements in place with each NEO during 2014. The details relating to payments and other obligations arising on the termination of their employment, resignation, death and change of control pursuant to the terms of their respective employment agreement and to the terms and conditions of the Option Plan and RSU Plan 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 Bank's benefits program, including accrued vacation pay, up to the date of termination.

William Edmunds retired effective December 31, 2014. Accordingly, only disclosure relating to the outcome of the actual termination of his employment, by way of retirement, is described below for Mr. Edmunds.

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 held by such NEO would be immediately forfeited and cancelled.

Termination without Cause

Other than for Mr. Edmunds, in the event of termination without cause, the following provisions apply:

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 3 years, for a period equal to the Severance Period (as defined below), or 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 remaining period and all other benefits cease. The Severance Period is 12 months until the fifth anniversary of commencement of employment, upon which time the Severance Period increases to 13 months, and increases by one additional month on each anniversary of commencement of employment thereafter, to a maximum of 24 months. Given Mr. Moor has completed seven full years of employment, his Severance Period is currently 15 months.
- Mr. Wilson is entitled to salary continuance of base salary plus average performance bonus for the immediately preceding 3 years, or the period of employment if employment is less than 3 years, for the earlier of 12 months or upon re-employment. If termination occurs on or after the 5th year of employment, Mr. Wilson's severance entitlement is the same as that of Mr. Moor described above.
- while neither Messrs. Tratch or Downie are entitled to salary continuance, Mr. Tratch is entitled to 3 months' notice, plus 1 month notice for each year of employment thereafter (or pay in lieu of thereof), up to a maximum of 12 months, and Mr. Downie is entitled to 8 weeks' notice (or pay in lieu thereof), plus an additional week of termination pay for each year of service.

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 3 years, pro-rated to the number of days in that fiscal year up to the date of termination. If terminated between January 1 of any year and the board meeting dealing with year-end matters in February of that same year, they are entitled to receive a full bonus for the preceding fiscal year.
- Messrs. Tratch 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 and Downie, all unvested options are cancelled upon termination and all vested options are exercisable for 30 days following termination.

Restricted Share Units

- all NEOs are entitled to a pro rata number of RSUs based on the number of days during the vesting period prior to termination date as 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 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, provided that the default payout percentage shall be 100%.

Other

- Mr. Moor is entitled to continued coverage under the Bank's benefits program for the lesser of the Severance Period or upon re-employment.
- Mr. Wilson is entitled to continued coverage under the Bank's benefits program for the earlier of 12 months or re-employment, if terminated within 5 years of employment. If terminated after 5 years of employment, Mr. Wilson is entitled to continued coverage under the Bank's benefits program for a period of 13 months plus one additional month for each year of employment to a maximum of 24 months.
- Messrs. Moor and Wilson are also entitled to outplacement services for a period determined at the sole discretion of the Bank.
- 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.
- Messrs. Tratch and Downie are not entitled to any other amounts upon termination without cause.

Death

Other than for Mr. Edmunds, in the event of death, the following provisions apply:

Severance
- the 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 their 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
- the estate/beneficiary of a NEO 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 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, provided that the default payout percentage shall be 100%.

Other
- no other benefits or payments are provided.

Change of Control

Other than for Mr. Edmunds, in the event of termination resulting from a change of control, the following provisions apply:

Severance
- if termination occurs within 12 months of a change of control, Mr. Moor is entitled to a lump sum payment representing the base salary in lieu of the Severance Period, plus a payment in respect of the average performance bonus paid in the 3 years immediately preceding the date upon which notice of termination is provided, prorated to the Severance Period.
- other than Mr. Moor, no 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.

Options
- under the Option Plan, all options vest and become exercisable.

Restricted Share Units
- if common shares of the successor corporation are listed on a recognized stock exchange: the number of RSUs attributed to a NEO shall be adjusted by the Board, or the successor board, to preserve the economic position of the award of RSUs.
- if common shares of the successor corporation are not listed on a recognized stock exchange: the fair market value of each RSU shall be deemed to be at the value at which the change of control occurred and the value of the RSUs shall be crystallized at such value. The Board, or the successor board, may resolve to accelerate the vesting date, or it may resolve to retain the original vesting date in respect of up to one-half of the crystallized value. Additionally, if employment is terminated following a change of control, the vesting period shall be accelerated and settlement payment shall be made as soon as practical thereafter.

Performance Share Units

- if common shares of the successor corporation are listed on a recognized stock exchange: the number of PSUs attributed to a NEO, except Mr. Downie who is not awarded PSUs, shall be adjusted by the Board, or the successor board, to preserve the economic position of the award of PSUs.
- if common shares of the successor corporation are not listed on a recognized stock exchange: the fair market value of each PSU shall be deemed to be at the value at which the change of control occurred and the value of the PSUs shall be crystallized at such value, provided that the Board shall determine the extent to which the performance payout criteria have been satisfied as of the date of the change of control and shall determine the performance payout percentage to be applied in respect of such PSU award at that time, provided that the default payout percentage shall be 100%.
- the Board, or the successor board, may resolve to accelerate the vesting date, or it may resolve to retain the original vesting date in respect of up to one-half of the crystallized value. Additionally, if employment is terminated following a change of control, the vesting period shall be accelerated and settlement payment shall be made as soon as practical thereafter.

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.
- Messrs. Wilson, Tratch or Downie are not entitled to any other amounts.

Resignation or Retirement

Other than for Mr. Edmunds, in the event of resignation or retirement, the following provisions apply:

Severance

- upon 60 days prior written notice, Mr. Moor is entitled to salary continuance to the end of the 60 day period.
- upon 30 days prior written notice, Mr. Wilson is entitled to salary continuance to the end of the 30 day period.
- Messrs. Tratch and Downie are not entitled to any severance-related payments.

Performance Bonus

- no NEO is entitled to any performance bonus.

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

- all RSUs are forfeited and cancelled upon resignation.
- upon retirement, 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 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, provided that the default payout percentage shall be 100%.

Other

- upon 60 days prior written notice, Mr. Moor is entitled to continued benefits coverage until the end of the 60 day notice period.
- upon 30 days prior written notice, Mr. Wilson is entitled to continued benefits coverage until the end of the 30 day notice 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.
- Messrs. Tratch and Downie are not entitled to any other payments upon voluntary termination of employment.

Mr. Edmunds retired effective December 31, 2014. In recognition of his contributions and achievements, the Board approved the following provisions for Mr. Edmunds upon his retirement:

Severance

- Mr. Edmunds was not entitled to any severance-related payments upon his retirement.

Performance Bonus

- Other than the performance bonus he received in the normal course for his performance in 2014, Mr. Edmunds was not entitled to any other performance bonus upon his retirement.

Options

- In accordance with the terms of the Share Option Plan, the Board approved the accelerated vesting of all outstanding options such that they vest on December 31, 2014, and extended the window for exercising such options for 90 days, to March 31, 2015.

Restricted Share Units

- In accordance with the terms of the RSU Plan, the Board approved the accelerated vesting of Mr. Edmunds' 2013 RSU award, such that the entire award would vest on December 31, 2014.
- Additionally, as disclosed last year, and in accordance with the terms of the RSU Plan, the Board approved LTI being awarded to Mr. Edmunds entirely in RSUs, to accommodate his retirement planning, in an amount equivalent to 50% of his salary and provided that the entire award would vest on December 31, 2014.

Other

- Mr. Edmunds is entitled to continued benefits coverage for a period of up to two years, until December 31, 2016.

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, 2014:

Event	Andrew Moor ($)	Tim Wilson ($)	William Edmunds[1] ($)	Ron Tratch ($)	David Downie ($)
Termination with Cause					
• Severance	-	-	-	-	-
• Bonus	-	-	-	-	-
• Options[2]	-	-	-	-	-
• RSU	-	-	-	-	-
• Other[3]	-	-	-	-	-
Termination without Cause					
• Severance	1,651,092	472,835	-	114,725	109,128
• Bonus	-	-	-	-	-
• Options[2]	1,344,057	218,100	-	-	-
• RSU	182,511	101,423	-	33,649	36,442
• Other[3]	-		-	-	-
Change of Control			-		
• Severance	1,651,092	-	-	-	-
• Bonus	900,000	-	-	-	-
• Options[2,4]	3,148,902	1,053,725	-	496,538	198,117
• RSU	359,201	199,756	-	66,307	71,699
• Other[2]	-	-		-	-
Death					
• Severance	-	-	-	-	-
• Bonus	-	-	-	-	-
• Options[2]	-	-	-	-	-
• RSU	182,511	101,423	-	33,649	36,442
• Other[3]	-	-	-	-	-

Event	Andrew Moor ($)	Tim Wilson ($)	William Edmunds[1] ($)	Ron Tratch ($)	David Downie ($)
Resignation					
• Severance	-	-	-	-	-
• Bonus	-	-	-	-	-
• Options[2]	-	-	-	-	-
• RSU	-	-	-	-	-
Other[3]	-	-	-	-	-
Retirement					
• Severance	-	-	-	-	-
• Bonus	-	-	-	-	-
• Options[2]	-	-	365,162	-	-
• RSU	182,511	101,423	280,056	33,649	36,442
• Other[3]	-	-	-	-	-

1. Mr. Edmund retired on December 31, 2014. Termination and change of control benefits reported in this table were actual benefits paid.
2. The value of the option is the difference between the closing price of the common shares on December 31, 2014 on the TSX ($65.67) and the exercise price of the option.
3. Other incremental payments do not include payments required under the Company's benefits program as such amounts are not determinable.
4. 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, 2014 on the TSX ($64.19) and the exercise price of the options.

ADDITIONAL DISCLOSURE ON COMPENSATION

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 five individuals as Senior Management during 2014 (five in 2013). These include the CEO, CFO, CRO, CCO and the Vice-President, General Counsel (who left the Company in March 2014 and whose compensation is included in the tables below only for the portion of the year during which he was part of Senior Management). Other Material Risk Takers consist of the Officers and Business Unit Heads of Equitable Bank. For the year-ended December 31 2014, the Company designated 14 individuals (12 in 2013) 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 2014 and 2013.

Total Value of Compensation Awarded

Senior Management	2014		2013	
	Non-Deferred ($)	Deferred[1] ($)	Non-Deferred ($)	Deferred[1] ($)
Fixed Compensation				
Cash-based	1,372,073	-	1,429,584	-
Shares and Share-linked Instruments	-	-	-	-
Other	18,466	-	18,157	-
Variable Compensation				
Cash-based	1,415,000	-	1,415,620	-
Shares and Share-linked Instruments	108,857	512,661	8,767	818,077
Other	44,705	-	36,405	-

1. Deferred Compensation includes options and RSUs granted in 2014 and 2013.

Other Material Risk Takers	**2014**		**2013**	
	Non-Deferred ($)	**Deferred ($)**	**Non-Deferred ($)**	**Deferred ($)**
Fixed Compensation				
Cash-based	2,491,692	-	2,050,358	-
Shares and Share-linked Instruments	-	-	-	-
Other	59,206	-	49,289	-
Variable Compensation				
Cash-based	937,000	-	753,500	-
Shares and Share-linked Instruments	460,805	458,148	24,525	430,926
Other	155,564	-	131,280	-

Other Compensation paid

Senior Management	**2014**		**2013**	
	Number	**Amount ($)**	**Number**	**Amount ($)**
Sign-on Awards	-	-	-	-
Guaranteed Awards	-	-	-	-
Severance	1	231,117	-	-

Other Material Risk Takers	**2014**		**2013**	
	Number	**Amount ($)**	**Number**	**Amount ($)**
Sign-on Awards	-	-	-	-
Guaranteed Awards	-	-	-	-
Severance	-	-	1	26,168

Deferred Compensation

Deferred compensation is comprised of options, PSUs and RSUs. The following tables include deferred compensation that was outstanding as at December 31, 2014 and 2013, which had not expired, or been forfeited or cancelled, as well as previously deferred compensation which was paid out during 2014 and 2013. There were no clawbacks or other similar reversals or downward re-evaluations of outstanding awards in either year.

Senior Management	**2014**	**2013**
	Amount ($)	**Amount ($)**
Outstanding Deferred Compensation		
Vested[1]	6,968,152	2,844,435
Unvested[2]	4,317,713	3,888,623
Total Deferred Compensation Outstanding	11,285,865	6,733,058
Deferred Compensation Payouts during the year[3]	726,410	1,285,020

Other Material Risk Takers	2014	2013
	Amount ($)	Amount ($)
Outstanding Deferred Compensation		
Vested[1]	2,871,456	1,832,961
Unvested[2]	2,194,585	1,765,649
Total Deferred Compensation Outstanding	5,066,040	3,598,609
Deferred Compensation Payouts during the year[3]	996,491	1,318,659

1. Outstanding vested compensation is comprised of options that were exercisable on December 31, 2014 and December 31, 2013, 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, 2014 and December 31, 2013, 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, 2014 and December 31, 2013, respectively, in addition to RSUs that had not vested by December 31, 2014 and December 31, 2013, respectively. Outstanding options are valued at the closing price of a Company common share on the TSX as at December 31, 2014 and December 31, 2013 less the exercise price. Outstanding unvested RSUs are valued at the volume-weighted average trading price of a Company common share on the TSX on December 31, 2014 and December 31, 2013, respectively, in addition to any dividend entitlement earned on such unvested RSUs between the date that they were granted and December 31, 2014 and December 31, 2013, respectively.
3. Payouts during the year include the value of exercised options during the year, in addition to any RSUs paid out in 2014. For 2014, 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. For 2013, stock option payouts are valued at the closing price of a common share on the TSX on the exercise date less the exercise price. The value of RSU payouts is calculated based on the average of the weighted average trading price of the common shares 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 maintaining high standards of governance which we believe is good for our shareholders, our employees and our company. We regularly review and update our governance practices in light of evolving best practices, expectations and regulatory requirements.

This section describes our corporate governance practices with reference to the corporate governance disclosure required under Canadian securities laws, including additional voluntary disclosure where appropriate to provide greater insight into our practices. We believe our practices are consistent with Bank Act requirements and guidelines issued by the Office of the Superintendent of Financial Institutions (Canada) for effective corporate governance, and are well designed to assist us in achieving our principal corporate objective, which is the enhancement of shareholder value. The Board has approved the disclosure of our governance practices described below, on the recommendation of the Corporate Governance Committee.

Board of Directors

Independence

90% our director nominees are independent. Andrew Moor is the only non-independent director due to his role as President and CEO

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 Guidelines. 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

- 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 he or she does not have a direct or indirect material relationship with the Company. A material relationship is a relationship which could reasonably interfere with the exercise of independent judgement.

The information required to make this determination is collected through the review of biographical material and questionnaires completed by the directors annually, generally at the same time it approves the nominees for inclusion in this Circular, or prior to their appointment. The Corporate Governance Committee reviews all information provided to determine if a director has any relationship with the Company that could reasonably be expected to interfere with the director's ability to act independently and makes a recommendation to the Board based on this assessment.

The Board has affirmatively determined that nine out of the ten nominated directors are independent. Andrew Moor, President and CEO of the Company is not independent.

Independent Advisors

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

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 after every regular in-person meeting of the Board.

Interlocking Directorships and Outside Board Memberships

The Board has not adopted guidelines setting the specific number of other boards and committees on which a director may serve. Directors should recognize that Board and committee service requires significant time and attention to properly discharge their responsibilities. The Corporate Governance Committee reviews all directorships as they arise and as part of its annual evaluation of director independence to ensure that they do not impact the ability of those directors to exercise independent judgement as members of our Board.

The Board has also not adopted guidelines limiting the number of board interlocks that can exist. A board interlock occurs when two or more of the Company's directors also serve together as board members of another public company.

As of April 8, 2015, none of our directors served together on another board.

Role of the Board

The Board's primary responsibility is to supervise the management of the business and affairs of the Company. The Board's mandate, which is reviewed annually by the Corporate Governance Committee and approved by the Board, sets out the Board's specific duties and responsibilities. The Board's mandate as approved by the Board on November 13, 2014, is attached to this Circular as Schedule "A".

The Board fulfills these duties and responsibilities directly and through its five standing committees. Below is an overview of the Board's role with respect to strategic planning, risk 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. The Board holds two sessions each year dedicated to strategy – one in June to discuss topics such as the current business environment, future growth of our business, major opportunities and risks and technology, and one in December to review, discuss and approve the Strategic Plan developed by senior management. At that meeting the Board approves the annual operating plan and corporate objectives, the capital plan, and the Internal Capital Adequacy Assessment Process (ICAAP). Throughout the year the Board monitors Management's progress in implementing the strategic plan and also reviews Management's assessment of emerging trends, the competitive environment and risk issues.

Risk Management

The Board is responsible for overseeing the identification and monitoring of the Company's core risks to which the Company is exposed and for satisfying itself that appropriate policies, procedures and practices are in place to effectively identify, monitor and manage them with our risk appetite framework. The Board is assisted in this regard through its committees, as follows:

- Risk and Capital Committee – oversees the Company's core and emerging risks and the adequacy of its ICAAP and capital plans. It also reviews the Company's risk profile against the approved risk appetite and has primary oversight for operational risk, business and strategic risk and reputational risk.
- Audit Committee – oversees the integrity of our financial reporting processes, the adequacy and effectiveness of our internal controls, and the performance of Internal Audit and the external audit.
- Human Resources & Compensation Committee – oversees compensation risk and succession risk.
- Corporate Governance Committee – oversees legal and regulatory risk, and governance policies and practices.
- Investment Committee – oversees credit, liquidity and funding, and market risks.

See the Risk Management Framework section starting on page 66 of the Company's 2014 Annual Report for further information on the Company's risk management processes.

Succession Planning

The Board ensures the continuity of executive management by overseeing succession planning. 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 HRCC 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 the Company. Certain Executive Officers regularly attend meetings of the Board and its Committees to provide necessary information to facilitate decision-making. Directors are provided with opportunities to meet with our employees through attendance at events we host or participate in.

In 2014, Bill Edmunds announced his decision to retire at the end of the year. His retirement had been anticipated and the Company had pursued a succession plan well in advance. Ron Tratch, Vice-President of Commercial Credit was selected as Mr. Edmunds' successor. Messrs. Edmunds and Tratch worked together to ensure a seamless and orderly transition. Mr. Tratch assumed the Chief Risk Officer position on January 1, 2015.

Internal Controls

With the assistance of the Audit Committee and the Corporate Governance Committee, the Board oversees the integrity and effectiveness of the Company's internal controls and management information systems. The Board is also responsible for overseeing adherence to applicable legal, audit compliance, accounting and regulatory reporting requirements. The Audit Committee reviews management reports on significant deficiencies relating to those controls.

Communication and Shareholder Engagement

Our Disclosure Control Policy establishes guidelines for the Company's communication with its shareholders, analysts, and the public in general. The policy includes measures to avoid selective disclosure of material information, identifies designated Equitable spokespersons and establishes internal review processes for key public communications. The Company's disclosure controls and procedures are designed to ensure that material information relating to the Company 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. We communicate with shareholders and other stakeholders through the annual reports, management information circulars, quarterly reports, annual information forms, news releases, our website and our quarterly earnings conference calls with analysts which feature a live webcast and open question-and-answer sessions. Webcasts remain available on our website for three months. The CEO and CFO meet regularly with financial analysts and the investment community. We also encourage shareholders to attend our annual meeting as it provides an opportunity to hear directly from our executives about our financial results and our future plans. Our directors are in attendance at our annual meetings and the Chair of the Board as well as executive management are available to answer questions as appropriate.

To contact our Board, shareholders can use the contact details provided on page 65 of this Circular.

Chair of the Board

We have been committed to a separation of the roles of Chair of the Board and the CEO since the Company was formed in 2004 as we believe it fosters strong leadership, robust discussions and effective decision-making while avoiding potential conflicts of interest.

The key role of the Chair of the Board is to:

- provide leadership to the Board,
- ensure the Board and its committees have the necessary resources to support their work and are able to function independently of Management, and
- maintain an effective relationship between the Board and senior management.

On May 14, 2014, Austin Beutel, our independent Chair of the Board since 2004, retired from the Board. The Board appointed David LeGresley, an independent director who joined the Board in May 2011, as Chair of the Board, and appointed Mr. Beutel as Honourary Chair of the Board.

The mandate of the Chair of the Board can be found on our website at www.equitablegroupinc.com in the Corporate Governance section.

Chief Executive Officer

The CEO's primary responsibility is to provide overall leadership, strategic direction and management of the Company's business and affairs. The CEO's mandate includes duties relating to strategy, risk management, succession planning, and communication with shareholders, customers, employees, regulators, increasing shareholder value and ensuring compliance with policies adopted by the Board. The CEO is directly accountable to the Board for all of the Company's activities.

The CEO's mandate is available on our website in the Corporate Governance section at www.equitablegroupinc.com.

Position Descriptions

In addition to the mandate for the non-executive Chair of the Board and the CEO, the Board has established position descriptions for a Committee Chair and individual directors. These are reviewed on an annual basis by the Corporate Governance Committee for approval by the Board. These position descriptions are available on our website in the Corporate Governance section at www.equitablegroupinc.com.

Board Committees

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 mandate of each Board Committee is reviewed annually by the respective Committee and recommended for approval by the Board. All Committee mandates are available on our website at www.equitablegroupinc.com. The Audit Committee mandate is also attached to our Annual Information Form for the year ended December 31, 2014 which is also available on our website at www.equitablegroupinc.com in the Investor Relations section and on SEDAR at www.sedar.com. At each regularly scheduled Board meeting, the Committee Chair reports to the Board on material matters considered by the Committee.

Director Compensation

The Corporate Governance Committee reviews the amount and form of director compensation, taking into consideration the time commitment, the responsibilities and risks involved in being an effective director, its competitiveness and makes recommendations on changes in fee structure or compensation components to the Board for approval. The Board also approves share ownership requirements for directors. More detailed disclosure of director compensation can be found starting on page 16 of the Circular.

Executive Compensation

With the assistance of the Human Resources and Compensation Committee, the Board oversees the executive compensation program. This program is designed to pay for performance at market competitive levels and to align management's interests with our business strategy and shareholder interests. More detailed disclosure of executive compensation is described starting on page 25 of the Circular.

Director Selection and Nomination

- Our shareholders elect individual directors annually
- A skills matrix is used to assess areas of director expertise and experience

The Corporate Governance Committee is responsible for making recommendations to the Board regarding the size and composition of the Board and its Committees, and for identifying and considering qualified candidates for election or re-election to the Board. The Committee together with the Chair of the Board regularly assess the needs of the Board, acknowledging that the Board membership should represent a diversity of gender and backgrounds and be comprised of the skills, competencies and areas of expertise necessary for the proper functioning of the Board of a publicly-traded, federally-regulated financial institution.

The Committee maintains a skills and competencies matrix outlining industry specific expertise, business experience and other skills considered necessary for the Board as a whole. The Committee assesses the experience and skills of current directors who have self-assessed their skills to those in the matrix, to identify any gaps taking the Board's current needs and pending retirements into account.

The matrix below identifies the competencies that all nominees standing for election have indicated they bring to the Board.

Skills & Experience	Total	E. Beutel	J.Brossard	M. Emory	E. Kirzner	D. LeGresley	L. McDonald	A. Moor	R. Saunders	V. Sera	M. Stramaglia
Governance Experience in board and governance practices of a public company or other major organization	10	•	•	•	•	•	•	•	•	•	•
CEO/Senior Executive Broad business experience as a senior executive of a publicly listed or major 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	7	•	•	•		•		•		•	•
Retail Banking Senior level experience in the retail banking sector	2		•								•
Digital Banking Experience in online distribution of banking products and related technology issues	1		•								
Human Resources/Compensation Knowledge of / experience in succession planning, talent development and retention, compensation program design and structure (in particular executive compensation programs)	8			•	•	•	•	•	•	•	•
Legal / Regulatory Training and/or experience in law and compliance with regulatory regimes	6			•	•	•		•	•		•
Technology Experience in or oversight of technology and operations	1		•								
Marketing/Branding Experience as a senior executive in sales and marketing strategies	2							•	•		

The Committee may retain an executive search firm to assist in identifying candidates that meet the specifications approved by the Committee. Once potential 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 his or her experience and ability to devote sufficient time and resources 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 or potential conflicts of interest.

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

- continuing integrity and suitability,
- length of service on the Board or age,
- 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.

In 2014 Katherine Rethy advised the Board that she would not stand for re-election in 2015. Accordingly, and with consideration being given to the Bank's objective of developing a digital banking platform, the Committee prioritized retail banking and digital banking experience and retained a professional search firm to assist in identifying qualified candidates. The result of this search process was the appointment of Johanne Brossard to the Board on February 24, 2015. The Board is confident that she will make valuable contributions to our Board.

Director Orientation and Continuing Education

Orientation

The Board oversees the orientation of new directors and the continuing education of directors through the Corporate Governance Committee. New directors participate in an orientation program to assist them in becoming knowledgeable about the Company. New directors meet with the Chair of the Board to discuss the role of the Board and its processes, dynamics and governance framework, and with the CEO and members of management to discuss Company strategy, performance, organizational structure, the regulatory framework and other issues facing the Company.

New directors are also provided with corporate and other information required to familiarize themselves with the Company and operations as well as key governance materials such as Board and Committee mandates, compliance requirements for directors, key Board policies including the Director Independence Policy, minutes from recent Board and committee meetings, the Code of Business Conduct, the Company's current strategic and capital plans, minutes for the previous year's board meetings and minutes for the previous year's committee meetings for the committee(s) which the director is joining, and other relevant information concerning the Company. All directors have a standing invitation to attend committee meetings and new directors are encouraged to do so to assist in their orientation.

Continuing Education

The Corporate Governance Committee is responsible for the ongoing development and education of the directors.

On an ongoing basis, directors:

- receive a comprehensive package of information prior to each Board and committee meeting,
- participate in regular information sessions provided by senior management and external experts throughout the year, and
- receive briefings on emerging trends that may be relevant to the Company's business strategy.

Directors have access to senior management to enable them to better understand and keep up-to-date with our business and for any other purposes that may help them fulfill their responsibilities. Directors are also encouraged to participate in outside professional programs at our expense with the approval of the Chair of the Board.

Most 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. Commencing in 2015 directors may also participate in programs organized by the Global Risk Institute.

Directors identify their specific continuing education needs through the annual board evaluation process and in discussions with management. The CEO provides quarterly updates to the Board on strategy and other matters affecting the Company. Directors interact with senior management at every board meeting.

The education sessions held in 2014 are described in the table below:

Educational Session	Date	Attended by
Overview of Non-Viability Contingent Capital and Preferred Shares; external presentation	February 2014	Board
Presentation by KPMG on new and future accounting standards, and the regulatory environment and current developments for external auditors	May 2014	Audit Committee
External presentation on the securitization process and the CMHC securitization program, the Mortgage-Backed securities market and the Canada Mortgage Bond market	May 2014	Board
Insider Trading – Pre-clearance process; presentation by Management	May 2014	Board
Overview of Advanced Internal Ratings Based approach to managing credit risk, presentation by management	August 2014	Board
Presentation on executive compensation and governance trends, presentation by the independent compensation advisor	August 2014	Human Resources & Compensation Committee
Anti-Money Laundering and Anti-Terrorist Financing, presentation by Management	November 2014	Board
Presentation on Long-term Incentive Plan design using performance share units, presentation by the independent compensation advisor	November 2014	Human Resources & Compensation Committee
Briefing session on the Bank's talent management program, presentation by Management	November 2014	Board
Update on the Bank's Digital Banking Initiative, presentation by Management	November 2014	Board

Mechanisms of Board Renewal

The Board has not established a retirement age or term limits for board renewal. The Board believes that the need to have experienced directors who have depth of knowledge and insight of our business must be balanced with the need for renewal and fresh perspectives and a healthy skepticism. In the last two years five directors have retired and five new directors have been either elected or appointed. The Board also experienced a change in leadership in May 2014 with the appointment of David LeGresley, an independent director on our Board since May 2011, as the Chair of the Board.

Of the ten director nominees standing for election in May 2015, only two were members of the Board when the Company was formed in 2004. Currently our primary mechanism of board renewal is the annual board evaluation and performance review process, which includes each director participating in one-on-one discussions with the Chair of the Board.

Board Evaluation

The Corporate Governance Committee is responsible for developing and overseeing the process for evaluating the effectiveness and performance of the Board, Board Committees, Board and Committee chairs and individual directors.

The process includes each director completing a questionnaire seeking the director's view on the effectiveness of the Board in the discharge of its duties and responsibilities, such as board leadership, our risk management processes, the quality and timeliness of information for Board and Committee meetings, and succession planning. Directors are asked to provide their views on how successful the Board was in meeting its previous year's objectives, what the Board considers its objectives to be for the year ahead, and areas in which the directors would like to receive additional training. In 2014 the questionnaire also provided for open-ended questions to allow directors to elaborate on their responses and to suggest improvements. The Chair of the Board also held one-on-one meetings with each director in January 2015 to engage in a full and frank discussion of his or her performance and other issues. The Chair of the Board summarizes the input received from these discussions as well as from the completed questionnaires and provides the Board with the findings and qualitative commentary which are then discussed during the *in camera* session at the subsequent board meeting. Feedback is provided to Management as appropriate to ensure the right programs are in place for continuously improving the Board's functioning and effectiveness. The Board may from time to time consider reviewing its effectiveness with the assistance of an independent external advisor.

Board Diversity – Representation of Women

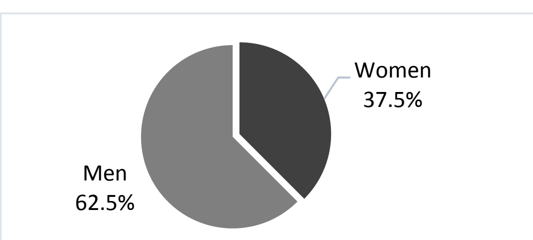
The Board acknowledges the value of diversity of all kinds in its composition as it believes that diversity provides a range of perspectives and views in relation to the issues affecting Equitable, and promotes better corporate governance and decision-making. We have had a woman on our board continuously since 2004 with the exception of one year and currently, 40% of our independent directors are women (36% of the entire board). As part of the director selection and nomination process outlined in page 59, the Corporate Governance Committee assesses the work experience, individual competencies, age and gender in assessing potential candidates for election to the Board. In 2014 the identification of a woman candidate was a key search criterion in the director selection process which resulted in the appointment of Johanne Brossard to our Board on February 24, 2015.

Following the Meeting and assuming that all director nominees are elected as contemplated, three of the nine independent directors on the Board will be women (33%). The Board recognizes the value of the contribution of members with diverse attributes on the Board and although it is has not developed a policy around this issue, it is committed to ensuring that there is significant representation of women on the Board. In addition, the Board has not established a target regarding the number of women on the Board as it is of the view that doing so would not be the most effective way of ensuring it is comprised of individuals with the skills, expertise and experience needed to fulfill its obligations.

Representation of Women in Executive Officer Appointments

Equitable regards the representation of women in senior executive positions as an important issue and we are working diligently to achieve more gender diversity at this level. We believe we are having success by taking a thoughtful and considered approach when making decisions related to recruitment and promotion and takes gender diversity into consideration when making these decisions.

Women Executive Officers at April 8, 2015



Ethical Business Conduct

The Board and the CEO are responsible for promoting a culture of integrity and ethical behaviour. The Company has in place a number of policies and procedures, including the Code of Business Conduct, which are written standards designed to encourage and promote a culture of integrity, honesty, fairness and respect in its business activities.

The Code applies to all directors, officers and employees and sets out fundamental principles that provide guidance on several matters, including conflicts of interest, confidentiality of corporate information, protection and use of corporate assets, 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

A copy of the Code is accessible on SEDAR at www.sedar.com or on our website at www.equitablegroupinc.com, or by contacting the Corporate Secretary at the address set out on page 64 of this Circular.

As part of its commitment to support the highest degree of ethical behaviour in the conduct of our business and to provide an open environment at the Company, the Board ensures that effective mechanisms are in place for employees to promptly raise or report perceived or suspected ethical concerns they may have without fear of retribution or harassment.

We have a confidential ethics hotline that enables our employees to raise concerns anonymously and confidentially

The Board has established a Whistleblower Policy that provides a toll-free hotline maintained by an independent third party. Employees, officers and directors can anonymously and confidentially report any serious concerns including any breach of any Company policy or financial matters, such as fraud, deficiencies in internal controls or deviations from full and fair recording of expenses and liabilities. Alternatively, employees can report any concerns to their manager, another manager or Human Resources. In addition, directors, officers and employees can report any concerns to the Chief Compliance Officer or the Chair of the Audit Committee. All concerns raised are investigated and reported to the Audit Committee by the Chief Compliance Officer.

The Code of Business Conduct is provided to all employees and officers at the time of hire, and to all directors upon joining the Board. Each year all directors, officers and employees are required to acknowledge in writing that they have read, understand and complied with the Code during that fiscal year. The Company conducts an annual certification process to monitor 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. Any waivers to the Code must be granted by the Board. Since inception, no waivers from the Code have been requested.

Conflicts of Interest

Directors may not be eligible to stand for election to the Board if they have a potential or actual conflict of interest that is incompatible with service as a director. The Board has adopted a policy relating to directors' and officers' conflicts of interest. The policy sets out clear procedures applicable in the event conflicts arise. Where a director or officer has an interest in a transaction or contract with Equitable that is being considered by the Board, they are required to disclose that interest. A director's conflict is recorded in the minutes of the meeting and the director is required to absent himself or herself from the meeting for any discussion or deliberations concerning the subject matter or the transaction. The director is further required to abstain from voting on any resolution in respect of such transaction or contract. Directors are required to provide the Company with complete information on all entities in which they have a material interest so that any conflicts they may have regarding these entities can be identified. In addition, the annual questionnaire completed by all directors includes questions on material interests with Equitable.

OTHER INFORMATION

Indebtedness of Directors and Executive Officers

As at the date of this Circular, there was no outstanding indebtedness to the Company or Equitable Bank incurred by any directors, director nominees or executive officers in connection with the purchase of securities of the Company or any other indebtedness since January 1, 2014. In addition, there was no outstanding indebtedness incurred by any of such individuals to any entity that was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or Equitable Bank.

Directors' and Officers' Insurance

The Company 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, 2015, is $30 million. The deductible is $200,000 per event. For the year ending May 31, 2015, the premium for such coverage is $180,000.

Contacting the Board

You may contact the Board, the Chair of the Board or any Board member by directing your correspondence to the Corporate Secretary at the following address:

Equitable Group Inc.
30 St. Clair Avenue West, Suite 700
Toronto, Ontario M4V 3A1
email: corporatesecretary@equitablegroupinc.com

Directors' Approval

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

Andrew Moor
President and Chief Executive Officer
April 8, 2015

Schedule "A"

Board of Directors' Mandate

A. ROLE

The role of the Board of Directors (the "Board") is to supervise the management of the business and affairs of Equitable Group Inc. ("Group") and Equitable Bank (the "Bank") (collectively, the "Company").

The Board shall, either directly or through its Committees, be responsible for discharging its responsibilities as set out in this Mandate and such other duties as may be necessary or appropriate in order to fulfill its stewardship responsibilities.

B. ACCOUNTABILITIES AND RESPONSIBILITIES

The Board shall directly, or through a Board Committee:

Strategic Planning

1. Adopt a strategic planning process and annually approve the strategic plan which sets out the Company'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 environment, and ensure the strategic plan is aligned with the Company'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 and capital plans and budgets, the capital management policy and the capital adequacy assessment process. Monitor the Bank's performance against the financial and capital plans and approve any material amendments to, or variances from, these plans, including any request for capital expenditures in excess of $500,000 over the budgeted capital plan.
4. Review and approve the issuance and redemption of all capital and declare dividends.
5. Review and approve major business development initiatives and material transactions.

Risk Management

1. Approve the Company's risk appetite framework and ensure its alignment with the Company's strategic, financial, liquidity and capital plans; business unit strategies; day-to-day operations and compensation programs.
2. Ensure processes are in place to identify and monitor the principal business risks and satisfy itself that appropriate policies, procedures and practices are in place for the effective management of these risks and are consistent with the Board-approved strategy and Risk Appetite Framework.
3. Review the processes to ensure compliance with applicable regulatory, corporate, securities and legal requirements.
4. Ensure the Board receives from senior management the information and input required to enable it to effectively perform its duties.
5. Approve the delegation of credit approvals and investment authority to senior management.

Internal Controls

1. Approve the Company's internal control framework. Oversee the integrity and effectiveness of the Company's internal controls, including those for financial and non-financial reporting, and management information systems, and satisfy itself that these systems and controls are designed and operating effectively, and review reports by management relating to the operation of, and any material deficiencies in, these systems.
2. Review and approve the financial statements and management's discussion and analysis, annual information form, management information circular and other public disclosure documents that require board approval.

Oversight of Senior Management

1. Appoint or, if required, remove the Company's Chief Executive Officer.
2. Approve the corporate objectives to be met by the Chief Executive Officer, monitor progress against those objectives and provide guidance and counsel where necessary.
3. Approve the appointment of senior management, including the heads of the control functions and ensure they have and maintain the appropriate qualifications and competencies to meet the expectations set by the Board and regulators,

including, to the extent feasible, satisfying itself as to the integrity of the Chief Executive Officer and senior management and their effectiveness in fostering a culture of integrity, risk awareness and compliance throughout the Company.

4. Evaluate the performance and approve the compensation of the Chief Executive Officer and senior management.
5. Approve the Company's compensation policy and oversee the design and operation of the compensation program to ensure it aligns with the Company's business strategy, values and risk appetite.
6. Ensure that an appropriate succession planning process is in place for the Chief Executive Officer, the Chair of the Board and senior management positions.
7. Oversee the Company's control functions having regard to their independence and effectiveness.

Governance

1. Review the Company's approach to corporate governance, including the governance principles and guidelines applicable to the Company.
2. Set the "tone at the top" together with the Chief Executive Officer and promote a culture of honesty, integrity and ethical conduct within the Company, and ensure there is an ongoing, appropriate and effectiveness process for ensuring adherence to the Company's Code of Business Conduct.
3. Establish appropriate criteria, structures, practices and procedures to allow the Board to function independently of management.
4. Approve the mandates for the Board, Chair of the Board, a Committee Chair and individual directors.
5. Evaluate the effectiveness and performance of the Board, Board Committees, Board and Committee Chairs and individual directors. Periodically consider engaging an independent external advisor to assess or assist the Board in conducting such assessments.

Board Composition

1. On the recommendation of the Corporate Governance Committee, appoint directors or recommend nominees for election to the Board at the annual meeting of shareholders.
2. Appoint the Chair from among the independent members of the Board and approve the mandate and compensation for the Chair position.
3. Establish committees of the Board, approve their membership, Chairs and mandates, and review their structure to ensure they provide sufficient oversight.
4. Conduct and act upon the results of an annual assessment of the Board, Board committees and individual directors.
5. Approve policies and procedures for identifying and addressing directors' conflicts of interest.
6. Oversee an appropriate orientation program for new directors and a continuing education program for directors.
7. Review and approve the adequacy and form of compensation of directors.

Delegation of Authority to Chief Executive Officer

1. Delegate to the Chief Executive Officer the authority to manage the day-to-day activities of the Company within the framework established by the Board.

Communication and Public Disclosure

1. Approve the Company's Disclosure Control Policy, ensuring that it provides for timely and accurate disclosure to analysts, shareholders, employees and the general public.
2. Ensure appropriate disclosure mechanisms, such as the Company's management information circular, annual report and/or website, provide instructions on how to communicate with the Company's independent directors.

Regulators

1. Review and discuss with senior management the Company's response to recommendations of the Office of the Superintendent of Financial Institutions, pursuant to their supervisory activities.
2. Monitor the Company's relationship with its regulators.
3. Ensure regulators are promptly notified of substantive issues affecting the Company.

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 governing legislation and the by-laws of the Company.
2. The Board shall establish independent 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. 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.
4. 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.
5. 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 of the Company and, if determined necessary by the Board, to any employee. The Board shall have the authority to retain and terminate external 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 the Company.