



Shareholder Proposal

Laurentian Bank Metrics Used for Executive Compensation

Be it resolved that:

The Human Resources and Corporate Governance Committee of the Board disclose the rationale for reliance on a single financial performance metric when determining executive bonuses and assess the benefits of using a combination of performance metrics, including non-financial indicators.

Supporting Statement

In the wake of the financial crisis, it is crucial that Board committees exercise their duty to ensure that executives are financially rewarded for creating sustainable value and not for taking short-term risks.

When determining bonuses for the 2009 fiscal year, Laurentian Bank relies on a single metric of financial performance - common shareholder's equity. Utilizing a combination of metrics would be more appropriate to discourage actions that would achieve one result at the expense of others.

The metric of common shareholder's equity is used for determining both financial performance of the firm and individual performance, thus rewarding executives twice for attainment of the same result.

Laurentian lags its peers by not including non-financial metrics in its compensation structure. Other Canadian banks incorporate customer satisfaction and retention or employee turnover and engagement metrics into compensation. If ignored, these factors can negatively impact on long-term financial performance at the expense of short-term gains.

NEI INVESTMENTS

T: 604.633.0615 F: 604.633.0619

NEIinvestments.com Toll Free: 1.866.888.0615

500 - 1111 West Georgia Street Vancouver, British Columbia V6E 4T6