EQUITABLE GROUP INC.

NOTICE OF
ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
to be held on May 23, 2006

and

MANAGEMENT INFORMATION CIRCULAR

EQUITABLE GROUP INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting (the "Meeting") of shareholders of Equitable Group Inc. (the "Company") will be held at the TSX Conference Centre, 130 King St. West, Toronto Ontario, Canada, on Tuesday, May 23, 2006 at 10:00 a.m. (Eastern Standard Time) for the following purposes:

1. to receive the financial statements for the year ended December 31, 2005, together with the report of the auditor thereon;

2. to elect directors;

3. to appoint KPMG LLP as auditor;

4. to consider and if thought fit, to pass a special resolution authorizing an amendment to the Share Option Plan (the "Plan") of the Company to delete the fixed maximum number of common shares reserved for issuance upon the exercise of options granted under the Plan and provide for a "rolling maximum" number of common shares upon the exercise of options granted under the Plan that shall not exceed 10% of the number of common shares issued and outstanding (calculated on a non-diluted basis) from time to time;

5. to consider and if thought fit, to pass a special resolution confirming an amendment to sections 5.01 and 5.02 of By-law No. 1 to provide for the appointment of a non-executive Chairman of the Board; and

6. to transact such other business as may properly come before the Meeting or any adjournment thereof.

This notice is accompanied by the Company's Management Information Circular, Form of Proxy, supplemental mailing request form and Annual Report containing the financial statements of the Company for the year ended December 31, 2005.

Shareholders who are unable to attend the Meeting in person are requested to complete, date and sign the enclosed form of proxy and to return it in the envelope provided for that purpose so that as large a representation as possible may be held at the Meeting.

The board of directors of the Company has by resolution fixed the close of business on April 11, 2006 as the record date, being the date for the determination of the registered holders of common shares entitled to notice of and to vote at the Meeting and any adjournment(s) thereof.

Proxies to be used at the Meeting must be deposited with the Company, c/o the Company's transfer agent, Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1 not less than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays) prior to the date on which the Meeting or any adjournment(s) thereof is held, or with the Chairman of the Meeting on the day of the Meeting at any time prior to the commencement of the Meeting or any adjournment(s)thereof.

Non-registered shareholders who receive these materials through their broker or other intermediary are requested to follow the instructions for voting provided by their broker or intermediary, which may include the completion and delivery of a voting instruction form.

DATED at Toronto, Ontario this 24th day of March, 2006.

By Order of the Board of Directors

(signed) Timothy E. Storus

Timothy E. Storus
Vice-President, General Counsel,
Chief Compliance Officer and Secretary

MANAGEMENT INFORMATION CIRCULAR

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EQUITABLE GROUP INC.

MANAGEMENT INFORMATION CIRCULAR

Solicitation of Proxies

This management information circular is furnished in connection with the solicitation of proxies by the management of Equitable Group Inc. (the "Company") for use at the Annual and Special Meeting of Shareholders (the "Meeting") of the Company to be held at the time and place and for the purposes set forth in the accompanying Notice of Meeting. References in this management information circular to the Meeting include any adjournment or adjournments thereof. It is expected that the solicitation will be primarily by mail, however, proxies may also be solicited personally by regular employees of the Company. The cost of solicitation will be borne by the Company.

The board of directors of the Company (the "Board") has fixed the close of business on April 11, 2006 as the record date, being the date for the determination of the registered holders of securities entitled to receive notice of the Meeting. Duly completed and executed proxies must be received by the Company's transfer agent at the address indicated on the enclosed envelope no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment of the Meeting.

Unless otherwise stated, the information contained in this management information circular is as of March 24, 2006.

Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are officers and/or directors of the Company. **A shareholder desiring to appoint some other person, who need not be a shareholder, to represent him at the Meeting, may do so by inserting such person's name in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy and, in either case, depositing the completed and executed proxy at the office of the Company's transfer agent indicated on the enclosed envelope no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment of the Meeting.**

A shareholder forwarding the enclosed proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The shares represented by the proxy submitted by a shareholder will be voted in accordance with the directions, if any, given in the proxy.

A proxy given pursuant to this solicitation may be revoked by an instrument in writing executed by a shareholder or by a shareholder's attorney authorized in writing (or, if the shareholder is a corporation, by a duly authorized officer or attorney) and deposited either at the registered office of the Company (Suite 700, 30 St. Clair Avenue West, Toronto, Ontario, M4V 3A1; Attention: Mr. Timothy E. Storus, Vice-President, General Counsel and Secretary) at any time up to and including the last business day preceding the day of the Meeting or with the Chairman of the Meeting on the day of the Meeting or in any other manner permitted by law.

Exercise of Discretion by Proxies

The persons named in the enclosed form of proxy will vote the shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. **In the absence of such direction, such shares will be voted in favour of the passing of all the resolutions described below. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting.** At the time of printing of this management information circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters that are not

now known to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.

Voting by Non-Registered Shareholders

Only registered shareholders of the Company or the persons they appoint as their proxies are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders ("Non-Registered Shareholders") because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares. Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an "Intermediary") that the Non-Registered Shareholder deals with in respect of the shares of the Company (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant. In accordance with applicable securities law requirements, the Company will have distributed copies of the Notice of Meeting, this management information circular and the form of proxy and the supplemental mailing request form (collectively, the "Meeting Materials") to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

(i) be given a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company, will constitute voting instructions (often called a "voting instruction form") which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or

(ii) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with the Company, c/o Computershare Investor Services Inc. at 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the shares of the Company they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the form of proxy and insert the Non-Registered Shareholder or such other person's name in the blank space provided. In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.

A Non-Registered Shareholder may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the

right to receive Meeting Materials and to vote which is not received by the Intermediary at least seven (7) days prior to the Meeting.

Voting Securities and Principal Holders Thereof

As of the date hereof, 11,871,645 common shares in the capital of the Company are issued and outstanding. Each common share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting. The record date for the determination of shareholders entitled to receive notice of the Meeting has been fixed at April 11, 2006. In accordance with the provisions of the *Business Corporations Act* (Ontario), the Company will prepare a list of holders of common shares as of such record date. Each holder of common shares named in the list will be entitled to vote the shares shown opposite his or her name on the list at the Meeting, except to the extent that (a) the shareholder has transferred any of his or her shares after the record date, and (b) the transferee of those shares produces properly endorsed share certificates or otherwise establishes that he or she owns such shares and demands not later than ten days prior to the Meeting that his or her name be included in the list before the Meeting, in which case the transferee is entitled to vote his or her shares at the Meeting. All such holders of record of common shares are entitled either to attend and vote thereat in person the common shares held by them or, provided a completed and executed proxy shall have been delivered to the Company's transfer agent within the time specified in the attached Notice of Meeting, to attend and vote thereat by proxy the common shares held by them.

To the knowledge of the directors and executive officers of the Company, as at the date hereof, the only persons or companies who beneficially own, directly or indirectly, or exercise control or direction over voting securities of the Company carrying more than 10% of the voting rights attached to any class of voting securities of the Company are as follows:

Name	Number of Common Shares	Percentage of Outstanding Common Shares
Beutel, Goodman & Company Ltd.[1]	1,191,800	10.03%
Bissett Investment Management[1]	1,505,600	12.68%
Oakwest Corporation Limited[2]	1,481,940	12.48%

(1) Beutel, Goodman & Company Ltd. and Bissett Investment Management have disclaimed any beneficial ownership of these common shares, but as investment managers they maintain exclusive power to exercise investment control or direction over such shares for their managed accounts as the beneficial owners.

(2) Messrs. Austin Beutel and Eric Beutel, directors of the Company, exercise control or direction over Oakwest Corporation Limited, which is the direct holder of 616,759 common shares and indirect holder of 865,181 common shares through its wholly-owned subsidiary Emberwood Glen Enterprises Ltd. Messrs. Austin Beutel and Eric Beutel are not affiliated with Beutel, Goodman & Company Ltd.

Election of Directors

The holders of common shares will elect 10 directors to hold office until the close of the next annual meeting of the shareholders or until the election or appointment of their successors.

Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote FOR the election of the nominees whose names are set forth below**.** If, for any reason at the time of the meeting, any of the nominees are unable to serve, and unless otherwise specified, it is intended that the persons designated in the form of proxy will vote at their discretion for a substitute nominee or nominees.

The following table sets forth the name and municipality of residence, principal occupation, memberships on the boards of other public companies, date first became a director of the Company, and number of shares beneficially owned or over which direction or control is exercised by each nominee for election as a director of the Company. The statement as to the common shares beneficially owned, directly or indirectly, or over which control or direction is exercised by the nominees for election as directors hereinafter named is in each instance based upon information furnished by the person concerned and is as at March 24, 2006.

Name	Principal Occupation and membership on Boards of other Issuers	Director Since	Shareholdings
PAUL ALOFS[1][5] Toronto, Ontario Independent	President and Chief Executive Officer, Princess Margaret Hospital Foundation No directorship with any other issuer	February 2, 2004	5,000
AUSTIN BEUTEL[2][4][6] Chairman of the Board, Equitable Group Inc. and The Equitable Trust Company Toronto, Ontario Independent	Chairman, Oakwest Corporation Limited (an investment holding company) Holds a directorship with: Astral Media Inc., Accord Financial Corp., and Aecon Group Inc.	January 1, 2004	1,481,940[6]
ERIC BEUTEL[3][5][6] Toronto, Ontario Independent	Vice-President, Oakwest Corporation Limited (an investment holding company) Holds a directorship with: Seprotech Systems Incorporated	January 1, 2004	1,481,940[6]
GEOFFREY BLEDIN[3] Toronto, Ontario Non-independent (President and CEO of the Company)	President and Chief Executive Officer, Equitable Group Inc. and The Equitable Trust Company No directorship with any other issuer.	January 1, 2004	971,773
GISELLE BRANGET[1][2] Toronto, Ontario Independent	Corporate Director No directorship with any other issuer.	May 16, 2005	0[7]
JOSEPH DICKSTEIN[1][2][5] Toronto, Ontario Independent	Vice-Chairman and Director, PPI Financial Group (a financial services company) No directorship with any other issuer	January 1, 2004	6,000
ERIC KIRZNER[1][2][4][5] Toronto, Ontario Independent	Professor of Finance, Rotman School of Management, University of Toronto No directorship with any other issuer	January 1, 2004	2,600
LIONEL ROBINS[3][4] Toronto, Ontario Independent	President, PFDL Investments Limited (an investment holding company) No directorship with any other issuer	January 1, 2004	152,199
ROBERT RUBINOFF[2][3][4] Toronto, Ontario Independent	President and Director, Inglewood Holdings Inc. (an investment holding company) No directorship with any other issuer	January 1, 2004	287,993
MICHAEL SHULMAN[1][5] Toronto, Ontario Independent	President, The Birchwood Group Inc. (an investment holding company) No directorship with any other issuer	January 1, 2004	33,000

(1) Member of the Audit Committee of the Company and of Equitable Trust.
(2) Member of the Corporate Governance Committee of the Company and Equitable Trust.
(3) Member of the Investment Committee of Equitable Trust.
(4) Member of the Human Resources and Compensation Committee of Equitable Trust.
(5) Member of the Conduct Review Committee of Equitable Trust.
(6) Messrs. Austin Beutel and Eric Beutel are shareholders of Oakwest Corporation Limited, which is the beneficial holder of 1,481,940 common shares.
(7) Has one year from date of election to meet the share ownership requirement. See "Directors' Minimum Shareholding Requirement".

Other principal occupations, employment and businesses of the proposed directors during the past five years were as follows: from 1999 to 2003 Paul Alofs was a Private Investor; prior to 2003 Eric Beutel was Secretary/Treasurer of Oakwest Corporation Limited; and from March 2000 to June 2005 Giselle Branget was Vice-President and Treasurer of Ontario Power Generation Inc.

No director or executive officer of the Company has, within the 10 years prior to the date of this Management Information Circular, been a director or executive officer of any company that (i) was the subject of a cease trade or similar order for more than 30 consecutive days, (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order for more than 30 days, or (iii) within one year of the director or executive officer ceasing to act in that capacity, became bankrupt or insolvent, instituted proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, with the exception of Mr. Lionel Robins, a director of the Company, who was President and a director of Dylex Limited in 1995 at the time Dylex Limited made a proposal to creditors under the *Companies Creditors Arrangement Act* (Canada); and Mr. Robert Rubinoff, a director of the Company, who was a non-executive chairman and a director of National Fibretech Inc. which was petitioned into bankruptcy on May 15, 1997.

Directors' Attendance Record

Below is a record of attendance by individual Directors at meetings of the Board and its Committees during the 2005 financial year:

Director	Number of meetings attended		
	Board	**Audit Committee**	**Corporate Governance Committee**
Paul Alofs	7 of 7	4 of 4	-
Austin Beutel	7 of 7	-	2 of 2
Eric Beutel	7 of 7	-	-
Geoffrey Bledin	7 of 7	-	-
Giselle Branget [(1)]	4 of 4	2 of 2	1 of 2
Joseph Dickstein	7 of 7	4 of 4	1 of 2
Eric Kirzner	7 of 7	4 of 4	2 of 2
Lionel Robins	6 of 7	-	-
Robert Rubinoff	7 of 7	-	2 of 2
Michael Shulman	6 of 7	4 of 4	-

(1) Giselle Branget became a Director of the Company and a member of the Audit Committee and Corporate Governance Committee on May 16, 2005. She attended 4 of 4 Board of Directors' meetings, 2 of 2 Audit Committee meetings and 1 of 2 Corporate Governance Committee meetings.

Statement of Executive Compensation

The following table details compensation information for the three financial years ended December 31, 2005, 2004 and 2003 for the President and Chief Executive Officer, the Senior Vice-President and Chief Financial Officer and the two other most highly compensated executive officers of the Company and its wholly-owned subsidiary as at December 31, 2005 (the "Named Executive Officers"). No other executive officers of the Company and its wholly-owned subsidiary earned greater than $150,000 (salary and bonus) during the year ended December 31, 2005.

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation		
		Salary ($)	Bonus[2] ($)	Other Annual Compensation ($)	Securities Under Options Granted (#)	Shares or Units Subject to Resale Restrictions ($)	All Other Compensation ($)
Geoffrey Bledin[1] President and Chief Executive Officer	2005 2004 2003	606,600 600,000 326,000	201,998 200,000 3,093,584	- - -	0 125,000 0	- - -	- - -
Stephen Coffey[1] Senior Vice-President and Chief Financial Officer	2005 2004 2003	218,000 200,000 180,000	30,000 55,000 35,000	- - -	0 100,000 0	- - -	- - -
Timothy Storus[1][3] Vice-President, General Counsel and Secretary	2005 2004 2003	60,143 - -	8,000 - -	- - -	25,000 - -	- - -	- - -
John Harry[1] Vice-President Credit and Risk Management	2005 2004 2003	145,000 133,000 120,000	10,000 12,000 15,000	- - -	0 25,000 0	- - -	- - -

(1) Each of Messrs. Bledin, Coffey, Storus and Harry have formal employment agreements with the Company's wholly-owned subsidiary, The Equitable Trust Company, dated as of January 1, 2004, July 23, 2001, August 2, 2005 and September 5, 2001 respectively. See "Employment Agreements".

(2) Bonuses in respect of a fiscal year are paid in the last pay period of the year with the exception of the bonus payable to the President and Chief Executive Officer which is paid within three months of the year end and is subject to meeting established performance measures. See "Employment Agreements".

(3) Timothy Storus was named Vice-President, General Counsel and Chief Compliance Officer on August 8, 2005.

Option Grants During the Most Recently Completed Financial Year

The following table provides details of stock options granted to the Named Executive Officers during the financial year ended December 31, 2005 pursuant to the Company's share option plan (the "Option Plan").

Name	Securities Under Options Granted (#)[1]	% of Total Options Granted to Employees in Financial Year[2]	Exercise or Base Price ($/Security)[3]	Market Value of Securities Underlying Options on the Date of Grant ($/Security)[3]	Expiration Date
Geoffrey Bledin	0	0	-	-	-
Stephen Coffey	0	0	-	-	-
Timothy Storus	25,000	18.52%	24.10	24.10	November 25, 2010
John Harry	0	0	-	-	-

(1) Class of securities underlying all options is common shares. Options vest at the rate of 20% per annum on the anniversary date of the grant.

(2) Based on the total number of options granted to directors and employees of the Company and its subsidiary pursuant to the Option Plan during the financial year ended December 31, 2005 of 135,000.

(3) Exercise price is equal to the closing price per common share on the Toronto Stock Exchange ("TSX") on the day prior to the grant.

The following table provides details regarding stock option exercises by the Named Executive Officers during the financial year ended December 31, 2005, and year-end option values.

Aggregated Option Exercises During the Most Recently Completed Financial Year and Financial Year-End Option Values

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized ($)	Unexercised Options as at December 31, 2005 (#) Exercisable/ Unexercisable	Value of Unexercised in-the-Money Options as at December 31, 2005 ($) Exercisable/ Unexercisable[3]
Geoffrey Bledin	-	-	25,000/100,000	177,500/710,000
Stephen Coffey	47,410	839,252[1]	20,000/89,482	142,000/744,934
Timothy Storus	-	-	0/25,000	0/12,500
John Harry	9,482	160,341[2]	5,000/29,482	35,500/318,934

(1) Calculated using the closing price of the common shares on the TSX at the date of exercise of $22.85 for 37,928 shares and $26.05 for 9,482 shares less the exercise price of the options of $5.94 for 37,928 shares and $5.18 for 9,482 shares.

(2) Calculated using the closing price of the common shares on the TSX at the date of exercise of $22.85 less the exercise price of the options of $5.94.

(3) Calculated using the closing price of the common shares on the TSX on December 31, 2005 of $24.60 less the exercise price of in-the-money stock options. These options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the common shares on the date of exercise.

Employment Agreements

The Company's wholly-owned subsidiary, The Equitable Trust Company ("Equitable Trust"), has entered into employment agreements with each of the Named Executive Officers, the key terms of which are disclosed below.

Geoffrey Bledin. Mr. Bledin entered into an employment agreement with Equitable Trust as of January 1, 2004. Under the terms of the agreement, Mr. Bledin is entitled to an annual base salary of $600,000 increasing by the annual change in the Consumer Price Index ("CPI") commencing in 2005, and a bonus based on the after-tax return on equity of Equitable Trust. Mr. Bledin is also entitled to participate in the Company's Option Plan. In the case of termination without cause, Mr. Bledin is entitled to a severance payment equal to his base salary and average bonus plus the equivalent of one month's base salary and bonus for each year of service with the Company (to a maximum of 36 months). Mr. Bledin is required to give 90 days notice if he resigns his position, and if such notice is waived, is entitled to his salary and benefits for 90 days from when such notice was given.

Stephen Coffey. Mr. Coffey entered into an employment agreement with Equitable Trust as of June 22, 2001. Under the terms of the agreement, Mr. Coffey is entitled to an annual base salary, and a discretionary bonus based upon his performance and commensurate with his position. Mr. Coffey is also entitled to participate in the Company's Option Plan. In the case of termination without cause, Mr. Coffey is entitled to a lump sum payment equal to six months' salary.

Timothy Storus. Mr. Storus entered into an employment agreement with Equitable Trust as of August 2, 2005. Under the terms of the agreement, Mr. Storus is entitled to an annual base salary, and a discretionary bonus based upon his performance and commensurate with his position. Mr. Storus is also entitled to participate in the Company's Option Plan. In the case of termination without cause, Mr. Storus is entitled to salary continuance of up to three months after completion of one year of employment and up to six months after completion of three years of employment.

John Harry. Mr. Harry entered into an employment agreement with Equitable Trust as of September 5, 2001. Under the terms of the agreement, Mr. Harry is entitled to an annual base salary, and a discretionary bonus based

upon his performance and commensurate with his position. Mr. Harry is also entitled to participate in the Company's Option Plan. In the case of termination without cause, Mr. Harry is entitled to written notice equal to one week for each year of employment (to a maximum of eight weeks) prior to termination.

Other than as described above, the Company and its subsidiary have no compensatory plans or arrangements with respect to the Named Executive Officers that result or will result from the resignation, retirement or any other termination of employment of such officers' employment with the Company, or its subsidiary, from a change of control or a change in the Named Executive Officers' responsibilities following a change of control.

Composition of the Human Resources and Compensation Committee

The Human Resources and Compensation Committee of Equitable Trust is composed of four directors, each of whom is independent of the Company: Robert Rubinoff (Chairman), Austin Beutel, Eric Kirzner and Lionel Robins. Pursuant to its mandate, the Committee's responsibilities include reviewing and making recommendations to the Board of Directors of Equitable Trust regarding any equity or other compensation plan and the total compensation package of Equitable Trust's executive officers, including the Chief Executive Officer. The Committee is also responsible for reviewing the performance of the executive officers of the Company and Equitable Trust and evaluating their total compensation annually in relation to their performance against pre-established goals and strategies. In addition, the Committee reviews the Company's Option Plan (see "Security Based Compensation Arrangements") and the related distributions.

Report on Executive Compensation

When determining the compensation of the Company's executive officers, including the Named Executive Officers, the Human Resources and Compensation Committee considers the objectives of: (i) recruiting and retaining the executives critical to the success of the Company and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and shareholders of the Company; and (iv) rewarding performance, both on an individual basis and with respect to the business in general. In order to achieve these objectives, the compensation paid to executive officers consists of the following three components:

(a) base salary;
(b) bonus; and
(c) long-term incentive in the form of stock options granted in accordance with the Company's Option Plan.

Base Salary

The base salary of each particular executive officer is determined by an assessment by the Human Resources and Compensation Committee of such executive's performance, a consideration of competitive compensation levels in companies similar to the Company and a review of the performance of the Company as a whole and the role such executive officer played in such corporate performance.

Bonus

Bonuses are performance based short-term financial incentives which are a percentage of annual base salaries. Bonus levels will be determined by level of position with the Company. Bonuses will be paid based on certain indicators such as personal performance, team performance and/or corporate financial performance.

Long-Term Incentive

The Company provides a long-term incentive by granting options to executive officers through the Company's Option Plan. The options granted permit executives to acquire common shares at an exercise price equal to the closing market price of such shares under option on the trading day immediately preceding the date on which the option was granted. The objective of granting options is to encourage executives to acquire an ownership interest in the Company over a period of time, which acts as a financial incentive for such executive to consider the long-term interests of the Company and its shareholders.

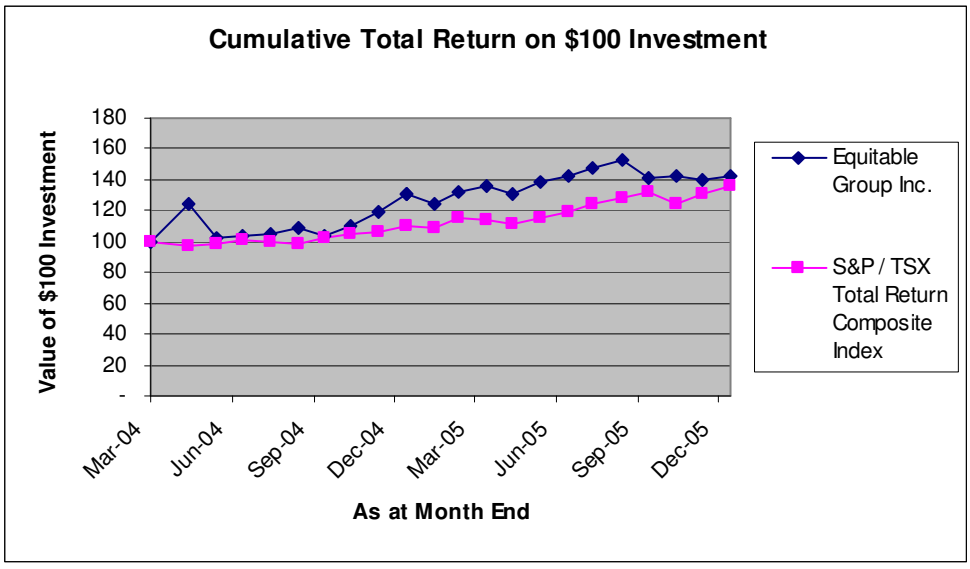
Compensation of the President and Chief Executive Officer

The components of the President and Chief Executive Officer's compensation are the same as those which apply to the other executive officers of the Company; namely, base salary, bonus and long-term incentives in the form of stock options. These components are set forth in Mr. Bledin's employment agreement. Mr. Bledin's base salary for the year ended December 31, 2005 was $606,600 and his bonus was $201,998. The Chairman of the Human Resources and Compensation Committee presents recommendations of the Committee to the Board with respect to the President and Chief Executive Officer's compensation. In setting the President and Chief Executive Officer's salary, the Committee reviews salaries paid to other executive officers in the Company, salaries paid to other chief executive officers in the industry and the President and Chief Executive Officer's impact on the achievement of the Company's objectives for the previous financial year. During the financial year ended December 31, 2005, Mr. Bledin was not granted any stock options under the Option Plan (see "Option Grants During the Most Recently Completed Financial Year" table above for further details).

The foregoing report has been submitted by: Robert Rubinoff (Chairman)
Austin Beutel
Eric Kirzner
Lionel Robins

Performance Graph

The following graph compares the monthly changes in the cumulative total shareholder return for $100 invested in the Company's common shares on March 18, 2004 and on the last trading day of the month for each of April 2004 through December 2005, against the cumulative total shareholder return of the S&P/TSX Composite Index, assuming the reinvestment of all dividends.



	Mar 18, 2004	Apr 30, 2004	May 31, 2004	June 30, 2004	July 30, 2004	Aug 31, 2004	Sept 30, 2004	Oct 29, 2004	Nov 30, 2004	Dec 31, 2004
Equitable Group Inc.	100.00	124.86	102.86	103.43	105.14	108.29	104.00	109.79	118.56	131.00
S&P/TSX Total Return Composite Index	100.00	96.50	98.68	100.38	99.45	98.65	102.27	104.76	106.80	109.62

	Jan 31, 2005	Feb 28, 2005	Mar 31, 2005	Apr 29, 2005	May 31, 2005	Jun 30, 2005	Jul 29, 2005	Aug 31, 2005	Sept 30, 2005	Oct 31, 2005	Nov 30, 2005	Dec 30, 2005
Equitable Group Inc.	124.34	132.28	135.44	131.28	138.20	142.30	147.62	153.41	141.54	142.28	139.26	142.86
S&P/TSX Total Return Composite Index	109.18	114.83	114.40	111.67	114.68	118.49	124.79	127.91	132.28	124.80	130.32	136.07

Securities Authorized for Issuance Under Equity Compensation Plans

The following table provides details of compensation plans under which equity securities of the Company were authorized for issuance as at December 31, 2005.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights[1]	Weighted-average price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans[2]
Equity compensation plans approved by securityholders	768,539[3]	$18.07	Nil
Equity compensation plans not approved by securityholders	Nil	-	Nil
Total	768,539	$18.07	Nil

(1) Represents common shares issuable upon exercise of stock options.

(2) Based on the maximum number of common shares reserved for issuance under the Option Plan upon the exercise of stock options of 1,139,154.

(3) A total of 19,777 options were granted under the specific exemption from the shareholder approval requirement for the granting of options under an amended plan which has not yet been passed by shareholders, pursuant to s.613(c) of the TSX Company Manual. This exemption is available so long as (i) the granting of options is used as an inducement to the person to enter into a contract of full time employment as an officer, (ii) such person has not previously been employed by the Company, nor has such person been an insider of the Company; and (iii) the common shares issuable under such options do not exceed 2% of the number of outstanding securities (on a non-diluted basis) prior to the grant thereof (and this is based on no more than 2% per officer).

Security Based Compensation Arrangements

Share Option Plan

Under the Option Plan, effective as of February 2, 2004, the Company may grant options to purchase common shares to directors, officers, employees and consultants of the Company and its wholly-owned subsidiary Equitable Trust. The Option Plan is designed to advance the interests of the Company by encouraging the directors, officers, employees and consultants to have equity participation in the Company through the acquisition of common shares. Options to purchase common shares may be granted from time to time by the Board of Directors of the Company at an exercise price not less than the closing price of the common shares on the TSX (or other applicable exchange) on the last business day immediately preceding the date of grant of the options, and if there is no trading on such day, the exercise price shall be not less than the weighted average of the bid and ask prices on the five consecutive trading days preceding the grant. The maximum number of common shares available for issuance under the Option Plan is currently fixed at 1,139,154 representing approximately 9.6% of the Company's issued and outstanding common shares as at the date hereof. The maximum number of common shares available for issuance to any one person under the Option Plan is 5% of the common shares outstanding at the time of the grant. The aggregate number of common shares reserved for issuance to any one insider and such insider's associates pursuant to the exercise of options with a one-year period shall not exceed 5% of the shares then outstanding. Options granted under the Option Plan are non-transferable other than in accordance with the Option Plan and must be exercised no later than ten years after the date of the grant or a lesser

period as determined by the Board of Directors of the Company and approved by any applicable regulatory authority, and the Board may determine when any options will become exercisable.

In the event of the termination or retirement of an eligible participant under the Option Plan, each option held ceases to be exercisable within a period of 30 days after termination, as the case may be, or such longer period as the Board may determine, provided that no option shall remain outstanding for longer than 36 months following termination (other than in the case of a non-executive director, who has 12 months following termination) or the expiry date of such option. Upon death of an eligible participant, the legal representative of such participant is entitled to exercise his or her options within a period after the date of death as determined by the Board, provided that no option will remain exercisable for longer than 12 months following death or the expiry date of the options. In all cases, unless the Board determines otherwise, only that portion of options that has vested by termination are exercisable. The Option Plan does not provide the Company with any ability or provision to transform a stock option into a stock appreciation right involving an issuance of common shares. The Board may amend, suspend or terminate the Option Plan or any portion of the plan at any time in accordance with applicable legislation, and subject to any required regulatory or shareholder approval, provided that, subject to provisions outlined for certain corporate events, no amendment, suspension or termination will alter or impair an eligible participant's previously granted options or rights under the Option Plan without such participant's consent.

As at the date hereof, the Company has granted an aggregate of 1,158,931 options under the Option Plan, representing approximately 9.8% of the Company's issued and outstanding common shares, of which 768,539 options have not been exercised, representing approximately 6.5% of the Company's issued and outstanding common shares. No options remain available for grant.

It is proposed that the Option Plan be amended to delete the fixed maximum number of common shares available for issuance upon exercise of options granted under the Plan and provide for a "rolling maximum" number of common shares issuable upon the exercise of options granted under the Plan that shall not exceed 10% of the number of common shares outstanding (calculated on a non-diluted basis) from time to time. See "Amendment to Share Option Plan".

Compensation of Directors

The Chairman receives a fixed fee of $50,000 per annum from Equitable Trust in connection with his services as Chairman of the Board. Members of management who also serve as directors of Equitable Trust do not receive any compensation for acting in such capacity. All non-executive directors are paid an annual retainer of $10,000, plus $1,000 per diem for attendance at Board and committee meetings and $500 for attendance at stand-alone committee meetings. In addition, the Chairman of the Audit Committee of Equitable Trust is entitled to a fixed fee of $5,000 per annum.

Effective February 27, 2006 the Board of Directors of Equitable Trust adopted the following fee structure for non-executive directors of the Company and Equitable Trust:

Annual Board Member Retainer	$10,000
Annual Chairman of the Board Retainer	$50,000[(1)]
Annual Audit Committee Chair Retainer	$10,000
Board or Committee Attendance Fees (per meeting):	
More than 2 hours in duration	$ 1,000
2 hours or less in duration	$ 500
Less than ½ hour in duration	$ 0

[(1)] The Chairman of the Board does not receive Attendance Fees.

Directors of the Company are eligible to participate in the Option Plan (see "Security Based Compensation Arrangements - Share Option Plan"). During the year ended December 31, 2005, the Company granted stock options to Giselle Branget to purchase an aggregate of 25,000 common shares in connection with her election to the Board of Directors on May 16, 2005.

Directors' Minimum Shareholding Requirement

To align Directors' interests with those of shareholders, the Board adopted a minimum shareholding requirement for Directors. Each Director is required to hold, within one year of being elected to the Board, common shares of the Company equivalent to the minimum value of one year's cash compensation as a Board/Committee member.

As at the date hereof, all nominees for election as directors have met the minimum shareholder requirement with the exception of Giselle Branget. Ms. Branget joined the Board in May 2005 and has one year to meet the minimum shareholding requirement.

Directors' and Officers' Liability Insurance

The Company and Equitable Trust maintain liability insurance covering their respective directors and officers. For the year ended December 31, 2005, the aggregate premium paid by the Company and Equitable Trust under this policy was $106,000 per annum. The coverage is subject to a maximum annual liability amount of $10 million with a fixed corporate deductible per loss.

Indebtedness of Directors and Executive Officers

As at the date hereof, there are no loans outstanding to directors, executive officers and senior officers of the Company or its subsidiary.

Corporate Governance Disclosure

The Company and the Board recognize the importance of corporate governance to the effective management of the Company and to the protection of its employees and shareholders. The Company's approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of the Company are effectively managed so as to enhance shareholder value.

The Company's corporate governance practices have been and continue to be in compliance with applicable Canadian requirements. The Company continues to monitor developments in Canada with a view to further revising its governance policies and practices, as appropriate.

National Policy 58-201 ("NP 58-201") entitled "Corporate Governance Guidelines" sets out guidelines for effective corporate governance. These guidelines deal with matters such as the constitution and independence of corporate boards, their functions, the effectiveness and education of board members and other items dealing with sound corporate governance. National Instrument 58-101 entitled "Disclosure of Corporate Governance Practices" ("NI 51-101") requires that if management of an issuer solicits proxies from its security holders for the purposes of electing directors, specific disclosure of the corporate governance practices of the Company must be included in its management information circular.

The Board has considered the guidelines set out in NP 58-201 and believes that its approach to corporate governance is appropriate and works effectively for the Company and its shareholders. Disclosure of the corporate governance practices of the Company is attached as Schedule "A" to this Management Information Circular. This disclosure statement, including Schedule "A", has been prepared by the Corporate Governance Committee of the Board and has been approved by the Board.

Appointment of Auditors

Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote FOR the appointment of KPMG LLP, Chartered Accountants, as auditors of the Company until the close of the next annual meeting of shareholders and to authorize the directors to fix their remuneration. KPMG LLP were first appointed as auditors of the Company on January 1, 2004 (date of incorporation/amalgamation) and as auditors of Equitable Trust on December 19, 2002.

Presentation of Financial Statements

The shareholders present at the Meeting will receive the Company's consolidated financial statements for the year ended December 31, 2005 (the "Financial Statements") and the auditors' report thereon. The Financial Statements were prepared in accordance with Canadian generally accepted accounting principles.

Particulars of Matters to be Acted Upon

Amendment to the Share Option Plan

Section 1.4(a) fixes the maximum number of common shares reserved for issuance under the Company's Share Option Plan (the "Plan") at 1,139,154 Common Shares, representing 9.6% of the Company's issued and outstanding Common Shares as at the date hereof. Section 1.4(b) provides for an aggregate number of common shares reserved for issuance under the Plan which shall not exceed 10% of the total number of common shares then outstanding. The Board has approved, subject to approval by the shareholders and any necessary regulatory approval, an amendment to the Plan to delete Subsections 1.4(a) and (b) of the Plan in their entirety and substitute the new section 1.4 wording set out in the resolution below.

The main features of the Plan are described under "Security Based Compensation Arrangements – Share Option Plan".

If the Amendment is approved by the Company's shareholders, then any increase in the issued and outstanding common shares would result in an increase in the available number of common shares issuable under the Plan, and any exercises of options will result in a reloading of such options back into the Plan, thereby increasing the number of common shares available for grant under the Plan.

In accordance with the requirements of the TSX, the shareholders of the Company are required to approve the Amendment by a special majority of the votes cast at the Meeting. In the event the Board determines to further increase the maximum number of shares (as a percentage of issued and outstanding common shares) subject to the Plan, such increase will be subject to the further approval of the Company's shareholders. The rules of the TSX require stock option plans with rolling maximums to be re-approved by shareholders every three years. Accordingly, should the Amendment be approved at the Meeting by the Company's shareholders, the Plan would have to be re-approved every three years.

In respect of the Amendment, management is requesting shareholders to consider and, if thought fit, to pass the following special resolution which must be approved by the affirmative vote of not less than two-thirds of the votes cast in person or by proxy at the Meeting. The Board of Directors recommends that shareholders vote FOR the following special resolution:

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The Share Option Plan of the Company be amended and restated by the deletion of Sections 1.4(a) and (b) in their entirety and the following substituted therefore:

    1.4 "Shares Reserved under the Share Option Plan

    Options may be granted in respect of reserved and unissued Shares (subject to increase by the Board), subject to the approval of the Board, and subject to the approval of the TSX and/or such other exchange on which the Shares may be listed and posted for trading from time to time and the approval of the shareholders of the Corporation, as required. The number of securities issuable to Insiders, at any time, under all security based compensation arrangements, shall not exceed 10% of issued and outstanding securities. The number of securities issued to Insiders within any one-year period, under all security based compensation arrangements, shall not exceed 10% of issued and outstanding securities. The aggregate number of Shares issued to any one Insider and such Insider's Associates pursuant to the exercise of Options within a one-year period shall not exceed 5% of the total number of Shares then outstanding. The aggregate number of Shares reserved for

issuance to any one person pursuant to the grant of Options shall not exceed 5% of the total number of Shares then outstanding. For purposes of this Section 1.4, the number of Shares then outstanding shall mean the number of Shares outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable Option or the exercise of the applicable Option."

2. Any one director or officer of the Company be and he or she is hereby authorized and directed to do such acts and things and to execute and deliver under the corporate seal or otherwise all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to this resolution.

By-law Amendment Relating to the Appointment of a Non-Executive Chairman of the Board

On February 27, 2006 the Board of Directors authorized an amendment to By-law No. 1 to provide for the appointment of a Non-Executive Chairman of the Board. This amendment is subject to confirmation by special resolution of the shareholders. A special resolution is a resolution that requires the affirmative vote of not less than two-thirds of the votes cast in person or by proxy at the Meeting.

The text of the special resolution to be considered by the holders of common shares is set out below. The Board of Directors recommends that shareholders vote FOR the special resolution.

BE IT RESOLVED AS A SPECIAL RESOLUTON THAT:

1. The following amendments to and restatement of By-law No. 1 are hereby confirmed:

   Section 5.01 is amended by adding the sentence "The Chairman of the Board may, but need not be, an officer of the Corporation." so that Section 5.01 reads as follows:

   5.01 "Appointment

   The Chairman of the Board may, but need not be, an officer of the Corporation. The board may from time to time appoint a Chairman of the Board, a President, one or more Vice-Presidents (to which title may be added words indicating seniority or function), a Secretary, a Treasurer and such other officers as the board may determine, including one or more assistants to any of the officers so appointed. The Board may specify the duties of and, in accordance with this by-law and subject to provisions of the Act, delegate to such officers powers to manage the business and affairs of the Corporation. Subject to paragraph 5.02, an officer may but need not be a director and one person may hold more than one office. In case and whenever the same person holds the offices of Secretary and Treasurer, he may but need not be known as the Secretary-Treasurer. All officers shall sign such contracts, documents, or instruments in writing as require their respective signatures. In the case of the absence or inability to act of any officer or for any other reason that the Board may deem sufficient, the Board may delegate all or any of the powers of such officer to any other officer or to any director for the time being."

   Section 5.02 is amended by adding the following paragraph:

   "The board of directors may determine that the chairman of the board shall not be an officer of the Corporation and shall act solely in a non-executive capacity. A non-executive Chairman of the Board shall possess and exercise such authority and powers and perform such duties as may be determined by the by-laws and the board of directors."

2. Any one director or officer of the Company be and he or she is hereby authorized and directed to do such acts and things and to execute and deliver under the corporate seal or otherwise all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to this resolution.

Additional Information

Additional information relating to the Company can be found on SEDAR at www.sedar.com. Additional financial information is provided in the Company's Consolidated Financial Statements for the year ended December 31, 2005 and related Management's Discussion and Analysis of results, which can be found in the Company's Annual Report to shareholders, which accompanies this management information circular and has also been filed on SEDAR. Shareholders may also contact the Secretary of the Company by phone at (416) 515-7000 or by e-mail at corporatesecretary@equitablegroupinc.com to request copies of these documents.

Directors' Approval

The contents of this management information circular and the sending thereof to the shareholders of the Company have been approved by the Board.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) Timothy E. Storus

Timothy E. Storus
Vice-President, General Counsel,
Chief Compliance Officer and Secretary

Toronto, Ontario
March 24, 2006

SCHEDULE "A"

EQUITABLE GROUP INC.
DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	COMPLIANCE	COMMENTS
1. a) Disclose the identity of directors who are independent.	Yes	The Corporate Governance Committee has reviewed the independence of each Director on the basis of the definition in section 1.4 of Multi-lateral Instrument 52-110. A Director is "independent" if he or she has no direct or indirect material relationship with the Company. A "material relationship" is one that could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of a Directors' independent judgment. The Corporate Governance Committee has determined, after reviewing the roles and relationships of each of the Directors, that 9 out of 10 of the nominees proposed by Management for election to the Board are independent from the Company. The following nominees have been affirmatively determined to be independent by the Corporate Governance Committee of the Board: Paul Alofs Austin Beutel Eric Beutel Giselle Branget Joseph Dickstein Eric Kirzner Lionel Robins Robert Rubinoff Michael Shulman
b) Disclose the identity of directors who are not independent and describe the basis for that determination.	Yes	The Corporate Governance Committee has determined, after reviewing the roles and relationships of each of the Directors, that the only nominee proposed by Management for election to the Board who is not independent is Geoffrey Bledin, who serves as President and Chief Executive Officer of the Company.
c) Disclose whether or not the majority of the directors are independent.		Nine out of the ten nominees proposed by Management for election to the Board are independent from the Company.
d) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	Yes	All Directorships with other public entities for each of the nominees are set out in the table at page 4.
e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management	Yes	The independent Directors hold meetings as a matter of routine after each Board meeting. These meetings are chaired by the Chairman of the Board. There were five meetings of the

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	COMPLIANCE	COMMENTS
are not in attendance and the number of meetings held since the beginning of the issuer's most recently completed financial year.		independent Directors in the financial year ended on December 31, 2005. With the exception of Equitable Trust's Investment Committee, Board Committees are entirely composed of independent Directors and regularly meet without Management.
f) Disclose whether or not the chair of the board is an independent director, disclose the identity of the independent chair, and describe his or her role and responsibilities.	Yes	The Chairman of the Board, Mr. Austin Beutel, is an independent director within the meaning of Multilateral Instrument 52-110. The Board has developed a mandate for the Non-Executive Chairman of the Board, whose responsibilities include, but are not limited to, providing leadership to the Board, approving the agendas for all Board meetings, presiding at all Board meetings and meetings of independent Directors, ensuring regular evaluations of the Board and individual directors, and ensuring the provision of timely and accurate information to Directors.
g) Disclose the attendance record of each director for all board meetings held since the beginning of the most recently completed financial year.	Yes	A record of attendance by each Director at meetings of the Board and its Committees held during the year ended December 31, 2005 is set out under Section "Directors Attendance Record" at page 5 of this Circular.
2. Disclose the text of the board's written mandate.	Yes	The text of the Board's mandate is set out in Schedule "B" to this Circular.
3. a) Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee.	Yes	The Corporate Governance Committee has developed a mandate for the Non-Executive Chairman of the Board, a mandate for a Committee Chairman, and a position description for an individual Board member, all which have been approved by the Board. The mandate of the Non-Executive Chairman includes those responsibilities as outlined in 1(f) above. The mandate of Committee Chairman includes the following responsibilities: presiding at all Committee meetings, approving the agendas and ensuring that all committee members have the appropriate information and access to resources in order to fulfill their duties.
b) Disclose whether or not the board and CEO have developed a written position description for the CEO.	Yes	The Corporate Governance Committee has, together with the President and Chief Executive Officer, developed a written position description for the President and Chief Executive Officer. The position description includes the following duties and responsibilities: strategy, leadership, business development, management and increasing shareholder value.

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	COMPLIANCE	COMMENTS
4. a) Briefly describe what measures the board takes to orient new members regarding: (i) the role of the board, its committees and its directors, and (ii) the nature and operation of the issuer's business	Yes	The Corporate Governance Committee has developed an orientation program whereby every new Director will meet with the Chairman and senior management. As well, each Director will receive a Directors' Handbook containing corporate and business information on the Company, the Board of Directors and its Committees.
b) Briefly describe what measures, if any, the board takes to provide continuing education for its directors.	Yes	The Corporate Governance Committee has developed a Continuing Education Program for Directors whereby the Chairman of the Committee defines mandatory education as providing the necessary materials the Directors to keep them informed of regulatory and industry requirements and standards. Directors are also invited to attend training sessions.
5. a) Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code:	Yes	The Board of Directors has adopted a Code of Conduct for all employees of the Company as well as a Directors' and Officers' Addendum to the Code of Conduct.
(i) disclose how a person or company may obtain a copy of the code;	Yes	The Code of Conduct and the Directors' and Officers' Addendum is available on SEDAR (www.sedar.com). Copies may also be obtained upon request to the Secretary of the Company at its Head Office, 30 St. Clair Avenue West, Suite 700, Toronto, Ontario M4V 3A1.
(ii) describe how the board monitors compliance with its code; and	Yes	The Conduct Review Committee of the Board of Directors of the Company's wholly-owned subsidiary, Equitable Trust ("Equitable"), monitors compliance with the Code of Conduct and ensures that management encourages and promotes a culture of ethical business conduct. This is achieved through (i) an annual sign-off process by each employee, (ii) quarterly reports to the Audit Committee by the Chief Compliance Officer, and (iii) the Whistle-blowing Procedure. Furthermore, under the Conflict of Interest section of the Directors' and Officers' Addendum, Directors may not participate in any board discussions regarding a conflict of interest situation and may not vote on any such situation.
(iii) provide a cross-reference to any material change report(s) filed within the preceding 12 months that pertains to any conduct of a Director or executive officer that constitutes a departure from the code.	Yes	The Board has not granted any waiver of the Code of Conduct or Directors' and Officers' Addendum in favour of a Director or Executive Officer. Accordingly, no material change report has been filed.
(iv) describe any steps the board takes to ensure Directors exercise independent judgment in	Yes	The Conduct Review Committee of the Board of Directors of Equitable Trust monitors the disclosure of conflicts of interest by Directors and

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	COMPLIANCE	COMMENTS
considering transactions and agreements in respect of which a Director or executive officer has a material interest.		ensures that no Director will vote or participate in a discussion on a matter in respect of which such Director has a material interest.
6. a) Describe the process by which the board identifies new candidates for board nomination.	Yes	This responsibility has been assigned to the Corporate Governance Committee, which committee is composed of five independent directors. The Corporate Governance Committee has approved a new Director selection process which includes a competency profile and receiving suggestions for candidates from the current Board members.
b) Disclose whether or not the board has a nominating committee composed entirely of independent directors.	Yes	
c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.		The mandate of the Corporate Governance Committee includes the following duties and responsibilities: reviewing mandates of the Board, the Non-Executive Chair, the Committee Chairs and the President and Chief Executive Officer; establishing the annual assessment process of the Board, its Committees and individual directors, reviewing results of same and recommending changes or enhancements based on those results to the Board; developing the criteria for prospective new Directors and for assessing the integrity of the President and Chief Executive Officer and other executive officers.
7. a) Describe the process by which the board determines the compensation for the issuer's directors and officers.	Yes	The Corporate Governance Committee is charged with the responsibility for reviewing and making recommendations to the Board regarding the adequacy and form of the compensation for non-executive Directors to ensure that such compensation realistically reflects the responsibilities and risks involved in being an effective Director. The Committee reviews the practices of comparable companies with a view to align the Company's non-executive directors to its comparator group median**.** The Human Resources and Compensation Committee of Equitable Trust has the responsibility for recommending compensation for Equitable Trust's senior officers including that of the President and Chief Executive Officer. (See "Report on Executive Compensation" at page 8).
b) Disclose whether or not the board has a compensation committee composed entirely of independent directors.	Yes	The Human Resources and Compensation Committee of Equitable Trust is composed of four directors, all of whom have been affirmatively determined by the Board to be independent.
c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.	Yes	See "Composition of the Human Resources and Compensation Committee" on page 8 of this Circular.
8. If the board has standing committees other than the audit, compensation and	Yes	In addition to the Audit Committee, the Corporate Governance Committee and the Human Resources

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	COMPLIANCE	COMMENTS
nominating committees, identify the committees and describe their function.		and Compensation Committee, the Board of Directors of Equitable Trust also has an Investment Committee and a Conduct Review Committee, each of which report to Equitable Trust's Board. The Investment Committee is responsible for recommending and reviewing all policies governing management of credit risk, interest rate risk and liquidity and funding management. The Conduct Review Committee is responsible for issues of related party transactions, customer complaints and the Code of Conduct. The Committee also provides an annual report to Equitable Trust's regulator with respect to its activities during the year.
9. Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments.	Yes	The Corporate Governance Committee has the mandate and responsibility to ensure that a process is in place for the annual review of the performance of individual directors, the Board as a whole and the Board committees. The Corporate Governance Committee reviews a performance evaluation questionnaire that is forwarded annually to the members of the Board. This questionnaire covers a wide range of issues and allows for comments and suggestions. The questionnaire covers both Board and individual director performance. The Chairman of the Corporate Governance Committee assembles responses to the questionnaire and reports the results to the Board of Directors. Improvements can then be made when required, according to the results. This formal Board and individual Director evaluation process takes place on an annual basis prior to recommendation of nominees on the Board of Directors.

Schedule "B"

Board of Directors' Mandate

Constitution

The Board of Directors is responsible to oversee the management of the business and affairs of the Company in accordance with the Trust and Loan Companies Act and applicable securities legislation. The Board of Directors is responsible for the protection and enhancement of shareholder value.

The Board of Directors, the Corporate Governance Committee and the Audit Committee for both The Equitable Trust Company and Equitable Group Inc. have identical membership. It may be appropriate for Equitable Group Inc. to utilize the services of the other committees of the Trust Company to ensure compliance to public company practices.

In the following sections, "Board" is defined as the Board of Directors of both The Equitable Trust Company and Equitable Group Inc.

Structure of the Board of Directors

The Board will be comprised of a minimum of seven directors, as required by the Trust and Loan Companies Act, and a maximum number of directors as outlined in the Company's By-Laws.

The Equitable Trust Company's Board will have the following committees: an Audit Committee, a Conduct Review Committee, a Human Resources and Compensation Committee, a Corporate Governance Committee and an Investment Committee. The Equitable Group Inc.'s Board will have an Audit Committee and a Corporate Governance Committee.

The Board will establish the membership and mandates of all of its Committees. Each Committee will report to the Board of Directors, at its next meeting following as soon as possible after each of their meetings.

Membership

The membership of the Board will comply with the following requirements:

- The composition of the Board will be in compliance with all regulatory requirements;
- Directors shall have the knowledge, experience, understanding and commitment to fulfill the Board's responsibilities;
- Majority of the directors should be independent of management;
- Each Board member will own within one year of being elected to the Board, common shares of the Company to a minimum value of one year's cash compensation as a Board / Committee member;
- Additions or deletions from the membership of the Board of Directors will be decided by a majority vote of the shareholders. The Corporate Governance Committee will present nominees for new directors based upon criteria established by them for this purpose; and
- Should a vacancy occur between shareholder's meetings, the Board shall be entitled to appoint a replacement based on the nomination by the Corporate Governance Committee.

Leadership of the Board of Directors

The Board of Directors will select from its members that are independent of management, a Chair who will lead the Board.

Board Duties and Responsibilities

To oversee the management of the Company by:

- Selecting a President / CEO;
- Planning for the succession of the President / CEO;
- Providing direction and advice to the President / CEO,
- Defining the role and responsibilities of the President / CEO;
- Determining the content and timing of required reporting to the Board;
- Creating the annual objectives for the President / CEO, and annually assessing the performance of the President / CEO against these objectives;
- Arranging that the compensation plans for senior management and the Company are consistent with the Company's business objectives;
- Defining the type of decisions that require prior board approval; and
- Appointing senior officers and approving their compensation.

To oversee the strategic management of the Company by:

- Establishing the business objectives;
- Reviewing and approving the business strategy and business plans;
- Monitoring the performance of the Company against the business objectives, strategy and plans;
- Approving the annual budget; and
- Reviewing and approving the Company's major decisions.

To oversee the Risk Management of the Company by:

- Understanding the principal risks of the corporation and ensuring the implementation of appropriate systems to manage these risks,
- Reviewing, assessing and approving the internal controls of the Company,
- Obtaining reasonable assurance that the Company is operating within an appropriate control framework,
- Ensuring that there are appropriate oversight functions independent of management,
- Ensuring that there are policies and procedures in place to comply with the requirements set by the regulatory bodies, receiving periodic reports on compliance and any incidences of non-compliance,
- Reviewing financial results,
- Approving all public and regulatory filings as required by law, and
- Receiving a quarterly report from management on perceived risks facing the Company.

To follow good Corporate Governance Practices by ensuring that:

- The board and its Committees have appropriate structures, compensation, membership, leadership and mandates;
- There are written position description for directors, the board chair and the chair of each of the board's committees;
- There is a self-assessment process for Board performance; review the results of the assessment and to implement changes when warranted;
- Committees are utilized by the Board in fulfilling its obligations; and
- Standards of Business Conduct and ethical behaviour are established and are being adhered to.

Meetings

There will be at least four meetings of the Board of Directors annually. Additional meetings are permitted as decided by the Chair of the Board of Directors.

At the end of each meeting of the Board of Directors there will be an "in camera" session of the non-management directors that will permit the independent directors to reflect upon the events of that meeting.

Notice of each meeting shall be given to each member. Any member of management shall also attend whenever requested to do so by the Chair of the Board of Directors or by the Secretary.

Notice of a special meeting may be given orally or by letter, telex, telegram, telephone facsimile transmission or telephone not less than 24 hours before the time fixed for the meeting. Notice of regular meetings need state only the day of the week or month, the place and the hour at which such meetings will be held.

Matters decided by the Board of Directors shall be decided by majority vote. Each member of the Board of Directors, including the Chair, shall have one vote. The Chair shall not have a second or deciding vote.

The Board of Directors may invite from time to time 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 of Directors.

The Secretary of the Company or designate, shall be the secretary of all meetings of the Board of Directors and shall maintain minutes of all meetings and deliberations of the Board of Directors.

Reporting

Minutes are to be kept by the person designated as the secretary by the Chair and reviewed and approved at the next meeting of the Board / Committee.

The minutes of the meetings of the Board of Directors and all of its Committees must be in sufficient detail to demonstrate that the Board is performing its duties in a diligent manner. The minutes will indicate the topics discussed, have a summary of the major issues discussed, and detail the decisions taken. If any director so wishes, the minutes must indicate that the director has a comment or disagrees with any decision taken.

Access to Information

In the performance of its duties and responsibilities, any Director shall have access to any and all books and records of the Company necessary for the execution of the Director's obligations and shall discuss with the officers of the Company such accounts, records and other matters considered appropriate.