



ANNUAL INFORMATION FORM
For the year ended December 31, 2017

March 28, 2018

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Unless otherwise specified, this Annual Information Form presents information as at December 31, 2017.

FORWARD-LOOKING STATEMENTS

Caution Regarding Forward-looking Statements

From time to time Home Capital Group Inc. (the “Company” or “Home Capital”) makes written and verbal forward-looking statements. These are included in the Annual Report, periodic reports to shareholders, regulatory filings, press releases, Company presentations and other Company communications. Forward-looking statements are made in connection with business objectives and targets, Company strategies, operations, anticipated financial results and the outlook for the Company, its industry, and the Canadian economy. These statements regarding expected future performance are “financial outlooks” within the meaning of National Instrument 51-102. Please see the risk factors, which are set forth in detail in the Risk Management section of the Company’s 2017 Annual Report, as well as its other publicly filed information, which is available on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com, for the material factors that could cause the Company’s actual results to differ materially from these statements. These risk factors are material risk factors a reader should consider, and include credit risk, liquidity and funding risk, structural interest rate risk, operational risk, investment risk, strategic risk, reputational risk, compliance risk and capital adequacy risk along with additional risk factors that may affect future results. Forward-looking statements can be found in the Report to Shareholders and the Outlook section in the 2017 Annual Report. Forward-looking statements are typically identified by words such as “will,” “believe,” “expect,” “anticipate,” “intend,” “should,” “estimate,” “plan,” “forecast,” “may,” and “could” or other similar expressions.

By their very nature, these statements require the Company to make assumptions and are subject to inherent risks and uncertainty, general and specific, which may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These risks and uncertainties include, but are not limited to, global capital market activity, changes in government monetary and economic policies, changes in interest rates, inflation levels and general economic conditions, legislative and regulatory developments, competition and technological change. The preceding list is not exhaustive of possible factors.

These and other factors should be considered carefully and readers are cautioned not to place undue reliance on these forward-looking statements. The Company presents forward-looking statements to assist shareholders in understanding the Company’s assumptions and expectations about the future that are relevant in management’s setting of performance goals, strategic priorities and outlook. The Company presents its outlook to assist shareholders in understanding management’s expectations on how the future will impact the financial performance of the Company. These forward-looking statements may not be appropriate for other purposes. The Company does not undertake to update any forward-looking statements, whether written or verbal, that may be made from time to time by it or on its behalf, except as required by securities laws.

Assumptions about the performance of the Canadian economy in 2018 and its effect on Home Capital’s business are material factors the Company considers when setting its strategic priorities and outlook. In determining expectations for economic growth, both broadly and in the financial services sector, the Company primarily considers historical and forecasted economic data provided by the Canadian government and its agencies. In setting and reviewing its strategic priorities and outlook for 2018, management’s expectations continue to assume:

- The Canadian economy is expected to be relatively stable in 2018, supported by expanded Federal Government spending.
- Generally, the Company expects stable employment conditions in its established regions. Also, the Company expects inflation will generally be within the Bank of Canada’s target of 1% to 3%, leading to stable credit losses and demand for the Company’s lending products in its established regions.

- The Canadian economy will continue to be influenced by the economic conditions in the United States and global markets and further adjustments in commodity prices; as such, the Company is prepared for the variability that may result.
- While the Company is assuming that interest rates will experience modest increases in 2018, the impact of such increases is not expected to be material. The level of interest rates is expected to continue to support relatively low mortgage interest rates for the foreseeable future.
- The Company believes that the current and expected levels of housing activity indicate a relatively stable real estate market overall. Please see Market Conditions under the 2018 Overall Outlook in the Management’s Discussion and Analysis (“MD&A”) included in the Company’s 2017 Annual Report for more discussion on the Company’s expectations for the housing market.
- The Company expects that consumer debt levels, while elevated, will remain serviceable by Canadian households.
- The Company will have access to the mortgage and deposit markets through broker networks.

BUSINESS PROFILE

Home Capital is a holding company that operates primarily through its principal, federally regulated subsidiary, Home Trust Company (“Home Trust”), which offers deposits, residential and non-residential commercial mortgage lending and consumer lending. Home Trust also conducts business through its wholly owned subsidiary, Home Bank. The Company’s other subsidiary, Payment Services Interactive Gateway Inc. (“PSiGate”) provided payment services. On February 1, 2018, the Company closed the sale of its payment processing and prepaid card business, including PSiGate. Licensed to conduct business across Canada, Home Trust has offices in Ontario, Alberta, British Columbia, Nova Scotia, Quebec and Manitoba. Business is primarily conducted in Canadian dollars.

CORPORATE STRUCTURE

Name, Address and Incorporation

On December 12, 1979, Sonor Petroleum Corporation, a predecessor company to Home Capital was continued under the *Canada Business Corporations Act*. On March 21, 1986, under new management, the name of Sonor Petroleum Corporation was changed to Sonor Resources Corporation (a virtually inactive energy company) and, on December 31, 1986, was further changed to Home Capital Group Inc. On July 18, 1988, Home Capital was continued under the *Business Corporations Act* (Ontario). The Company’s registered and principal office is located at 145 King Street West, Suite 2300, Toronto, Ontario, M5H 1J8.

Intercorporate Relationships

Home Capital is a public company that primarily operates through its wholly owned subsidiary Home Trust, previously known as Home Savings & Loan Corporation. Home Savings & Loan Corporation was incorporated on September 28, 1977 under the *Loan and Trust Corporations Act* (Ontario). On March 9, 2000, Letters Patent of Continuance were issued authorizing Home Savings & Loan Corporation to carry on business as Home Trust Company under the *Trust and Loan Companies Act* (Canada). By Amending Letters Patent dated May 8, 2007, the French name of Home Trust Company was changed from Société de Fiducie Home to Compagnie Home Trust. On October 29, 2007, the Company acquired 100% of the issued and outstanding common shares of Payment Services Interactive Gateway Inc., an Ontario corporation. On February 1, 2018, the Company closed the sale of its payment processing and prepaid card business, including Payment Services Interactive Gateway Corp. and PSiGate. On October 1, 2015, Home Trust acquired 100%

of the issued and outstanding common shares of CFF Bank, a federally regulated financial institution. CFF Bank changed its name to Home Bank (in French, Banque Home), effective August 22, 2016.

GENERAL DEVELOPMENT OF THE BUSINESS

Highlights of the Last Three Years

On October 1, 2015, the Company completed the acquisition of CFF Bank, a Schedule I bank under the *Bank Act* (Canada), through its wholly owned subsidiary Home Trust. The Company experienced growth in its loans under administration reaching \$25.06 billion, driven by its solid core residential business, increases in its Accelerator portfolio, the acquisition of the CFF Bank loans portfolio and increases in commercial mortgages and other lending. However, the Company saw a year-over-year decrease in mortgage originations reflecting the impact of, among other things, the Company's ongoing review of its business partners (including the suspension of mortgage brokers through the period of September 2014 to March 2015). Deposit and securitization liabilities were \$18.45 billion, with Oaken deposits reaching \$1.09 billion. Total net interest income increased to \$481.1 million, signifying higher total net interest margin (TEB) of 2.36%. In Q4 2015 the Company revised its mid-term return on equity target (ROE), to seek, on average, a return on shareholders' equity of greater than 16% (from a targeted average annual ROE of greater than 20% over the medium term). The decision to adjust the return on shareholders' equity target reflected in large part the effect of the substantial equity cushion the Company had accumulated, reflective of a strong balance sheet and accumulated earnings.

In 2016, the Company continued to build and maintain its position as Canada's leading alternative financial institution. Total loans under administration increased to \$26.42 billion driven by the Company's continued solid residential and commercial mortgage business. Total deposits and securitization liabilities were \$18.54 billion, relatively consistent with 2015. The Company continued to build its Oaken Financial brand, increasing deposits by 62.6% over 2015 to \$1.77 billion. The integration of Home Bank's deposit business into the Company's infrastructure was also completed. Total net interest income increased to \$485.2 million and net interest margin (TEB) increased to 2.37%. The Company repaid its senior debt of \$150.0 million upon maturity on May 4, 2016. The Company returned \$264.4 million to shareholders through a Substantial Issuer Bid repurchasing \$150.0 million in common shares, \$49.2 million of common shares repurchased through the Normal Course Issuer Bid and \$65.2 million through dividends. Dividends paid to shareholders increased by 3.2% over 2015.

In 2016, the Company completed its review of all the customer files and the income documentation submitted in relation to the mortgages referred by the previously suspended mortgage brokers. Consistent with 2015, no unusual credit issues were identified in this portfolio.

In 2017, the Company faced significant uncertainty because of reputational events during the second quarter, which in turn led to a loss of the confidence of depositors, investors, customers and other stakeholders. This ultimately led to a severe loss of liquidity during the second quarter, as depositors withdrew most of the Company's outstanding demand deposits. In response, the Company was required to slow the funding of new business and manage its commitment and renewal pipeline, while it focused on activities that would quickly restore its liquidity. These activities included increasing rates on deposits, partnering with other lenders and arranging for the sale of certain commercial and residential mortgage assets.

The Company also entered into an agreement for special financing from a major pension plan ("Emergency Credit") to provide a short-term bridge to a more sustainable solution to the Company's loss of liquidity. At the end of the second quarter, the Company completed an additional equity financing for proceeds of \$153.2 million and obtained a new \$2 billion line of credit from a wholly owned subsidiary of Berkshire Hathaway Inc. ("BH") that replaced the Emergency Credit on better terms.

In the third quarter, subsequent to the announcement of the BH transactions, deposit inflows increased significantly and those inflows, combined with the proceeds from asset sales and reduced

lending activities, stabilized the Company's liquidity position. At the end of July, the Company fully repaid the amounts drawn on the line of credit facility from BH. As of the end of the year, the Company held liquid assets of \$1.65 billion in addition to the undrawn balance of \$2 billion on its BH line of credit. For further information on the liquidity event and actions taken, please see the Overview of the Second Quarter and Outlook section of the MD&A included in the Company's 2017 Second Quarter Report.

Total loans under administration decreased to \$22.51 billion, reflecting decreases in both on- and off-balance sheet loans. The Company greatly reduced mortgage advances and sold loans to manage the liquidity issues experienced during the year. Total deposits and securitization liabilities were \$15.35 billion, down from \$18.54 billion at December 31, 2016, reflecting the impact of the liquidity event and the substantial decline in demand deposits. Deposits raised through the Oaken Financial brand totaled \$2.03 billion, an increase from \$1.77 billion last year. Total net interest income decreased to \$302.9 million, reflecting a decrease in the loan portfolio and lower total net interest margin (TEB) of 1.55%. On June 29, 2017, the Company issued 16,044,580 new common shares at a price of \$9.55 per share to Columbia Insurance Company, a wholly owned subsidiary of Berkshire Hathaway Inc., for proceeds of \$153.2 million. In addition, the Company repurchased 203,000 common shares under its Normal Course Issuer Bid for \$6.0 million.

Additional information about the Company's highlights can be found in the 2017 Annual Report under the 2017 Performance Overview, 2018 Overall Outlook and the Financial Highlights.

Significant Acquisitions During Last Three Fiscal Years

There were no significant acquisitions (within the meaning of such term under Part 4.2 of National Instrument 51-102F2) that occurred during the years ended December 31, 2015, 2016 and 2017.

DESCRIPTION OF THE BUSINESS

General

The principal business of Home Capital is conducted through its wholly owned subsidiary, Home Trust, a federally regulated financial institution that offers residential and non-residential mortgage lending, securitization of insured residential mortgages, consumer lending and credit cards. In addition, Home Trust offers deposits via brokers and financial planners, and through its direct-to-consumer deposit brand, Oaken Financial. Home Trust also conducts business through its wholly owned subsidiary, Home Bank. Home Trust focuses on providing residential first mortgages to borrowers who are underserved by major banks, as well as borrowers who meet the criteria for insured mortgage products. As at December 31, 2017, Home Trust operated through six branches located in Toronto, Calgary, Vancouver, Halifax, Montreal and Winnipeg employing 669 active employees.

Competition

The Company competes with regulated mortgage lenders such as Canadian chartered banks, insurance companies, other financial institutions and other lenders that provide mortgage financing in the single family dwelling, multi-unit residential and non-residential commercial mortgage lending segments, as well as in the raising of deposits, such as guaranteed investment certificates, registered retirement savings plans, high-interest savings accounts, tax-free savings accounts, registered retirement income funds and short-term certificates. Further, the Company competes against regulated financial institutions that issue credit cards and lines of credit, and provide other consumer retail lending. The Company also competes with unregulated lenders.

Core Revenue Generating Activities

The Company has established a multi-faceted risk appetite and a governance structure that includes policies and a risk limit structure with independent monitoring for all investment and lending activities. All key risk policies are reviewed on at least an annual basis and approved by relevant internal management committees and by the Board of Directors. Please refer to the Risk Management section of the Company's 2017 Annual Report for additional detail.

The Company's principal business activity is to generate interest income from loans.

The following table highlights gross interest income of the Company by product type:

thousands of Canadian dollars	2017	2016	2015
Traditional single-family residential mortgages	\$ 500,278	\$ 540,522	\$ 587,005
ACE Plus single-family residential mortgages	14,284	11,490	1,849
Accelerator single-family residential mortgages	13,974	30,935	28,777
Residential commercial mortgages	13,173	17,614	17,053
Non-residential commercial mortgages	97,421	102,465	80,032
Credit card loans and lines of credit	33,328	33,536	31,427
Other consumer retail loans	38,468	31,472	23,419
Total interest income on non-securitized loans	710,926	768,034	769,562
CMHC-sponsored securitized single-family residential mortgages	52,053	46,642	62,891
CMHC-sponsored securitized multi-unit residential mortgages	30,782	29,866	36,625
Assets pledged as collateral for CMHC-sponsored securitization	943	2,246	4,325
Bank-sponsored securitization conduit assets	6,151	2,951	-
Total interest income on securitized loans	89,929	81,705	103,841
	\$ 800,855	\$ 849,739	\$ 873,403

Deposits

Home Trust is a federally regulated deposit-taking institution and is a member of the Canada Deposit Insurance Corporation (CDIC). In addition, Home Trust's wholly owned subsidiary Home Bank is a member of CDIC. Deposits are raised through deposit brokers, investment dealers, mutual fund dealers, and other wealth management professionals, in addition to the Company's institutional deposit note program, and directly through the Company's branches and its direct to consumer deposit brand, Oaken Financial. Home Trust takes deposits in the form of short-term deposits, guaranteed investment certificates, registered retirement savings plans, high-interest savings accounts, tax-free savings accounts and registered retirement income funds. Deposits were \$12.17 billion as at December 31, 2017, down from \$15.89 billion at December 31, 2016. Total deposits raised through the Company's deposit diversification efforts, Oaken Financial, high-interest savings accounts and institutional deposits, were \$2.65 billion as at December 31, 2017, a decrease from \$4.59 billion last year.

Corporate Social Responsibility

The Company has a Corporate Social Responsibility Policy which provides guidance for the management of social responsibility within the Company and sets a tone of commitment to the environment and the communities in which the Company's customers and employees live and work. Under the *Trust and Loan Companies Act (Canada)* (the "Act"), Home Trust is required to publish annually a *Public Accountability Statement* which describes its contributions to the Canadian economy and society, including how it addresses social and environmental issues. A copy of the current Public Accountability Statement is posted on Home Trust's website at www.hometrusted.ca.

Supervision and Regulation

As a federally regulated trust company, the activities of Home Trust are governed by the Act and are supervised by Office of the Superintendent of Financial Institutions Canada ("OSFI"). OSFI is responsible to the Minister of Finance for the administration of the Act. OSFI is also required to examine the affairs and business of each financial institution governed by the Act to ensure compliance therewith and to ensure that each financial institution is in sound financial condition. OSFI's report of the examination is submitted to the Minister of Finance. The Financial Consumer Agency of Canada is responsible for enforcing consumer-related provisions of the federal statutes that govern financial institutions, which includes the Act and its Regulations. In addition, Home Trust's subsidiary Home Bank is governed by the *Bank Act (Canada)* and is supervised by OSFI.

Home Trust, including its subsidiary Home Bank, is also subject to regulation by CDIC, which insures certain deposits held at the member institutions, the *Financial Consumer Agency of Canada*

Act, as well as various other federal statutory requirements, including but not limited to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* which applies to all federally regulated financial institutions in Canada. Additionally, the activities of Home Trust and Home Bank are regulated under provincial laws in those provinces where the entities are active.

Risk Factors

The Company's business strategies expose the Company to a wide range of risks that could adversely affect its operations, financial condition, or financial performance, and which may influence an investor to buy, hold, or sell the Company's shares.

The Company has identified eight principal risks that are material to the business: credit, market, liquidity and funding, operational, compliance, strategic, reputational and capital adequacy. In addition to these principal risks, the Company employs a risk register to describe risk categories and related subcategories to facilitate consistent risk identification and provide a common starting point in developing risk management strategies and processes. These risks are identified, measured, assessed, and monitored on an ongoing basis, with regular reporting to risk committees of both senior management and the Board of Directors. Risks are mitigated through various actions to reduce the inherent risk to acceptable residual levels, as defined by the Company's risk appetite. Strategic and reputational risks are considered overarching risks, as substantial outcomes from other principal risks could pose significant second order impacts to the Company's reputation or ability to execute strategic objectives.

Explanations of the types of risks cited above and the way in which the Company manages these risks can be found under the heading "Risk Factors that May Affect Future Results" in the MD&A in the 2017 Annual Report, which is incorporated herein by reference and is available on SEDAR at www.sedar.com. The Company cautions that the discussion of risks is not exhaustive. When considering whether to purchase common shares of the Company, investors and others should carefully consider these factors as well as other uncertainties, potential events and industry and Company-specific factors that may impact the Company's future results.

Legal and Regulatory Risk

In addition to the risks disclosed in the MD&A in the 2017 Annual Report, the Company may, from time to time, become party to a variety of legal claims and regulatory proceedings, including, but not limited to: disputes regarding its products, sales practices, disclosures, licensing, regulatory compliance and compensation arrangements; disputes with its employees, agents or brokers over compensation and termination of contracts and related claims; disputes with taxing authorities regarding its tax liabilities and tax assets; regulatory proceedings and litigation related to acquisitions or divestitures made or proposed by the Company or its subsidiaries or in connection with companies in which it holds an investment; and disputes relating to certain businesses acquired or disposed of by the Company. The existence of such claims against the Company or its affiliates, directors or officers could have various adverse effects, including negative publicity and the incurrence of significant legal expenses defending claims, even those without merit.

See also "Legal Proceedings and Regulatory Actions" in this Annual Information Form, for a description of material legal proceedings and regulatory enforcement actions during 2017 and as of the date of this Annual Information Form.

DIVIDENDS

Dividends are payable on the common shares of the Company if and when declared by the Board of Directors, and will be dependent on the Company's operational results, financial condition, cash requirements and other factors deemed relevant by the Board of Directors. In addition, dividends paid by Home Trust to Home Capital may be subject to restrictions by OSFI.

During the year ended December 31, 2017, the Company paid dividends of \$0.26 per common share as compared to \$0.98 and \$0.88, for fiscal 2016 and 2015, respectively. Subsequent to the

end of the first quarter of 2017, the Company suspended its dividend to help prudently manage its liquidity position.

DESCRIPTION OF CAPITAL STRUCTURE

General Description of Capital Structure

The authorized capital of the Company consists of an unlimited number of common shares, an unlimited number of senior preferred shares and an unlimited number of junior preferred shares. As at December 31, 2017, 80,246,349 common shares were issued and outstanding. No senior preferred shares or junior preferred shares were issued or outstanding on December 31, 2017.

Each common share carries one vote per share in respect of each matter to be voted on at a meeting of the shareholders. The senior preferred shares and junior preferred shares carry no votes in respect of matters to be voted upon at the meeting except where otherwise required by law. The common shares of the Company are listed on the TSX under the symbol HCG.

Ratings

The Company has contractual relationships with Dominion Bond Rating Service (“DBRS”) and Standard & Poor’s (“S&P”) for the provision of credit rating information. Management of the Company meets with these agencies at least annually and shares with them the Company’s latest financial results, projections and business plan assumptions. As is customary, the Company paid fees to credit rating agencies to obtain its credit ratings and expects to pay similar fees in the future to S&P and DBRS. The Company may also pay fees for other services offered by certain credit rating agencies in the ordinary course of business. For the years ended December 31, 2017 and December 31, 2016, fees were paid to the credit rating agencies as follows:

Year	Fees Paid	
	S&P	DBRS
2017	\$88,705	\$67,913
2016	\$85,880	\$182,937

Information regarding the ratings assigned by credit rating agencies can be found in the tables below and in the 2017 Annual Report, which is available on SEDAR at www.sedar.com. The following is the complete list of ratings assigned to both the Company and Home Trust as of December 31, 2017:

	Home Capital Group Inc.		Home Trust Company	
	DBRS	S&P	DBRS	S&P
Long-term rating	B (low)	B-	BB (low)	B+
Short-term rating	R-5	B	R-4	B
Outlook	Stable	Positive	Stable	Positive

Ratings and other opinions issued by the credit rating agencies are statements of opinion and not statements of fact as to creditworthiness or recommendations to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating organization. For further information, please refer to each of the respective rating agencies’ website. A rating of “Positive” or “Stable” is provided to help give an investor an understanding of the rating agency’s opinion regarding the outlook for the rating in question. However, the investor must not assume that a positive or negative trend necessarily indicates that a rating change is imminent.

MARKET FOR SECURITIES

Trading Price and Volume

The following table shows the price ranges and the volume traded for the common shares for each month of the most recent fiscal year.

Price Range and Volume Traded - Home Capital Group Inc.			
(Common Shares) Symbol: "HCG" on the TSX			
Source: Bloomberg			
Month	High (\$)	Low (\$)	Volume (number of shares)
January 2017	31.85	29.58	3,884,496
February 2017	30.37	26.26	7,186,251
March 2017	27.74	25.06	9,017,546
April 2017	25.97	5.99	48,127,860
May 2017	10.81	5.85	83,520,785
June 2017	19.00	9.07	48,644,194
July 2017	17.00	13.31	18,743,150
August 2017	13.86	13.02	10,204,849
September 2017	14.33	13.34	9,417,121
October 2017	14.12	13.32	8,738,154
November 2017	16.83	13.83	11,998,085
December 2017	17.70	17.00	6,708,679

As at December 31, 2017, the total number of common shares outstanding was 80,246,349.

Prior Sales

There were no issuances of non-listed securities by the Company.

DIRECTORS AND OFFICERS

Board of Directors as at March 28, 2018

Name, Position with the Company and Year First Became a Director of the Company	City, Province/State and Country of Residence	Principal Occupation and Principal Occupation during Five Preceding Years <i>Except as disclosed below, all directors have held their current positions or other executive positions with the same, predecessor or associated firms or organizations for the past five years.</i>
Brenda J. Eprile Director since 2016 Chair of the Board of Directors since 2017	Toronto, Ontario, Canada	Managing Director, Canada, Eprile & Company since 2012 2000-2012 Partner, PricewaterhouseCoopers LLP
Jacqueline E. Beaurivage Director since 2014	Toronto, Ontario, Canada	Corporate Director since 2015 2010-2015 Vice President, ePMO & Strategy of Ontario Teachers' Pension Plan, a large public sector pension plan
Yousry Bissada Director since 2017	Toronto, Ontario, Canada	President and Chief Executive Officer of the Company and its subsidiaries since August 3, 2017 2011-2017 President and Chief Executive Officer, Kanetix Ltd.
Robert J. Blowes Director since 2015	Waterloo, Ontario, Canada	Corporate Director since 2015 Interim Chief Financial Officer of the Company and its subsidiaries, May 11, 2017 to August 31, 2017 2010-2014 Executive Vice President, Chief Financial Officer of Home Capital and Home Trust.
Paul G. Haggis Director since 2017	Toronto, Ontario, Canada	Corporate Director since 2007
Alan R. Hibben Director since 2017	Toronto, Ontario, Canada	Principal, Shakerhill Partners Inc. since 2014 2011-2014, Managing Director, Mergers and Acquisitions, RBC Capital Markets
Claude R. Lamoureux Director since 2017	Toronto, Ontario, Canada	Corporate Director since 2008
James H. Lisson Director since 2017	Toronto, Ontario, Canada	Corporate Director since 2013 2004-2013 Counsel, Fasken Martineau DuMoulin LLP
Sharon H. Sallows Director since 2017	Toronto, Ontario, Canada	Corporate Director since 2009
Bonita J. Then Director since 2008	Toronto, Ontario, Canada	Corporate Director since 2012 Interim President and Chief Executive Officer of the Company and Director, President and Chief Executive Officer of Home Trust and Home Bank, March 27, 2017 to August 3, 2017

All terms for directors are for one year of service and expire at the next Annual and Special Meeting of Shareholders on May 16, 2018.

Each of the Company's Directors is also a Director of the Company's subsidiary, Home Trust and of Home Bank.

The following individuals ceased to be a Director of the Company and its subsidiaries in 2017:

Martin K. Reid
James E. Keohane
Gerald M. Soloway
William F. Falk
John M. Marsh
Robert A. Mitchell
Kevin P.D. Smith
William J. Walker

Committees of the Board of Directors as at March 28, 2018

There are four committees of the Board of Directors made up of the following members:

The Audit Committee members are: Mr. Haggis (Chair), Ms. Eprile and Mr. Hibben.

The Risk and Capital Committee members are: Mr. Hibben (Chair), Ms. Beaurivage, Mr. Blowes, Mr. Haggis and Mr. Lisson.

The Governance, Nominating and Conduct Review Committee members are: Mr. Lamoureux (Chair), Mr. Lisson and Ms. Sallows.

The Human Resources and Compensation Committee members are: Ms. Sallows (Chair), Ms. Beaurivage, Ms. Eprile, Mr. Lamoureux and Ms. Then.

Executive Officers as at March 28, 2018

Name and Year Employed by the Company	City, Province/State and Country of Residence	Principal Occupation and Principal Occupation during Five Preceding Years <i>Except as disclosed below, all executive officers have held their current positions or other executive positions with the Company and its subsidiary, Home Trust, for the past five years.</i>
Yousry Bissada (2017)	Toronto, Ontario, Canada	President and Chief Executive Officer 2011-2017 President and Chief Executive Officer, Kanetix Ltd.
Christer V. Ahlvik (2006)	Richmond Hill, Ontario, Canada	Executive Vice President, Corporate Counsel and Corporate Secretary
David J.F. Cluff (2012)	Whitby, Ontario, Canada	Executive Vice President and Chief Risk Officer 2012-2017 Vice President, Enterprise Risk Management and Chief Credit Officer of the Company
John R.K. Harry (2007)	Acton, Ontario, Canada	Executive Vice President, Commercial Mortgage Lending
Dinah J. Henderson (1998)	Stoney Creek, Ontario, Canada	Executive Vice President, Operations
John Hong (2011)	Toronto, Ontario, Canada	Senior Vice President, Chief Compliance Officer and CAMLO
Benjy Katchen (2012)	Toronto, Ontario, Canada	Executive Vice President, Deposits and Consumer Lending 2009-2012 Owner, Lacima Capital Corp.
Bradley W. Kotush (2017)	Toronto, Ontario, Canada	Executive Vice President and Chief Financial Officer 2006-2017 Executive Vice President, Chief Financial and Risk Officer, Canaccord Genuity Group Inc.
Anthony Stilo (2016)	Ajax, Ontario, Canada	Senior Vice President, Internal Audit 2012-2015 Managing Director, Internal Audit, Tangerine 2002-2012 Chief Audit Officer, MCAP

Each of the Company's officers is also an officer of the Company's subsidiary, Home Trust and of Home Bank.

The following individuals ceased to be an Officer of the Company and its subsidiaries in 2017:

Marie Holland
Fariba Rawhani
Gary Wilson
Martin K. Reid
Robert L. Morton
Bonita J. Then
Gregory W. Parker
Pino G. Decina
Christopher J. Whyte

Shareholdings of Directors and Executive Officers

To the knowledge of the Company, as at February 28, 2018, the directors and officers of the Company as a group, beneficially owned or exercised control or direction over, directly or indirectly, 198,221 common shares, or 0.247% of the outstanding common shares of the Home Capital. No director or executive officer of the Company beneficially owned or controlled voting securities of any subsidiary of Home Capital.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of the Company is, as at the date of this Annual Information Form, or was within the 10 years prior to the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company that (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer (an "order" means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days).

No director or executive officer of the Company, or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company (a) is, as at the date of this Annual Information Form, or has been within the 10 years prior to the date of this Annual Information Form, a director or executive officer of any company while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has, within the 10 years before the date of this Annual Information Form, 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 director, executive officer or shareholder.

For details regarding the settled regulatory and civil proceedings commenced against the Company and certain of its directors and officers in 2017, see "Legal Proceedings and Regulatory Actions" below. While the Class Action was against certain of the Company's officers and directors, as noted the Company made the settlement payments.

Conflicts of Interest

There are no existing or potential material conflicts of interest between the Company and any director or officer of the Company or its direct and indirect wholly owned subsidiaries.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Except as set out below, the Company and its direct and indirect wholly owned subsidiaries were not subject to any material legal proceedings or regulatory enforcement proceedings in 2017 or as of the date of this Annual Information Form and are not aware that any such proceedings are currently contemplated.

OSC Proceedings and Class Action Related to Disclosure

On February 10, 2017, the Company issued a news release stating that it received an enforcement notice from staff of the Ontario Securities Commission ("OSC") relating to the Company's disclosure in 2014 and 2015 regarding the impact of the Company's findings that income information submitted on some loan applications had been falsified and the subsequent remedial steps taken by the Company, including the suspension of brokers and brokerages. On March 14, 2017, the Company issued a news release stating that staff of the OSC had issued enforcement notices to several current and former officers and directors of the Company relating to the same disclosure as referenced in the February 10, 2017 news release and in some instances, trades in the Company's shares.

A regulatory proceeding by the OSC was commenced in April 2017 (the "OSC Proceeding").

On March 14, 2017 the Company announced that a Statement of Claim and Notice of Action had been filed with the Ontario Superior Court of Justice against the Company and three of its officers and former officers regarding a proposed class action lawsuit.

The proposed class action was commenced in February 2017 by Claire R. McDonald (the "Class Action").

On June 14, 2017, the Company announced that it had reached two agreements which together comprised a global settlement of the Class Action and OSC Proceeding. The settlement of the OSC Proceeding was approved on August 9, 2017. The Ontario Superior Court of Justice issued an order approving the Class Action settlement on August 21, 2017. Under the settlements, the Company made payments of \$31.0 million, of which \$29.0 million was funded by the Company's insurers.

Claims by Shareholders Who Opted out of Class Action Settlement

The Company has been served with three claims by shareholders who opted out of the securities class action settlement. Together these claims are advanced on behalf of shareholders holding 1,717,400 common shares out of 1,717,600 common shares that were opted out of the class action settlement. All three claims were commenced in the Ontario Superior Court of Justice, based on the disclosure misrepresentation allegations asserted in the Class Action.

The claim commenced on December 7, 2017 by West Face Long Term Opportunities Global Master LP ("West Face"), a Caymans Island limited partnership, is based on common law misrepresentation claims and seeks \$70 million in damages.

The claim commenced by Roland Keiper and Brian Chapman on December 22, 2017 is based on allegations of common law and statutory misrepresentation and oppressive conduct and seeks \$2 million in damages.

On January 15, 2018, Marc Cohodes commenced an action based on allegations of common law misrepresentation and oppressive conduct and seeks \$4 million in damages.

These claims are all at the preliminary stages. Management's current assessment is that it has good and valid defences to all three claims and the Company intends to fully defend its conduct.

Action Relating to Consumer Financing Arrangements

A claim has been filed with the Ontario Superior Court of Justice against Home Trust by MDG Newmarket Inc., doing business as Ontario Energy Group ("OEG"). The claim alleges damages against Home Trust in the amount of \$65.0 million for breach of contract, plus punitive damages of \$5.0 million, arising out of alleged breaches by Home Trust of certain consumer financing contracts between OEG and Home Trust. Home Trust has filed a defence and counterclaim. On October 19, 2017, the legal disputes between Home Trust and OEG were settled. The impact of the settlement is not significant to the financial position of the Company.

Putative Class Action Related to Consumer HVAC Equipment Financing

A claim has been filed with the Ontario Superior Court of Justice against Home Trust, and co-defendants MDG Newmarket Inc. doing business as OEG and Eugene Farber. In that matter Home Trust is a defendant in a putative class action brought on behalf of persons who purchased consumer HVAC equipment financed by Home Trust from OEG, an entity arms-length from Home Trust. In May 2016, Home Trust ceased purchasing income streams arising out of contracts with new customers of OEG and in September 2016 provided notice that it will no longer accept any rental agreement from OEG under the income-stream purchase program. In May of 2017, the plaintiff served motions for certification and summary judgement which are scheduled to proceed in May 2018. Home Trust considers that it has good defences to the action.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or executive officer of the Company or its subsidiaries, or associate, or affiliate thereof had any material interest, direct or indirect, in any transaction within the three most recently completed fiscal years, or during the current financial year that has materially affected or is reasonably expected to materially affect the Company or its subsidiaries.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar of the Company is Computershare Investor Services Inc. The transfer books for the common shares of the Company are kept in Toronto, Ontario, Canada.

MATERIAL CONTRACTS

During the 2017 financial year, the Company or its subsidiaries entered into the following contracts that are material to the Company or its subsidiaries:

- \$2 billion credit agreement between Home Trust and a major pension plan, dated May 1, 2017. Further details on this credit agreement are found under the “General Development of the Business” section of this Annual Information Form.
- Asset purchase agreement among Home Trust, KingSett Mortgage II LP and KingSett Real Estate Mortgage LP No. 3, dated June 19, 2017 and amended and restated on June 29, 2017, pursuant to which Home Trust sold a portfolio of commercial mortgage assets with proceeds of \$962.6 million.
- \$2 billion credit agreement between Home Trust and BH Finance LLC, a wholly owned subsidiary of Berkshire Hathaway Inc., dated June 21, 2017. Further details on this credit agreement are found under the “General Development of the Business” section of this Annual Information Form.
- Investment agreement between the Company and Columbia Insurance Company, a wholly owned subsidiary of Berkshire Hathaway Inc., dated June 21, 2017, pursuant to which Columbia Insurance Company acquired a 19.99% interest in the Company.
- Registration rights agreement between the Company and Columbia Insurance Company, a wholly owned subsidiary of Berkshire Hathaway Inc., dated June 29, 2017 and amended and restated on September 20, 2017, pursuant to which Columbia Insurance Company was granted customary registration rights in connection with its equity investment in the Company.

INTERESTS OF EXPERTS

Ernst & Young LLP, Chartered Professional Accountants (“Ernst & Young”), were the auditors of the Company for the year ended December 31, 2017 and prepared and executed the audit report accompanying the annual financial statements. Ernst & Young is independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

AUDIT COMMITTEE INFORMATION

Audit Committee's Charter

The Company's Audit Committee Charter sets out its responsibilities and duties, membership qualifications and procedures for reporting to the Board of Directors. A copy of the Charter, approved by the Board of Directors on February 14, 2018, is attached hereto as Appendix "A".

Composition of the Audit Committee

As of March 28, 2018, the Audit Committee was comprised of the following directors, all of whom are independent directors:

Paul G. Haggis (Chair)
Brenda J. Eprile
Alan R. Hibben

Each member of the Audit Committee is financially literate within the meaning of National Instrument 52-110 on Audit Committees.

Relevant Education and Expertise

The following section lists the relevant education and expertise of each Audit Committee member.

Paul G. Haggis is a director and executive with deep experience in financial services and management of large financial organizations, having served as CEO of Alberta Treasury Branches and of two of Canada's largest pension funds. Mr. Haggis was President and CEO of OMERS, one of Canada's largest pension funds from 2003 to 2007. Prior to that, he was interim CEO of The Public Sector Pension Investment Board (PSPIB), and served as a director from April 2000 to August 2003. Earlier in his career, Mr. Haggis held a number of executive roles, including Executive Vice President, Business Development and Chief Credit Officer at Manulife Financial and CEO of Princeton Developments Ltd. Mr. Haggis is a member of a number of boards. He is currently Chairman of the Alberta Enterprise Corporation and a director of Advantage Energy of Calgary and Pure Industrial REIT. In addition Mr. Haggis served as Chairman of Canadian Pacific Railway from 2012 to 2014, and retired as a director of Canadian Pacific in May of 2015. Mr. Haggis was also a member of the Canadian Forces. Commissioned into the Air Force Reserve in February of 1971, he served in various capacities before retiring as Honorary Colonel of 435 Transport Squadron in 1997. Mr. Haggis is a graduate of the University of Western Ontario. Mr. Haggis is also certified as a Chartered Director (C. Dir) through the Directors College at McMaster University.

Brenda J. Eprile is an experienced corporate director. Ms. Eprile's business background includes running the Canadian risk consulting practice for a major global accounting, audit, tax and consultancy. Prior to her 16 year consulting career, Ms. Eprile spent a dozen years as a securities regulator including four years as the Executive Director of the Ontario Securities Commission. Ms. Eprile is a professional accountant by training (CPA) and has received the Institute Certified Director (ICD.D) designation from the Institute of Corporate Director. She holds a B.A. (Hons) from the University of Toronto and an MBA from York University. Ms. Eprile serves as Chair of the Board of Westport Fuel Systems Inc. (TSX and NASDAQ: WPRT) (Chair of Westport's Human Resources & Compensation Committee), serves on the Board of War Child Canada (Chair of War Child's Audit Committee) and also serves on the Board of Canvas GFX, a privately held software company.

Alan R. Hibben retired as a Managing Director in the Mergers and Acquisitions Group of RBC Capital Markets in December of 2014. He has also held the position of Head, Strategy & Development at RBC Financial Group. In this role, he was responsible for corporate strategy as well as merger, acquisition and development activities for the bank. He was also Chief Executive Officer, RBC Capital Partners, the private equity investment arm of RBC Financial Group. Since December 2014, he has been an independent advisor to the Province of Ontario and to several large public and private companies. Through his advisory and investment company, Shakerhill Partners Ltd., he provides financial and strategic advice, as well as expert witness services. He is currently Chair of

HudBay Minerals Inc. (TSX and NYSE: HBM), a director of Extendicare Inc. (TSX: EXE), and a director of the Mount Sinai Hospital Foundation. Mr. Hibben received his B.Com. from the University of Toronto. He is qualified as a Canadian CPA and also holds the CFA designation. He is an Institute Certified Director (ICD.D) of the Institute of Corporate Directors.

Pre-Approval Policies and Procedures

On October 25, 2007, the Audit Committee adopted a policy which specifies the prior approval procedure for engaging the Company's external auditors, Ernst & Young, in the provision of non-auditing services. The current policy generally prohibits the Company from hiring its auditors to provide certain services unrelated to audits of the Company and its subsidiaries, including services related to bookkeeping, the design and implementation of financial information systems, evaluation, actuarial, internal audit and investment banking services, management and human resource functions, and legal services.

External Audit Fees by Category

The following table presents by category the aggregate fees paid to the Company's external auditors, Ernst & Young, for the fiscal years ended December 31, 2017 and 2016.

Fee Category	Year Ended December 31, 2017 (\$)	Year Ended December 31, 2016 (\$)
Audit Fees	1,643,951	1,239,375
Audit-related Fees	90,000	57,300
Tax Fees	15,000	0
All Other Fees	3,200	143,519
Total Fees	1,752,151	1,440,194

Audit Fees

Audit fees are fees for professional services in connection with the audit of the Company's annual consolidated financial statements, review of the interim consolidated financial statements and other services that are normally provided by the auditor in connection with statutory filings or engagements.

Audit-related Fees

Audit-related fees include all fees paid for certification services and other related services traditionally carried out by the independent auditor.

All Other Fees

All other fees include fees paid for all services other than those posted in audit fees, audit-related fees and tax fees.

All fees are exclusive of HST and include amounts paid and accrued in respect of the years ended December 31, 2017 and 2016. The prior year amounts have been revised to reflect timing difference.

ADDITIONAL INFORMATION

Additional information relating to Home Capital Group Inc. may be found on SEDAR at www.sedar.com and on the Company's web site at www.homecapital.com.

Additional information relating to the directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under the equity compensation plans, is contained in the Company's Management Information Circular issued in connection with the Annual and Special Meeting of Shareholders to be held on May 16, 2018 and will be available on SEDAR at www.sedar.com.

Additional financial information is provided in the Company's Consolidated Financial Statements and MD&A for the year ended December 31, 2017 and is available in the 2017 Annual Report and on SEDAR at www.sedar.com.

Copies of the foregoing documents may be obtained upon request from the Corporate Secretary of the Company at Home Capital Group Inc., 145 King Street, Suite 2300, Toronto, Ontario, M5H 1J8 and are available on the Company's web site: www.homecapital.com.

The Company will provide to any person or company, upon request to the Corporate Secretary of the Company at the head office of the Company:

- (a) when the securities of the Company are in the course of a distribution under a preliminary short form prospectus or a short form prospectus,
 - i one copy of the Company's Annual Information Form, together with one copy of any document, or the pertinent pages of any document, incorporated by reference in the Annual Information Form;
 - ii one copy of the comparative consolidated financial statements of the Company for its most recently completed financial year for which consolidated financial statements have been filed together with the accompanying report of the auditors and one copy of the most recent interim consolidated financial statements;
 - iii one copy of the Company's Management Information Circular in respect of its most recent Annual Meeting of Shareholders that involved the election of directors or one copy of any annual filing prepared instead of that Management Information Circular, as appropriate; and
 - iv one copy of any other documents that are incorporated by reference into the preliminary short form prospectus or other short form prospectus and are not required to be provided under clauses (i), (ii) or (iii); or
- (b) at any other time, one copy of any other documents referred to in (a) (i), (ii) and (iii) above, provided the Company may require the payment of a reasonable charge if the request is made by a person or company who is not a holder of the Company's securities.

APPENDIX “A”

Home Capital Group Inc. Home Trust Company Home Bank Audit Committee Charter

1.0 Overall Role and Responsibility

The Audit Committee (the “**Committee**”) shall assist the Board of Directors (“**Board**”) of Home Capital Group Inc., Home Trust Company and Home Bank (collectively the “**Corporation**”) in the Board’s oversight role with respect to:

- (i) the quality and integrity of financial reporting to shareholders;
- (ii) the external auditor’s performance, qualifications and independence; and
- (iii) the effectiveness of the Corporation’s internal controls, including the effectiveness and independence of the Corporation’s finance, internal audit and compliance Functions;

2.0 Membership

- 2.1 The Committee shall consist of three (3) or more Directors appointed annually by the Board. Members of the Committee shall serve at the pleasure of the Board for such term or terms as the Board may determine.
- 2.2 Each of the members of the Committee shall satisfy the independence standards established by the Board and the applicable independence requirements of the laws governing the Corporation.
- 2.3 The Board shall appoint one (1) member of the Committee as the Committee Chair and may appoint one (1) member as Vice-Chair.
- 2.4 Each member of the Committee shall be financially literate, in accordance with applicable regulatory requirements, or agree to become financially literate within a reasonable time of appointment.

3.0 Meetings

- 3.1 The Committee shall meet as often as the Committee determines, but not less frequently than four (4) meetings annually.
- 3.2 The Committee shall hold regularly scheduled meetings at which members of management are not present and periodically meet separately with the External Auditor, the Chief Compliance Officer, the Senior Vice President Internal Audit and the Chief Financial Officer.
- 3.3 The quorum for meetings of the Committee shall be two (2) of its members.
- 3.4 The affirmative vote of a majority of the members of the Committee participating in any meeting of the Committee is necessary for the adoption of any resolution.
- 3.5 The Committee shall not transact business unless a majority of members present are resident Canadians.
- 3.6 The Committee shall have unrestricted access to management and employees of the Corporation.
- 3.7 The Corporate Secretary or his or her designate shall act as secretary of Committee meetings. Minutes of Committee meetings shall be recorded and maintained by the Corporate Secretary and subsequently presented to the Committee for review and approval.

4.0 Performance Review

The Committee shall annually review, self-assess and report on the performance of the Committee and the adequacy of this Charter and, where appropriate, shall recommend changes to the Board for the Board's approval.

5.0 Report to the Board

The Chair of the Committee shall report to the Board on material matters arising at the Committee meetings and shall present the Committee's recommendation(s) to the Board for the Board's approval.

6.0 Accountabilities and Responsibilities

The Committee shall have the accountabilities and responsibilities set out below as well as any other matters that are specifically delegated to the Committee by the Board.

6.1 Financial Reporting

- 6.1.1 Review and discuss with senior management and the external auditor the annual audited financial statements, the external auditor's report thereon and the related management's discussions and analysis. After completing its review, if advisable, the Committee shall approve and recommend for Board approval, the annual financial statements and related management's discussion and analysis.
- 6.1.2 Review and discuss with senior management and the external auditor the Corporation's interim financial statements, the external auditor's review thereof and the related management's discussion and analysis. After completing its review, if advisable, the Committee shall approve and recommend for Board approval, the interim financial statements and related management's discussion and analysis.
- 6.1.3 Review and discuss with senior management and the external auditor the Corporation's annual and quarterly disclosures made in management's discussion and analysis. The Committee shall approve any reports for inclusion in the Corporation's Annual Report, as required by applicable legislation and regulatory requirements, and make a recommendation thereon to the Board.
- 6.1.4 Review and discuss with senior management and the external auditor at least annually significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements, including any significant changes in the Corporation's selection or application of accounting principles, any major issues as to the adequacy of the Corporation's internal controls and any special steps adopted in light of material control deficiencies.
- 6.1.5 Review and discuss with senior management and the external auditor at least annually reports from the external auditor on: critical accounting policies and practices to be used; significant financial reporting issues, estimates and judgments made in connection with the preparation of the financial statements; alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the external auditor; and other material written communications between the external auditor and senior management, such as any senior management letter or schedule of unadjusted differences.

- 6.1.6 Review and discuss with senior management and the external auditor at least annually any significant changes to the Corporation's accounting principles and practices suggested by the external auditor, internal audit personnel or senior management.
- 6.1.7 Review and discuss with senior management the Corporation's earnings press releases, financial information and earnings guidance (if any) provided to analysts and rating agencies and any other material financial disclosure. [Applies to HCG only]
- 6.1.8 Review and discuss with senior management and the external auditor at least annually the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Corporation's financial statements.
- 6.1.9 Discuss with the external auditor any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information and any significant disagreements with senior management.
- 6.1.10 Review and discuss with the Chief Executive Officer and Chief Financial Officer the procedures undertaken in connection with the Chief Executive Officer and Chief Financial Officer certifications for the annual and interim filings with applicable securities regulatory authorities. [Applies to HCG only]
- 6.1.11 Review disclosures made by the Corporation's Chief Executive Officer and Chief Financial Officer during their certification process for the annual and interim filing with applicable securities regulatory authorities about any significant deficiencies in the design or operation of internal controls which could adversely affect the Corporation's ability to record, process, summarize and report financial data or any material weaknesses in the internal controls, and any fraud involving management or other employees who have a significant role in the Corporation's internal controls. [Applies to HCG only]
- 6.1.12 Discuss with senior management, at least quarterly, any legal matters that may have a material impact on the financial statements, operations, assets of the Corporation and any material reports or inquiries received by the Corporation or any of its subsidiaries from regulators or governmental agencies with respect to financial statements.

6.2 Oversight of the External Auditor

- 6.2.1 Discuss and recommend to the Board for approval the appointment or replacement of the external auditor (subject to shareholder ratification) and responsibility for the compensation and oversight of the work of the external auditor (including resolution of disagreements between management and the external auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The external auditor shall report directly to the Committee.
- 6.2.2 Pre-approve all audit services and permitted non-audit services (including the fees, terms and conditions for the performance of such services) to be performed by the external auditor. When appropriate, the Committee may delegate to one or more members the authority to grant pre-approvals of audit and permitted non-audit services. The Committee shall annually review any delegation of authority to grant pre-approvals of audit and permitted non-audit services. Decisions of any member of the Committee to whom this authority has been granted must be presented to the full Committee at its next scheduled meeting.

- 6.2.3 Evaluate the qualifications, performance and independence of the external auditor, including (i) reviewing and evaluating the lead partner on the external auditor's engagement with the Corporation, and (ii) considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the external auditor's independence and (iii) considering any concerns raised by stakeholders about the independence of the external auditor. The Committee shall present its conclusions with respect to the external auditor to the Board and, if so determined by the Committee, recommend that the Board take additional action to satisfy itself of the qualifications, performance and independence of the external auditor.
- 6.2.4 Obtain and review a report from the external auditor at least annually regarding: the external auditor's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the external auditor, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the external auditor; any steps taken to deal with any such issues; and all relationships between the external auditor and the Corporation.
- 6.2.5 Review and discuss with senior management and the external auditor prior to the annual audit the scope, planning, planning materiality and staffing of the annual audit, and at the conclusion of the audit any changes in the audit scope or strategy.
- 6.2.6 Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law, regulation or rules.
- 6.2.7 Review and approve policies for the Corporation's hiring of partners and employees or former partners and employees of the Corporation's current and former external auditor.
- 6.2.8 Annually report to the Board on the effectiveness of the external auditor.

6.3 Internal Control

- 6.3.1 Require management to implement and maintain adequate and effective internal controls to ensure the accuracy of financial, operational and risk reporting, efficient and effective operations, effective risk management, and compliance with the Corporation's legislative and regulatory requirements.
- 6.3.2 Review and approve on an annual basis internal control and compliance policies. After review, if advisable, the Committee shall approve and recommend to the Board of Directors the approval of the policies.
- 6.3.3 Review and discuss with senior management quarterly the Performance Review Report.
- 6.3.4 Receive, investigate and act on any complaints or concerns received by the Committee regarding accounting, internal accounting controls or auditing matters, financial losses, compliance with the Corporation's legislative and regulatory requirements, the Corporation's Code of Conduct and Ethics Policy or potential retaliation against employees who raise complaints or concerns as contemplated in the Whistleblower Policy.
- 6.3.5 Monitor the effectiveness of internal control through the following activities:
 - a) Review periodic reports of the internal audit department on the results of its audits, and the status of outstanding control issues.
 - b) Review periodic reports of the Chief Compliance Officer and Chief Anti-Money Laundering Officer.

- c) Review and discuss with senior management and the external auditor management's report on its assessment of internal controls over financial reporting and report to the Committee on the CEO's and CFO's certification.
- d) Discuss with the external auditor at least annually any "management" or "internal control" letters issued or proposed to be issued by the external auditor to the Corporation.
- e) Review and discuss with senior management any interactions and correspondence with regulators and management actions taken in response to such interactions and correspondence in conjunction with the Risk and Capital Committee.

6.4 Oversight of the Corporation's Independent Oversight Functions

The Committee shall provide oversight of the finance, internal audit and corporate compliance Functions as follows:

6.4.1 Finance Function

- 6.4.1.1 Discuss and recommend to the Board for approval the appointment or dismissal of the Chief Financial Officer.
- 6.4.1.2 Review at least annually the mandate of the Chief Financial Officer. After review, if advisable, the Committee shall approve and recommend to the Board of Directors the approval of the Chief Financial Officer mandate.
- 6.4.1.3 Review at least annually the organizational structure, resources and budget of the Finance Function to ensure that it has adequate authority, independence and resources to carry out its mandate.
- 6.4.1.4 Annually assess the effectiveness of the Finance Function and the performance and compensation of the Chief Financial Officer, and share the assessment with the Chief Executive Officer as input into the compensation approval process.
- 6.4.1.5 Oversee and review the results of periodic independent benchmarking reviews of the Finance Function to assess the appropriateness of resources, budget and overall effectiveness of the Function.

6.4.2 Internal Audit Function

- 6.4.2.1 Discuss and recommend to the Board for approval the appointment or dismissal of the Chief Internal Audit executive.
- 6.4.2.2 Review and approve at least annually, the Internal Audit Mandate. After review, if advisable, the Committee shall approve and recommend to the Board of Directors the approval of the Internal Audit Mandate.
- 6.4.2.3 Approve any organizational changes to Internal Audit to ensure that the Function has adequate authority, independence and resources to carry out its mandate.
- 6.4.2.4 Annually assess the effectiveness of the Internal Audit Function, and the performance and compensation of the Chief Internal Audit executive.
- 6.4.2.5 Oversee and review the results of independent periodic reviews of the Internal Audit Function to assess appropriateness of resources, budget and overall effectiveness of the Function.

6.4.2.6 Review and approve the annual Internal Audit plan and budget and all significant interim changes made to the plan thereafter.

6.4.2.7 Review periodic reports of the Internal Audit department on Internal Audit activities.

6.4.3 Corporate Compliance Function

6.4.3.1 Discuss and recommend to the Board for approval the appointment or removal of the Chief Compliance Officer and Chief Anti-Money Laundering Officer.

6.4.3.2 Review and approve on an annual basis the mandate of the Chief Anti-Money Laundering Officer, Chief Compliance Officer and the Corporate Compliance Function. After review, if advisable, the Committee shall approve and recommend to the Board of Directors the approval of the compliance mandates.

6.4.3.3 Review and approve the annual compliance plan and the compliance framework.

6.4.3.4 Annually assess the effectiveness of the Chief Compliance Officer, Chief Anti-Money Laundering Officer and the Compliance Function and share the assessment with the Chief Executive Officer as input into the compensation approval process.

6.4.3.5 Review periodic reports of the Chief Compliance Officer and Chief Anti-Money Laundering Officer.

6.4.3.6 Oversee and review the results of independent periodic benchmarking reviews of the Corporate Compliance Function to assess the appropriateness of resources and budget as part of the assessment process in evaluating the overall effectiveness of the Function.

6.5 Other

6.5.1 Review and discuss with senior management the annual financial plan of the Corporation. After completing its review, if advisable, the Committee shall approve and recommend for Board approval the annual financial plan.

6.5.2 Review and discuss with management any proposed dividend declarations.

6.5.3 Meet with the Corporation's regulators, in accordance with applicable law.

6.5.4 Exercise such other powers and perform such other duties and responsibilities as are incidental to the purposes, duties and responsibilities specified herein and as may from time to time be delegated to the Committee by the Board.

6.5.5 Review and discuss with senior management any interactions and correspondence with regulators, and management actions taken in response to such interactions and correspondence in conjunction with the Risk and Capital Committee.

6.5.6 The Committee, in conjunction with the Risk and Capital Committee, shall be accountable and responsible for the items set out below as well as any other matters specifically delegated to the Committee by the Board.

6.5.6.1 Review, challenge and approve periodically overall reputational risk management strategies and policies. Ensure that a reputational risk management policy and framework is in place and is reviewed as required; and,

6.5.6.2 Review, challenge and discuss with senior management at least quarterly, reports on the Corporation's reputational risk profile, significant reputational risk exposures, and the steps that management is taking to monitor and control such exposures.

7.0 Delegations of Authority

- 7.1 The Committee shall recommend to the Board the duties and powers to be delegated to any subcommittee and/or to any employee of the Corporation.
- 7.2 The Committee shall review and report to the Board on any policy determined by the Committee, and the decisions made by a subcommittee, and/or by any employee of the Corporation and on the performance of any subcommittee and/or employee.

8.0 Independent Advisors

The Committee shall have the authority to select, retain, terminate, and approve the fees of any independent advisors as the Committee may deem necessary or advisable for its purposes. The expenses related to such engagement shall be funded by the Corporation.

This Charter was reviewed by the Board on February 14, 2018.