

**Home Capital Group Inc.
Home Trust Company
Home Bank
Governance, Nominating and Conduct Review
Committee Charter**



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Home Trust Company
Home Bank
Governance, Nominating and Conduct Review Committee
Charter

1.0 Overall Role and Responsibility

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

- a) identify individuals qualified and suitable to become Board members and recommend to the Board the director nominees for each annual meeting of shareholders;
- b) assist the Board in its oversight role with respect to:
 - i. the development of the Corporation’s corporate governance policies, practices and processes;
 - ii. the effectiveness of the Board, its Committees and the Chairs of the Committees;
 - iii. the contributions of individual Directors;
 - iv. conflicts of interest;
 - v. confidential corporate information;
 - vi. transactions involving related parties of the Corporation; and
 - vii. disclosure of information;
- c) Oversee the Director Orientation, Education and Development Policy and Programs.

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.



3.0 Meetings

- 3.1 The Committee shall meet as often as the Committee determines, but not less frequently than two (2) meetings annually.
- 3.2 The Committee shall hold regularly scheduled meetings at which members of management are not present.
- 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 at the Committee meetings. Minutes of the 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 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 Corporate Governance

- 6.1.1 Review at least annually corporate governance practices and recommend appropriate policies, practices and procedures to the Board.
- 6.1.2 Review at least annually the adequacy and effectiveness of the Board's governance policies and make appropriate recommendations for the improvement of these policies.
- 6.1.3 Review and report on emerging legislative and industry developments and trends in corporate governance.



6.2 Composition and Performance of the Board

- 6.2.1 Recommend to the Board appropriate criteria for the selection of new Directors and periodically review the criteria adopted by the Board and, if deemed desirable, recommend to the Board changes to such criteria.
- 6.2.2 Review at least annually the skills, areas of expertise, backgrounds, independence and qualifications of the members of the Board.
- 6.2.3 Identify and recommend qualified candidates for nomination or appointment to the Board and recommend the nominees for election by shareholders at the annual meeting.
- 6.2.4 Review and assess annually the performance of the Board, the Directors, each Board Committee and the Chair of the Committee against criteria the Committee considers appropriate. The Committee shall report its findings to the Board and recommend any action plans that the Committee considers appropriate.
- 6.2.5 Review the performance of and annually recommend to the Board the election of the Chair of the Board.

6.3 Composition of Board Committees

- 6.3.1 Consider and recommend for Board approval, the appointment of Directors to Board Committees.
- 6.3.2 Consider and recommend for Board approval the rotation of Directors to Board Committees.
- 6.3.3 The Committee may recommend for Board approval the removal of a Director from a Board Committee if the Director is no longer qualified to serve as a Director under applicable law or for any other reason the Committee considers appropriate.

6.4 General Review of the Board

- 6.4.1 Review procedures for the Committee to exercise oversight of the evaluation of the Board.
- 6.4.2 Review at least annually the effectiveness of the Board, including conflicts of interest, self dealing and continuing qualifications of members of the Board.
- 6.4.3 Review the relationship of the Board with senior management.
- 6.4.4 Review at least annually the Charter of the Board.
- 6.4.5 Consider requests by members of the Board to engage outside advisors, at the Corporation's expense, with respect to matters before the Board or any Board Committee.
- 6.4.6 Address any other subject within the broad responsibility of the Committee as determined by the Chair of the Committee or the Committee.



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

6.5 Board of Directors Policies and Mandates

Review at least annually, the Board policies and mandates. The Chair of the Committee shall present to the Board any recommendations the Committee may have to amend any existing Board policies or mandates, or to approve any new Board policies or mandates.

6.6 Director Orientation and Continuing Education

The Committee shall be responsible for overseeing the establishment of and monitoring an orientation program for new Directors and continuing education for Directors, including oversight of:

- an orientation and education program for new Directors, including the role of the Board and its Committees; and
- topical seminars for the Board or any of its Committees as required.

The Committee shall also serve as a resource for ongoing education about Directors' duties and responsibilities.

The Directors shall be reimbursed for reasonable expenses associated with continuing education in accordance with the Company's Director Orientation, Education and Development Policy.

6.7 Investor Relations

Oversee the Corporation's investor relations and public relations activities and procedures for the effective monitoring of the shareholder base, receipt of shareholder feedback and response to shareholder concerns.

6.8 Legislative Requirements

6.8.1 Review and approve the report on the activities of the Conduct Review Committee pursuant to Section 199 of the *Trust and Loan Companies Act* [HTC only] and pursuant to Section 195(4) of the Bank Act. [HB only]

6.8.2 Review and approve annually practices and procedures for compliance with applicable laws dealing with related party rules and assess the effectiveness of the procedures. Ensure that any related party transaction that may have a material effect on the stability or solvency of the Corporation is identified.

6.8.3 Review criteria for the determination of materiality of a transaction with a related party.

6.8.4 Approve the terms and conditions of loans and other financial services made or offered to senior management, their spouses and minor children.



- 6.8.5 Require that management establish procedures for complying with the self-dealing provisions (Part XI) of the *Trust and Loan Companies Act* [HTC only] and (Part XI) of the *Bank Act* [HB only]
- 6.8.6 Review and approve annually the procedures for compliance with the self-dealing provisions (Part XI) of the *Trust and Loan Companies Act* [HTC only] and (Part XI) of the *Bank Act* (HB only) and assess the effectiveness of the procedures.
- 6.8.7 Review annually, the report of the Chief Compliance Officer on self-dealing.

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 approved by the Board of Directors on August 2, 2007 and last reviewed by the Board of Directors on February 14, 2018.

