

Mandate of the Board of Directors

Home Capital Group Inc. Home Trust Company Home Bank

The Board of Directors (“Board”) is elected by shareholders and is responsible for the stewardship and oversight of the Corporation and for supervising management, including responsibility for the Corporation’s business plan, strategy, risk appetite, and culture. The Board oversees the Corporation’s senior management and internal controls. The Board shall carry out the duties set forth in this Mandate, and any other duties necessary and appropriate, either directly or through its Committees.

1. Ethics, Culture and Integrity

- Promote and set the tone for a sustainable risk culture that stresses integrity, ethics, compliance and effective risk management throughout the organization;
- Ensure that appropriate structures are in place to maintain the effectiveness of the Corporation’s sustainable risk culture;
- Satisfy itself as to the integrity of the Chief Executive Officer (“CEO”) and other senior executives of the Corporation and that the CEO and other senior executives put in place, monitor and manage the Corporation’s sustainable risk culture;
- Approve and oversee compliance with the Corporation’s Code of Conduct and Ethics Policy;

2. Strategic Planning

- Review, challenge and approve the strategic plan, and provide challenge, advice and guidance to management with respect to the implementation, periodic review and updating of the strategic plan;
- Approve and oversee the short-term and long-term business plans of the Corporation, such plans to consider, among other things, the strategic plan, the risk framework of the Corporation, its capital levels, the competitive environment and market trends;
- Review progress on the implementation of the short-term and long-term business plans and strategic plan on an ongoing basis;
- Provide challenge, advice and guidance to senior management regarding the Corporation’s performance against the objectives in its short and long-term business plans;
- Review and approve material deployments of capital, material expenditures not contained in the approved business plan and any declaration of dividends;
- Review and approve all financial reports and related materials of the Corporation prior to their public release and review analyses of those reports from senior management;
- Review and approve significant strategic initiatives (such as mergers and acquisitions) and any material business decisions and provide challenge, advice and guidance as to their implementation;

3. Risk Management

- Ensure that processes are in place to ensure the Board has a strong understanding of the significant risks that the Corporation faces (including those that are attendant to its business model and its lines of business), that the Corporation has assessed their potential impact and that it has put in place policies and procedures to effectively identify, measure, monitor, report on and mitigate such risks;
- Approve and oversee:
 - the Risk Appetite Framework (including the Risk Appetite Statement and Risk Limits) of the Corporation, providing challenge, advice and guidance as to whether the Corporation's operations, results and risk exposures are consistent with the Risk Appetite Framework, including whether it remains appropriate over time;
 - the Corporation's internal control framework and provide challenge, advice and guidance as to its effectiveness;
 - significant policies, plans, and strategic initiatives related to the management of, or that materially impact, capital and liquidity, such as internal capital targets and share issuances and provide challenge, advice and guidance as to their effectiveness through such means as stress testing and the ICAAP report;
 - the Corporation's Code of Conduct and Ethics Policy; and
- Foster a constructive relationship with the Corporation's regulators;
- Provide challenge, advice and guidance to management on the Corporation's significant operational, business, risk and crisis management policies including credit, market, funding, operational, reputational, strategic, compliance and capital management risks and their effectiveness;

4. Governance

- Oversee the Corporation's governance framework and practices;
- Establish appropriate structures and procedures to provide assurance that the Board and its Committees are functioning independently of management;
- Establish committees of the Board, developing their mandates and, to the extent appropriate and permitted by law, delegating matters to the committees to enable the Board to best fulfil its obligations;
- Establish expectations and responsibilities of directors;
- Undertake regular evaluation of the Board, its committees and members, and review the composition of the Board and its committees against its skills and competency matrix;
- Nominate, for shareholder approval, candidates for election to the Board;
- Oversee the process pursuant to which the Office of the Superintendent of Financial Institutions is promptly notified of any potential changes to the membership of the Board or senior management;

5. Internal Controls and Audit Plans

- Approve and oversee the Corporation's internal control framework and its effectiveness;
- Provide oversight, challenge, advice and guidance to ensure that the financial reports of the Corporation accurately reflect the financial condition of the Corporation;
- Oversee compliance with applicable audit, accounting and reporting requirements;
- Approve and oversee the external auditor and its audit plan for the Corporation, including reviewing and approving the scope of the audit engagement and the fees associated therewith;
- Approve and oversee the Corporation's internal audit plan and provide challenge, advice and guidance with respect to the effectiveness of such plan;

6. Compensation, Succession Planning and Oversight of Management

- Provide challenge, advice and guidance on the compensation policies and programs of the Corporation and ensure alignment of compensation with the business objectives, operations and risks of the Corporation;
- At least annually, approve the design, payout and funding of the major compensation programs of the Corporation including incentive metrics and performance measures;
- Approve and oversee the selection, appointment, performance, review and compensation of the Chief Executive Officer, as well as the heads of the oversight functions (Enterprise Risk Management, Compliance, Internal Audit and Finance), and with input from the CEO, the Chief Financial Officer and the members of the senior leadership team;
- Establish annual performance objectives and corporate goals for the CEO, and monitor progress against these objectives and goals including an annual performance review of the CEO;
- Supervise the Corporation's oversight functions, and provide challenge, advice and guidance to management and the oversight functions as to the effectiveness of the oversight functions, including through periodic external reviews;
- Approve and oversee the mandates, resources and budgets of the heads of the oversight functions;
- Ensure that the Corporation's heads of oversight functions have sufficient stature and authority within the Corporation, are independent of management and have unfettered access and a functional reporting line to an appropriate Board committee;
- Provide challenge, advice and guidance to the CEO and senior management regarding the Corporation's approach to compensation, including its consistency with the Financial Stability Board *Principles for Sound Compensation*;

7. Communications and Public Disclosure

- Assess the effectiveness of the Corporation's communications, including measures for receiving feedback from stakeholders;
- Approve and oversee the establishment of processes for accurate, timely and complete public disclosure, including approval of the Corporation's Disclosure Policy;
- Approve and oversee financial and corporate governance disclosures.