

Mandate of the Audit and Conduct Review Committee

Home Capital Group Inc. Home Trust Company Home Bank

The Audit and Conduct Review Committee (the “Committee”) is responsible for oversight of the quality and integrity of financial reporting to shareholders, the external auditor’s performance, qualifications and independence, the Corporation’s relationship with its regulators and the effectiveness of the Corporation’s internal controls, including the effectiveness and independence of the Corporation’s finance, internal audit and compliance functions.

1. Financial Performance and Reporting

- Provide challenge, advice and guidance on the financial performance of the Corporation;
- Review and discuss with management and the external auditors, the financial statements of the Corporation together with the external auditor’s report thereon and the related management discussion and analysis, including:
 - the quality of the financial statements and any related concerns raised by the external auditor;
 - the appropriateness of any changes to the Corporation’s accounting and financial reporting;
 - the accounting treatment, presentation and impact of significant risks and uncertainties;
 - key estimates and judgments of management;
 - significant auditing and financial reporting issues and the method of resolution;
 - the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Corporation’s financial statements; and
 - tax matters material to the Corporation;
- Once satisfied that the financial statements and management’s discussion and analysis fairly present the financial position, the results of operations and cashflows of the Corporation, recommend to the Board for approval, the interim and annual financial statements and related management’s discussion and analysis;
- Review, discuss with management and recommend to the Board for approval the earnings press releases, financial information and earnings guidance (if any) provided to analysts and rating agencies and any other material financial disclosure of the Corporation;

- Oversee the annual financial plan of the Corporation, and, if advisable, recommend such plan for Board approval;
- 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 Home Capital Group Inc.'s annual and interim filings with applicable securities regulatory authorities;
- 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;

2. Oversight of the External Auditor

- Recommend to the Board for shareholder approval, the appointment or replacement of the external auditor;
- Set the remuneration and oversee the work of the external auditor (the external auditor shall report directly to the ACR Committee);
- Approve the external audit plan for the Corporation, ensuring that it is risk-based and addresses all relevant activities of the Corporation over a measurable cycle;
- Regularly meet with the external auditor to review and discuss the external auditor's progress on the annual audit plan, the audit results and all other reports, returns and transactions as required by law and regulation;
- Annually assess the qualifications, effectiveness, independence and quality of services provided by the external auditor, including an assessment of the Corporation's lead audit partner and report to the Board on the results of such assessment;
- 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, ensuring that non-audit fees represent no more than fifty percent of the total fees payable to the auditor during any calendar year;
- Establish the Corporation's policies for the hiring of partners and employees or former partners and employees of the Corporation's current and former external auditor including ensuring 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;

3. Internal Control Framework

- Require management to implement and maintain an adequate and effective framework of internal controls to ensure the accuracy of financial, operational and risk reporting, as well as efficient and effective operations, risk management, and compliance with the Corporation's legislative and regulatory requirements;
- Provide challenge, advice and guidance on the design, maintenance and effectiveness of the Corporation's internal control framework;

- Review reports from management regarding any significant deficiency or material weakness including with respect to the design or operation of the internal controls of the Corporation;
- At least annually, hold a joint meeting with the Risk and Capital Committee to review major risks and internal controls;
- At least annually, review the mandate of the Committee;

4. Conduct Review, Related Party Transactions and Conflicts of Interest

- Ensure that management has established procedures and practices relating to self-dealing and insider trading as required by law;
- Establish and monitor procedures for the identification, reporting and resolution of conflicts of interest;
- Review and monitor awareness of and compliance with the Corporation's code of conduct, following reporting from management including the use and effectiveness of the whistleblower hotline;
- Monitor the functions and conduct of the Ombudsman;
- Provide a forum for the heads of each oversight function to raise any conduct or related issues;
- Review all related party transactions for which Board approval is required under applicable legislation;
- Report to the Office of the Superintendent of Financial Institutions on its mandate and responsibilities in accordance with applicable legislation;

5. Oversight of the Finance Function

- Discuss and recommend to the Board for approval the appointment or dismissal of the Chief Financial Officer;
- At least annually, review the mandate of the Chief Financial Officer. After review, if advisable, the Committee shall approve and recommend to the Board for approval the mandate of the Chief Financial Officer;
- Review the succession plan for the Chief Financial Officer;
- At least annually, review the organizational structure, resources and budget of the Finance function and ensure that it has adequate authority, independence and resources to carry out its mandate;
- Annually assess the effectiveness of the Finance function and the performance of the Chief Financial Officer;
- Oversee and review the results of independent periodic reviews of the Finance function to assess appropriateness of resources, budget and overall effectiveness of the function;

6. Oversight of the Internal Audit Function

- Provide advice, guidance and challenge on the Internal Audit Plan of the Corporation, and, at least annually, recommend the Internal Audit Plan to the Board for approval;

- Discuss and recommend to the Board for approval the appointment or dismissal of the Chief Internal Auditor;
- At least annually, review the mandate of the Chief Internal Auditor. After review, if advisable, the Committee shall approve and recommend to the Board for approval the mandate of the Chief Internal Auditor;
- Review the succession plan for the Chief Internal Auditor;
- At least annually, review the organizational structure, resources and budget of the Internal Audit function and ensure that it has adequate authority, independence and resources to carry out its mandate;
- Annually assess the effectiveness of the Internal Audit function and the performance of the Chief Internal Auditor;
- Oversee and review the results of independent periodic reviews of the Independent Audit function to assess appropriateness of resources, budget and overall effectiveness of the function.

7. Oversight of the Compliance Function

- Provide advice, guidance and challenge on the annual Compliance Plan of the Corporation, and, at least annually, approve the Compliance Plan;
- Discuss and recommend to the Board for approval the appointment or dismissal of the Chief Compliance Officer and Chief Anti-Money Laundering Officer (“CCO/CAMLO”);
- At least annually, review the mandate of the CCO/CAMLO. After review, if advisable, the Committee shall approve and recommend to the Board for approval the mandate of the CCO/CAMLO;
- Review the succession plan for the CCO/CAMLO;
- At least annually, review the organizational structure, resources and budget of the Compliance function and ensure that it has adequate authority, independence and resources to carry out its mandate;
- Annually assess the effectiveness of the Compliance function and the performance and compensation of the CCO/CAMLO;
- Oversee and review the results of independent periodic reviews of the Compliance function to assess appropriateness of resources, budget and overall effectiveness of the function.