

**Home Capital Group Inc.  
Home Trust Company  
Home Bank**

**Human Resources and Compensation Committee  
Charter**



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**Home Trust Company**  
**Home Bank**  
**Human Resources and Compensation Committee Charter**

**1.0 Overall Role and Responsibility**

The Human Resources and Compensation 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 Corporation’s human resources strategy, policies and programs;
- (ii) all matters relating to proper utilization of human resources within the Corporation, with special focus on management succession, development and compensation;
- (iii) Management of compensation related risk.

**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 member 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 (“**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 four (4) 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 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 Succession and Review**

6.1.1 Annually review succession and leadership plans and make appropriate recommendations to the Board regarding the succession of the Corporation's senior management (including the President & Chief Executive Officer), the Corporation's leadership development strategies, the Corporation's plans and programs for assessing and developing senior talent for each senior management role and the pool of candidates for each senior management role.

6.1.2 Annually and as part of the ongoing review of senior management, the Committee must satisfy itself as to the integrity of senior management, the contribution of senior management to a culture of integrity throughout the organization and alignment of senior management with leadership development strategies, and report those determinations to the Board.

6.1.3 Annually and/or as required, appoint the officers of the Corporation.

6.1.4 Ensure accountability of Board Members for assisting with onboarding and orientation of new senior executives.

##### **6.2 Compensation**

6.2.1 Annually supervise the design and operation of and regularly review the Corporation's compensation programs, including ensuring there is alignment with all regulatory requirements, and make recommendations to the Board regarding the Corporation's compensation programs and policies, including base salary, incentives, benefits and other perquisites.



- 6.2.2 Annually review and approve all compensation arrangements for senior management of the Corporation including the President & Chief Executive Officer.
- 6.2.3 Bi-annually review the level of compensation for the Board and its Committees and make recommendations to the Board with respect thereto.
- 6.2.4 Annually review the Corporation's share based incentive and employee share purchase plans (the "Plans"), the terms and conditions of the Plans, and approve any new Plans and any amendments to the Plans based on the recommendations of senior management and with such independent advice as the Committee considers appropriate.
- 6.2.5 At the commencement of each fiscal year, review and approve the Corporation's incentive metrics and measures for the upcoming year to ensure that they align with the Corporation's strategy, budget, and business plans, and that they provide for appropriate target and stretch measures, based on the recommendations of management and with such independent advice as the Committee considers appropriate.
- 6.2.6 Annually, and prior to the approval of performance evaluations for senior management (including the President & Chief Executive Officer), the Committee will consult with the Board, Control Function Heads, and the Senior Vice President, Human Resources to ensure that officers and executives of the Company did not promote excessive risk taking in the achievement of business results.
- 6.2.7 Annually and prior to granting of share based incentive awards, the Committee will review and approve proposed awards under the Corporation's share based incentive plans, based on the recommendations of management and with such independent advice as the Committee considers appropriate.
- 6.2.8 Annually and at the end of each fiscal year, the Committee will review and approve the Corporation's results against target in consultation with the Risk and Capital Committee and the Executive Vice President and Chief Risk Officer, and reconfirm the prior year performance evaluations and incentive award of senior management (including the President & Chief Executive Officer) in conjunction with year-end financial results.
- 6.2.9 Annually review the Compensation Discussion and Analysis section of the Management Information Circular distributed to shareholders. [HCG only]
- 6.2.10 Annually review the Corporation's enterprise risks and evaluate the Corporation's compensation plans and policies, to ensure that they do not promote excessive risk taking, based on the recommendations of management and with such independent advice as the Committee considers appropriate.

### **6.3 Senior Management Appointment and Evaluation**

- 6.3.1 Annually evaluate the performance of senior management (including the President & Chief Executive Officer) in relation to their performance goals and to their compliance with the Corporation's policies, to ensure that senior



management demonstrate a commitment to a high standard of ethical and business conduct and that, in the case of the President & Chief Executive Officer, he or she is setting the right “tone at the top”.

- 6.3.2 As required, the Committee will review, approve and recommend to the Board arrangements relating to appointment and/or dismissal of senior management, based on recommendations of the President & Chief Executive Officer.
- 6.3.3 As required, the Committee will ensure external regulators are informed of any/all hiring of senior management in accordance with regulatory requirements.
- 6.3.4 Annually, the Committee shall review and recommend for Board approval performance goals for the President & Chief Executive Officer.

## **6.4 Code of Conduct and Ethics Policy**

- 6.4.1 Annually review and approve the Code of Conduct and Ethics Policy.
- 6.4.2 Annually oversee Directors’, officers’ and employees’ compliance with the Corporation’s Code of Conduct and Ethics Policy and generally the administration of the Code of Conduct and Ethics Policy.

## **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 October 26, 2006 and last reviewed by the Board of Directors on February 14, 2018.

