



**HOME CAPITAL GROUP INC.**  
**HOME TRUST COMPANY**

# Whistleblower Policy

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# 1. Introduction

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## 1.1. Background

The Whistleblower Policy (“the Policy”) is a supplement to the Code of Conduct and Ethics Policy (“the Code”) which describes the behaviours we expect Employees to demonstrate as representatives and ambassadors of our Company. The Company’s reputation for honesty and integrity is reflected in the way it conducts business, including in the integrity of its financial reporting.

Home Capital Group Inc. and its subsidiaries (“the Company”) cultivate a culture where Employees can report, without fear of retaliation, any wrongdoing or misconduct which they suspect or believe may be occurring at the Company. Even if Employees only suspect alleged wrongdoing or misconduct, they are obligated to report it immediately. By doing so, they help the Company manage its reputational risk and any personal risk to themselves.

The Policy guides Employees through all aspects of the Whistleblower program including the reporting of suspected or actual, unlawful or inappropriate misconduct relating to material financial accounting, internal accounting controls, auditing matters, compliance requirements, and breaches of the Code.

This Policy is provided to all Employees upon hire and is also available on the Home Trust intranet and the Home Capital Group Inc. external website. Employees are required to review and attest to their understanding of this Policy annually as part of annual attestation of the Code.

## 1.2. Purpose

The Whistleblower Policy is designed to provide assurance that business misconduct or other wrongdoing is reported, and that Employees and external parties have a confidential channel to raise concerns for review and investigation. The Policy also protects the whistleblower from retaliation for disclosures made in good faith.

## 1.3. Scope

This Policy applies to all Employees (as defined in section 2. Definitions) of the Company.

# 2. Definitions

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**Breach** - is defined as non-compliance with an applicable law, regulation, internal policy or procedure.

**Employees** – refers to the Company’s directors, full-time Employees, part-time Employees, temporary Employees and contractors employed by Home Capital Group Inc. and any of its subsidiaries.

**Compliance Requirements** - Refers to an applicable law undertaking to legislative authority or provision, section, subsection, order, term, condition and procedure that requires the Company to do (or prohibits the Company from doing) certain things or to act or conduct its affairs in a particular manner.

**People Leaders** – are defined as anyone who has Employees reporting to them.

**Policies** – in this Policy, includes company guidelines, procedures and practices.

**Retaliation** – an action having a negative impact or implication against an individual who has reported a concern.

**Wrongdoing** – the act of doing something illegally or dishonestly or that is a Breach.

**Senior Management** – is defined as anyone holding a position titled Vice-President and above.

### 3. Risk Appetite

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<b>Risk Appetite: Key Principles</b>	
<ol style="list-style-type: none"><li>1. We maintain adequate capital and liquidity at all times.</li><li>2. We only take risks that are transparent, manageable and fit our business strategy.</li><li>3. We do not expose the Company to any significant single loss events on any individual transaction or acquisition.</li><li>4. We do not take risks that are expected to result in significant volatility in earnings or shareholder returns.</li><li>5. We conduct business with honesty, integrity, respect and high ethical standards.</li><li>6. We strive to protect the Company's reputation at all times, with all key stakeholders.</li></ol>	<ol style="list-style-type: none"><li>7. We adopt a risk based approach for identifying, assessing, managing, mitigating and monitoring risk that meets regulatory requirements and expectations.</li><li>8. We do not tolerate business activities that are not supported by appropriate processes and internal controls that are designed to detect, deter and prevent activity associated with financial crime. We do not maintain relationships with persons or entities believed to be engaged in illegal or illicit activities.</li><li>9. We incorporate risk and compliance measures into performance and reward measurement programs.</li></ol>

## 4. Policy Requirements

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### 4.1. Types of Concerns

#### 4.1.1. Financial Reporting

Financial accounting, internal accounting controls and auditing matters, including those involving the circumvention or attempted circumvention of internal accounting controls or that would otherwise constitute a violation of Home Trust's accounting policies. Examples include: falsification or destruction of business or financial records; misrepresentation or suppression of financial information; non-adherence to internal financial policies or controls; and auditor independence concerns.

#### 4.1.2. Suspected Fraudulent Activity

Examples include: theft; defalcation; and corrupt practices including giving or receiving bribes or other unlawful or improper payments or benefits.

#### 4.1.3. Breaches of the Code and other Compliance Requirements

Any potential Breaches of the Code of Conduct, Compliance Requirements and other internal controls. Examples include: insider trading; conflicts of interest; short selling; market manipulation; non-adherence to internal compliance policies; illegal, deceptive or anti-competitive sales practices; and manipulation of rates.

#### 4.1.4. Retaliation or Retribution against an Individual who Reports a Concern

Retaliation against Employees who allege misconduct related to the above allegations. Examples include: statements, conduct or actions involving terminating, suspending, demoting; disciplining, suspending, harassing, intimidating, coercing or discriminating against an Employee reporting a concern in good faith in accordance with this Policy.

### 4.2. Obligation to Report Concerns

All Employees have an obligation to report real or perceived concerns.

Employees are required to report concerns as soon as they become aware of the situation that raises the concern, with as many facts and as much detailed information as possible.

The Company has a process to encourage Employees to report concerns that contravene or are thought to contravene its Code of Conduct and Ethics Policy or situations where wrongdoing is suspected and Employees are encouraged to use such processes.

If an allegation is made in good faith, but it is not validated through a review, no disciplinary action will be taken against the Employee reporting the concern. If, however, an allegation is made frivolously, maliciously or for personal gain, disciplinary action may be taken against the Employee. Intentionally or recklessly accusing an individual of Wrongdoing, which the Employee knows, or reasonably ought to know, is false, is a serious matter and is subject to disciplinary action.

### 4.3. Anonymous Reports

This Policy encourages Employees to come forward in person wherever possible. Concerns expressed anonymously are much less powerful, but will be considered based on a number of factors including the seriousness of the issues raised, the credibility of the concern, and

the likelihood of confirming the allegation through credible sources and/or documentary evidence.

#### 4.4. Acknowledgement of Report

Every reported incident will be acknowledged within twenty-four hours of receipt (factoring in weekends and public holidays) with the exception of anonymous reports.

#### 4.5. Review & Investigation of Concerns

The Company will commence a review/investigation of all received concerns, regardless of the channel in which it was received. All concerns received will be documented and tracked until such time as the investigation is closed.

At a minimum, the reporting Employee will be advised of the status of the review/investigation, that the review/investigation has been concluded and, where possible, the steps that were taken to resolve or prevent future occurrences, while respecting the privacy of all those involved.

#### 4.6. Confidentiality

Unless compelled by judicial or other legal process to reveal the identity of the Employee who makes an allegation under this Policy, the individual will remain confidential. No effort to ascertain the identity of any person or group who makes a report anonymously will be tolerated.

#### 4.7. Protection from Retaliation

The Company shall not tolerate any retaliation by management or any other person or group, directly or indirectly, against anyone who in good faith makes an allegation or report under this Policy, and who provides assistance to management or any other person or group, including any governmental, regulatory or law enforcement body, investigating a report. Anyone who retaliates in any way against a person who has made a good faith allegation will be subject to disciplinary action.

#### 4.8. Methods for Reporting Concerns

Employees can use any of the following methods to report a concern.

##### 4.8.1. Code of Conduct and Whistleblower Hotline

The hotline has two channels; one is online and one is a third-party phone service.

- **Internal online form (<http://homenet/compliance/concerns.asp>)**  
Intended for the reporting of suggestions and concerns related to:
  - Code of Business Conduct and Ethics
  - Privacy
  - Internal Fraud
  - Finance and Accounting (Whistleblower)
  - Discrimination and Harassment

Employees using this method will not receive follow-up on their concerns if they choose to remain anonymous.

- **Third party hotline – call toll-free: 1-877-746-2490**

The external channel is independently managed by a third party and offers individuals the choice to report anonymously. The service provider does not record calls, use call display or trace calls. Employees submitting a report may request follow-up through the third party who will provide a report number to be used the next time the reporting Employee calls the Hotline. Individuals outside of the organization can also raise a concern through the Whistleblower Hotline.

#### **4.8.2. Contact Human Resources**

Employees may contact the Senior Vice President, Human Resources to report their concern. Human Resources will review and escalate any concerns, as well as protect the reputation of the company.

#### **4.8.3. Contact Chair of Audit Committee**

If an Employee is not comfortable raising their concern through one of the options above, or their concern specifically relates to the following parties:

- President and Chief Executive Officer (CEO),
- Senior Vice-President, Human Resources (SVP, HR)
- Senior Vice-President, Chief Compliance Officer & Chief Anti Money Laundering Officer (CCO & CAMLO)

They may contact the Chair of the Audit Committee.

Refer to the Reporting Code Concerns and Conflicts of Interest Procedures document for more details.

## **5. Roles and Responsibilities**

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### **5.1. Introduction**

This section sets out the responsibilities for Employees, People Leaders, Senior Management, Human Resources and the Board to support the Whistleblower Policy, but it is not meant to be exhaustive.

### **5.2. Employees**

Employees are expected to:

- Ensure their understanding and compliance with the Whistleblower Policy, Code of Conduct & Ethics and any policies, guidelines and procedures that support the Whistleblower Policy;
- Identify and immediately report any suspected or known Wrongdoing;
- Complete annual training and attestation with respect to the Whistleblower Policy, Code of Conduct & Ethics and any supporting policies

### **5.3. People Leaders and Senior Management**

People Leaders and Senior Management are expected to:

- Ensure that all direct reports understand and comply with the Code;



- Ensure that all annual training (and attestations) are completed in the timeframe required;
- Encourage an environment of open communication and high ethical standards;
- Be familiar with the laws and regulatory requirements that apply to the Company and relevant business processes.

#### 5.4. SVP, HR, CCO & CAMLO and General Counsel and Corporate Secretary

These executives are expected to:

- Commence a review/investigation of all concerns received, regardless of the channel in which it was received (the CCO & CAMLO is responsible for independently reviewing/investigating all concerns received that relate to HR team members);
- Document, track, investigate and report on concerns reported, ensuring that as much information as possible is gathered to fully investigate the concern raised;
- Document, track, investigate and report concerns regarding Code breaches.
- Engage subject matter experts as required to satisfactorily investigate the concern raised;
- Provide timely notification to the Chair of the Audit Committee of all Whistleblower complaints;
- Track all concerns raised and report to the Executive Committee on a monthly basis, the Audit Committee and Board of Directors quarterly, or on an as-needed basis;
- Ensure the approved Whistleblower Policy is immediately posted by Human Resources on the Home Capital Group Inc. website and internal website following approval from the Board.

#### 5.5. Chair of the Audit Committee and the Board of Directors

The Board of Directors has ultimate responsibility for the Policy. The Board of Directors has delegated its responsibilities to the Audit Committee.

The Chair of the Audit Committee is responsible for:

- Ensuring that any Whistleblower Policy reporting is received and reviewed;
- Ensuring that proper reviews/investigations are completed, and that appropriate corrective action is taken;
- Ensuring that any concerns received regarding the CEO, SVP, HR and CCO & CAMLO are immediately communicated to the Chair of the Board;
- Ensuring that the appropriate parties are engaged to complete the review/investigation of any concerns raised regarding the CEO, SVP, HR and CCO & CAMLO.

On an annual basis, every Board member must review the Whistleblower Policy and attest their compliance with the Policy.

## 5.6. Ombudsman

The Ombudsman is expected to direct any external concerns received that fall under this Policy to the Senior Vice-President, Human Resources, the Senior Vice-President, Chief Compliance and Chief Anti-Money Laundering Officer, or the Chair of the Audit Committee.

# 6. Monitoring and Reporting

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## 6.1. Policy Monitoring

The completion of training and attestations related to the Whistleblower Policy are monitored by Human Resources.

## 6.2. Policy Reporting

### 6.2.1. Reporting Internal Concerns

Internal concerns reported through the Whistleblower program are reported according to the following table:

Involved Parties	Reported by	Reported to
Any parties <b>except</b> HR team members, President & CEO or CCO & CAMLO	Senior Vice-President, Human Resources	Chair of Audit Committee
Member of HR team	CCO & CAMLO	Chair of Audit Committee
President and Chief Executive Officer, SVP, HR or CCO CAMLO	Chair of Audit Committee	Chair of the Board

### 6.2.2. External Reports

If a concern comes from an external source through the Ombudsman and the General Counsel and Corporate Secretary, the concern will be directed to the Senior Vice-President, Human Resources, the Senior Vice-President, Chief Compliance and Chief Anti-Money Laundering Officer, or the Chair of the Audit Committee.

# 7. Review and Approval

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The Whistleblower Policy is subject to review at least on an biennial basis.

The Executive Committee reviews and recommends the Policy for approval to the Audit Committee which reviews, approves and recommends the Policy for approval to the Board of Directors.

There are no exceptions granted for this policy.

Non-compliance with the Policy should be reported to the SVP, HR immediately for remedial action. Significant instances of non-compliance are reported to the Audit Committee.

## 8. Relevant Regulatory Requirements

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Relevant legislative and regulatory requirements include the Canadian Criminal Code, AMF (Quebec) Whistleblower program and the Ontario Securities Act. These provisions are intended to ensure that appropriate mechanisms are in place to protect Employees from any form of whistleblower reprisal.

## 9. Effective Date

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Compliance with this Policy is to take effect immediately following approval by the Board of Directors.

## 10. Related Documents

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This Policy should be read in relation to the following documents:

- Acceptable Use Policy
- Anti-Fraud Policy
- Code of Conduct and Ethics Policy
- Human Rights, Equal Opportunity and Harassment Policy
- Information Security Policy
- Privacy Policy
- Occupational Health and Safety Guideline
- Records Management Policy
- Reporting a Whistleblower Concern Document
- Trading Policy
- Workplace Violence Policy

## 11. Revision History

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Version	Date	Author and Group	Revision Description
4.0	February 11, 2015	Human Resources	Annual Review
5.0	March 8, 2016	Human Resources	Annual Review
5.1	November 5, 2018	Human Resources	Biennial Review

## 12. Confidentiality

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This policy is available to the public through the Home Capital Group Inc. website.