

**Home Capital Group Inc.
Audit Committee Charter**

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Audit Committee Charter

1.0 Overall Role and Responsibility

The Audit Committee shall assist the Board of Directors (“Board”) in the Board’s oversight role with respect to:

- (i) the quality and integrity of financial information;
- (ii) the external auditor’s performance, qualifications and independence;
- (iii) the performance of the Corporation’s internal audit function; and
- (iv) oversight of complaints with respect to accounting and auditing matters.

2.0 Membership

2.1 The Audit Committee shall consist of three or more Directors appointed annually by the Board. Members of the Audit 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 Audit 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 member of the Audit Committee as the Committee Chair.

2.4 Each member of the Audit Committee shall be financially literate, in accordance with applicable regulatory requirements, or agree to become financially literate within a reasonable time of appointment.

3.0 Meetings

3.1 The Audit Committee shall meet as often as the Audit Committee determines, but not less frequently than four meetings annually.

3.2 The Audit Committee shall hold regularly scheduled meetings at which members of management are not present and periodically meet separately with the Chief Executive Officer, the External Auditor, the Internal Auditor and the Chief Financial Officer.

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 Audit Committee participating in any meeting of the Audit Committee is necessary for the adoption of any resolution.

3.5 The Audit Committee shall not transact business unless a majority of members present are resident Canadians.

3.6 The Audit Committee shall have unrestricted access to management and employees of the Corporation.

3.7 The Corporate Secretary, his or her designate, shall act as secretary at Audit Committee meetings. Minutes of Audit Committee meetings shall be recorded and maintained by the Corporate Secretary and subsequently presented to the Audit Committee for approval.

4.0 Performance Review

The Audit Committee shall annually review and assess and report on the performance of the Audit 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 Audit Committee shall report to the Board on material matters arising at the Audit Committee meetings and shall present the Audit Committee's recommendation(s) to the Board for the Board's approval.

6.0 Accountabilities and Responsibilities

The Audit Committee shall have the accountabilities and responsibilities set out below as well as any other matters that are specifically delegated to the Audit Committee by the Board.

6.1 Financial Reporting

6.1.1 Review and discuss with senior management and the external auditor the annual audited financial statements, the external auditor's report thereon and the related management's discussions and analysis. After completing its review, if advisable, the Audit Committee shall approve and recommend for Board approval, the annual financial statements and related management's discussion and analysis.

6.1.2 Review and discuss with senior management and the external auditor the Corporation's interim financial statements, the external auditor's report thereon and the related management's discussion and analysis. After completing its review, if advisable, the Audit Committee shall approve and recommend for Board approval, the interim financial statements and related management's discussion and analysis.

6.1.3 Review and discuss with senior management and the external auditor the Corporation's annual and quarterly disclosures made in management's discussion and analysis. The Audit Committee shall approve any reports for inclusion in the Corporation's Annual Report, as required by applicable legislation and make a recommendation thereon to the Board.

6.1.4 Review and discuss with senior management and the external auditor management's report on its assessment of internal controls over financial reporting and the external auditor's attestation report on management's assessment.

6.1.5 Review and discuss with senior management and the external auditor at least annually significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements, including any significant changes in the Corporation's selection or application of accounting principles, any major issues as to the adequacy of the Corporation's internal controls and any special steps adopted in light of material control deficiencies.

6.1.6 Review and discuss with senior management and the external auditor at least annually reports from the external auditor on: critical accounting policies and practices to be used; significant financial reporting issues, estimates and judgments made in connection with the preparation of the financial statements; alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the external auditor; and other material written communications between the external auditor and senior management, such as any senior management letter or schedule of unadjusted differences.

6.1.7 Discuss with the external auditor at least annually any "management" or "internal control" letters issued or proposed to be issued by the external auditor to the Corporation.

6.1.8 Review and discuss with management and the external auditor at least annually any significant changes to the Corporation's accounting principles and practices suggested by the external auditor, internal audit personnel or senior management.

6.1.9 Discuss with management the Corporation's earnings press releases, financial information and earnings guidance (if any) provided to analysts and rating agencies and any other material financial disclosure.

6.1.10 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.

6.1.11 Discuss with the external auditor any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information and any significant disagreements with senior management.

6.1.12 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 the annual and interim filings with applicable securities regulatory authorities.

6.1.13 Review disclosures made by the Corporation's Chief Executive Officer and Chief Financial Officer during their certification process for the annual and interim filing with applicable securities regulatory authorities about any significant deficiencies in the design or operation of internal controls which could adversely affect the Corporation's ability to record, process, summarize and report financial data or any material weaknesses in the internal controls, and any fraud involving management or other employees who have a significant role in the Corporation's internal controls.

6.1.14 Discuss with senior management, at least annually, any legal matters that may have a material impact on the financial statements, operations, assets of the Corporation

and any material reports or inquiries received by the Corporation or any of its subsidiaries from regulators or governmental agencies with respect to financial statements.

6.2 Oversight of the External Auditor

6.2.1 Appoint or replace the external auditor (subject to shareholder ratification) and responsibility for the compensation and oversight of the work of the external auditor (including resolution of disagreements between management and the external auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The external auditor shall report directly to the Audit Committee.

6.2.2 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. When appropriate, the Audit Committee may delegate to one or more members the authority to grant pre-approvals of audit and permitted non-audit services. The Audit Committee shall annually review any delegation of authority to grant pre-approvals of audit and permitted non-audit services. Decisions of any member of the Audit Committee to whom this authority has been granted must be presented to the full Audit Committee at its next scheduled meeting.

6.2.3 Evaluate the qualifications, performance and independence of the external auditor, including (i) reviewing and evaluating the lead partner on the external auditor's engagement with the Corporation, and (ii) considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the external auditor's independence. The Audit Committee shall present its conclusions with respect to the external auditor to the Board and, if so determined by the Audit Committee, recommend that the Board take additional action to satisfy itself of the qualifications, performance and independence of the external auditor.

6.2.4 Obtain and review a report from the external auditor at least annually regarding: the external auditor's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the external auditor, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the external auditor; any steps taken to deal with any such issues; and all relationships between the external auditor and the Corporation.

6.2.5 Review and discuss with management and the external auditor prior to the annual audit the scope, planning and staffing of the annual audit.

6.2.6 Ensure 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.

6.2.7 Review and approve policies for the Corporation's hiring of partners and employees or former partners and employees of the Corporation's current and former external auditor.

6.3 Oversight of the Corporation's Internal Audit Function

6.3.1 Review and concur in the (1) appointment, replacement, reassignment or dismissal of the Director, Internal Audit; and (2) the performance evaluation and compensation of the Director, Internal Audit.

6.3.2 Review with the Director, Internal Audit, the external auditor and senior management at least annually, the mandate, independence, qualifications, staffing and budget of the internal audit department and the internal audit department's annual work plan. After review, if advisable, the Audit Committee shall approve and recommend to the Board of Directors the approval of the internal audit mandate.

6.3.3 Review the periodic reports of the internal audit department on internal audit activities and the results of its audits.

6.4 Oversight of Financial Information Complaints

6.4.1 Consider any complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

6.4.2 Discuss with senior management and the external auditor at least annually any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Corporation's financial statements or accounting.

6.4.3 Meet with the Corporation's regulators, in accordance with applicable law.

6.4.4 Exercise such other powers and perform such other duties and responsibilities as are incidental to the purposes, duties and responsibilities specified herein and as may from time to time be delegated to the Audit Committee by the Board.

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 Audit Committee shall have the authority to retain such independent advisors as the Audit 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 on October 26, 2007.
This Charter was reviewed by the Board on February 11, 2008.
This Charter was reviewed by the Board on February 12, 2009.
This Charter was reviewed by the Board on February 9, 2010.
This Charter was reviewed by the Board on February 9, 2011.
This Charter was amended by the Board on August 3, 2011.