



HOME CAPITAL GROUP INC.

Management Information Circular

Notice of 2011 Annual Meeting of Shareholders

Wednesday, May 18, 2011 ■ The Design Exchange

What's Inside

Message to Shareholders	ii
Notice of Annual Meeting of Shareholders	iii
Important Voting Information	iv
Business of the Meeting.....	1
Financial Statements	1
Election of Directors	1
Appointment of Auditor	1
Recommendation from Management	2
Nominees for Election to the Board of Directors	3
Compensation of Directors.....	12
Directors' Meeting Attendance	15
Committees and Committee Reports	18
Compensation Discussion and Analysis.....	22
Additional Information	42
Schedule A – Statement of Corporate Governance Practices	44
Schedule B – Mandate of the Board	47

Your Vote Counts!

Registered Shareholders

If your Common Shares are registered in your own name, you are a registered Shareholder. You will have received a form of proxy from Home Capital Group Inc.'s transfer agent, Computershare Investor Services Inc. Complete and sign your form of proxy and mail your form of proxy in the postage-paid envelope provided. To vote in person at the meeting, see page iv of the Management Information Circular.

Non-Registered Shareholders

If your Common Shares are held in the name of a nominee (securities broker, trustee or other financial institution), you are a non-registered Shareholder. You will have received a request for voting instructions from your broker or other nominee. Follow the instructions on your voting instruction form to vote by telephone, Internet or complete and sign the voting instruction form and mail in the postage-paid envelope provided. To vote in person at the meeting, see page vi of the Management Information Circular.



Message to Shareholders

Dear Fellow Shareholder,



It is my pleasure to invite you to attend the Annual Meeting of Shareholders on Wednesday, May 18, 2011 at 11:00 a.m. (Toronto time). The meeting will take place on the second floor of the Design Exchange, which is located at 234 Bay Street in Toronto, Ontario. The Notice of Annual Meeting and related materials are enclosed.

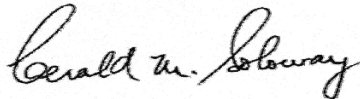
Although 2010 continued to be a year of uncertainty in the global marketplace, it has been an outstanding year for Home Capital Group Inc. We have seen growth in all areas of the business and are pleased to report excellent financial performance and share value appreciation. I hope you will take the opportunity to attend the Annual Meeting. The Board of Directors and senior management look forward to discussing the Corporation's past performance and future plans in more detail at that time.

The Annual Meeting is also your opportunity to consider and vote on various matters, the particulars of which are set out in the enclosed Management Information Circular. You can exercise your right to vote on the business before the meeting by either attending in person or by completing and submitting your proxy. Instructions on how to vote your proxy are included in the Management Information Circular.

If you are unable to attend in person, I encourage you to listen to the live webcast of the meeting. The webcast will begin promptly at 11:00 a.m. (Toronto time) on Wednesday, May 18, 2011 and may be accessed from our corporate website, www.homecapital.com. The webcast will remain available for replay until the next Annual Meeting of Shareholders.

I hope that you will be able to join us on Wednesday, May 18, 2011.

Yours truly,

A handwritten signature in cursive script that reads "Gerald M. Soloway".

Gerald M. Soloway
Chief Executive Officer



Notice of Annual Meeting of Shareholders

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of HOME CAPITAL GROUP INC. (the "Corporation") will be held at the Design Exchange, Trading Floor, second floor, 234 Bay Street, Toronto, Ontario, on Wednesday, May 18, 2011, at 11:00 a.m. (Toronto time) for the following purposes:

- I to receive the financial statements of the Corporation for the year ended December 31, 2010 and the auditor's report on the financial statements;
- II to elect the Board of Directors;
- III to appoint the auditor and authorize the directors to fix the remuneration of the auditor;
- IV to transact any other business as may properly come before the meeting.

A form of proxy and a Management Information Circular accompany this notice.

Shareholders who are unable to be present in person at the Annual Meeting are requested to complete and sign the enclosed form of proxy and return it in the envelope provided or mail the proxy form to Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 9th Floor, North Tower, Toronto, Ontario, Canada, M5J 2Y1 or, send the proxy form by facsimile to 1-866-249-7775 within Canada and the United States or 416-263-9524 from all other countries. Proxy forms must be received not later than 5:00 p.m. (Toronto time) on Monday, May 16, 2011.

DATED at Toronto, Ontario, this 18th day of March, 2011.

By order of the Board of Directors



Christer V. Ahlvik
Senior Vice President, Corporate Counsel & Corporate Secretary



Important Voting Information

What am I voting on?

Shareholders are voting on the election of directors to the Board of Home Capital Group Inc. for 2011 and the appointment of an auditor for the Corporation for 2011.

Who is entitled to vote?

Shareholders as at the close of business on March 18, 2011 are entitled to vote. Each Common Share is entitled to one vote on those items of business identified in the Notice of Annual Meeting of Shareholders of Home Capital Group Inc.

How do I vote?

If you are a registered Shareholder, you may vote in person at the meeting or you may sign the enclosed form of proxy appointing the persons named in the proxy or some other person you choose, who need not be a Shareholder, to represent you as proxyholder and vote your Common Shares at the meeting. If your Common Shares are held in the name of a nominee, please see page vi for voting instructions.

What if I plan to attend the meeting and vote in person?

If you are a registered Shareholder and plan to attend the meeting on May 18, 2011 and wish to vote your Common Shares in person at the meeting, do not complete or return the form of proxy. Your vote will be taken and counted at the meeting. Please register with the transfer agent, Computershare Investor Services Inc., upon your arrival at the meeting.

If your Common Shares are held in the name of a nominee, please see page vi for voting instructions.

Who is soliciting my proxy?

The enclosed form of proxy is being solicited by the management of Home Capital Group Inc. and the associated costs will be borne by the Corporation. The solicitation will be made primarily by mail. Proxies may also be solicited personally or by telephone by employees, officers and directors of the Corporation.

What if I sign the form of proxy enclosed with this circular?

Signing the enclosed form of proxy gives authority to Kevin P. D. Smith or Gerald M. Soloway, each of whom is a director of the Corporation, or to another person you have appointed, to vote your Common Shares at the meeting.

Can I appoint someone other than these directors to vote my Common Shares?

Yes. Write the name of this person, who need not be a Shareholder, in the blank space provided in the form of proxy.

It is important to ensure that any other person you appoint is attending the meeting and is aware that he or she has been appointed to vote your Common Shares. Proxyholders should, upon arrival at the meeting, present themselves to a representative of Computershare Investor Services Inc.

What do I do with my completed proxy?

Return your completed proxy to the Corporation's transfer agent, Computershare Investor Services Inc., in the envelope provided or by fax to 1-866-249-7775 within Canada and the United States or 416-263-9524 from all other countries, so that it arrives no later than 5:00 p.m. (Toronto time) on Monday, May 16, 2011. This will ensure that your vote is recorded.

If I change my mind, can I take back my proxy once I have given it?

Yes. If you change your mind and wish to revoke your proxy, prepare a written statement to this effect. The statement must be signed by you or your attorney as authorized in writing, or if the Shareholder is a corporation, under its corporate seal or by an officer or attorney of the corporation duly authorized. This statement must be delivered to the Corporate Secretary of Home Capital Group Inc. at the following address no later than 5:00 p.m. (Toronto time) on Monday, May 16, 2011 or to the Chair on the day of the meeting, Wednesday, May 18, 2011, or at any adjournment of the meeting.

Home Capital Group Inc.
Corporate Secretary
145 King Street West, Suite 2300



Toronto, Ontario
M5H 1J8
Fax: 416-363-7611

How will my Common Shares be voted if I give my proxy?

The persons named on the form of proxy must vote for or withhold from voting your Common Shares in accordance with your directions, or you can let your proxyholder decide for you. In the absence of such directions, proxies received by management will be voted in favour of the election of directors to the Board and the approval of the appointment of the auditor.

What if amendments are made to these matters or if other matters are brought before the meeting?

The persons named in the form of proxy will have discretionary authority with respect to amendments or variations to matters identified in the Notice of Annual Meeting of Shareholders of Home Capital Group Inc. and with respect to other matters which may properly come before this meeting.

As at the time of printing this Management Information Circular, management of the Corporation knows of no such amendment, variation or other matter expected to come before the meeting. If any other matters properly come before the meeting, the persons named in the form of proxy will vote on them in accordance with their best judgment.

How many Common Shares are entitled to vote?

As of February 28, 2011, there were outstanding 34,744,040 Common Shares of Home Capital Group Inc. Each registered Shareholder has one vote for each Common Share held at the close of business on March 18, 2011.

How will the votes be counted?

Each question brought before the meeting is determined by a majority of votes cast on the question. In the case of equal votes, the Chair of the meeting is entitled to a second or casting vote.

Who counts the votes?

The Corporation's transfer agent, Computershare Investor Services Inc., counts and tabulates the proxies. This is done independently of the Corporation to preserve the confidentiality of individual Shareholder votes. Proxies are referred to the Corporation only in cases where a Shareholder clearly intends to communicate with management or when it is necessary to do so to meet the requirements of applicable law.

If I need to contact the transfer agent, how do I do so?

For general Shareholder inquiries, you can contact the transfer agent by mail at:

Computershare Investor Services Inc.
100 University Avenue, 9th Floor
North Tower
Toronto, Ontario
M5J 2Y1

or by telephone:

within Canada and the United States
at 1-800-564-6253
and from all other countries
at 514-982-7555

or by fax:

within Canada and the United States
at 1-866-249-7775
and from all other countries
at 416-263-9524

or by email at service@computershare.com.



If my Common Shares are not registered in my name but are held in the name of a nominee (a bank, trust corporation, securities broker, trustee or other), how do I vote my Common Shares?

There are two ways you can vote your Common Shares held by your nominee. As required by Canadian securities legislation, you will have received from your nominee either a request for voting instructions or a form of proxy for the number of Common Shares you hold.

For your Common Shares to be voted for you, please follow the voting instructions provided by your nominee.

Since the Corporation does not have unrestricted access to the names of its non-registered Shareholders, if you attend the meeting, the Corporation may have no record of your shareholdings or of your entitlement to vote unless your nominee has appointed you as proxyholder. Therefore, if you wish to vote in person at the meeting, insert your own name in the space provided on the request for voting instructions or form of proxy and return same by following the instructions provided. Do not otherwise complete the form as your vote will be taken at the meeting. Please register with the transfer agent, Computershare Investor Services Inc., upon your arrival at the meeting.



Business of the Meeting

Financial Statements

Each year Shareholders are presented with the financial statements of the Corporation for the most recently completed financial year. The financial statements of the Corporation for the year ended 2010 are included in the 2010 Annual Report of the Corporation mailed to Shareholders with the Notice of Annual Meeting of Shareholders and this Management Information Circular. The financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles.

Election of Directors

The eight nominees proposed for election as directors of the Corporation are listed below and beginning on page 3. All nominees have established their eligibility and willingness to serve as directors.

Nominees for directors are:

The Hon. William G. Davis

William F. Falk

John M. Marsh

Robert A. Mitchell

Kevin P. D. Smith

Gerald M. Soloway

Bonita J. Then

F. Leslie Thompson

Directors will hold office until the next Annual Meeting of Shareholders of the Corporation or until their successors are elected or appointed. If, for any reason, at the time of the Annual Meeting, any of the nominees for the election of directors is unable to serve, and unless otherwise specified, it is intended that the persons designated in the form of proxy will vote at their discretion for a substitute nominee or nominees.

Additional information regarding each director nominee is available beginning on page 3.

Management is satisfied that each of the nominees is well qualified to serve on the Corporation's Board of Directors (the "Board").

Majority Voting for Directors

The Board has adopted a policy stipulating that if the votes in favour of the election of a director nominee at a Shareholders' meeting represent less than a majority of the Common Shares voted and withheld, the nominee will submit his or her resignation promptly after the Annual Meeting for the Governance, Nominating and Conduct Review Committee's consideration. The Committee will make a recommendation to the Board after reviewing the matter, and the Board's decision to accept or reject the resignation offer will be disclosed to the public. The nominee will not participate in any Committee or Board deliberations on the resignation offer. The policy does not apply in circumstances involving contested director elections.

Appointment of Auditor

The directors propose that the firm of Ernst and Young LLP be appointed as auditor of the Corporation until the next Annual Meeting of Shareholders. Ernst and Young LLP has served continuously since 1988 as the Corporation's auditor. As part of the Corporation's corporate governance practices, the Board continues to ensure that a strict policy is in place limiting the auditor from providing services not related to the audit. All services provided by the auditor are pre-approved by the Audit Committee and comply with professional standards and securities regulations governing auditor independence.

In the past, the directors have negotiated, on an arm's length basis, the remuneration of the auditor with the auditor of the Corporation. Such remuneration has been based on the complexity of the matters dealt with by the auditor and the time spent by the auditor in providing services to the Corporation. The directors feel that the remuneration negotiated in the past with the auditor of the Corporation has been reasonable under the circumstances and would be comparable to fees charged by another auditor providing similar services.

Aggregate fees paid to the auditor during the years ended December 31, 2010 and 2009 were as follows:



Audit Fees		
	Year Ended December 31, 2010	Year Ended December 31, 2009
Audit fees ⁽¹⁾	\$ 588,000	\$ 600,900
Audit-related fees ⁽²⁾	\$ 352,000	\$ 126,000
Tax fees ⁽³⁾	\$ 4,250	\$ 0
All other fees ⁽⁴⁾	\$ 0	\$ 0
Total	\$ 944,250	\$ 726,900

Notes:

- (1) Audit fees are fees for professional services in connection with the audit of the Corporation's annual consolidated financial statements, examinations of the interim financial statements and other services that are normally provided by the auditor in connection with statutory and regulatory filings or engagements.
- (2) Audit-related fees include all fees paid for certification services and other related services traditionally carried out by the external auditor.
- (3) Tax fees are fees for services performed by the auditor for tax compliance, tax advice and tax planning.
- (4) All other fees include fees paid for all services other than those posted in audit fees, audit-related fees and tax fees.

Accordingly, on any ballot that may be called for relating to the appointment of an auditor and the authorization of the directors to fix the remuneration of the auditor, Common Shares will be voted by the persons designated in the proxies FOR such resolution, unless a Shareholder has specified by proxy that his or her Common Shares are to be withheld from voting in the appointment of the auditor and the authorization of the directors to fix the remuneration of the auditor.

Recommendation from Management

Management recommends that Shareholders vote FOR all items of business that are set out in the Management Information Circular.

Other Business

Management is not aware of nor does it intend to present any other business at the Annual Meeting of Shareholders.



Home Capital Group Inc.'s Board of Directors

Nominees for Election to the Board of Directors

The following provides background information on each of the nominees proposed for election to the Board of Directors of the Corporation. The number of directors to be elected is eight.



Gerald M. Soloway
Toronto, Ontario,
Canada
Director since 1986
Not Independent ⁽¹⁾

Gerald M. Soloway, 72, is the Chief Executive Officer of Home Capital Group Inc. Mr. Soloway is also the Chief Executive Officer of Home Trust Company. Mr. Soloway has a B.A. from the University of Western Ontario and an LL.B. from Osgoode Hall. Prior to his involvement with the Corporation, Mr. Soloway practised law in Toronto, specializing in real estate, mortgage and commercial law. Mr. Soloway acted for major banks and trust companies. Mr. Soloway serves on the Board of Directors of the Corporation and of its subsidiary Home Trust Company.

Board/Committee Membership	Attendance	Attendance Total	
Board of Directors	7 of 7	15 of 15	100%
Risk and Capital Committee	8 of 8		
Areas of Expertise	Other Public Board Membership During the Last Five Years		
Trust Industry Financial Services Legal	None		

Securities Held					
Year	Common Shares ⁽²⁾	Deferred Share Units ⁽³⁾	Total of Common Shares and DSUs	Minimum Required ⁽⁴⁾	
February 28, 2011	1,992,720	0	1,992,720	\$ 1,965,000	
February 26, 2010	2,223,686	0	2,223,686	\$ 1,890,000	
Options Held (Director option grants discontinued in 2004) ⁽⁵⁾					
Date Granted	Expiry Date	Number Granted	Exercise Price	Total Unexercised	Unexercised Value ⁽⁶⁾
February 14, 2007	February 14, 2012	100,000	\$ 34.51	100,000	\$ 2,285,000
December 7, 2007	December 7, 2014	20,000	\$ 41.29	20,000	\$ 321,400
December 8, 2008	December 8, 2015	20,000	\$ 16.27	20,000	\$ 821,800
December 1, 2010	December 1, 2017	25,000	\$ 47.92	25,000	\$ 236,000

Notes:

- (1) Independent refers to the Board's determination of whether a director is independent under the categorical standards adopted by the Board. Mr. Soloway is not Independent as he is an officer of the Corporation.
- (2) "Common Shares" refers to the number of Common Shares of the Corporation directly or beneficially owned, or over which control or direction is exercised, by the nominee as of February 28, 2011 in respect of 2010 and February 26, 2010 in respect of 2009.
- (3) The Board approved a Directors' Deferred Share Unit Plan for all non-management directors that took effect on January 1, 2009.
- (4) "Minimum Required" refers to the value of Common Shares the director is required to hold under the Board's share ownership requirements. Directors are required to hold a minimum of \$165,000 in Common Shares as described on page 12. "Minimum Required" also refers to the value of Common Shares the Chief Executive Officer is required to hold under the Board's share ownership requirements as described on page 32.
- (5) "Options" refers to the number of unexercised options held by the nominee under the Employee Stock Option Plan described on page 26 as of February 28, 2011. The granting of options to non-management directors under the Employee Stock Option Plan was discontinued in 2004. Mr. Soloway's options were granted to him in his capacity as Chief Executive Officer of the Corporation and not in his capacity as a director.
- (6) "Unexercised Value" is determined by multiplying the number of unexercised options held by each nominee as of February 28, 2011 by the difference between the closing price of the Corporation's Common Shares on the TSX on February 28, 2011 (\$57.36) and the exercise price of such options.





John M. Marsh
Port Colborne,
Ontario, Canada
Director since 1986
Independent ⁽¹⁾

John M. Marsh, 68, is a retired Chief Executive Officer and a Corporate Director. Mr. Marsh is part owner of the Peace Bridge Duty Free. He has owned and operated companies involved with engineering and energy. Mr. Marsh has a B.Sc. in Mechanical Engineering from the University of Western Ontario and is a Registered Professional Engineer (Ontario) and a Registered Chartered Engineer (U.K.).

Board/Committee Membership	Attendance	Attendance Total	
Board of Directors	7 of 7	14 of 14	100%
Audit Committee	5 of 5		
Human Resources and Compensation Committee	2 of 2		
Areas of Expertise	Other Public Board Membership During the Last Five Years		
Manufacturing Technology Professional Services	Radiant Energy Corporation (resigned May 2010)		

Securities Held					
Year	Common Shares ⁽²⁾	Deferred Share Units ⁽³⁾	Total of Common Shares and DSUs	Minimum Required ⁽⁴⁾	
February 28, 2011	1,064,189	1,377	1,065,566	\$ 165,000	
February 26, 2010	1,209,189	724	1,209,913	\$ 165,000	
Options Held (Director option grants discontinued in 2004) ⁽⁵⁾					
Date Granted	Expiry Date	Number Granted	Exercise Price	Total Unexercised	Unexercised Value ⁽⁶⁾
None					

Notes:

- (1) Independent refers to the Board's determination of whether a director is independent under the categorical standards adopted by the Board.
- (2) "Common Shares" refers to the number of Common Shares of the Corporation directly or beneficially owned, or over which control or direction is exercised, by the nominee as of February 28, 2011 in respect of 2010 and February 26, 2010 in respect of 2009.
- (3) The Board approved a Directors' Deferred Share Unit Plan for all non-management directors that took effect on January 1, 2009.
- (4) "Minimum Required" refers to the value of Common Shares the director is required to hold under the Board's share ownership requirements. Directors are required to hold a minimum of \$165,000 in Common Shares as described on page 12.
- (5) "Options" refers to the number of unexercised options held by the nominee under the Employee Stock Option Plan described on page 26 as of February 28, 2011. The granting of options to non-management directors under the Employee Stock Option Plan was discontinued in 2004.
- (6) "Unexercised Value" is determined by multiplying the number of unexercised options held by each nominee as of February 28, 2011 by the difference between the closing price of the Corporation's Common Shares on the TSX on February 28, 2011 (\$57.36) and the exercise price of such options.





The Hon. William G. Davis

Brampton, Ontario, Canada
Director since 1999
Independent ⁽¹⁾

The Hon. William G. Davis, P.C., C.C., Q.C., 81, is Counsel with the firm of Davis Webb LLP in Brampton, Ontario. Mr. Davis was formerly Counsel with the firm of Torys LLP, Toronto. Mr. Davis is the former Premier of Ontario (1971 – 1985). Mr. Davis currently serves as Chair of the Board of REVERA, Inc. (formerly known as Residences Retirement Real Estate Investment Trust), and also serves on the boards of First American Financial Corporation, First American Title Insurance Company, BPO Properties Limited and Magellan Aerospace Corporation. Mr. Davis attended the University of Toronto and Osgoode Law School and was called to the Bar of Ontario in 1955. Mr. Davis is a member of the Order of Canada, the Order of Ontario and holds honorary degrees from nine universities and from a number of Colleges of Applied Arts & Technology. Prior to his first election to the Ontario Legislature in 1959, Mr. Davis practiced law in Brampton, Ontario. Mr. Davis also serves as Chair of the Board of Home Trust Company.

Board/Committee Membership	Attendance	Attendance Total	
Board of Directors	6 of 7	16 of 17	94%
Governance, Nominating and Conduct Review Committee	6 of 6		
Human Resources and Compensation Committee	4 of 4		
Areas of Expertise	Other Public Board Membership During the Last Five Years		
Legal Government	None		

Securities Held					
Year	Common Shares ⁽²⁾	Deferred Share Units ⁽³⁾	Total of Common Shares and DSUs	Minimum Required ⁽⁴⁾	
February 28, 2011	5,000	0	5,000	\$ 165,000	
February 26, 2010	5,000	0	5,000	\$ 165,000	
Options Held (Director option grants discontinued in 2004) ⁽⁵⁾					
Date Granted	Expiry Date	Number Granted	Exercise Price	Total Unexercised	Unexercised Value ⁽⁶⁾
None					

Notes:

- (1) Independent refers to the Board’s determination of whether a director is independent under the categorical standards adopted by the Board.
- (2) “Common Shares” refers to the number of Common Shares of the Corporation directly or beneficially owned, or over which control or direction is exercised, by the nominee as of February 28, 2011 in respect of 2010 and February 26, 2010 in respect of 2009.
- (3) The Board approved a Directors’ Deferred Share Unit Plan for all non-management directors that took effect on January 1, 2009.
- (4) “Minimum Required” refers to the value of Common Shares the director is required to hold under the Board’s share ownership requirements. Directors are required to hold a minimum of \$165,000 in Common Shares as described on page 12.
- (5) “Options” refers to the number of unexercised options held by the nominee under the Employee Stock Option Plan described on page 26 as of February 28, 2011. The granting of options to non-management directors under the Employee Stock Option Plan was discontinued in 2004.
- (6) “Unexercised Value” is determined by multiplying the number of unexercised options held by each nominee as of February 28, 2011 by the difference between the closing price of the Corporation’s Common Shares on the TSX on February 28, 2011 (\$57.36) and the exercise price of such options.





Robert A. Mitchell
Oakville, Ontario,
Canada
Director since 2002
Independent ⁽¹⁾

Robert A. Mitchell, 69, is a Chartered Accountant and a former partner of Ernst and Young LLP. At Ernst and Young, Mr. Mitchell acted as auditor and advisor to significant clients in a broad cross-section of industries. He was also Ernst and Young's Director of Services to the trust company industry. Mr. Mitchell currently serves on the board of Acuity Funds Ltd and Orvana Minerals Corporation. Mr. Mitchell has participated in numerous working groups in the investment management, securities dealer and trust company industries. Mr. Mitchell has a B.Comm. from the University of Toronto.

Board/Committee Membership	Attendance	Attendance Total	
Board of Directors	7 of 7	20 of 20	100%
Audit Committee (Chair)	5 of 5		
Risk and Capital Committee	8 of 8		
Areas of Expertise	Other Public Board Membership During the Last Five Years		
Trust Industry Financial Services Professional Services	None		

Securities Held					
Year	Common Shares ⁽²⁾	Deferred Share Units ⁽³⁾	Total of Common Shares and DSUs	Minimum Required ⁽⁴⁾	
February 28, 2011	5,400	2,019	7,419	\$ 165,000	
February 26, 2010	6,000	1,043	7,043	\$ 165,000	
Options Held (Director option grants discontinued in 2004) ⁽⁵⁾					
Date Granted	Expiry Date	Number Granted	Exercise Price	Total Unexercised	Unexercised Value ⁽⁶⁾
None					

Notes:

- (1) Independent refers to the Board's determination of whether a director is independent under the categorical standards adopted by the Board.
- (2) "Common Shares" refers to the number of Common Shares of the Corporation directly or beneficially owned, or over which control or direction is exercised, by the nominee as of February 28, 2011 in respect of 2010 and February 26, 2010 in respect of 2009.
- (3) The Board approved a Directors' Deferred Share Unit Plan for all non-management directors that took effect on January 1, 2009.
- (4) "Minimum Required" refers to the value of Common Shares the director is required to hold under the Board's share ownership requirements. Directors are required to hold a minimum of \$165,000 in Common Shares as described on page 12.
- (5) "Options" refers to the number of unexercised options held by the nominee under the Employee Stock Option Plan described on page 26 as of February 28, 2011. The granting of options to non-management directors under the Employee Stock Option Plan was discontinued in 2004.
- (6) "Unexercised Value" is determined by multiplying the number of unexercised options held by each nominee as of February 28, 2011 by the difference between the closing price of the Corporation's Common Shares on the TSX on February 28, 2011 (\$57.36) and the exercise price of such options.





Kevin P. D. Smith
 Burlington, Ontario,
 Canada
 Director since 2007
 Independent ⁽¹⁾

Kevin P. D. Smith, 48, currently serves as President and CEO of St. Joseph's Health System a large multi-site Academic Health Science Centre which includes services spanning community-based to tertiary acute-care. Dr. Smith is also an Associate Professor in the Department of Medicine, Faculty of Health Sciences, McMaster University and is a frequent advisor to the Ontario government. In this latter capacity he has served as ministerial supervisor and investigator on behalf of the Government and has led a number of government priorities. Dr. Smith also participates in a number of provincial and national government bodies including serving as Chair of the Canada Foundation for Innovation (CFI) a \$6B independent organization funded by the Government of Canada to fund research infrastructure, the Association of Canadian Academic Health Care Organizations, the Council of Academic Hospitals of Ontario, and the Change Foundation. Dr. Smith is also past Chair of the Ontario Hospital Association (OHA), an organization representing all 158 hospitals in the Province of Ontario. Dr. Smith holds an ICD.D designation and has completed the Harvard Business School Corporate Board Effectiveness Program.

Board/Committee Membership	Attendance	Attendance Total	
Board of Directors	6 of 7	20 of 25	80%
Governance, Nominating and Conduct Review Committee	5 of 6		
Risk and Capital Committee	6 of 8		
Human Resources and Compensation Committee	3 of 4		
Areas of Expertise	Other Public Board Membership During the Last Five Years		
Academic Government Public Sector	Glendale International Corporation (resigned April 2009)		

Securities Held					
Year	Common Shares ⁽²⁾	Deferred Share Units ⁽³⁾	Total of Common Shares and DSUs	Minimum Required ⁽⁴⁾	
February 28, 2011	4,000	3,181	7,181	\$ 165,000	
February 26, 2010	4,000	1,655	5,655	\$ 165,000	
Options Held (Director option grants discontinued in 2004) ⁽⁵⁾					
Date Granted	Expiry Date	Number Granted	Exercise Price	Total Unexercised	Unexercised Value ⁽⁶⁾
None					

Notes:

- (1) Independent refers to the Board's determination of whether a director is independent under the categorical standards adopted by the Board.
- (2) "Common Shares" refers to the number of Common Shares of the Corporation directly or beneficially owned, or over which control or direction is exercised, by the nominee as of February 28, 2011 in respect of 2010 and February 26, 2010 in respect of 2009.
- (3) The Board approved a Directors' Deferred Share Unit Plan for all non-management directors that took effect on January 1, 2009.
- (4) "Minimum Required" refers to the value of Common Shares the director is required to hold under the Board's share ownership requirements. Directors are required to hold a minimum of \$165,000 in Common Shares as described on page 12.
- (5) "Options" refers to the number of unexercised options held by the nominee under the Employee Stock Option Plan described on page 26 as of February 28, 2011. The granting of options to non-management directors under the Employee Stock Option Plan was discontinued in 2004.
- (6) "Unexercised Value" is determined by multiplying the number of unexercised options held by each nominee as of February 28, 2011 by the difference between the closing price of the Corporation's Common Shares on the TSX on February 28, 2011 (\$57.36) and the exercise price of such options.





Bonita J. Then, 64, currently serves as President and Chief Executive Officer of Speciality Foods Limited, a U.S. based food company. Prior to joining Speciality Foods Limited, Ms. Then was Chair of the Board and interim Chief Executive Officer for Humpty Dumpty Snack Foods Inc. Prior to 2006, Ms. Then held several senior finance roles with companies such as Altamira Investment Services Inc., National Trustco Inc., Scott's Hospitality Inc., Central Guaranty Trustco Inc. and Shell Canada Limited. Ms. Then holds a bachelor's degree in economics and an MBA in Finance from the University of Toronto and is a fellow of the Canadian Securities Institute. She is also on the Investment Advisory Committee for Nunavut Trust. Prior to 2005 Ms. Then served on the Board of the EarlsCourt Family Centre, GeniSystems.ca Services Inc., the Toronto Victoria Order of Nurses and was a member of the Ontario Premier's Technology Council.

Bonita J. Then
Toronto, Ontario,
Canada
Director since 2008
Independent ⁽¹⁾

Board/Committee Membership	Attendance	Attendance Total	
Board of Directors	7 of 7	20 of 20	100%
Audit Committee	5 of 5		
Risk and Capital Committee	8 of 8		
Areas of Expertise	Other Public Board Membership During the Last Five Years		
Financial Services	Humpty Dumpty Snack Foods Inc. (resigned May 2006)		

Securities Held					
Year	Common Shares ⁽²⁾	Deferred Share Units ⁽³⁾	Total of Common Shares and DSUs	Minimum Required ⁽⁴⁾	
February 28, 2011	3,000	0	3,000	\$ 165,000	
February 26, 2010	3,000	0	3,000	\$ 165,000	
Options Held (Director option grants discontinued in 2004) ⁽⁵⁾					
Date Granted	Expiry Date	Number Granted	Exercise Price	Total Unexercised	Unexercised Value ⁽⁶⁾
None					

Notes:

- (1) Independent refers to the Board's determination of whether a director is independent under the categorical standards adopted by the Board.
- (2) "Common Shares" refers to the number of Common Shares of the Corporation directly or beneficially owned, or over which control or direction is exercised, by the nominee as of February 28, 2011 in respect of 2010 and February 26, 2010 in respect of 2009.
- (3) The Board approved a Directors' Deferred Share Unit Plan for all non-management directors that took effect on January 1, 2009.
- (4) "Minimum Required" refers to the value of Common Shares the director is required to hold under the Board's share ownership requirements. Directors are required to hold a minimum of \$165,000 in Common Shares as described on page 12.
- (5) "Options" refers to the number of unexercised options held by the nominee under the Employee Stock Option Plan described on page 26 as of February 28, 2011. The granting of options to non-management directors under the Employee Stock Option Plan was discontinued in 2004.
- (6) "Unexercised Value" is determined by multiplying the number of unexercised options held by each nominee as of February 28, 2011 by the difference between the closing price of the Corporation's Common Shares on the TSX on February 28, 2011 (\$57.36) and the exercise price of such options.





F. Leslie Thompson
Toronto, Ontario,
Canada
Director since 2010
Independent ⁽¹⁾

F. Leslie Thompson, 58, currently serves as President of LESRISK, Debt and Risk Management Inc. Prior to founding LESRISK in 1995, Ms. Thompson held senior finance roles with Union Bank of Switzerland, Chase Manhattan Bank, JP Morgan Bank, Dominion Securities and was the founding Director of Capital Markets of the Ontario Financing Authority. Ms. Thompson holds a BA (Hon.) from York University, an MBA from the University of Western Ontario, is a Fellow of the Canadian Securities Institute, a Certified Management Consultant and a graduate from the Directors Education Program at the Rotman School of Management and Institute of Corporate Directors' designation holder. Ms. Thompson serves on the Board of the Deposit Insurance Corporation of Ontario, Ontario Municipal Employees Retirement System and is Chair of the Investment Advisory Committee and Sinking Fund Trustee, City of Toronto.

Board/Committee Membership	Attendance	Attendance Total ⁽²⁾	
Board of Directors	0 of 0	0 of 0	0%
Areas of Expertise	Other Public Board Membership During the Last Five Years		
Risk Management Financial Services	None		

Securities Held					
Year	Common Shares ⁽³⁾	Deferred Share Units ⁽⁴⁾	Total of Common Shares and DSUs	Minimum Required ⁽⁵⁾	
February 28, 2011	200	0	200	\$ 165,000	
February 26, 2010	200	0	200	\$ 165,000	
Options Held (Director option grants discontinued in 2004) ⁽⁶⁾					
Date Granted	Expiry Date	Number Granted	Exercise Price	Total Unexercised	Unexercised Value ⁽⁷⁾
None					

Notes:

- (1) Independent refers to the Board's determination of whether a director is independent under the categorical standards adopted by the Board.
- (2) Ms. Thompson was appointed to the Board on December 1, 2010.
- (3) "Common Shares" refers to the number of Common Shares of the Corporation directly or beneficially owned, or over which control or direction is exercised, by the nominee as of February 28, 2011 in respect of 2010 and February 26, 2010 in respect of 2009.
- (4) The Board approved a Directors' Deferred Share Unit Plan for all non-management directors that took effect on January 1, 2009.
- (5) "Minimum Required" refers to the value of Common Shares the director is required to hold under the Board's share ownership requirements. Directors are required to hold a minimum of \$165,000 in Common Shares as described on page 12.
- (6) "Options" refers to the number of unexercised options held by the nominee under the Employee Stock Option Plan described on page 26 as of February 28, 2011. The granting of options to non-management directors under the Employee Stock Option Plan was discontinued in 2004.
- (7) "Unexercised Value" is determined by multiplying the number of unexercised options held by each nominee as of February 28, 2011 by the difference between the closing price of the Corporation's Common Shares on the TSX on February 28, 2011 (\$57.36) and the exercise price of such options.





William F. Falk
Grand Valley, Ontario,
Canada
Independent ⁽¹⁾

William F. Falk, 48, currently serves as an Executive Fellow in Residence at the Mowat Centre for Policy Innovation and as an Adjunct Professor at the Rotman School of Management (University of Toronto). Prior to his appointment at the University of Toronto, Mr. Falk was a senior Executive with Accenture, a leading consultancy/professional services firm. Mr. Falk joined Accenture in 2005 and held several increasingly responsible positions including Managing Partner of Health and Life Science Practice in Canada. Prior to joining Accenture, Mr. Falk held senior positions with Capgemini Healthcare (acquired by Accenture), CSC Consulting Global Health Solutions and the Government of Ontario. Mr. Falk frequently speaks and is an advisor in health policy and the use of information technology in improving health care. He currently serves on the Board of Directors of the Institute for Clinical and Evaluative Sciences and the Board of Directors, Children's Aid Foundation and was on the Board of Directors of the Information Technology Association of Canada - Health from 2008 to 2010. Previous advisory panel appointments include Treasury Board Strategic Review of Health Canada (2008), Ontario Expert Panel on Adoption and Infertility (2008-2009), and advisor to the Prime Minister and Minister of Health during the 2004 First Ministers Meeting. Mr. Falk holds a B.Sc. from the University of Toronto and a Masters of Public and Private Management from Yale University.

Board/Committee Membership	Attendance	Attendance Total ⁽²⁾
Mr. Falk is not currently a director.		
Areas of Expertise	Other Public Board Membership During the Last Five Years	
Information Technology Professional Services	None	

Securities Held					
Year	Common Shares ⁽³⁾	Deferred Share Units ⁽⁴⁾	Total of Common Shares and DSUs	Minimum Required ⁽⁵⁾	
February 28, 2011	0	0	0	\$ 165,000	
February 26, 2010	0	0	0	\$ 165,000	
Options Held (Director option grants discontinued in 2004) ⁽⁶⁾					
Date Granted	Expiry Date	Number Granted	Exercise Price	Total Unexercised	Unexercised Value ⁽⁷⁾
None					

- (1) Independent refers to the Board's determination of whether a director is independent under the categorical standards adopted by the Board.
- (2) Mr. Falk will be standing for election on May 18, 2011.
- (3) "Common Shares" refers to the number of Common Shares of the Corporation directly or beneficially owned, or over which control or direction is exercised, by the nominee as of February 28, 2011 in respect of 2010 and February 26, 2010 in respect of 2009.
- (4) The Board approved a Directors' Deferred Share Unit Plan for all non-management directors that took effect on January 1, 2009.
- (5) "Minimum Required" refers to the value of Common Shares the director is required to hold under the Board's share ownership requirements. Directors are required to hold a minimum of \$165,000 in Common Shares as described on page 12.
- (6) "Options" refers to the number of unexercised options held by the nominee under the Employee Stock Option Plan described on page 26 as of February 28, 2011. The granting of options to non-management directors under the Employee Stock Option Plan was discontinued in 2004.
- (7) "Unexercised Value" is determined by multiplying the number of unexercised options held by each nominee as of February 28, 2011 by the difference between the closing price of the Corporation's Common Shares on the TSX on February 28, 2011 (\$57.36) and the exercise price of such options.



Additional Disclosure Relating to Directors

To the knowledge of the Corporation, no director of the Corporation is, or has been in the last ten years, a director or executive officer of an issuer that, while that person was acting in that capacity, (a) was the subject of a cease trade or similar order or an order that denied the issuer access to any exemptions under Canadian securities legislation, for a period of more than 30 consecutive days, (b) was subject to an event that resulted, after that person ceased to be a director or executive officer, in the issuer being the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under Canadian securities legislation, for a period of more than 30 consecutive days, or (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, except for the following:

Mr. Davis, a director of the Corporation, was a director of Dylex Limited from 1995 until May 16, 2001 when he resigned as a result of a change-of-control transaction. Dylex was adjudged bankrupt in September 2001 with an effective date of mid-June 2001.

Dr. Smith, a director of the Corporation, was a director of Glendale International Limited until April 6, 2009 when he resigned from their Board of Directors. On January 19, 2010, Glendale filed a voluntary assignment in bankruptcy under the Bankruptcy and Insolvency Act (Canada).

Interlocking Outside Boards

As of the date of this Management Information Circular, none of the Corporation's directors served together on any other board of directors.



Compensation of Directors

Directors are compensated for their services as directors through Board and Chair retainers. Directors who are also officers of the Corporation or its subsidiaries receive no remuneration as directors. The Human Resources and Compensation Committee is responsible for reviewing director compensation and updating director compensation as appropriate, to recognize the workload and responsibility of Board and Committee members and to remain competitive with director compensation trends in Canada. The Committee, from time to time, uses industry survey comparative data to assist in reviewing director compensation.

Board Retainer

Effective January 1, 2011, each non-management director is entitled to be paid \$65,000 per annum for his or her services as a director of the Corporation and its subsidiaries. The aggregate compensation, paid as either cash or as Deferred Share Units by the Corporation and its subsidiaries during the year ended December 31, 2010 to the directors of the Corporation and its subsidiaries in their capacity as directors, was \$527,912 (the total Board and Chair retainers plus other allowances). The directors' remuneration is paid quarterly in arrears. Each of the directors of the Corporation and its subsidiaries is entitled to be reimbursed for any out-of-pocket expenses incurred in connection with their attendance at meetings of the Board or any Committees of the Board.

Chair Retainers

Mr. Norman F. Angus, a director of the Corporation and of its subsidiary Home Trust Company, received \$60,000 for his services as Chair of the Board of the Corporation. In addition, Mr. Angus received \$5,000 for his services as Chair of the Risk and Capital Committees of the Corporation and of Home Trust Company.

Ms. Micheline Bouchard, a director of the Corporation and of its subsidiary Home Trust Company, received \$1,909 for her services as Chair of the Governance, Nominating and Conduct Review Committees of the Corporation and of Home Trust Company. Ms. Bouchard retired from the Board of Directors of the Corporation and its subsidiary Home Trust Company on May 18, 2010. This amount has been pro-rated from January 1, 2010 to the date of her retirement at the annual Committee Chair retainer rate of \$5,000.

The Hon. William G. Davis, a director of the Corporation and of its subsidiary Home Trust Company, received \$30,000 for his services as Chair of the Board of Directors of Home Trust Company. The Hon. William G. Davis also received \$3,091 for his services as Chair of the Governance, Nominating and Conduct Review Committees of the Corporation and of Home Trust Company. This amount has been pro-rated from his date of appointment to December 31, 2010 at the annual Committee Chair retainer rate of \$5,000.

Mr. Robert A. Mitchell, a director of the Corporation and of its subsidiary Home Trust Company, received \$30,000 for his services as Chair of the Audit Committees of the Corporation and of Home Trust Company.

Dr. Kevin P. D. Smith received \$5,000 for his services as Vice Chair of the Board of the Corporation. Dr. Kevin P. D. Smith also received \$5,000 for his services as Chair of the Human Resources and Compensation Committees of the Corporation and Home Trust Company.

Ms. Bonita Then, a director of the Corporation and its subsidiary Home Trust Company, received \$5,000 for her services as Vice Chair of the Audit Committee.

Retirement Policy

Retirement Allowance

Effective October 20, 2004, upon retirement and after five years of service, only existing non-management directors are entitled to receive a one-time retirement allowance of \$15,000. Directors elected or appointed after October 20, 2004 are not entitled to receive a retirement allowance.

As of February 28, 2011, John M. Marsh, The Hon. William G. Davis and Robert A. Mitchell are entitled to receive a retirement allowance upon retirement from the Board of Directors.

Director Share Ownership

To ensure that directors' interests are aligned with Shareholders' interests, all non-management directors of the Corporation are required to hold Common Shares of the Corporation.

In 2004 the Board determined that all directors of the Corporation must own a minimum of 1,500 Common Shares of the Corporation, within a period of four years from election or appointment to the Board. In 2007, the Board reviewed this



requirement and determined that all directors must hold the equivalent of \$135,000 in Common Shares of the Corporation within four years of January 1, 2006. In February 2008, the Board decided that directors must own Common Shares of the Corporation having a minimum value of \$135,000 on the later of (i) four years from election or appointment to the Board, and (ii) four years from January 1, 2006. In March 2009, the Board reviewed and strengthened the Corporation's Director Share Ownership Policy. The Board decided that all directors must own Common Shares and/or deferred share units of the Corporation having a minimum value of \$165,000, which was 3 times the then annual Board retainer in March 2009. Directors were given an additional year to achieve the new shareholding requirement. As of February 28, 2011, all directors met the new director shareholding requirement with the exception of Ms. F. Leslie Thompson. Ms. Thompson has five years from the date of her election or appointment to the Board to meet the new director shareholding requirement.

The table below shows the breakdown of each current director's ownership of the Corporation's Common Shares and Deferred Share Units.

Summary of Securities Held by Current Directors of the Corporation ⁽¹⁾					
Name	Fiscal Year	Number of Common Shares	Number of DSUs	Total Number of Common Shares and DSUs	Total Value as a Multiple of Share Ownership Target ⁽²⁾
Norman F. Angus	2010	6,000	1,460	7,460	2.59
William G. Davis	2010	5,000	0	5,000	1.74
John M. Marsh	2010	1,064,189	1,377	1,065,566	370.43
Robert A. Mitchell	2010	5,400	2,019	7,419	2.58
Kevin P. D. Smith	2010	4,000	3,181	7,181	2.50
Gerald M. Soloway	2010	1,992,720	0	1,992,720	58.17
Bonita J. Then	2010	3,000	0	3,000	1.04
F. Leslie Thompson	2010	200	0	200	0

Notes:

- (1) Number of Common Shares and Number of DSUs are as at February 28, 2011.
- (2) "Total Value as a Multiple of Share Ownership Target" is determined by multiplying the number of Common Shares and DSUs held by each director as at February 28, 2011 by the closing price of the Corporation's Common Shares on the TSX on February 28, 2011 (\$57.36).

Stock Option Grants

Further to its decision made in 2004 to discontinue stock option grants to non-management directors, in 2006 the Board of Directors resolved to permanently discontinue stock option grants to non-management directors under the Employee Stock Option Plan. No stock options were granted to non-management directors between the years 2004 and 2010.

As of March 18, 2011, no non-management member of the Board of Directors holds any stock options.

Deferred Share Unit Plan

Effective January 1, 2009, the Board approved the establishment of a Directors' Deferred Share Unit Plan (the "Directors' DSU Plan"). Under the Directors' DSU Plan, directors may elect to receive their directors' remuneration in the following ways: (i) 100% in cash; (ii) 100% in deferred share units ("DSUs"); or (iii) 50% in cash and 50% in DSUs. A DSU is a right to receive a cash payment equal to the value of a Common Share. The number of DSUs granted to a director is determined by dividing the dollar amount of directors' remuneration to be received as DSUs by the market price of a Common Share generally on the third business day following the end of the Corporation's black out period for each fiscal quarter in respect of which the DSU is granted. Additional DSUs are credited to the director in respect of dividends paid on Common Shares.

DSUs cannot be redeemed until the director ceases to hold all positions with the Corporation and must be redeemed by December 15 of the year following the year the director ceases to hold all positions.

On redemption of a DSU, the director is entitled to a payment equal to the number of DSUs redeemed multiplied by the market price of a Common Share determined as at the redemption date.

Total Board Compensation

The table below sets out compensation earned by directors in respect of the year ended December 31, 2010. The amounts are actual cash amounts paid under the compensation arrangements described above.



Directors' Compensation for 2010 ⁽¹⁾						
Director	Board Retainer	Board Chair Retainer	Committee Chair Retainer	Total Fees	Portion of Fees taken in DSUs	Total Value of DSUs ⁽²⁾
Norman F. Angus	\$ 60,000	\$ 60,000 ⁽³⁾	\$ 5,000 ⁽⁴⁾	\$ 125,000	0%	\$ 0
Micheline Bouchard ⁽⁵⁾	\$ 22,912	\$ 0	\$ 1,909 ⁽⁶⁾	\$ 24,821	0%	\$ 0 ⁽⁷⁾
William G. Davis	\$ 60,000	\$ 30,000 ⁽⁸⁾	\$ 3,091 ⁽⁹⁾	\$ 93,091	0%	\$ 0
John M. Marsh	\$ 60,000	\$ 0	\$ 0	\$ 60,000	50%	\$ 33,198
Robert A. Mitchell	\$ 60,000	\$ 0	\$ 30,000 ⁽¹⁰⁾	\$ 90,000	50%	\$ 48,838
Kevin P. D. Smith	\$ 60,000	\$ 0	\$ 10,000 ⁽¹¹⁾	\$ 70,000	100%	\$ 77,426
Bonita J. Then	\$ 60,000	\$ 0	\$ 5,000 ⁽¹²⁾	\$ 65,000	0%	\$ 0
F. Leslie Thompson ⁽¹³⁾	\$ 0	\$ 0	\$ 0	\$ 0	0%	\$ 0

Notes:

- (1) Board members do not currently receive share-based awards, option based awards or non-equity incentive plan compensation and have no pension or other compensation entitlements.
- (2) Total cash value of DSUs purchased during 2010 is determined by multiplying the closing price of the Corporation's Common Shares on the TSX at December 31, 2010 (\$51.79) and the total number of DSUs held.
- (3) Mr. Norman F. Angus received \$60,000 for his services as Chair of the Board of the Corporation.
- (4) Mr. Norman F. Angus received \$5,000 for his services as Chair of the Risk and Capital Committees of the Corporation and of its subsidiary Home Trust Company.
- (5) Ms. Micheline Bouchard retired from the Board of Directors of the Corporation and its subsidiary Home Trust Company on May 18, 2010.
- (6) Ms. Micheline Bouchard received \$1,909 for her services as Chair of the Governance, Nominating and Conduct Review Committees of the Corporation and of its subsidiary Home Trust Company. This amount has been pro-rated from January 1, 2010 to the date of her retirement on May 18, 2010.
- (7) Ms. Micheline Bouchard redeemed her Deferred Share Units on March 4, 2011. Her gross payout was determined by multiplying the total number of DSUs held (1,593) by the closing price of the Corporation's Common Shares on the TSX on the date of redemption which was \$59.41 for a total of \$94,640.
- (8) The Hon. William G. Davis received \$30,000 for his services as Chair of the Board of Home Trust Company.
- (9) The Hon. William G. Davis received \$3,091 for his services as Chair of the Governance, Nominating and Conduct Review Committees of the Corporation and of its subsidiary Home Trust Company. This amount has been pro-rated from the date of his appointment until December 31, 2010.
- (10) Mr. Robert A. Mitchell received \$30,000 for his services as Chair of the Audit Committees of the Corporation and its subsidiary Home Trust Company.
- (11) Dr. Kevin P. D. Smith received \$5,000 for his services as Vice Chair of the Board of the Corporation. Dr. Kevin P. D. Smith also received \$5,000 for his services as Chair of the Human Resources and Compensation Committees of the Corporation and its subsidiary Home Trust Company.
- (12) Ms. Bonita J. Then received \$5,000 for her services as Vice Chair of the Audit Committee of the Corporation and its subsidiary Home Trust Company.
- (13) Ms. F. Leslie Thompson was appointed to the Board on December 1, 2010. As directors fees are paid in arrears. Ms. Thompson received no compensation during 2010.

Indebtedness of Directors

As of March 18, 2011, no director of the Corporation or proposed nominee for election as a director of the Corporation is indebted to the Corporation.

Directors' and Officers' Insurance

Directors' and officers' liability insurance has been purchased by the Corporation for the benefit of the directors and officers of the Corporation and its subsidiaries. For the fiscal year ended December 31, 2010 the premium for such insurance was \$307,490 and was paid by the Corporation and its subsidiaries. The aggregate insurance coverage obtained under the policy is limited to \$25,000,000 in respect of the policy year. The deductible to be borne by the Corporation is \$250,000 in respect of any one claim.



Directors' Meeting Attendance

Board and Board Committee meetings are set two years in advance and are reviewed periodically to optimize director attendance. The Corporation encourages all directors to attend as many meetings as possible. Non attendance at Board and Board Committee meetings is rare and usually when an unprecedented commitment arises which cannot be rearranged.

The following is a record of directors' attendance at meetings of the Board and its Committees during the twelve months ended December 31, 2010.

Directors' Meeting Attendance for 2010					
Director	Board Attendance		Committee Attendance		Total Meetings
Norman F. Angus	7 of 7	100%	5 of 6 Governance, Nominating and Conduct Review Committee	83%	18 of 21
			6 of 8 Risk and Capital Committee Meetings	75%	
Micheline Bouchard ⁽¹⁾	2 of 3	67%	2 of 2 Human Resources and Compensation Committee	100%	5 of 8
			2 of 3 Governance, Nominating and Conduct Review Committee	67%	
The Hon. William G. Davis	6 of 7	86%	4 of 4 Human Resources and Compensation Committee	100%	16 of 17
			6 of 6 Governance, Nominating and Conduct Review Committee	100%	
John M. Marsh	7 of 7	100%	5 of 5 Audit Committee	100%	14 of 14
			2 of 2 Human Resources and Compensation Committee	100%	
Robert A. Mitchell	7 of 7	100%	5 of 5 Audit Committee	100%	20 of 20
			8 of 8 Risk and Capital Committee	100%	
Kevin P. D. Smith	6 of 7	86%	6 of 8 Risk and Capital Committee	75%	20 of 25
			3 of 4 Human Resources and Compensation Committee	75%	
			5 of 6 Governance, Nominating and Conduct Review Committee	83%	
Gerald M. Soloway	7 of 7	100%	8 of 8 Risk and Capital Committee	100%	15 of 15
Bonita J. Then	7 of 7	100%	5 of 5 Audit Committee	100%	20 of 20
			8 of 8 Risk and Capital Committee	100%	
F. Leslie Thompson ⁽²⁾	0 of 0	0%			0 of 0

Notes:

- (1) On May 18, 2010, Ms. Micheline Bouchard retired from the Board of Directors.
- (2) On December 1, 2010, Ms. F. Leslie Thompson was appointed to the Board of Directors of the Corporation and elected to the Board of Directors of its subsidiary Home Trust Company. No meetings of the Boards were held from the time of Ms. Thompson's appointment and election to December 31, 2010.

In Camera Sessions

The Board of Directors, at every meeting of the Corporation during 2010, held in camera sessions of the independent directors at which non-independent directors and members of management were not in attendance.

Director Skill Requirements

The Governance, Nominating and Conduct Review Committee mandate provides for the establishment and update of the industry specific experience, business expertise and individual qualifications of directors in relation to the Board's specific skill requirements so as to identify any eventual skills gaps on the Board ("Skill Matrix"). The Skill Matrix is reviewed and updated periodically and at least annually.



Directors' Skills Matrix									
	Angus	Davis	Falk ⁽¹⁾	Marsh	Mitchell	Smith	Soloway	Then	Thompson
CEO/Executive Leadership		✓		✓		✓	✓	✓	
Large Corporation Experience		✓	✓		✓	✓		✓	✓
Multi-Province Experience	✓	✓	✓				✓	✓	✓
Trust Industry/Financial Services	✓				✓		✓	✓	✓
Technology			✓	✓		✓			
Marketing		✓					✓		✓
Academic		✓	✓			✓			✓
Legal	✓	✓					✓		
Government/Public Sector	✓	✓	✓			✓			✓
Professional Services	✓	✓	✓	✓	✓				✓
Director/Board	✓	✓	✓	✓	✓	✓	✓	✓	✓

Notes:

(1) William F. Falk is standing as a nominee for election to the Board of Directors of the Corporation on May 18, 2011.

Director Tenure and Retirement

The Board and the Corporation have not adopted a formal retirement age or term limits for directors. It is important that the Corporation attract directors who have the experience, expertise, business and operational insight to provide the requisite oversight. The Board is of the view that a mandatory retirement age or term limits might arbitrarily deprive the Board and the Corporation of valuable resources.

The Corporation's average Board tenure is 9 years.

Director Assessment

The Board has a formal process of rigorous performance evaluation of the Board, its Committees, individual directors and the Chair of the Board. The Board believes there is value in conducting the process internally without using external resources. This allows the Board to develop an appropriately tailored approach and benefit from direct input from its individual directors.

The areas covered in the questionnaire include the effectiveness of the Board and its Committees, preparation for and performance at meetings and overall corporate governance matters.

Following this comprehensive assessment process, the directors have concluded that the Board and Board Committees function effectively and the Board and Board Committees were led by experienced directors. The Board and Board Committees' performance coincided with a strong overall performance of the Corporation.

Director Orientation

The Board ensures that prospective candidates for Board membership understand the roles of the Board and Board Committees and the contribution that individual directors are expected to make. Upon becoming a member of the Board, a new director is provided with a substantial package of documents relating to the Corporation's corporate governance system and its business and meets with a number of senior management to better familiarize himself/herself with the Corporation.



Director Education

The Corporation and its Board of Directors recognize the importance of ensuring quality motivation and up-to-date information for directors through ongoing education. Regular presentations on the Corporation's business are provided by members of senior management.

During 2010, management made the following special presentations to directors:

- Enterprise Risk Management Seminar;
- Accelerator Mortgage product;
- Classic Mortgage product;
- Equityline Visa product;
- The Corporation's conversion to SAP banking software;
- Internal Capital Adequacy Assessment Process;
- CEO and CFO certification; and
- Review of International Financial Reporting Standards.



Committees of the Board

Audit Committee



Robert A. Mitchell (Chair), John M. Marsh, Bonita J. Then (Vice Chair)

The Audit Committee, composed entirely of independent directors, oversees the integrity of the Corporation's financial reporting, its internal controls, its internal audit function and its compliance with legal and regulatory requirements. The Board has determined that each member of the Audit Committee, in addition to being independent, is financially literate as defined under Canadian Securities Administrators rules.

The Audit Committee meets regularly and in camera with the external auditor, internal auditor, Senior Vice President, Finance, Chief Risk Officer and Chief Compliance Officer.

Each of the members of the Audit Committee satisfies the independence standards established by the Board and the applicable independence requirements of the laws governing the Corporation.

The Audit Committee's Charter containing the Committee's responsibilities, powers and operations is available on the Corporation's website at www.homecapital.com and is attached to the Corporation's Annual Information Form dated March 18, 2011 which has been filed on SEDAR at www.sedar.com.

[Changes to the Committee in 2010](#)

There were no changes to the Committee during 2010.

[Accomplishments in 2010](#)

Reviewed and discussed with management and the external auditor, the quarterly financial statements and the annual audited financial statements prior to the publication of earnings.

Reviewed and discussed with management and the external auditor, the annual and quarterly disclosures made in management's discussion and analyses and approved any reports included in the Annual Report.

Reviewed and discussed with management and the external auditor any significant changes to the accounting principles and practices suggested by the external auditor, internal auditor or management.

Reviewed and discussed with the Chief Executive Officer and the Senior Vice President, Finance procedures regarding certification under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings.

Reviewed and discussed with management progress made on the Corporation's convergence plan to International Financial Reporting Standards in 2011.

Reviewed and discussed the granting of shareholder dividends and the granting of dividends to the Corporation from its subsidiary, Home Trust Company.

Reviewed and monitored the Corporation's annual budget.

Regularly met privately with the external auditor, internal auditor, Senior Vice President, Finance, Chief Risk Officer and Chief Compliance Officer.

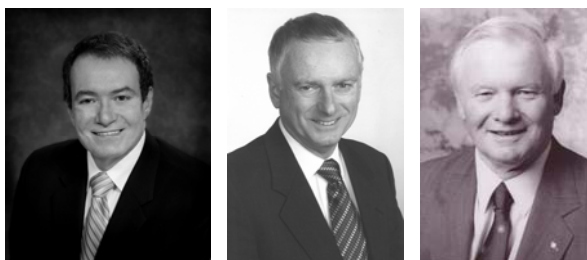
Appointed, set the compensation of and supervised the work of the external auditor.

Supervised the internal audit function.

Monitored correspondence with the Corporation's regulators.



Human Resources and Compensation Committee



Kevin P. D. Smith (Chair), John M. Marsh, The Hon. William G. Davis,

The Human Resources and Compensation Committee, comprised of independent directors, assists the Board of Directors in the Board's oversight role with respect to (i) the Corporation's human resources strategy, policies and programs; and (ii) all matters relating to proper utilization of human resources within the Corporation, with special focus on management succession, development and compensation. Kevin P.D. Smith, the Committee Chair, also serves on the Risk and Capital Committee of the Board. This strengthens the review of compensation policy and levels as well as recommendations of performance goals for the Chief Executive Officer by ensuring critical risk criteria are considered.

The Committee's Charter containing its responsibilities, powers and operations is available on the Corporation's website at www.homecapital.com.

Changes to the Committee in 2010

On May 18, 2010, Ms. Micheline Bouchard left the Committee following her retirement from the Board of Directors.

On May 18, 2010, Mr. John Marsh was appointed to the Committee.

Accomplishments in 2010

Reviewed succession and leadership plans regarding the appointment and succession of senior management.

Reviewed recommendations of senior officer appointments.

Reviewed and assessed the performance of senior management and reviewed the contribution of senior management to establishing a culture of integrity.

Reviewed the assessment of the performance of senior management including the Chief Executive Officer.

Appointed officers of the Corporation.

Reviewed the Corporation's compensation policies and reviewed and approved all compensation and benefit arrangements for officers, employees and senior management.

Reviewed the Employee Stock Option Plan and approved awards pursuant to the Plan.

Reviewed the Corporation's Group Retirement Savings Plan.

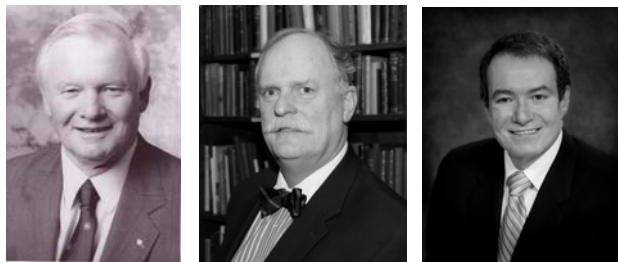
Reviewed the compensation arrangements for the Board and Board Committees and reviewed the Directors' Deferred Share Unit Plan.

Reviewed the director and senior officer compensation sections of the Management Information Circular.

Recommended to the Board, performance goals for the Chief Executive Officer.



Governance, Nominating and Conduct Review Committee



The Hon. William G. Davis (Chair), Norman F. Angus, Kevin P. D. Smith

The Governance, Nominating and Conduct Review Committee, composed entirely of independent directors, is responsible for developing and maintaining governance principles consistent with high standards of corporate governance. The Committee identifies and recommends candidates for nomination to the Board and maintains a process for assessing the performance of the Board, Board Committees and individual directors.

The Committee monitors best practices for governance and annually reviews the Corporation's governance practices and disclosures to ensure that the Corporation continues to exemplify high standards of corporate governance.

The Committee's Charter containing the Committee's responsibilities, powers and operations is available on the Corporation's website at www.homecapital.com.

Changes to the Committee in 2010

On May 18, 2010 Ms. Micheline Bouchard left the Committee following her retirement from the Board of Directors.

On May 18, 2010, The Hon. William G. Davis was appointed Chair of the Committee.

Accomplishments in 2010

Reviewed corporate governance practices and recommended policies, practices and procedures to the Board.

Reviewed the adequacy and effectiveness of the Board governance policies and made appropriate recommendations for their improvement.

Reviewed the skills, areas of expertise, backgrounds, independence and qualifications of members of the Board.

Reviewed and assessed the effectiveness and performance of the Board, Directors, Board Committees and the Chair of the Board.

Reviewed and considered the qualifications of prospective director candidates.

Reviewed the performance of the Chair of the Board of the Corporation and recommended the election of the Chair.

Recommended to the Board, the appointment of directors to Board Committees.

Reviewed the Corporation's Policies and Procedures and Code of Conduct.

Reviewed and approved procedures for compliance with related party rules, to disclose information to customers and to deal with customer complaints.

Reviewed and approved the payment of management fees pursuant to related party rules.

Reviewed the legislative compliance management program.

Reviewed and amended the Corporation's Responsible Persons Assessment Policy to include a broader list of Responsible Persons in accordance with OSFI Guideline E-17 and reviewed and approved the Responsible Persons' Attestation Form.

Reviewed reports on emerging legislation, industry developments and trends in corporate governance.

Reviewed and evaluated the performance of the Chief Compliance Officer.



Risk and Capital Committee



Norman F. Angus (Chair), Robert Mitchell, Kevin P. D. Smith, Bonita J. Then, Gerald M. Soloway (Ex Officio)

The Risk and Capital Committee is responsible for performing the duties set forth in its Charter to enable the Board to fulfill its oversight responsibilities in relation to identifying and managing the Corporation's risk; reviewing and approving the Corporation's overall risk philosophy and risk appetite; reviewing and approving the Corporation's risk capital policies and limits; reviewing the effectiveness of the Corporation's risk and capital practices; and reviewing the Corporation's adherence to internal risk and capital policies and procedures through timely management reporting.

Mr. Gerald M. Soloway is a non-voting member of the Committee.

The Committee's Charter containing the Committee's responsibilities, powers and operations is available on the Corporation's website at www.homecapital.com.

Changes to the Committee in 2010

There were no changes to the Committee during 2010.

Accomplishments in 2010

Reviewed, discussed and challenged the Corporation's Internal Capital Adequacy Assessment Process (ICAAP).

Reviewed and approved overall equity risk management strategies and policies and reviewed with senior management reports demonstrating compliance with equity risk management policies.

Reviewed and approved overall capital management strategies and policies and reviewed with senior management reports demonstrating compliance with capital management policies.

Reviewed and approved overall credit risk management strategies and policies and made recommendations regarding the appropriateness of essential credit risk management processes, methodologies, reporting and adoption of industry "good practice".

Reviewed and approved overall market risk management strategies and policies and monitored investment practices of the Corporation to ensure that the Corporation is adhering to the policies approved by the Board.

Reviewed and approved overall liquidity risk management policies and reviewed with senior management reports demonstrating compliance with liquidity risk policies.

Reviewed and approved interest rate risk management strategies and policies and reviewed with senior management reports demonstrating compliance with interest rate risk policies.

Reviewed and approved overall operational risk management strategies and policies and reviewed with senior management reports demonstrating compliance with operational risk policies.

Reviewed with the Compliance Officer the Corporation's compliance with applicable laws and regulations.

Reviewed and discussed management reports on SAP system implementation.

Reviewed, discussed and challenged management's self-assessment of compliance with OSFI's guideline E-18 (Stress Testing).



Compensation Discussion and Analysis

The Human Resources and Compensation Committee of the Board administers the Corporation's executive compensation program. As part of its mandate, this Committee has primary responsibility for making recommendations to the Board with respect to the appointment and remuneration of executive officers of the Corporation. The Human Resources and Compensation Committee also evaluates the performance of the Corporation's executive officers and reviews the design and competitiveness of the Corporation's compensation plan. The Human Resources and Compensation Committee met four times during the year ended December 31, 2010.

Compensation Philosophy

The Corporation has a strong entrepreneurial culture which places emphasis on performance-based compensation and the participation of senior executives in the creation of Shareholder value.

The Corporation's policies and practices for executive compensation are linked to strategic business objectives. The Corporation's philosophy is to compensate executives:

- based on performance;
- in a manner that discourages excessive risk taking;
- at a level commensurate with the market rate for executives at comparable companies with similar levels of responsibility; and
- in a manner designed to attract and retain talented leadership focused on managing the Corporation's operations, finances and assets.

All of the Corporation's compensation programs are designed to meet pay-for-performance and competitiveness objectives. Actual rewards are directly linked to the results of the Corporation. Measures set each year represent improvement to the Corporation's operations. The Corporation aims for simplicity in its compensation program to help executives and employees understand the value of the various elements.

Compensation and Performance

On an annual basis the Board of Directors of the Corporation sets quantifiable and qualitative targets for executive management that links the strategies, financial and risk management related goals of the Corporation to compensation.

Quantitative targets include:

- Return on Equity;
- Asset Growth;
- Net Income Growth; and
- Target Capital Levels.

Qualitative considerations include:

- Compliance with risk and capital policies;
- The number and severity of write downs recorded;
- Annual incentive compensation awards in excess of \$1,500,000 are deferred over a period of three years;
- In the event of a restatement of the Corporation's financial statements that results in the Corporation retrospectively missing its performance targets all deferred compensation shall be forfeited; and
- In the event that individual or cumulative loss events occur that related to investment or lending decisions made in a prior period, and that such individual or cumulative loss events would retrospectively cause the Corporation to have missed its performance targets, at the Board's discretion all or a portion of the deferred incentive compensation may be forfeited.

The Corporation's compensation program is designed to discourage excessive risk taking, align executive interests with those of Shareholders over the long term and further strengthen the Corporation's alignment with the Financial Stability Board's (FSB) Principles for Sound Compensation Practices. The Human Resources and Compensation Committee has confirmed that the Corporation is in material alignment with FSB principles and effective risk management.



Bench Marking

In order to meet the Corporation's objectives of providing competitive compensation opportunities, senior management reviews market compensation data gathered from organizations of comparable size and other companies that the Corporation competes with for executive talent. As part of this process senior management reviews compensation data gathered from proxy circulars of other publicly traded companies and also considers compensation data from different compensation surveys.

Senior management reviews all programs to ensure that the Corporation continues to attract and retain the high-performing employees needed to achieve the Corporation's business objectives while demonstrating long-term fiscal responsibility to Shareholders.

The annual compensation reviews are informed by recommendations from market data from research, surveys, studies including:

- Competitive total compensation data for similar positions in a peer group; and
- Market trend analysis provided in the public domain by consulting firms.

The peer group includes:

Organization ⁽¹⁾	Revenue (\$ thousands)	Net Income (\$ thousands)	Market Capitalization (\$ thousands)	Number of Employees
Laurentian Bank of Canada	\$ 1,188,248	\$ 122,941	\$ 1,058,503	3,643
Canadian Western Bank	\$ 663,182	\$ 163,621	\$ 1,690,025	1,716
Equitable Group Inc.	\$ 211,116	\$ 50,642	\$ 373,436	183
Average	\$ 687,515	\$ 112,401	\$ 1,040,655	1,847
Home Capital Group Inc.	\$ 533,937	\$ 180,944	\$ 1,794,316	560

Notes:

⁽¹⁾ Comparative financial information obtained from public continuous disclosure filings for the most recently available fiscal year.

The peer group is selected on the basis of a number of factors including similar industry characteristics, revenues and market capitalization. The Corporation did not target compensation at any particular percentile of the peer group.

Positioning

The Human Resources and Compensation Committee uses discretion and judgment when determining compensation levels. Individual compensation is based on an individual's experience and performance or other criteria deemed important by the Committee.

Compensation Consultants

The Human Resources and Compensation Committee has the authority to retain consultants, including compensation consultants or advisors, as the Committee may determine necessary or advisable to carry out its responsibilities. During the year ended December 31, 2010, the Committee did not retain any consultants. In order to assist the Committee in administering the executive compensation program, the Committee, from time to time, reviews compensation reports prepared by compensation consulting firms and does an informal review of the compensation paid by comparable companies, but does not bench mark compensation against other companies.

The members of the Human Resources and Compensation Committee are Dr. Kevin P. D. Smith (Chair), Mr. John M. Marsh, and The Hon. William G. Davis. No member of the Committee has ever been an officer or employee of the Corporation.

Compensation Elements

The Corporation's compensation program includes three components: annual salary, annual cash bonus and annual option awards. The Corporation believes that these three elements of compensation provide base compensation plus incentives for both short and long term performance which align the executive's interests with the interests of Shareholders.

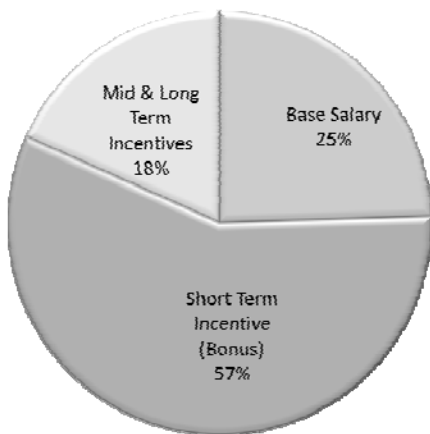
The executive compensation program is intended to attract and retain talented executives, encourage and reward superior performance, discourage excessive risk taking and align the executive's interests with those of the Corporation's Shareholders:



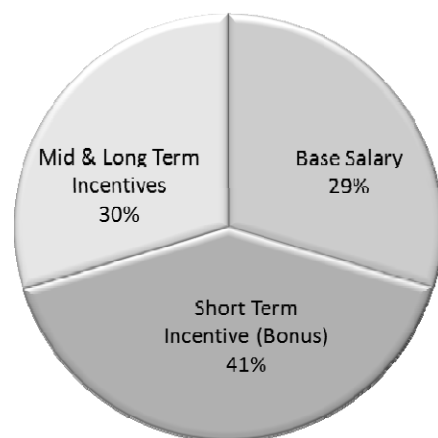
- by ensuring that a significant proportion of executive compensation is linked to performance;
- by providing the opportunity for total compensation that allows the Corporation to attract and retain highly qualified executives; and
- by providing executives with equity-based awards, such as stock options.

The following charts set forth the relative weight of 2010 compensation attributable to base salary, short-term incentive awards and medium/long-term incentive awards for (1) the Corporation's CEO and the CEOs of comparative corporations, and (2) Named Executive Officers of the Corporation and the Named Executive Officers of comparative corporations ⁽¹⁾ ⁽²⁾. A significant portion of each executive's total compensation is variable or at risk. This at risk portion of total compensation includes the cash bonus and stock options awarded on an annual basis. Both are linked to performance during the year. If the executive's or the Corporation's performance is poor, at risk compensation will decrease and if the executive's or the Corporation's performance is strong, at risk compensation will increase.

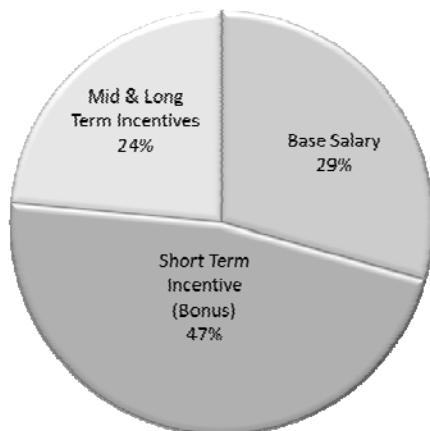
Compensation for Home Capital Group Inc's CEO



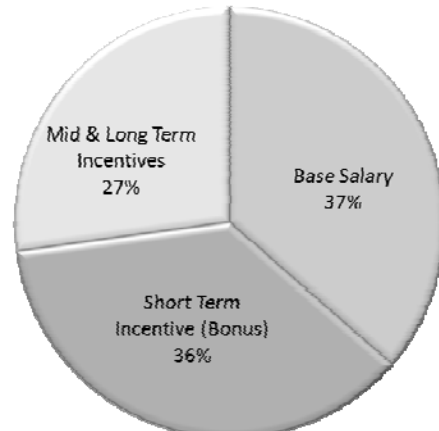
Compensation for Comparator Group CEOs



Compensation for Home Capital Group Inc.'s NEOs



Compensation for Comparator Group NEOs



Notes:

- (1) The comparative group includes Canadian Western Bank, Laurentian Bank of Canada and Equitable Group Inc.
- (2) Figures are based on public continuous disclosure filings obtained from the most recently completed financial years (October 31, 2010 for Canadian Western Bank and Laurentian Bank of Canada and December 31, 2010 for Equitable Group Inc.).



Annual Salary

In determining individual base salaries, the Human Resources and Compensation Committee takes into consideration individual circumstances that may include the scope of an executive's position, the executive's relevant competencies, knowledge, expertise or experience and retention risk. The Committee also takes into consideration the financial performance of the Corporation as well as the individual performance of the executive.

Annual Cash Bonus

Annual Bonus Policy

The Corporation has the following annual bonus policy:

- 4% of all pre-tax profits on a tax equivalent basis are to be set aside on a monthly basis for the bonus pool

The bonus pool is calculated as follows:

- 4% of the Corporation's consolidated income on a tax equivalent basis before income taxes for the year
= total bonus pool

Historically the Corporation has distributed approximately 80% of the total bonus pool.

The Corporation's Annual Bonus Policy aims to enhance the link between pay and performance by:

- Aligning the financial and risk management interests and motivations of the Corporation's management team and employees with the annual financial returns of the Corporation;
- Motivating management to work towards the Corporation's annual performance objectives; and
- Providing total cash compensation that is competitive with the compensation received by executives employed by comparable companies in Canada.

Aligning Executive Compensation with Shareholder Interests

The governing objective of the Corporation's compensation approach is to align executive interests with those of the Shareholders and this objective has been incorporated into as many facets of the executive compensation program by placing significantly more weight on variable compensation including equity and by basing individual awards on achievement of corporate and business performance against targets that are set annually.

Assessment of 2010 Financial Performance for Variable Compensation

While the Human Resources and Compensation Committee examines a number of factors when considering variable compensation awards, five key elements of the Corporation's performance are weighted most heavily. These are: Net Income, Earnings Per Share (diluted), Growth in Combined Total Assets and Securitized Mortgages, Return on Equity and Capital Ratios.

The table below sets out the Corporation's performance objectives for 2010 with respect to these five key elements as well as the actual results:

2010 Objectives and Performance	
2010 Performance Objective	2010 Actual Results
15-20% growth in net income	Net income for 2010 reached \$180.9 million, up 25.2% over 2009.
15-20% increase in diluted earnings per share	Diluted earnings per share in 2010 were \$5.20, 25.3% above 2009.
15- 20% growth in combined total assets and securitized mortgages originated and managed by the Corporation's subsidiary	Total assets under administration, including off-balance sheet securitized mortgages, grew to \$15.88 billion in 2010, an increase of 38.0% from \$11.51 billion in 2009.
20% return on shareholder's equity	Return on equity was 27.2% for 2010 compared to 28.2% for 2009.
Capital ratios Tier 1 - Minimum of 10% Total - Minimum of 12%	Tier 1 - 18.1% Total - 19.4%



Variable Compensation for the Chief Executive Officer in 2010

Mr. Soloway's variable compensation for 2010 reflects the Board's assessment of all aspects of his performance and takes into account the performance of the Corporation against the five key elements noted above. During 2010, the Corporation exceeded all of these elements. The Corporation's prudent strategies during the current global economic uncertainty have presented robust returns for Shareholders and positioned the Corporation for further growth as economic conditions improve.

Taking the above into consideration, the Board awarded Mr. Soloway an increase in his variable compensation equal to approximately 7.69% over his 2009 variable compensation.

Annual Stock Options

Employee Stock Option Plan

The Corporation has an Employee Stock Option Plan that is administered by the Human Resources and Compensation Committee. The Plan is designed to align the interests of executive officers with the long-term success of the Corporation; to give each option holder an interest in preserving and maximizing Shareholder value in the long term; to enable the Corporation to attract, motivate and retain individuals with experience and ability; and to reward individuals for current performance and expected future performance. The Human Resources and Compensation Committee has the sole discretion to determine the key employees to whom it recommends that grants be made and to determine the terms of the options forming part of such grant.

Grant levels are approved by the Board of Directors, based on the recommendation of the Human Resources and Compensation Committee, after considering the recommendation of the Chief Executive Officer.

Award targets are based on the expected impact of the role of the executive and employee on the Corporation's performance objectives.

The Shareholders of the Corporation approved the Corporation's Employee Stock Option Plan (the "Plan") on December 15, 1986. The Plan provides for the granting to certain officers and other employees of the Corporation and its subsidiaries of options to purchase Common Shares.

Options may be granted under the Plan to such employees of the Corporation and its subsidiaries as the Human Resources and Compensation Committee may from time to time determine. The maximum number of Common Shares that may be issued pursuant to the Plan shall be 5,335,198 in total, representing 15.36% of the Corporation's Common Shares issued and outstanding as at February 28, 2011, and the number of options granted to any one person including to insiders under the Plan and all other security-based compensation arrangements shall not exceed 5% of the aggregate number of Common Shares which are issued and outstanding at that point in time. As of February 28, 2011, there were 954,250 Common Shares, representing 2.75% of the Corporation's issued and outstanding Common Shares, to be issued upon the exercise of outstanding options under the Plan. As of February 28, 2011, 1,023,198 Common Shares, representing 2.94% of the Corporation's issued and outstanding Common Shares remain available for issuance under the Plan.

In addition, the Board of Directors has established a policy that is intended to limit the total number of options available for issue, plus all options outstanding that have not yet been exercised, to 7.5% or less of the total number of the Corporation's issued and outstanding Common Shares.

The Corporation monitors the level of dilution (i.e., options issued but not exercised as a percentage of Common Shares of the Corporation) and the annual burn rate (i.e., the number of stock options issued as a percentage of the issued and outstanding Common Shares of the Corporation) relating to stock options.

The Corporation's performance against these measures over the last three years is reported as follows:

	2010	2009	2008
Overhang ⁽¹⁾	6.03%	4.04%	5.56%
Dilution ⁽²⁾	3.08%	2.48%	4.09%
Burn rate ⁽³⁾	1.02%	0.29%	0.60%

Notes:

- (1) "Overhang" is defined as the total number of options available for issuance, plus all options outstanding that have not yet been exercised, expressed as a percentage of the total number of issued and outstanding Common Shares of the Corporation at the end of the fiscal year.
- (2) "Dilution" is defined as options issued but not exercised, expressed as a percentage of issued and outstanding Common Shares of the Corporation at the end of the fiscal year.
- (3) "Burn rate" is defined as the number of stock options issued each year, expressed as a percentage of the issued and outstanding Common Shares of the Corporation at the end of the fiscal year.



Strike Price and Expiry Date

Options are granted under the Plan with a seven-year expiry date and with a strike price equal to the average closing price of the Corporation's Common Shares on the two trading days immediately preceding the date of grant. If an option grant is made during a Board meeting at which approval to quarterly or year end financial statements is given, the averaging calculation shall be extended to include the five trading days following such Board meeting.

Performance Hurdles

The period within which an option or portion thereof may be exercised by a participant will be determined in each case by the Board. The Board has determined that an option may not vest unless the performance hurdle of increased earnings per share over the previous year is met, and a minimum period of one year from the date of a grant has expired.

Options granted in fiscal 2010 vest 25% on April 15, 2012 and 25% on each of April 15th of 2013, 2014 and 2015. Notwithstanding that the options have vested, the options cannot be exercised before April 15, 2016. The options have a term of seven (7) years.

Termination of Employment

In the event of retirement (on or after attaining age 65), disability or death of the participant then (i) vested options must be exercised within twelve (12) months; and (ii) options not vested shall cease and terminate and be of no further force or effect.

If the participant's employment with the Corporation or one of its subsidiaries is terminated for just cause before the expiry of such participant's option, the option granted to such participant shall thereupon cease and terminate and be of no further force or effect whatsoever.

If, before the expiry date of the participant's option, the participant's employment with the Corporation or one of its subsidiaries is terminated without just cause or if, before the expiry date of the participant's option, the participant resigns from the Corporation or one of its subsidiaries then the participant may, within thirty (30) days after the date of such termination or resignation, exercise the option as if the participant had continued to be an employee of the Corporation and to the extent that the participant had a right to exercise the option at the date of such termination or resignation. At the end of such thirty (30) day period the option shall terminate.

In the event of a change of control of the Corporation, the vesting of all options shall be accelerated in full and each option shall be immediately exercisable.

Amending or Discontinuing the Employee Stock Option Plan

Subject to the requirements of any stock exchange on which the Common Shares may be listed, the Board may amend or discontinue the Plan at any time, provided however that, except as permitted by the Plan, no such amendment may, without the consent of the participant, alter or impair any option previously granted to a participant under the Plan. Shareholder approval is not required for amendments except for any amendment or modification that (i) increases the number of Common Shares reserved for issuance under the stock option plan, (ii) reduces the exercise price of an option except in connection with a subdivision or consolidation of Common Shares or similar capital reorganization or payment of a stock dividend or an amalgamation combination or other reorganization of the Corporation, (iii) extends the term of an option beyond the expiry date or beyond 7 years from its grant date (except where an expiry date would have occurred within a blackout period of the Corporation), (iv) extends the participation in the Plan of non-employee directors, (v) permit options to be transferred other than by testate or intestate succession, (vi) permits awards, other than options, to be made under the Plan, or (vii) permits amendments that by law or the rules or policies of any exchange require Shareholder approval. All decisions and interpretations of the Board respecting the Plan or options granted thereunder shall be conclusive and binding on the Corporation and on all holders of options granted thereunder and their respective legal personal representatives and employees eligible under the provisions of the Plan to participate therein.

Equity Compensation Plan Information

The following table provides information regarding the number of Common Shares issuable upon the exercise of options outstanding under the Plan, the weighted-average exercise price of the outstanding options and the number of Common Shares remaining available for issuance under the Plan as at February 28, 2011.

Equity Compensation Plan Information for 2010			
Plan Category	Securities to be Issued Upon Exercise ⁽¹⁾	Weighted-Average Exercise Price ⁽²⁾	Securities Remaining Available for Future Issuance ⁽³⁾
Equity compensation plans approved by security holders (the "Employee Stock Option Plan")	954,250	\$ 37.03	1,023,198



Notes:

- (1) Securities to be issued upon exercise represent all outstanding options and rights under the Employee Stock Option Plan.
- (2) The weighted-average exercise price represents the average exercise price of all outstanding options and rights under the Employee Stock Option Plan.
- (3) The number of securities remaining available for issuance represents all options and rights that may be granted under the Employee Stock Option Plan but does not include securities already granted under Note (1) above.

As at February 28, 2011, the maximum number of options to purchase Common Shares that the Corporation may issue under the Plan without having to obtain Shareholder approval is 1,023,198.

As at February 28, 2011, the officers and other employees of the Corporation and its subsidiaries held options to purchase a total of 954,250 Common Shares.

As at February 28, 2011 Gerald M. Soloway held options to purchase 165,000 Common Shares. The options granted to Mr. Soloway were awarded to him in his capacity as Chief Executive Officer of the Corporation and not in his capacity as a director of the Corporation.

Employee Share Ownership Plan

In order to develop a sense of ownership of the Corporation and to align the interests of the Corporation with the interests of employees, the Corporation has an Employee Share Ownership Plan ("ESOP") pursuant to which employees of the Corporation or its subsidiary, Home Trust Company, may contribute up to 10% of their earnings for a calendar year to purchase Common Shares. The Corporation makes a matching contribution of 50% of the employees' contributions. Shares are purchased on the market by an independent trust using the amounts contributed.

Retirement Savings

The Corporation does not have a pension plan for its executive officers and employees. Executive officers of the Corporation are eligible to the same extent as employees to participate in the Corporation's Group RRSP whereby the Corporation matches personal contributions of up to 3% of annual salary per year during the first eight years of employment and up to 4% after eight years of employment. Employee contributions are held in a Group RRSP Plan while the contributions made by the Corporation are held within a Deferred Profit Sharing Plan.

Except for a post-retirement health costs plan described in the Notes to the Consolidated Financial Statements in the 2010 Annual Report, the Corporation does not provide any additional or supplemental pensions, retirement allowances or similar benefits to any of its executive officers.

Named Executive Officers

The Corporation's named executive officers are the Chief Executive Officer, the Senior Vice President, Finance ⁽¹⁾ and the next three highest paid officers.

Gerald M. Soloway, Chief Executive Officer

Martin K. Reid, President

Brian R. Mosko, Chief Operating Officer and Executive Vice President

John R. K. Harry, Senior Vice President, Commercial Mortgage Lending

Cathy A. Sutherland, Senior Vice President, Finance ⁽²⁾

Robert J. Blowes, Senior Vice President, Finance ⁽³⁾

Notes:

- (1) The Corporation does not have a Chief Financial Officer. The Senior Vice President, Finance performs the key elements of this role for the Corporation and is considered a Named Executive Officer for disclosure purposes.
- (2) Ms. Sutherland will be retiring in May 2011 after 21 years with the Corporation.
- (3) Mr. Blowes joined the Corporation in November 2010 and will assume Ms. Sutherland's responsibilities upon her retirement.

Other Officers of the Corporation

Christer V. Ahlvik, Senior Vice President, Corporate Counsel

Pino Decina, Senior Vice President, Mortgage Lending



Summary Compensation of Named Executive Officers – Three Year Look Back

The following table sets forth all annual and long-term compensation for services in all capacities to the Corporation and its subsidiaries for the financial years ended December 31, 2010, 2009 and 2008 paid to the Chief Executive Officer and the Senior Vice President, Finance and to the next three most highly compensated executive officers whose total compensation received during the year ended December 31, 2010 was greater than \$150,000 (the “Named Executive Officers”), and the particulars relating to certain options granted to Named Executive Officers.

Summary Compensation Table									
Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$) ⁽¹⁾	Total Compensation (\$)
					Annual Incentive Plans	Long-Term Incentive Plans			
Gerald M. Soloway Chief Executive Officer	2010	\$ 600,000	\$ 0	\$ 449,000	\$ 1,400,000	\$ 0	\$ 0	\$ 25,000	\$ 2,474,000
	2009	\$ 575,000	\$ 0	\$ 0	\$ 1,300,000	\$ 0	\$ 0	\$ 33,038	\$ 1,908,038
	2008	\$ 550,000	\$ 0	\$ 107,200	\$ 1,050,000	\$ 0	\$ 0	\$ 32,674	\$ 1,739,874
Martin K. Reid President	2010	\$ 300,000	\$ 0	\$ 449,000	\$ 500,000	\$ 0	\$ 0	\$ 15,309	\$ 1,264,309
	2009	\$ 250,000	\$ 0	\$ 138,300	\$ 350,000	\$ 0	\$ 0	\$ 19,017	\$ 757,317
	2008	\$ 200,000	\$ 0	\$ 53,600	\$ 150,000	\$ 0	\$ 0	\$ 14,962	\$ 418,562
Brian R. Mosko Chief Operating Officer & Executive Vice President	2010	\$ 400,000	\$ 0	\$ 179,600	\$ 500,000	\$ 0	\$ 0	\$ 18,001	\$ 1,097,601
	2009	\$ 375,000	\$ 0	\$ 0	\$ 500,000	\$ 0	\$ 0	\$ 10,809	\$ 885,809
	2008	\$ 350,000	\$ 0	\$ 107,200	\$ 400,000	\$ 0	\$ 0	\$ 17,040	\$ 874,240
John R. K. Harry Senior Vice President, Commercial Mortgage Lending	2010	\$ 250,000	\$ 0	\$ 179,600	\$ 300,000	\$ 0	\$ 0	\$ 262	\$ 729,862
	2009	\$ 250,000	\$ 0	\$ 0	\$ 300,000	\$ 0	\$ 0	\$ 7,762	\$ 557,762
	2008	\$ 200,000	\$ 0	\$ 26,800	\$ 200,000	\$ 0	\$ 0	\$ 4,012	\$ 430,812
Cathy A. Sutherland Senior Vice President, Finance	2010	\$ 210,000	\$ 0	\$ 0	\$ 175,000	\$ 0	\$ 0	\$ 13,225	\$ 398,225
	2009	\$ 200,000	\$ 0	\$ 0	\$ 175,000	\$ 0	\$ 0	\$ 18,215	\$ 393,215
	2008	\$ 200,000	\$ 0	\$ 0	\$ 150,000	\$ 0	\$ 0	\$ 17,715	\$ 367,715
Robert J. Blowes ⁽²⁾ Senior Vice President, Finance	2010	\$ 34,615 ⁽³⁾	\$ 0	\$ 179,600	\$ 0	\$ 0	\$ 0	\$ 37	\$ 214,252
	2009	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	2008	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Notes:

- (1) The amounts shown under All Other Compensation include the Corporation’s contributions to the Named Executive Officers under the Employee Share Ownership Plan, the Group RRSP and life insurance premiums.
- (2) Robert J. Blowes joined the Corporation on November 1, 2010.
- (3) The salary reported for Mr. Blowes is pro-rated from his date of hire at his annual rate of \$225,000.

Option and Share-Based Awards

Option Grants to Named Executive Officers During the Most Recently Completed Financial Year

In 2010, 100,000 options to purchase Common Shares were granted to the Named Executive Officers of the Corporation and 243,000 options to purchase Common Shares were granted to employees of the Corporation and its subsidiaries.

The following table sets forth details concerning options granted pursuant to the Corporation’s Stock Option Plan to Named Executive Officers during the financial year ended December 31, 2010.

Options Grants to Named Executive Officers During 2010					
Name	Securities Under Options Granted (#) ⁽¹⁾	% of Total Options Granted to Employees in Financial Year	Exercise or Base Price (\$/Security) ⁽²⁾	Market Value of Securities Underlying Options on the Date of Grant (\$/Security)	Expiration Date
Gerald M. Soloway	25,000	7.29%	\$47.92	\$48.36	December 1, 2017
Martin K. Reid	25,000	7.29%	\$47.92	\$48.36	December 1, 2017



Options Grants to Named Executive Officers During 2010					
Name	Securities Under Options Granted (#) ⁽¹⁾	% of Total Options Granted to Employees in Financial Year	Exercise or Base Price (\$/Security) ⁽²⁾	Market Value of Securities Underlying Options on the Date of Grant (\$/Security)	Expiration Date
Brian R. Mosko	10,000	2.92%	\$47.92	\$48.36	December 1, 2017
Robert J. Blowes	10,000	2.92%	\$47.92	\$48.36	December 1, 2017
John R. K. Harry	10,000	2.92%	\$47.92	\$48.36	December 1, 2017

Notes:

- (1) Stock options granted in fiscal 2010 vest 25% on April 15, 2012 and 25% on April 15th of 2013, 2014 and 2015. Notwithstanding that the options have vested, the options cannot be exercised before the April 15, 2016. The options have a term of seven (7) years.
- (2) The exercise price of options granted on December 1, 2010 was calculated using the volume weighted average value of the two trading days immediately prior to the date of grant.

The following table sets forth details concerning options outstanding at December 31, 2010 pursuant to the Corporation's Stock Option Plan to Named Executive Officers.

Options Outstanding as at December 31, 2010						
Name	Option-based Awards				Share-Based Awards ⁽²⁾	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value Of Unexercised in-the-Money Options (\$) ⁽¹⁾	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-Based Awards that have not Vested (\$)
Gerald M. Soloway	100,000	\$ 34.51	February 14, 2012	\$ 1,728,000	0	\$ 0
	20,000	\$ 41.29	December 7, 2014	\$ 210,000	0	\$ 0
	20,000	\$ 16.27	December 8, 2015	\$ 710,400	0	\$ 0
	25,000	\$ 47.92	December 1, 2017	\$ 96,750	0	\$ 0
Martin K. Reid	10,000	\$ 41.29	December 7, 2014	\$ 105,000	0	\$ 0
	10,000	\$ 16.27	December 8, 2015	\$ 355,200	0	\$ 0
	15,000	\$ 31.87	May 5, 2016	\$ 298,800	0	\$ 0
	25,000	\$ 47.92	December 1, 2017	\$ 96,750	0	\$ 0
Brian R. Mosko	50,000	\$ 34.51	February 14, 2012	\$ 864,000	0	\$ 0
	20,000	\$ 41.29	December 7, 2014	\$ 210,000	0	\$ 0
	20,000	\$ 16.27	December 8, 2015	\$ 710,400	0	\$ 0
	10,000	\$ 47.92	December 1, 2017	\$ 38,700	0	\$ 0
John R. K. Harry	20,000	\$ 33.76	March 14, 2014	\$ 360,600	0	\$ 0
	20,000	\$ 41.29	December 7, 2014	\$ 210,000	0	\$ 0
	5,000	\$ 16.27	December 8, 2015	\$ 177,600	0	\$ 0
	10,000	\$ 47.92	December 1, 2017	\$ 38,700	0	\$ 0
Cathy A. Sutherland	5,000	\$ 41.29	December 7, 2014	\$ 52,500	0	\$ 0
Robert J. Blowes	10,000	\$ 47.92	December 1, 2017	\$ 38,700	0	\$ 0

Notes:

- (1) Value of unexercised in-the-money options as at December 31, 2010 is the difference between the exercise price of the options and the closing price of Common Shares on the TSX on December 31, 2010, which was \$51.79
- (2) The Corporation does not offer share based awards as a compensation element to the Named Executive Officers.



The following table sets out the value of incentive plan awards that vested or were earned in the financial year ended December 31, 2010.

In-the-Money Value of Options that Vested During 2010			
Name	Option-Based Awards - Value Vested During the Year (\$) ^{(1) (2) (3)}	Share-Based Awards - Value Vested During the Year (\$) ⁽⁴⁾	Non-Equity Incentive Plan Compensation - Value Earned During the Year (\$)
Gerald M. Soloway	\$ 662,100	\$ 0	\$ 0
Martin K. Reid	\$ 189,750	\$ 0	\$ 0
Brian R. Mosko	\$ 446,100	\$ 0	\$ 0
John R. K. Harry	\$ 187,050	\$ 0	\$ 0
Cathy A. Sutherland	\$ 13,125	\$ 0	\$ 0
Robert J. Blowes	\$ 0	\$ 0	\$ 0

Notes:

- (1) Stock options granted prior to 2008 vest in 25% increments on the first, second, third, and fourth anniversaries of their grant.
- (2) Stock options granted in fiscal 2009 vest 25% on April 15, 2011 and 25% on April 15th of 2012, 2013 and 2014. Notwithstanding that the options have vested, the options cannot be exercised before April 15, 2015. The options have a term of seven (7) years.
- (3) Stock options granted in fiscal 2010 vest 25% on April 15, 2012 and 25% on April 15th of 2013, 2014 and 2015. Notwithstanding that the options have vested, the options cannot be exercised before April 15, 2016. The options have a term of seven (7) years.
- (4) The Corporation does not offer share based awards as a compensation element to the Named Executive Officers.

Option Exercises in 2010

The following provides information relating to amounts received upon the exercise of stock options by the Named Executive Officers during 2010. Ms. Sutherland and Mr. Mosko exercised their options immediately prior to the expiry of the options.

Name	Number of Shares Acquired on Exercise	Value Redeemed Upon Exercise
Gerald M. Soloway	0	\$ 0
Martin K. Reid	0	\$ 0
Brian R. Mosko ^{(1) (2)}	10,000	\$ 87,500
John R. K. Harry	0	\$ 0
Cathy A. Sutherland ^{(3) (4)}	10,000	\$ 96,500
Robert J. Blowes	0	\$ 0

Notes:

- (1) Value Redeemed Upon Exercise is calculated using the closing price of the Common Shares of the Corporation on the date of exercise less the exercise price of the options which was \$44.00 for Mr. Mosko's options.
- (2) Mr. Mosko did not retain any shares following the exercise of his options.
- (3) Value Redeemed Upon Exercise is calculated using the closing price of the Common Shares of the Corporation on the date of exercise less the exercise price of the options which was \$44.20 for Ms. Sutherland's options.
- (4) Ms. Sutherland did not retain any shares following the exercise of her options.

Compensation of the Chief Executive Officer

The compensation of the Chief Executive Officer is governed by the Corporation's executive compensation policy as described on page 22. The Chief Executive Officer participates in all the same incentive plans as the other Named Executive Officers.

The Chief Executive Officer's performance based incentive program aligns the interests of the Chief Executive Officer with the Shareholders with payments from those programs varying based on the Corporation's performance. The Chief Executive Officer (and other senior executives) receives a significant portion of compensation as pay for performance awards motivating the Chief Executive Officer to focus on the Corporation's long term success. The Chief Executive Officer's compensation consists of annual fixed salary, annual variable incentives and stock option grants.



The Board, in assessing the Chief Executive Officer's compensation, considers the corporate objectives established for the Corporation by the Board and the Corporation's performance against these objectives. The 2010 Objectives and Performance table on page 25 sets forth the Corporation's Performance Objectives for 2010 and the 2010 Actual Results.

During 2010, the Corporation exceeded all of its objectives with solid growth and record results. The Corporation's prudent strategies during the current global economic uncertainty have presented robust returns for shareholders and positioned the Corporation for further growth as economic conditions improve.

The following table summarizes the Chief Executive Officer's compensation for the last fiscal year and sets forth his aggregate equity as at December 31, 2010:

Gerald M. Soloway, Chief Executive Officer



Gerald M. Soloway became Chief Executive Officer of the Corporation on January 1, 1987 and continues to serve in that capacity. He also serves as the Chief Executive Officer of the Corporation's subsidiary Home Trust Company. Prior to his involvement with the Corporation, Mr. Soloway practised law in Toronto, specializing in real estate, mortgage and commercial law. Mr. Soloway acted for major banks and trust companies. Mr. Soloway has a B.A. from the University of Western Ontario and an LL.B. from Osgoode Hall.

Mr. Soloway has been with the Corporation since 1986 and has been involved in the industry since 1963.

Year	Cash Compensation			Long-Term Compensation				All Other Compensation ⁽²⁾	Total Compensation
	Salary	Annual Incentive	Other Annual Compensation	Awards		Payouts			
				Number of Options	Grant Value ⁽¹⁾	Restricted Common Shares	LTIP Payouts		
2010	\$ 600,000	\$ 1,400,000	\$ 0	25,000	\$ 449,000	\$ 0	\$ 0	\$ 25,000	\$ 2,474,000
Number and Value of Stock Options as at February 28, 2011 ⁽³⁾									
Option Grant Date	Strike Price (\$)	Exercisable (#)	In-the-Money Value (\$)	Unexercisable (#)	In-the-Money Value (\$)				
February 14, 2007	\$ 34.51	75,000	\$ 1,713,750	25,000	\$ 571,250				
December 7, 2007	\$ 41.29	15,000	\$ 241,050	5,000	\$ 80,350				
December 8, 2008	\$ 16.27	10,000	\$ 410,900	10,000	\$ 410,900				
December 1, 2010	\$ 47.92	0	\$ 0	25,000	\$ 236,000				

Notes:

- (1) Stock option grant values for Mr. Soloway have been calculated using the following grant prices and Black Scholes factors: December 1, 2010: \$47.92 and 37.48% (25,000 options).
- (2) The amounts shown under All Other Compensation include the Corporation's contributions under the Employee Share Ownership Plan, the Group RRSP and life insurance premiums.
- (3) Value of unexercised in-the-money options as at February 28, 2011 is the difference between the exercise price of the options and the closing price of Common Shares on the TSX on February 28, 2011, which was \$57.36.

Chief Executive Officer Share Ownership Requirement

To reinforce the alignment of the interests of the Corporation's Chief Executive Officer with the Corporation's Shareholders, the Board has adopted a policy that the Chief Executive Officer is required to own Common Shares in the Corporation having a minimum value of three times the Chief Executive Officer's annual base cash salary within four years from the date of appointment. Mr. Soloway has a shareholding position that significantly exceeds his share ownership requirement.



Compensation for Other Named Executive Officers

Martin K. Reid, President



Martin K. Reid is President of the Corporation and its subsidiary Home Trust Company. Mr. Reid was appointed to this position on January 1, 2010.

Mr. Reid joined the Corporation in September 2007 as Treasurer. He has more than 20 years of financial services industry experience in numerous senior management positions in treasury and capital markets. Prior to joining the Corporation, Mr. Reid worked for Deutsche Bank Canada in various capacities, Deutsche Bank New York as Director of Market Risk for the Americas and most recently Dundee Bank of Canada where he was Managing Director of Rates and Liquidity. He graduated from York University with a BA in Economics, is an Accredited Mortgage Professional (AMP) and holds an ICD.D from the Institute of Corporate Directors at the Rotman School of Management.

Year	Cash Compensation			Long-Term Compensation			All Other Compensation ⁽²⁾	Total Compensation	
	Salary	Annual Incentive	Other Annual Compensation	Awards		Payouts			
				Number of Options	Grant Value ⁽¹⁾	Restricted Common Shares			LTIP Payouts
2010	\$ 300,000	\$ 500,000	\$ 0	25,000	\$ 449,000	0	0	\$ 15,209	\$ 1,264,309
Total Number and Value of Stock Options as at February 28, 2011 ⁽³⁾									
Option Grant Date	Strike Price (\$)	Exercisable (#)	In-the-Money Value (\$)	Unexercisable (#)	In-the-Money Value (\$)				
December 7, 2007	\$ 41.29	7,500	\$ 120,525	2,500	\$ 40,175				
December 8, 2008	\$ 16.27	5,000	\$ 205,450	5,000	\$ 205,450				
May 5, 2009	\$ 31.87	3,750	\$ 95,588	11,250	\$ 286,763				
December 1, 2010	\$ 47.92	0	\$ 0	25,000	\$ 236,000				

Notes:

- (1) Stock option grant values for Mr. Reid have been calculated using the following grant prices and Black Scholes factors: December 1, 2010: \$47.92 and 37.48% (25,000 options).
- (2) The amounts shown under All Other Compensation include the Corporation's contributions under the Employee Share Ownership Plan, the Group RRSP and life insurance premiums.
- (3) Value of unexercised in-the-money options as at February 28, 2011 is the difference between the exercise price of the options and the closing price of Common Shares on the TSX on February 28, 2011, which was \$57.36.



Brian R. Mosko, Chief Operating Officer and Executive Vice President



Brian R. Mosko is Chief Operating Officer and Executive Vice President of the Corporation and its subsidiary Home Trust Company. He was appointed to this position on January 1, 2010.

Mr. Mosko joined the Corporation in March 1989 as a Senior Mortgage Underwriter. He assumed increasing responsibilities over time and was appointed Chief Operating Officer and Senior Vice President on January 1, 2008. On January 1, 2010, he was appointed Chief Operating Officer and Executive Vice President. Mr. Mosko is responsible for the overall operation and administration of the Corporation including Information Technology and Credit.

Mr. Mosko is an Officer of the Corporation and of its subsidiary Home Trust Company. He has been a director of Home Trust Company since February 2007 and of Payment Services Interactive Gateway (a subsidiary of Home Capital Group Inc.) since October 2007.

Prior to joining the Corporation, Mr. Mosko held positions with the Bank of Montreal, Revenue Canada and Price Waterhouse. He holds a Bachelor of Commerce (Hons) degree from the University of Windsor, is a Fellow of the Institute of Canadian Bankers (FICB) as well as an Accredited Mortgage Professional (AMP) and an ICD.D from the Institute of Corporate Directors at the Rotman School of Management.

Year	Cash Compensation			Long-Term Compensation				All Other Compensation ⁽²⁾	Total Compensation
	Salary	Annual Incentive	Other Annual Compensation	Awards			Payouts		
				Number of Options	Grant Value ⁽¹⁾	Restricted Common Shares	LTIP Payouts		
2010	\$ 400,000	\$ 500,000	\$ 0	10,000	\$ 179,600	\$ 0	\$ 0	\$ 18,001	\$ 1,097,601
Total Number and Value of Stock Options as at February 28, 2011 ⁽³⁾									
Option Grant Date	Strike Price (\$)	Exercisable (#)	In-the-Money Value (\$)	Unexercisable (#)	In-the-Money Value (\$)				
February 14, 2007	\$ 34.51	37,500	\$ 856,875	12,500	\$ 285,625				
December 7, 2007	\$ 41.29	15,000	\$ 241,050	5,000	\$ 80,350				
December 8, 2008	\$ 16.27	10,000	\$ 410,900	10,000	\$ 410,900				
December 1, 2010	\$ 47.92	0	\$ 0	10,000	\$ 94,400				

Notes:

- (1) Stock option grant values for Mr. Mosko have been calculated using the following grant prices and Black Scholes factors: December 1, 2010: \$47.92 and 37.48% (10,000 options).
- (2) The amounts shown under All Other Compensation include the Corporation's contributions under the Employee Share Ownership Plan, the Group RRSP and life insurance premiums.
- (3) Value of unexercised in-the-money options as at February 28, 2011 is the difference between the exercise price of the options and the closing price of Common Shares on the TSX on February 28, 2011, which was \$57.36.



John R. K. Harry, Senior Vice President, Commercial Mortgage Lending



John R. K. Harry currently serves as Senior Vice President, Commercial Mortgage Lending of the Corporation and of its subsidiary Home Trust Company.

Mr. Harry joined the Corporation in March, 2007 in his current position and brought with him over 25 years of experience in real estate finance and banking. He is responsible for overseeing the development and management of the Corporation's commercial mortgage operations. Prior to joining the Corporation, Mr. Harry was the Vice President, Credit and Risk Management with The Equitable Trust Company. Mr. Harry has also held senior management positions with First National Financial Corporation, Adelaide Capital Corporation and Central Guaranty Trust Company.

Mr. Harry holds a B. Comm. from the University of Toronto.

Year	Cash Compensation			Long-Term Compensation			All Other Compensation ⁽²⁾	Total Compensation	
	Salary	Annual Incentive	Other Annual Compensation	Awards		Payouts			
				Number of Options	Grant Value ⁽¹⁾	Restricted Common Shares			LTIP Payouts
2010	\$ 250,000	\$ 300,000	\$ 0	10,000	\$ 179,600	\$ 0	\$ 0	\$ 262	\$ 729,862
Total Number and Value of Stock Options as at February 28, 2011 ⁽³⁾									
Option Grant Date	Strike Price (\$)	Exercisable (#)	In-the-Money Value (\$)	Unexercisable (#)	In-the-Money Value (\$)				
March 7, 2007	\$ 33.76	15,000	\$ 354,000	5,000	\$ 118,000				
December 7, 2007	\$ 41.29	15,000	\$ 241,050	5,000	\$ 80,350				
December 8, 2008	\$ 16.27	2,500	\$ 102,725	2,500	\$ 102,725				
December 1, 2010	\$ 47.92	0	\$ 0	10,000	\$ 94,400				

Notes:

- (1) Stock option grant values for Mr. Harry have been calculated using the following grant prices and Black Scholes factors: December 1, 2010: \$47.92 and 37.48% (10,000 options).
- (2) The amounts shown under All Other Compensation include the Corporation's contributions under the Employee Share Ownership Plan, the Group RRSP and life insurance premiums.
- (3) Value of unexercised in-the-money options as at February 28, 2011 is the difference between the exercise price of the options and the closing price of Common Shares on the TSX on February 28, 2011, which was \$57.36.



Cathy A. Sutherland, Senior Vice President, Finance



Cathy A. Sutherland is Senior Vice President, Finance of the Corporation and of its subsidiary Home Trust Company. Ms. Sutherland was appointed to this position in August 2009.

Ms. Sutherland joined the Corporation as Controller in April of 1990 and assumed increased responsibilities within the Finance department to her current position. Prior to joining the Corporation, Ms. Sutherland held senior finance positions with Deloitte & Touche LLP where she worked on specialized audits of financial institutions including trust companies and credit unions.

Ms. Sutherland received her Chartered Accountant designation in 1987.

Year	Cash Compensation			Long-Term Compensation				All Other Compensation ⁽¹⁾	Total Compensation
	Salary	Annual Incentive	Other Annual Compensation	Awards		Payouts			
				Number of Options	Grant Value	Restricted Common Shares	LTIP Payouts		
2010	\$ 210,000	\$ 175,000	\$ 0		\$ 0	\$ 0	\$ 0	\$ 13,225	\$ 398,225
Total Number and Value of Stock Options as at February 28, 2011 ⁽²⁾									
Option Grant Date	Strike Price (\$)	Exercisable (#)	In-the-Money Value (\$)	Unexercisable (#)	In-the-Money Value (\$)				
December 7, 2007	\$ 41.29	3,750	\$ 60,263	1,250	\$ 20,088				

Notes:

- (1) The amounts shown under All Other Compensation include the Corporation's contributions under the Employee Share Ownership Plan, the Group RRSP and life insurance premiums.
- (2) Value of unexercised in-the-money options as at February 28, 2011 is the difference between the exercise price of the options and the closing price of Common Shares on the TSX on February 28, 2011, which was \$57.36.

Robert J. Blowes, Senior Vice President, Finance



Robert J. Blowes is Senior Vice President, Finance of the Corporation and of its subsidiary Home Trust Company. Mr. Blowes joined the Corporation in November, 2010.

Mr. Blowes was most recently with Ernst & Young LLP, Chartered Accountants. He was a Partner in that Firm for 25 years and was part of the Financial Services Industry Group for over 10 years. Mr. Blowes' client base included banking and trust companies, life, property and casualty insurance carriers, brokerages and other financial services. Mr. Blowes also served leading technology companies.

Mr. Blowes received his Chartered Accountant designation in 1977 and Certified Public Accountant (Illinois) designation in 2004.

Year	Cash Compensation			Long-Term Compensation				All Other Compensation ⁽³⁾	Total Compensation
	Salary ⁽¹⁾	Annual Incentive	Other Annual Compensation	Awards		Payouts			
				Number of Options	Grant Value ⁽²⁾	Restricted Common Shares	LTIP Payouts		
2010	\$ 34,615	\$ 0	\$ 0	10,000	\$ 179,600	\$ 0	\$ 0	\$ 37	\$ 214,252
Total Number and Value of Stock Options as at February 28, 2011 ⁽⁴⁾									
Option Grant Date	Strike Price (\$)	Exercisable (#)	In-the-Money Value (\$)	Unexercisable (#)	In-the-Money Value (\$)				
December 1, 2010	\$ 47.92	0	\$ 0	10,000	\$ 94,400				

- (1) Robert J. Blowes joined the Corporation on November 1, 2010 as Senior Vice President, Finance. The salary reported for Mr. Blowes is pro-rated from his date of hire at his annual rate of \$225,000.
- (2) Stock option grant values for Mr. Blowes have been calculated using the following grant prices and Black Scholes factors: December 1, 2010: \$47.92 and 37.48% (10,000 options).
- (3) The amounts shown under All Other Compensation include the Corporation's contributions under the Employee Share Ownership Plan, the Group RRSP and life insurance premiums.



(4) Value of unexercised in-the-money options as at February 28, 2011 is the difference between the exercise price of the options and the closing price of Common Shares on the TSX on February 28, 2011, which was \$57.36.

Say on Pay

The Board of the Corporation is aware that executive compensation is a matter of importance to Shareholders. As a result, the Board thoroughly reviewed and considered the latest say on pay developments at two Board meetings during 2010.

After careful consideration, the Board decided not to implement a shareholder vote on executive compensation at this time. The Board believes that it is the role of the Human Resources and Compensation Committee to establish appropriate levels of executive compensation that aligns the interests of Shareholders and management.

In addition, the Ontario Securities Commission (OSC) has published a staff notice advising that the OSC is considering the development of regulatory proposals relating to executive compensation or say on pay. Given this OSC initiative, the Board thought it advisable to await further guidance from the OSC.

The Human Resources and Compensation Committee and the Board take very seriously their responsibilities to Shareholders to ensure that appropriate levels of compensation are paid to executives charged with the responsibility of ensuring the Corporation's long-term success. The Board believes that complete, clear, transparent disclosure of compensation, which demonstrates the connection between executive compensation and the performance of executives and the Corporation, is of fundamental importance to Shareholders. The Board currently believes that the Corporation's Management Information Circular provides such disclosure, which allows Shareholders to make informed decisions.

Employment Arrangements for Named Executive Officers

Employment Arrangements for Mr. John R. K. Harry

Mr. Harry's current employment agreement with the Corporation took effect as of February 19, 2007. Upon termination without cause, Mr. Harry's employment arrangements with the Corporation entitle him to either severance package (1) or (2) as outlined below depending on length of service at the time of termination:

1. Should such termination take place within the first year of employment, Mr. Harry will receive six months pay in lieu of notice, paid as a salary continuance until completion or until further employment is secured, whichever occurs first.

In addition to the above, the vested amount of any granted options will become immediately exercisable pursuant to the terms of the Employee Stock Option Plan.

2. Should such termination take place following the first year of employment, Mr. Harry will receive eighteen months pay in lieu of notice, paid as a salary continuance until completion or until further employment is secured, whichever occurs first.

In addition to the above, the vested amount of any granted options will become immediately exercisable pursuant to the terms of the Employee Stock Option Plan.

Termination and Change of Control Benefits

The Corporation has no termination or change of control agreements with any of its Named Executive Officers except with Mr. John Harry. Pursuant to his employment agreement, Mr. Harry would have received a maximum incremental payment of \$375,000 (1.5 times his base salary) if his employment had been terminated without cause on December 31, 2010.

Pursuant to an agreement dated December 3, 2009, on cessation of his employment which occurred December 31, 2009, Mr. Nick Kyprianou (former President of the Corporation) was entitled to salary, bonus and benefits continuation for 24 months. These payments and benefits are subject to Mr. Kyprianou's duty to mitigate and are reduced to the extent Mr. Kyprianou finds other employment during the 24 month period. The time at which Mr. Kyprianou finds other employment and the compensation he will be paid from that other employment are unknown. Accordingly, the value of these payments and benefits cannot be fully quantified. In fiscal 2010, Mr. Kyprianou received an aggregate salary and bonus continuance of \$867,021.

Pursuant to the Employee Stock Option Plan, on a change of control, unvested options will become vested. The in-the-money amounts as at December 31, 2010 of options which were unvested on December 31, 2010 and whose vesting would be accelerated if there was a change of control is as follows:



Value of Option-Based Awards on Accelerated Vesting				
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)
Gerald M. Soloway	100,000	\$ 34.51	February 14, 2012	\$ 1,728,000
	20,000	\$ 41.29	December 7, 2014	\$ 210,000
	20,000	\$ 16.27	December 8, 2015	\$ 710,400
	25,000	\$ 47.92	December 1, 2017	\$ 96,750
Martin K. Reid	10,000	\$ 41.29	December 7, 2014	\$ 105,000
	10,000	\$ 16.27	December 8, 2015	\$ 355,200
	15,000	\$ 31.87	May 5, 2016	\$ 298,800
	25,000	\$ 47.92	December 1, 2017	\$ 96,750
Brian R. Mosko	50,000	\$ 34.51	February 14, 2012	\$ 864,000
	20,000	\$ 41.29	December 7, 2014	\$ 210,000
	20,000	\$ 16.27	December 8, 2015	\$ 710,400
	10,000	\$ 47.92	December 1, 2017	\$ 38,700
John R. K. Harry ^o	20,000	\$ 33.76	March 14, 2014	\$ 360,600
	20,000	\$ 41.29	December 7, 2014	\$ 210,000
	5,000	\$ 16.27	December 8, 2015	\$ 177,600
	10,000	\$ 47.92	December 1, 2017	\$ 38,700
Cathy A. Sutherland	5,000	\$ 41.29	December 7, 2014	\$ 52,500
Robert J. Blowes	10,000	\$ 47.92	December 1, 2017	\$ 38,700

Indebtedness of Officers

As of March 18, 2011, no officer of the Corporation is indebted to the Corporation.

Directors' and Officers' Insurance

Directors' and officers' liability insurance has been purchased by the Corporation for the benefit of the directors and officers of the Corporation and its subsidiaries. For the fiscal year ended December 31, 2010 the premium for such insurance was \$307,490 and was paid by the Corporation and its subsidiaries. The aggregate insurance coverage obtained under the policy is limited to \$25,000,000 in respect of the policy year. The deductible to be borne by the Corporation is \$250,000 in respect of any one claim.

Succession Planning for Senior Management

The Corporation has a formal succession plan and process for senior management.

Senior Management means those individuals performing the function of Chief Executive Officer, President and Chief Operating Officer and those individuals directly accountable to these functions or the Board of Directors for a significant operation of the Corporation.

The Board of Directors is responsible for appointing to senior management positions individuals who are suitably qualified and capable of managing the operations of the Corporation effectively and prudently and for planning for their succession.

The Board of Directors has delegated responsibility for the Corporation's succession plan to its Human Resources and Compensation Committee (the "Committee"), a Committee composed of independent directors. The Committee is to report to the Board of Directors on the succession plan no less than annually.

The following are the Corporation's senior management positions:

- Chief Executive Officer;
- President;



- Chief Operating Officer and Executive Vice President;
- Treasurer;
- Senior Vice President, Finance;
- Senior Vice President, Mortgage Lending;
- Senior Vice President, Commercial Mortgage Lending; and
- Senior Vice President, Corporate Counsel, Corporate Secretary and Chief Compliance Officer.

To the extent possible and practical, the Corporation's succession plan documents the following on a continuing basis:

- The length of service of each individual appointed to a senior management position;
- The individual identified as a successor to each senior management position; and
- The length of service of each individual identified as a successor to a senior management position.

The readiness of each individual identified as a successor to a senior management position according to the following categories:

- Emergency
- Ready Now
- Ready < 2 years
- Ready > 2 years

The following attributes of each individual identified as a successor to a senior management position ranked on a scale of 1 (low) to 5 (high):

- | | |
|---------------------|---------------------|
| • Adaptability | • Delegation |
| • Ambition | • Leadership |
| • Change Management | • Negotiation |
| • Coaching | • Resilience/Energy |
| • Creativity | • Stress Management |

The Committee documents the foregoing in a format similar to that attached to the succession plan.

The Committee receives assistance from members of senior management and such other resources as the Committee may engage.

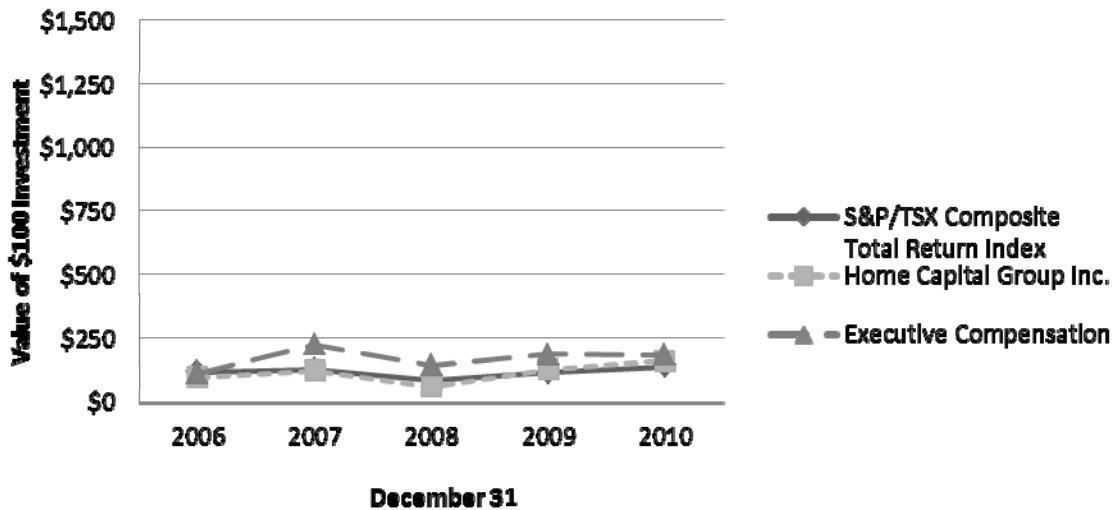
Succession plan findings shall form part of the performance appraisal and development plans of each successor candidate and shall be discussed with them.



2005–2010 Performance

The following chart compares the cumulative Home Capital Group Inc. shareholder return on \$100 invested in Common Shares of the Corporation on December 31, 2005 with the equivalent cumulative value invested in the Toronto Stock Exchange index for the same period.

Performance Graph



Comparative Value of \$100 between 2005 and 2010							
	2005	2006	2007	2008	2009	2010	Compound Annual Growth
TSX	\$100.00	\$117.26	\$128.79	\$86.28	\$116.53	\$137.05	6.51%
HCG	\$100.00	\$98.83	\$122.94	\$59.09	\$127.37	\$160.01	9.86%
Executive Compensation	\$100.00	\$112.37	\$222.14	\$143.75	\$184.67	\$184.24	13.00%

Executive Compensation Alignment with Shareholder Returns

In the medium to long-term, compensation for the Corporation's Named Executive Officers is directly impacted by the price of the Corporation's Common Shares as a significant portion of the compensation paid to the Named Executive Officers is paid as option based awards. In addition, the Corporation has a pay-for-performance philosophy that correlates the pay for the Chief Executive Officer and other named executive officers directly to the performance of the Corporation as described on page 25.

The compound annual growth rate for the total compensation of named executive officers is 13.00% over the same 5-year period reflected in the above graph. This is in keeping with the compound annual growth rate of the Corporation's Net Income (after tax) which was 20.24% for the same 5-year period.



Cost of Management Ratio

The chart below reports the total aggregate compensation for Named Executive Officers and the percentage of net income in each of the last three fiscal years noted below

Cost of Management Ratio			
	2010 ⁽²⁾	2009 ⁽³⁾	2008 ⁽⁴⁾
Total Aggregate NEO Compensation ⁽¹⁾	\$ 6,178,249	\$ 6,192,747	\$ 4,820,351
Net Income After Tax	\$ 180,944,000	\$144,493,000	\$108,687,000
As a percentage of Net Income After Tax	3.41%	4.29%	4.44%

Notes:

- (1) Total Named Executive Officer (NEO) compensation is defined as all elements of compensation for the Chief Executive Officer, the Senior Vice President, Finance and the next three most highly compensated NEOs.
- (2) For 2010, the NEOs were Gerald M. Soloway, Martin K. Reid, Cathy A. Sutherland, Brian R. Mosko, John R. K. Harry, and Robert J. Blowes.
- (3) For 2009, the NEOs were Gerald M. Soloway, Martin K. Reid, Cathy A. Sutherland, Brian R. Mosko, John R. K. Harry and Nick Kyprianou who resigned from the Corporation effective December 31, 2009.
- (4) For 2008, the NEOs were Gerald M. Soloway, Phillip A. Braginetz, Cathy A. Sutherland (who became functional Chief Financial Officer following the departure of Mr. Braginetz), Nick Kyprianou, Brian R. Mosko and John R. K. Harry.



Additional Information

Financial information of the Corporation is provided in the Corporation's consolidated financial statements for the year ended December 31, 2010 and management's discussion and analysis for 2010

For information on the Audit Committee, please see the section entitled "Audit Committee Information" in the Corporation's 2010 Annual Information Form. To obtain a copy of the Corporation's latest Annual Information Form, the audited annual financial statements, management's discussion and analysis, any interim financial statements filed after the most recent annual financial statements, this Management Information Circular, or other information on the Corporation, please visit the Corporation's profile on www.sedar.com or the Corporation's website at www.homecapital.com.

Corporate Governance

In accordance with the rules of the Canadian Securities Administrators, the Corporation annually discloses information relating to its system of corporate governance. Details of the Corporation's practices are described in Schedule A to this Management Information Circular.

The Statement of Corporate Governance Practices, the Board of Directors' Charter, the Charters of the Board Committees, the position descriptions for the Chair of the Board, Vice Chair of the Board, Chairs of the Board Committees, Vice Chair of the Audit Committee, individual directors and the Chief Executive Officer, and the Director Independence Standards are available on the Corporation's website at www.homecapital.com.

Contacting the Board of Directors

Shareholders, employees and other interested parties may communicate directly with the Board of Directors through the Chair of the Board by writing to:

Chair of the Board of Directors
Home Capital Group Inc.
145 King Street West
Suite 2300
Toronto, Ontario M5H 1J8



Certificate

The Board of the Corporation has approved the contents of this Management Information Circular and its distribution to the Shareholders of the Corporation.

By order of the Board of Directors

Toronto, Ontario



March 18, 2011

Christer V. Ahlvik

Senior Vice President, Corporate Counsel & Corporate Secretary



Schedule A - Statement of Corporate Governance Practices

At Home Capital Group Inc., we aspire to uphold high standards of corporate governance which reflect applicable legal and regulatory requirements and also emerging best practices. As a Canadian reporting issuer with securities listed on the Toronto Stock Exchange (“TSX”), our corporate governance practices meet applicable rules adopted by the Canadian Securities Administrators (“CSA”).

Home Capital Group Inc. has amended its governance practices as regulatory changes and best practices have evolved and will continue to follow changes and consider amendments to our governance practices as appropriate.

Board of Directors

Board Mandate

The Board Mandate sets out the Board’s purpose, organization, duties and responsibilities. The text of the Board Mandate is attached hereto as Schedule B. The Charter of the Board (which includes the Mandate) is available on the Corporation’s website at www.homecapital.com.

Director Independence

The Board has adopted standards for determining whether a director is independent within the meaning of the CSA rules.

The Board has determined that all directors standing for election to the Board on May 18, 2011 are independent within the meaning of the relevant CSA rules and the Corporation’s Director Independence Standards with the exception of Mr. Gerald M. Soloway, who is the Chief Executive Officer of the Corporation. The determination is based on information concerning the personal, business and other relationships and dealings of the directors collected through biographical material, reports and questionnaires completed by directors.

Chair of the Board

The Board has separated the roles of Chair of the Board and Chief Executive Officer. Mr. Norman F. Angus, Chair of the Board, is an independent director and is not, and has never been, an executive officer of the Corporation. The Board has adopted a position description for the Chair setting out the Chair’s duties and responsibilities. The Chair ensures that the Board operates independently of management. The Chair manages the affairs of the Board and ensures that the Board meets its obligations and responsibilities. At every regularly scheduled Board meeting, the Chair presides over meetings of the independent directors at which non-independent directors and members of management are not present. During 2010, seven such meetings were held.

At the Annual Meeting of Shareholders on May 18, 2011, eight directors will stand for election for a one-year period. The matter of Board size is considered formally on an annual basis by the Board and on an ongoing basis by the Governance, Nominating and Conduct Review Committee.

Position Descriptions

The Board has adopted position descriptions for the Chair of the Board, Vice Chair of the Board, Vice Chair of the Audit Committee, Committee Chairs, individual directors and the Chief Executive Officer. The position descriptions are available on the Corporation’s website at www.homecapital.com.

The Committee Chair position description sets out the responsibilities and duties of the Chair of each Committee. The position description of the Chair of the Board is described above.

The position description for the Chief Executive Officer is approved by the Board. The Chief Executive Officer’s position description identifies the accountabilities and responsibilities of the Chief Executive Officer.

The Human Resources and Compensation Committee reviews and approves corporate goals and objectives that the Chief Executive Officer is responsible for meeting each year. The Committee conducts an annual assessment of the Chief Executive Officer’s performance in relation to those objectives and reports the results of the assessment to the Board.

Orientation and Continuing Education

The Governance, Nominating and Conduct Review Committee is responsible for the orientation and education of directors. New directors are provided with a New Director’s Binder containing materials relevant to the director’s responsibilities including details of the Corporation’s organizational structure, the structure of the Board and its Committees, position descriptions, corporate policies, the Management Information Circular, Annual Information Form and Annual Report.

One-on-one meetings are arranged with senior management of the Corporation to enable the new director to learn about the various functions and activities of the Corporation.



On an ongoing basis, directors receive presentations on various aspects of the Corporation's businesses and operations. Directors identify their continuing education needs through a variety of means including discussions with senior management and at Board and Committee meetings.

Code of Conduct

The Board has adopted a written Code of Conduct for its directors, officers and employees. The Code provides a framework for directors, officers and employees on the conduct and ethical decision making integral to their work.

The Board monitors compliance with the Code by requiring each director, officer and employee to annually sign an Acknowledgement concerning his or her compliance with the Code. To the knowledge of the Board, there have been no departures from the Code during 2010.

A copy of the Code may be found on the SEDAR website at www.sedar.com and on the Corporation's website at www.homecapital.com.

Related Party Transactions

In the event a director or executive officer has an interest in any transaction or agreement considered by the Board or any Committee of the Board, such interest must be declared and recorded in the minutes of the meeting and the director or executive officer must vacate the meeting while the transaction or agreement is being discussed. Each director and executive officer annually provides a certificate to the Corporation, which discloses all related parties of the director or officer and any related party transaction with the Corporation.

Culture of Integrity

The Board believes that senior management must create a culture of strong corporate governance, ethical business conduct and integrity throughout the organization. The Code of Conduct addresses many areas of business conduct and provides a procedure for employees to raise concerns or questions regarding questionable audit or accounting matters.

Nomination of Directors

The Governance, Nominating and Conduct Review Committee of the Board, composed entirely of independent directors, is responsible for identifying and recommending to the Board suitable director candidates.

The Committee considers the competencies and skills the Board, as a whole, should possess, assesses the skill sets of current Board members and identifies any additional skill sets deemed to be beneficial, when considering candidates. As part of the new director selection process, the Committee uses a Board Matrix and a Director Skills/Attributes Inventory supplemented by a Director Candidate Criteria list to consider the competencies and skills the Board, as a whole, should possess and to assess the skill sets of current directors. The Board Matrix also enables the Committee to identify any additional skill sets determined to be beneficial when considering candidates for the Board. The Director Skills/Attributes Inventory enables the Board to identify skill gaps. Potential candidates are screened to ensure that they have the Director Candidate Criteria necessary to execute their duties and responsibilities.

Majority Voting for Election of Directors

The Board has adopted a policy regarding majority voting for the election of directors. The policy is described on page 1 of this Management Information Circular.

Compensation

The Human Resources and Compensation Committee of the Board, composed entirely of independent directors, is responsible for reviewing directors' compensation to ensure the compensation is competitive and consistent with the responsibilities and risks involved in being an effective director.

In 2004 the Board determined that all directors of the Corporation must own a minimum of 1,500 Common Shares of the Corporation, within a period of four years from election or appointment to the Board. In 2007, the Board reviewed this requirement and determined that all directors must hold the equivalent of \$135,000 in Common Shares of the Corporation within four years of January 1, 2006. In February 2008, the Board decided that directors must own Common Shares of the Corporation having a minimum value of \$135,000 on the later of (i) four years from election or appointment to the Board, or (ii) four years from January 1, 2006. In March 2009, the Board reviewed and strengthened the requirement and determined that all directors must hold the equivalent of \$165,000 (3 times the then Board annual retainer). Directors were given an additional year to achieve the requirement.

The Human Resources and Compensation Committee is responsible for annually reviewing and approving the compensation of the Chief Executive Officer, the President and other senior officers. The level of remuneration is designed to provide a competitive level of remuneration relative to comparable positions in the marketplace. A comparator group is developed by identifying companies primarily within the Corporation's market, of similar size considering value of assets, number of employees and revenue. Consultants may be retained to obtain this information and to assess the Corporation's relative position.



Assessment of Board Committees and Directors

In response to the Board's commitment to high standards of corporate governance, the Chair of the Governance, Nominating and Conduct Review Committee annually conducts a full Board Evaluation Survey.

Board members assess their effectiveness as a Board, the effectiveness of the Board Committees and the effectiveness of each director through self-evaluation and annual one-on-one meetings with the Chair of the Board.

Board members are asked to rate items such as the operation of the Board and its Committees, the adequacy of the information provided to directors, Board structure, agenda planning for Board meetings, strategic direction and process, structure and size of the Board, knowledge and diversity of Board members, timeliness and completeness of information received for discussion and the overall effectiveness of the decision-making process including the effectiveness of the Chair in managing Board meetings. The self-evaluation involves questions about issues such as the effectiveness of discussions and decision-making, attendance and contribution. In addition, annually each director meets individually with the Chair of the Board.

The evaluation process is conducted in-house and requires all Board members to complete the evaluation survey. The completed survey is delivered to the Chair of the Governance, Nominating and Conduct Review Committee. The Chair compiles the results and prepares a single document that includes an analysis of responses. The analysis is presented to the Board for discussions and action if required.

Strategic Planning

The Board reviews and approves the Corporation's strategic plans. These plans address key initiatives and contain details of opportunities, risks, competitive position, financial projections and other key performance indicators. Throughout the year, the Board receives strategic updates on the progress of each of the principal business groups as part of regular Board meetings.

Disclosure Policy

The Board has adopted a Disclosure Policy covering timely disclosure of all material information. The Policy is reviewed annually and establishes consistent guidance for determining what information is material and how the information should be disclosed to avoid selective disclosure and to ensure that material is widely disseminated. The Corporation has a Disclosure Committee comprised of senior management and chaired by the Senior Vice President, Finance. The Disclosure Committee is responsible for reviewing all continuous disclosure documents and ensuring their timely public release.

The Corporation communicates with Shareholders and other stakeholders through a variety of channels including the Annual Report, Management Information Circular, quarterly reports, Annual Information Form, news releases and the Corporation's website.

Shareholder feedback is received through group meetings with institutional Shareholders and from retail Shareholders by mail or telephone.

Shareholders, employees and other interested parties may communicate directly with non-management directors through the Chair of the Board by writing to Chair, Board of Directors, Home Capital Group Inc., 145 King Street West, Suite 2300, Toronto, Ontario M5H 1J8.



Schedule B - Mandate of the Board

1. Understanding and meeting the duties and performance standards expected of the Board and each director under (i) the Corporation's governing statute, (ii) other applicable statutes and regulatory regimes, and (iii) the expectations of Shareholders and stakeholders of the Corporation;
2. Adopting and annually approving a strategic planning process for the Corporation under which the Board reviews (i) the opportunities and risks of the Corporation's businesses and (ii) regular input from senior management on the continuing development of and the Corporation's performance against the strategic plan;
3. Considering and approving all Corporation activities related to major capital expenditures, raising capital, allocation of resources to the Corporation's lines of business, organizational restructurings and other major financial activities;
4. Monitoring appropriate procedures for identifying the principal risks of the Corporation's business, implementing appropriate systems to manage these risks, and receiving regular updates on the status of risk management activities and initiatives;
5. Supervising the succession planning processes at the Corporation, including the selection, appointment, development, evaluation and compensation of the Chief Executive Officer and senior management;
6. Reviewing the effectiveness of the Corporation's internal controls and management information systems by establishing appropriate internal and external audit and control systems and by receiving frequent updates on the status of those systems;
7. Regularly reviewing the Corporation's Disclosure Policy, and approving all material disclosure items prior to disclosure in accordance with the Disclosure Policy;
8. Assessing the effectiveness of the Corporation's communications, including measures for receiving feedback from stakeholders;
9. Overseeing the Corporation's approach to corporate governance including corporate governance principles and policies, establishing Board Committees, setting expectations of directors and undertaking regular evaluation of the Board, its Committees and its members;
10. Developing and communicating the Board's expectations and responsibilities to individual directors as such expectations are updated and refined; and
11. Creating a culture of integrity throughout the Corporation and satisfying itself as to the integrity of the Chief Executive Officer and senior management.



