

**EQUITABLE GROUP INC.  
EQUITABLE BANK  
(collectively, "Equitable")**

**Board of Directors' Mandate**

**A. ROLE**

The Board of Directors (the "Board") is responsible for the stewardship of Equitable and for supervising the management of the business and affairs of Equitable. In carrying out this responsibility the Board will, either directly or through its committees, perform the duties as outlined below.

**B. ACCOUNTABILITIES AND RESPONSIBILITIES**

**Strategic Planning and Capital Oversight**

1. Adopt a strategic planning process and annually approve the strategic plan which sets out Equitable's short-term and long-term business objectives and takes into account the opportunities and risks of its business. In discharging this responsibility, the Board shall review emerging trends, the competitive and regulatory environment, and ensure the strategic plan is aligned with Equitable's risk appetite.
2. Oversee the implementation of the strategic plan and monitor management's execution against the approved plan.
3. Approve and oversee the annual financial budgets, the Capital Management Policy and the Internal Capital Adequacy Assessment Process. Monitor Equitable's performance against the approved budget and approve any material amendments to, or variances from, the budget, including any request for capital expenditures in excess of \$2,000,000 over the budgeted expenditure amounts.
4. Review and approve the issuance and redemption of any regulatory capital instrument.
5. Review and approve material initiatives and transactions.

**Risk Management**

1. Approve Equitable's Risk Appetite Framework (RAF), including the risk appetite statements. Ensure the RAF is aligned with Equitable's strategic, financial and liquidity plans; business unit strategies; day-to-day operations and the compensation program.
2. Oversee the identification and monitoring of the principal risks affecting Equitable's business and satisfy itself that appropriate policies, procedures and practices are in place for the effective and independent management of these risks under the RAF.

3. Review the processes to ensure adherence to applicable regulatory, corporate and legal requirements.
4. Ensure the Board receives from management the information and input required to enable the Board to effectively perform its duties.
5. Oversee Equitable's Crisis Management and Recovery Plans.
6. Approve the delegation of certain credit approvals and investment authorities to management.

### **Internal Controls**

1. Approve Equitable's internal control framework.
2. Oversee the integrity and effectiveness of Equitable's internal controls, including those for financial and non-financial reporting, and management information systems, and receive reports on the effective design of these systems and reasonable assurance that they are operating effectively.
3. Perform such duties, approve certain matters and review reports as may be required under policies approved by the Board.

### **Oversight of Senior Management**

1. Appoint or remove the Chief Executive Officer. Approve the mandate for the Chief Executive Officer which reflects the Board's delegation of powers and authority to manage the business and affairs of Equitable.
2. Approve the objectives of the Chief Executive Officer, monitor progress against those objectives, and approve the compensation of the Chief Executive Officer.
3. Approve the appointment and compensation of Equitable's executive officers, including the heads of the control functions, and ensure they have the appropriate qualifications and competencies to meet the expectations set by the Board and regulators. To the extent feasible, satisfy itself as to the integrity of the Chief Executive Officer and other executive officers, and as to their effectiveness in fostering a risk, integrity and compliance culture throughout Equitable.
4. Approve Equitable's compensation policy and oversee the design and operation of the compensation program to ensure it aligns with Equitable's business strategy, values and risk appetite.
5. Ensure that an appropriate succession planning process is in place for the Chief Executive Officer, the Chair of the Board and key executive officers.
6. Review any significant changes to Equitable's organizational structure.

7. Oversee Equitable's control functions having regard to their independence and effectiveness.
8. Establish appropriate structures, policies and procedures to enable the Board to function independently of management.

### **Corporate Governance**

1. Develop and review Equitable's approach to corporate governance in light of material changes to the Equitable's size, complexity, business strategy, market and regulatory environment.
2. Set and reinforce the "tone at the top" together with the Chief Executive Officer for the risk, integrity and compliance culture throughout the organization.
3. Oversee policies in respect of ethical personal and business conduct, including Equitable's Code of Business Conduct and ensure there is an ongoing, appropriate and effective process for ensuring adherence to the Code.
4. Approve policies and procedures for addressing directors' conflicts of interest.
5. Establish committees of the Board, delegate the appropriate responsibilities to those Committees subject to applicable law, approve their mandates, appoint a Chair for each Committee and receive a report from each Committee Chair on material matters considered by the Committee at the first Board meeting after the Committee's meeting.
6. Approve selection criteria for new directors, nominate directors for election or re-election, oversee the orientation of new directors and the ongoing education of all directors.
7. Appoint the Chair from among the independent members of the Board and approve the mandate for the Board Chair position.
8. Establish expectations and responsibilities of directors, including attendance at, preparation for and participation in Board and Committee meetings.
9. Review and approve the adequacy and form of compensation for the independent directors.
10. Evaluate the performance of the Board, each of its Committees, Board and Committee Chairs and each of the directors. Periodically consider engaging an independent external advisor to assess or assist the Board in conducting such assessments.

### **Delegation of Authority to Chief Executive Officer**

1. Delegate to the Chief Executive Officer the authority to manage Equitable's day-to-day activities within the framework established by the Board.

### **Communication and Public Disclosure**

1. Approve material changes to Equitable's disclosure policy, ensuring that it provides for timely, reliable and accurate disclosure to analysts, shareholders, and the general public.
2. Review and approve all annual and quarterly financial statements of Equitable and other public disclosure documents that require Board approval, and the declaration of dividends.
3. Ensure appropriate disclosure mechanisms, such as Equitable's management information circular, annual report and/or website, provide instructions on how to communicate with the independent directors.

### **Regulators**

1. Consider reports from management, as required, on material regulatory matters and developments in Equitable's relationship with its regulators.
2. Meet with representatives of the Office of the Superintendent of Financial Institutions as required.
3. Ensure regulators are promptly notified of substantive issues affecting Equitable.

### **C. Composition**

1. The composition and organization of the Board, including the number, qualifications, number of meetings, Canadian residency requirements, quorum requirements, meeting procedures and notices of meetings are as established by the regulatory requirements and Equitable's by-laws . Each director shall possess the qualities set out in the Position Description for Directors.
2. The Board shall establish independence standards for directors and at least annually, shall determine the independence of each director in accordance with these standards. A majority of the directors shall be independent in accordance with these standards.

### **D. Secretary**

1. The Corporate Secretary or his or her designate shall act as Secretary at Board meetings. The Secretary shall record and maintain minutes of all meetings of the Board and subsequently present them to the Board for approval.

**E. Meetings**

1. The Board shall meet no less than four times each year as required by the *Bank Act* (Canada). The independent members of the Board shall hold unscheduled or regularly scheduled meetings, or portions of regularly scheduled meetings, at which management is not present.
2. Directors may participate in meetings in person or by telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate adequately with each other. A director participating by such means is deemed to be present at that meeting.
3. The Board may invite such persons as it may see fit to attend its meetings and to take part in discussions and considerations of the affairs of the Board.
4. Notice of each meeting shall be given to each director by pre-paid mail, by personal delivery, facsimile or electronic mail at least 24 hours before the date and time set for the meeting. Any member of management shall also attend whenever requested to do so by the Chair of the Board.
5. The Board shall meet in the absence of management, and shall also meet in the absence of non-independent directors, prior to and/or following the conclusion of regularly scheduled or unscheduled meetings.

**F. Access to Management and Outside Advisors**

1. The Board shall have unrestricted access to management and employees of Equitable. The Board shall have the authority to retain and terminate independent legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the compensation of these advisors without consulting or obtaining the approval of any officer of Equitable. Equitable shall provide appropriate funding, as determined by the Board, for the services of these advisors.

This mandate was last reviewed and approved by the Board on November 9, 2017.