

**EQUITABLE GROUP INC.
EQUITABLE BANK**

GOVERNANCE AND NOMINATING COMMITTEE MANDATE

A. ROLE

1. The Governance and Nominating Committee (the “Committee”) of the Board of Directors (the “Board”) of Equitable Group Inc. and Equitable Bank (the “Bank”) (collectively, “Equitable”) shall assist the Board in fulfilling its corporate governance oversight responsibilities, including:
 - i) Determining the criteria for selecting new directors and identifying individuals qualified to become directors;
 - ii) Recommending the director nominees for election or re-election to the Board;
 - iii) Developing and recommending to the Board a set of corporate governance guidelines, including a code of conduct;
 - iv) Reviewing and recommending the compensation of Equitable’s non-management directors; and
 - v) Overseeing the evaluation of the Board and Board committees.
2. The Committee shall assist the Board in executing its oversight duties for the Compliance function with respect to the adequacy and overall effectiveness of Equitable’s material compliance with legal and regulatory requirements and its related policies.
3. The Committee shall perform the duties required of a conduct review committee under the *Bank Act*, and fulfill the compliance requirements of the Bank in respect of the Financial Consumer Agency of Canada.

B. ACCOUNTABILITIES AND RESPONSIBILITIES

The Committee shall:

Board Structure and Composition

1. Regularly assess the competencies and skills the Board and Committees should possess, taking into consideration the opportunities and risks facing Equitable, upcoming vacancies on the Board and other needs of the Board which the Committee considers appropriate, and recommend the criteria for the selection of new directors based on these assessments.
2. Identify individuals qualified for Board membership under the *Bank Act* and other applicable laws, taking into consideration, among other things, the level of diversity on the board and whether the individual can devote sufficient time and resources to his or her duties as a director.
3. Recommend to the Board director nominees for election or re-election by the shareholders at each annual meeting, or to fill vacancies on the Board that occur between

annual meetings resulting from departures of directors or increases in the number of directors.

4. Review the appropriateness of the size of the Board relative to its mandate and the composition of the Board as a whole, and with a view to facilitating effective decision-making.
5. Engage independent consultants, where appropriate, to help identify candidates who meet the qualifications being sought.
6. Recommend the appointment of directors to Board committees, taking into consideration input received from the Chair of the Board, and any criteria for service as provided for in the respective committee mandate.
7. Recommend to the Board the appointment of Committee Chairs, taking into account such attributes including independence, competence, experience, dedication and leadership skills, and input received from the Chair of the Board.
8. Review and recommend to the Board criteria for the tenure of directors.
9. Review and recommend for Board approval mandates and/or position descriptions for a director of Equitable, the Board of Directors, the Chair of the Board, Committee Chairs, and the Chief Executive Officer.
10. Oversee and monitor the orientation for new directors and continuing education for existing directors.
11. Consider and make recommendations to the Board with respect to any resignation offer from a directors pursuant to Equitable's Majority Vote policy.
12. Satisfy itself that the Bank's primary regulator is notified in advance of potential changes to Board membership.

Board Independence

1. Review and recommend for Board approval a Director Independence Policy that establishes independence criteria for directors and advise the Board on the independence status of individual directors.
 2. Review the Board's independence from, and relationship with management and make recommendations with respect to such relationship where it is deemed appropriate.
 3. Review the structures and procedures of the Board and its relationship with management to ensure it can function independently.
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4. Oversee the provision of information to the Board to enable the Board to focus on key issues and make informed decisions, and recommend improvements as determined advisable.

Board and Director Assessment

1. Establish and oversee the process for annually assessing the performance and effectiveness of the Board as a whole, its Committees, the Chair of the Board and individual directors (through peer review and director interview processes) against criteria the Committee considers appropriate.
2. Regularly conduct the Board assessment process with the assistance of an independent external advisor and recommend to the Board for approval the retention of the external advisor selected by the Committee.
3. Report the results of such assessments to the Board and if necessary, recommend any action plans to address issues that may be raised as a result of such assessments.

Director Compensation

1. Review and recommend for Board approval, at least every two years, the adequacy and form of compensation for the non-managements directors of Equitable.
2. Oversee the administration of the Deferred Share Unit Plan and recommend any amendments to the Plan as it deems necessary or appropriate, for approval by the Board.
3. Review director equity share ownership requirements and when appropriate, recommend changes to the Board for approval.

Chair of the Board Succession

1. At least annually, review a succession and emergency preparedness planning process for the Chair of the Board and recommend the process for Board approval. The Committee may recommend for Board approval the removal of the Chair for any reason the Committee considers appropriate. Upon the vacancy of the Chair, the Committee may make a replacement recommendation to the Board based on the succession planning process.

Corporate Governance

1. Develop and, where appropriate, recommend for Board approval corporate governance guidelines and review the guidelines at least annually.
 2. Approve the public disclosure of Equitable's corporate governance practices.
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3. Review Equitable's corporate governance practices against emerging trends, best practices and regulatory guidance and make recommendations to the Board as appropriate.
4. Review and recommend for Board approval policies for ethical personal and business conduct, including the Code of Business Conduct.
5. Review and recommend for Board approval any waiver from a provision of the Code requested by a Director or a member of senior management.
6. Review and approve policies for assessing the suitability and integrity of the Bank's Responsible Persons.
7. Review and approve Equitable's policies for insider trading and receive regular oversight reports on the policy's effectiveness.
8. Review and recommend for Board approval any changes to Equitable's general by-laws as they relate to governance issues.
9. Oversee Equitable's approach to corporate and social responsibility.

Regulatory Compliance

1. Review and approve the Bank's Regulatory Compliance Management Policy and regularly review and discuss reports from the Chief Compliance Officer on the status of the Bank's adherence to applicable regulatory requirements and the adequacy and effectiveness of the Bank's regulatory compliance management program.
 2. Review with Management the results of the annual assessment of employee adherence with the Code of Business Conduct.
 3. Review and approve the Bank's policies for disclosure of information, customer complaints and privacy risks and review regular oversight reports from the Chief Compliance Officer on the status of the Bank's compliance with applicable regulatory requirements and the associated programs.
 4. Obtain material information, including the results of the Bank's monitoring and testing program, as well as the opinion of the Chief Compliance Officer, to allow it to form a conclusion on the overall adequacy and effectiveness of the Bank's policies, procedures, processes and programs required to comply with applicable regulatory requirements on an enterprise-wide basis.
 5. Receive and discuss regular reports on compliance reviews conducted by the Bank's regulators and any required remedial action by management.
 6. Review reports from Internal Audit that verify and validate the enterprise-wide effectiveness of its risk-based effectiveness testing of the regulatory compliance,
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consumer-related disclosures and complaints, whistleblower, privacy and AML/ATF programs and monitor management's progress regarding on the status of significant recommendations and findings as well as direct and follow up on improvements as necessary, in order to facilitate its reassessment of the RCM and AML/ATF programs.

Compliance Function

1. Review the organizational structure of the Compliance function and annually approve the function's resources and budget.
2. Review and approve the mandate of the Chief Compliance Officer. Ensure the Chief Compliance Officer has sufficient stature and authority within Equitable and has unfettered access and a functional reporting line to the Committee.
3. Approve the appointment or dismissal of the Chief Compliance Officer.
4. Annually assess the effectiveness and performance of the Chief Compliance Officer, taking into account any material instances of non-compliance or control weakness with respect to the Compliance function and provide the results to the Chief Executive Officer as input into the compensation approval process.
5. Review and approve the annual plan and receive quarterly updates on the status of the plan from the Chief Compliance Officer. Ensure that any deficiencies identified are corrected within an appropriate timeframe and report to the Board on the progress of necessary corrective actions.
6. Periodically engage an independent third party to assess the effectiveness of the Compliance function and review the results of that assessment.
7. Provide a forum for the Chief Compliance Officer to raise any reporting issues or issues with respect to the relationship and interaction among the Compliance function, management and/or regulators.

Anti-Money Laundering and Anti-Terrorist Financing

1. Review and approve the mandate of the Chief Anti-Money Laundering Officer ("CAMLO").
 2. Review the appointment or dismissal of the CAMLO.
 3. Review and approve the Bank's Anti-Money Laundering/Anti-Terrorist Financing ("AML/ATF") Policy and review quarterly reports from the Chief Money Laundering Officer ("CAMLO") on the Bank's adherence with applicable regulatory anti-money laundering requirements.
 4. Review and discuss with the CAMLO the annual assessment of the effectiveness of the Bank's AML/ATF Program and its adherence with the Policy and follow up with management on the status of material recommendations and findings as appropriate.
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5. Provide a forum for the CAMLO to raise any reporting issues or issues with respect to the relationship and interaction among the Department, management and/or regulators.

Conduct Review

1. Review and approve the Related Party Transactions Policy which includes the procedures and practices to enable the Bank to comply with the self-dealing rules of the *Bank Act*, and review the effectiveness of these procedures.
2. Review the Bank's practices to ensure that any transactions with related parties of the Bank that may have a material effect on the stability or solvency of the Bank are identified.
3. Establish criteria for determining a nominal or immaterial value for related party transactions, in accordance with the guidelines set out or subject to approval by the Superintendent of Financial Institutions.
4. Review and approve the terms and conditions of (i) loans, other than margin loans, to senior officers of the Bank that are more favourable than those offered to the public; and (ii) loans to spouses of senior officers on the security of mortgages of the principal residences of such spouses if such terms and conditions are more favourable than those offered to the public.
5. Approve the terms and conditions of any permitted related party transaction that exceeds the established Transaction and Aggregate Threshold for such transaction.
6. Approve the terms and conditions of financial services, other than loans or guarantees, offered to senior officers, their spouses/common law partners or their children who are less than eighteen years of age, if such terms and conditions are more favourable than those offered to the public and the said financial services are also offered to employees of the Bank under the same terms and conditions.
7. Submit a report annually to the Board on the Committee's activities during the year with respect to its responsibilities under subsection 195(3) of the *Bank Act* and ensure such report is filed with the Superintendent of Financial Institutions.
8. Review, monitor and approve Equitable's policy and associated procedures to resolve conflicts of interest, including techniques for the identification of potential conflict situations.
9. Monitor procedures restricting the use and disclosure of confidential information, providing disclosure of information to customers of Equitable as required by the Act, and for dealing with customer complaints as required under subsection 455(1) of the *Bank Act*, and be satisfied that the procedures are being adhered to.

Other

1. Review and assess the adequacy of this Mandate at least annually and where necessary, recommend changes to the Board for approval.
2. Annually evaluate the Committee's effectiveness with respect to this mandate.
3. Participate as required or as determined by the Committee Chair in internal or external education sessions to enhance familiarity with the Committee's responsibilities. The Bank will provide appropriate funding for such sessions.
4. Prepare an annual report on its activities for inclusion in Equitable's Management Information Circular.

C. **Membership**

1. The Committee shall consist of a minimum of three directors. Each Committee member should have an understanding of issues related to corporate governance or be willing to acquire the necessary knowledge within a reasonable period of time following his or her appointment to the Committee.
2. Each Committee member shall be independent within the meaning of applicable laws, rules and regulations and any other consideration as determined by the Board, including Equitable's Director Independence Policy. A majority of the members must directors who are not affiliated with the Bank pursuant to the provisions of the *Bank Act*.
3. Committee members are appointed or reappointed annually by the Board, upon the recommendation of the Governance and Nominating Committee, immediately following the annual meeting of shareholders and shall hold office until their successors are appointed or until they cease to be directors of Equitable.

D. **Vacancies**

Vacancies may be filled for the remainder of the current term of appointment by the Board.

E. **Chair and Secretary**

1. The Board shall appoint from the Committee membership, a Chair for the Committee who shall preside at meetings. In the absence of the Chair, the Committee members may appoint a chair from the members present to preside at that meeting. The Chair shall work with management to develop the Committee's meeting agendas and annual workplan.
 2. The Corporate Secretary or his or her designate shall act as Secretary of all Committee meetings and record and maintain minutes of all meetings of the Committee and subsequently present them to the Committee for approval.
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F. **Meetings and Quorum**

1. The Committee shall meet at least three times a year or more frequently as necessary to carry out this mandate. Meetings shall be convened at such times, places and in such a manner as determined by the Committee Chair.
2. Meetings of the Committee may be called by any Committee member. Members 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 member participating by such means is deemed to be present at that meeting.
3. All non-management directors who are not members of the Committee have a standing invitation to attend meetings of the Committee but may not vote. In addition, the Committee may invite any director, officer or employee or any other person to attend meetings to assist the Committee with its deliberations.
4. Notice of Committee meetings shall be sent to each Committee member by prepaid mail, by personal delivery or other means of transmitted or recorded communication or by telephone at least 24 hours before the time and date set for the meeting. A Committee member may in any manner waive notice of a meeting and attendance at a meeting is a waiver of notice of the meeting, except where a member attends for the express purpose of objecting to the transaction of any business on the ground that the meeting was not properly called.
5. The external auditor is entitled to receive notice of each Committee meeting at which matters under the Conduct Review section of this mandate will be conducted.
6. Quorum for a Committee meeting shall be a majority of its members, subject to a minimum of two members.
7. In accordance with Section 184.1(3) of the *Bank Act*, signed resolutions in lieu of a meeting to deal with any matters set out under subsection 195(3) of the *Bank Act* are not permitted.
8. Matters decided by the Committee shall be by majority vote.
9. The Committee shall meet privately immediately prior to and/or following the conclusion of the regular agenda matters. The Committee shall also meet in separate private sessions with the Chief Compliance Officer and the Chief Anti-Money Laundering Officer.

G. **Report to the Board**

1. The Committee Chair shall report to the Board after each Committee meeting on matters reviewed by the Committee and, where applicable, present the Committee's recommendations to the Board for its approval.
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H. Access to Management and Outside Advisors

1. The Committee shall have unrestricted access to management of the Bank and to any and all books and records of the Bank necessary for the execution of the Committee's obligations. The Committee has the authority to retain and terminate external counsel, consultants or other advisors and to set and pay the compensation of these advisors without consulting or obtaining the approval of the Board or any officer of the Bank. The Bank shall provide appropriate funding, as determined by the Committee, for the services of these advisors.

Approvals	
Governance & Nominating Comm	May 4, 2016
Board of Directors	May 12, 2016