

## **Human Resources and Compensation Committee Mandate**

### **A. ROLE**

The Human Resources and Compensation Committee (the "Committee") is responsible for assisting the Board of Directors of Equitable Group Inc. and Equitable Bank (the "Bank") (collectively, "Equitable") in overseeing:

- (i) the design and operation of the compensation program to ensure alignment with Equitable's strategy, risk appetite framework, and regulatory requirements;
- (ii) the performance and compensation of the Chief Executive Officer;
- (iii) the appointment, performance and compensation for any senior officer reporting directly to the President and Chief Executive Officer ("Executive Officers");
- (iv) human capital matters, including pay equity, diversity and inclusion, succession planning, recruitment and retention, talent management and leadership development practices.

### **B. ACCOUNTABILITIES AND RESPONSIBILITIES**

The Committee shall:

#### **Chief Executive Officer**

1. Review and approve, or recommend for Board approval, the position description for the Chief Executive Officer.
2. Review and recommend for Board approval the corporate goals and objectives that are relevant to the Chief Executive Officer's compensation.
3. Monitor the Chief Executive Officer's performance relative to his or her goals and objectives and formally evaluate his or her performance at least annually. The Chair of the Board shall provide input into the performance assessment and report the results to the Board. The assessment of the Chief Executive Officer shall include, to the extent feasible, an assessment of the Chief Executive Officer's business conduct and integrity and the culture of integrity established by the Chief Executive Officer and other executive officers throughout Equitable.
4. Review and recommend for Board approval total compensation for the Chief Executive Officer based on his or her performance assessment and any other factor or criteria the Committee may determine, including compensation paid to Chief Executive Officers in Equitable's comparator group.
5. Undertake succession planning, including emergency preparedness planning, for the Chief Executive Officer and make recommendations concerning these plans to the Board.
6. Establish and monitor the adequacy of share ownership requirements applicable to the Chief Executive Officer and review compliance annually.
7. Review and recommend for Board approval any arrangement relating to employment terms, termination, retirement, severance, or change in control between Equitable and the Chief Executive Officer.

**Executive Officers**

1. Review and evaluate the performance assessments made by the Chief Executive Officer for his direct reports, with the input of the Audit Committee for the Chief Financial Officer and Vice-President of Internal Audit, and the Risk and Capital Committee for the Chief Risk Officer.
2. Review and approve the total compensation of the Executive Officers and any other senior officer of the Bank or its affiliates whose compensation may be disclosed in the Management Information Circular, based on the recommendations of the Chief Executive Officer. Recommend for Board approval any awards under the Long-term Incentive Plans (restricted share units, performance share units and stock options).
3. Review and approve, or recommend for Board approval, the appointment of any candidate to an Executive Officer position (any position reporting directly to the Chief Executive Officer). Review the appointment of any officer or non-officer at the Vice-President level made by the Chief Executive Officer.
4. Review succession and contingency preparedness plans for Executive Officers, the heads of the Oversight Functions (Finance, Risk, Internal Audit, Compliance and Anti-Money Laundering/Anti-Terrorist Financing), and for any other key role the Committee deems necessary.
5. Monitor the progress and development of key Executive Officers in accordance with succession plans.
6. Review at least annually the Executive level organization structure and approve any significant changes.
7. Review and approve the general terms of any employment, severance, change in control and retirement between Equitable and an Executive Officer.
8. Establish and monitor the adequacy of share ownership requirements applicable to Executive Officers as the Committee may from time to time determine and annually review compliance relative to those requirements.
9. Review and approve all material benefits and perquisites for Executive Officers.
10. Receive periodic reports on the operation of the Bank's Responsible Persons Assessment Policy, and report to the Board on any significant issues arising under such Policy in relation to an Executive Officer or head of an Oversight Function.

**Compensation Philosophy, Policies, Incentive Plans and Culture**

1. Review and approve any material changes to the compensation policy.
2. Review the compensation philosophy and satisfy itself that the compensation program and practices appropriately reward Executive Officers for their contributions, and provide a clear link between pay and performance.
3. Review and recommend for Board approval the corporate performance scorecard for incentive compensation, including the selection of appropriate financial and non-financial performance metrics. Assess corporate performance against the performance targets and strategic initiatives and approve the corporate performance score to determine short-term incentive payout.
4. Annually and prior to determining year-end incentive compensation, meet with the Chief Risk Officer to:

- (i) review the alignment of the compensation program with the Financial Stability Board's Principles for Sound Compensation Practices and Equitable's business objectives, business performance and risk appetite;
  - (ii) review stress testing results, as necessary;
  - (iii) consider any current or future risks that could impact compensation decisions; and
  - (iv) review the composition of employees that may have a material impact on the risk exposure of the Bank, ensuring there are appropriate linkages between recommended incentive awards for these employees and compliance with Equitable's policies, guidelines and risk appetite.
5. Review and recommend for Board approval, long-term incentive awards for eligible employees of the Bank, and the terms and allocation for distribution of such awards.
6. Review and, if deemed advisable, approve at least every three years an appropriate comparator group for benchmarking executive compensation.
7. Review and approve, or recommend for Board approval any new compensation or incentive plans, or any material changes to such plans.
8. Satisfy itself that human resources risks are appropriately identified, assessed and managed in a manner consistent with the risk programs within the Bank, and with the sustainable achievement of Equitable's business objectives.
9. Oversee and monitor employee engagement, organizational culture, leadership development, talent management and planning, recruitment and retention strategies and assess their alignment with Equitable's strategy.
10. Acknowledging that workplace equity can only be achieved by approaching this work holistically, oversee Equitable's policies, programs and practices designed to (i) promote workplace equity, including pay equity for equal work; (ii) protect the mental health and physical health and safety of employees in the workplace, and promote employee wellbeing; (iii) ensure a respectful workplace free from harassment; and (iv) support an inclusive workplace culture and business environment that emphasizes the importance of reconciliation and is actively anti-racist.

#### **Retirement and Bank Sponsored Savings Programs**

1. Review, approve and/or recommend for Board approval any new retirement and savings program and approve any material changes to existing programs.

#### **Governance and Reporting**

1. Review independent assessments of human resources policies and practices.
2. Monitor emerging trends and changes to regulatory requirements relating to executive compensation.
3. Ensure that a process is in place to notify the Bank's primary regulator of any potential changes in Executive Officers or heads of the oversight functions.
4. Review and approve the executive compensation disclosure in Equitable Group Inc.'s management information circular.

Oversee actions taken by Equitable to seek shareholder approval of executive compensation matters, including any advisory vote on executive compensation (Say on Pay), and consider the outcome of such votes in future compensation arrangements.

### **Independent Compensation Consultant**

1. The Committee shall have the authority to retain, at the expense of the Bank, and meet privately with any independent compensation consultant. The Committee has sole authority to approve the scope of responsibilities and annual workplan and the amount of the consultant's fees. The Committee will satisfy itself as to the independence from management of any consultant retained by the Committee and monitor the ongoing independence of such consultant. The Bank shall provide appropriate funding as determined by the Committee for any consultant. Between scheduled committee meetings, the Committee Chair shall pre-approve any service and associated fee to be provided by the consultant and report any such approval to the Committee at the next meeting of the Committee.
2. Pre-approve any non-executive compensation service to be provided to management by the Committee's independent compensation consultant and review, annually, all services provided to management within the threshold approved by the Committee.
3. Review the policies, procedures and practices of the independent compensation consultant that are designed to prevent conflict of interest and ensure independence from management.

### **General**

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 education sessions to enhance familiarity with the Committee's responsibilities. The Bank will provide appropriate funding for such sessions.
4. Perform such other duties as may from time to time be assigned to the Committee by the Board.

### **C. MEMBERSHIP**

1. The Committee shall consist of a minimum of three independent directors as defined in applicable laws, rules and regulations and pursuant to Equitable's director independence policy.
2. Each Committee member should have an understanding of issues related to human resources, leadership, performance management, compensation and risk management or be willing to acquire the necessary knowledge within a reasonable period of time. Members may enhance their familiarity with these issues by participating in educational programs conducted by the Bank or an outside consultant. Members should be familiar with disclosure and other legal requirements affecting executive compensation.
3. Committee members are appointed annually by the Board upon the recommendation of the Governance and Nominating Committee, such appointments to take effect immediately following the annual meeting of shareholders.

### **Vacancies**

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

**D. CHAIR AND SECRETARY**

1. The Board shall appoint from the Committee membership, a Chair for the Committee who shall preside at all 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 their designate shall act as Secretary at Committee meetings. The Secretary shall record and maintain minutes of all meetings of the Committee and subsequently present them to the Committee for approval.

**E. MEETINGS AND QUORUM**

1. The Committee shall meet at least four times annually or more frequently as circumstances dictate. 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 the Chair or any two Committee members. 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, 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 in writing or by telephone or electronic means, at least 24 hours before the time and date set for the meeting, at the member's contact information recorded with the Corporate Secretary. A 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 grounds that the meeting was not properly called.
5. Quorum for a meeting shall be a majority of the Committee members, subject to a minimum of two members.
6. A resolution in writing signed by all Committee members shall be as valid as if it had been passed at a meeting of the Committee.
7. Matters decided by the Committee shall be by majority vote.
8. The Committee shall meet at the beginning and/or at the end of each regularly scheduled meeting with only members of the Committee and the Chair of the Board present. The Committee shall also meet in private sessions with each of the Chief Human Resources Officer, the Chief Executive Officer and the independent compensation consultant.

**F. DELEGATION OF AUTHORITY**

The Committee may delegate to the Chief Executive Officer the authority to exercise any right, power or responsibility that the Committee may have under any of the (incentive) plans referred to in this mandate, other than in respect of Executive Officers, on such terms and conditions and within such

limits as the Committee deems appropriate provided that the Chief Executive Officer report at least annually to the Committee on any right, power or responsibility so exercised.

**G. REPORT TO THE BOARD**

1. The Committee Chair shall report to the Board after each Committee meeting on matters reviewed and/or approved by the Committee and, where applicable, present the Committee's recommendations to the Board for its approval.

**H. ACCESS TO MANAGEMENT**

1. The Committee shall have unrestricted access to management of Equitable and to any and all books and records of Equitable necessary for the execution of the Committee's obligations.

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This mandate was last reviewed and approved by the Board on November 3, 2021.