

Audit Committee Mandate

This mandate provides terms of reference for the Audit Committee of Equitable Group Inc. (the “Company”) and its wholly-owned subsidiary, Equitable Bank (the “Bank” and collectively “Equitable”).

A. ROLE

1. The role of the Audit Committee (the “Committee”) is to assist the Board of Directors in its oversight of:
 - (i) the quality and integrity of Equitable’s financial statements and related management’s discussion and analysis;
 - (ii) reviewing the qualifications, independence and performance of the external auditors;
 - (iii) overseeing the design and effectiveness of internal controls, including internal control over financial reporting and disclosure controls; and
 - (iv) overseeing the Internal Audit and Finance functions and evaluating their effectiveness.
2. To perform such other duties as may be delegated to the Committee by the Board from time to time.
3. To act as the audit committee for any federally-regulated subsidiary of the Bank that requires an audit committee under applicable law.

B. ACCOUNTABILITIES AND RESPONSIBILITIES

The Committee shall have the accountabilities and responsibilities set out below:

Financial Reporting

1. Review and recommend for Board approval and disclosure to the public the interim and annual consolidated financial statements of Equitable Group Inc., the related management’s discussion and analysis (MD&A), and the external auditor’s report on the consolidated financial statements. Satisfy itself that the documents present fairly, in accordance with International Financial Reporting Standards (IFRS), the financial position, results of operations, and cash flows of Equitable.
2. Review the annual financial statements of the Bank and the external auditor’s report on those financial statements. Satisfy itself that the documents present fairly, in accordance with IFRS, the financial position, results of operations, and cash flows of the Bank and its subsidiaries.
3. Review and approve, or recommend for Board approval, earnings news releases or other material financial news releases prior to disclosure to the public.
4. As part of these reviews, the Committee should discuss with management and the external auditor:
 - (i) key areas of risk for material misstatement of the financial statements, including critical accounting policies, estimates and judgments underlying the financial statements and MD&A;
 - (ii) areas requiring significant external auditor judgment as it relates to their evaluation of accounting policies, accounting estimates and financial statement disclosures;
 - (iii) the basis for significant accounting estimates/models and judgments made by management in order to assess their adequacy and adherence to accounting standards and industry practice;
 - (iv) any proposed regulatory or accounting changes, significant or unusual transactions, and the impact of material subsequent events between the reporting date and the approval date on the financial statements and the MD&A; and
 - (v) tax and tax planning matters that are material to the financial statements
 - (vi) significant financial reporting risk exposures and the steps management has taken to monitor, control and report such exposures.

5. Review financial information and earnings guidance (if any) provided to analysts and any rating agencies prior to disclosure to the public.
6. Review any investment or transaction that could adversely affect the well-being of Equitable.
7. Review and recommend for Board approval the Annual Information Form.
8. Ensure adequate procedures are in place for the review of Equitable's public disclosure of all financial information extracted or derived from Equitable's financial statements, other than the disclosure in Equitable's interim and annual financial statements, and periodically assess the adequacy of those procedures.
9. Review the process relating to, and the certifications of, the Chief Executive Officer and the Chief Financial Officer on the integrity of Equitable's interim and annual financial statements and other disclosure documents as required.

Internal Controls

1. Require management to implement and maintain appropriate internal control processes and procedures, including internal controls over financial reporting and disclosure, and controls related to the prevention, identification and detection of fraud, as part of the Bank's Internal Control Framework, and review, evaluate and approve these procedures.
2. Review the external auditor's annual report on Equitable's internal controls over financial reporting.
3. Review reports from management and Internal Audit on the design and operating effectiveness of internal controls, adequacy of reporting practices, disclosure controls, and any significant control breakdowns, including any reports concerning significant deficiencies and material weaknesses in the design or operation of internal controls.
4. Review as required correspondence relating to inquiries or investigations by regulators concerning internal controls.
5. Review and approve the procedures established for the receipt, retention and treatment of complaints received by Equitable regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submissions from employees of concerns regarding questionable accounting or auditing matters (Whistleblower Policy). Review reports from the Chief Compliance Officer related to such matters and results of the associated investigations.

Internal Audit Function

1. Review and approve at least annually the organizational structure of the Internal Audit function.
2. Approve the appointment or removal of the Vice-President of Internal Audit.
3. Review and approve annually the mandate of Internal Audit (developed in accordance with the professional standards of the Institute of Internal Auditors) and review the annual independence attestation.
4. Review and approve the annual audit plan (including the risk assessment methodology), and any significant changes thereto and satisfy itself that the plan is appropriate, risk-based and addresses all relevant activities and significant risks over a measurable cycle.
5. Review and approve at least annually Internal Audit's resources and budget.

6. Annually assess the effectiveness and performance of the Vice-President of Internal Audit, taking into account the objectivity and independence of the Internal Audit function and any regulatory findings with respect to the Internal Audit function, and provide the results to the Chief Executive Officer as input into the compensation approval process.
7. Review the results of independent quality assurance review of the Internal Audit function conducted at least every five years.
8. Ensure the Vice-President of Internal Audit has unfettered access and a direct reporting line to the Audit Committee to raise any internal audit, organizational or industry issue or issues with respect to the relationship and interaction between Internal Audit, management, the external auditor and/or regulators.
9. Review on a quarterly basis the status of the audit plan and the results of audit activities, including any significant issues reported to management and management's response and/or corrective action, and ensure that Internal Audit's recommendations are acted on within an appropriate timeframe.
10. Discuss with the Vice-President of Internal Audit the operating effectiveness of Equitable's internal controls, risk management and governance systems and processes.
11. Approve any reliance on Internal Audit's work by the external auditor.
12. Review any difficulties encountered by Internal Audit in the course of internal audits, including any restrictions on audit scope or access to required information.
13. Oversee that deficiencies related to the Internal Audit function are remedied within an appropriate timeframe and report to the Board on the progress of necessary corrective actions.

External Auditor

1. Oversee the work of the external auditor who reports directly to the Audit Committee.
2. Review and the external auditor's engagement letter and annual audit plan, ensuring the audit plan is risk-based and covers all relevant activities over a measurable cycle, and monitor its execution. Review with the external auditor any proposed change to the scope of the plan, including any change to the level of materiality, and ensure that the work of the internal and external auditors is coordinated.
3. Review and recommend to the Board for approval the annual fee for the audit of Equitable's financial statements. As part of this review the Committee should satisfy itself that the level of audit fees is commensurate with the scope of work undertaken and that any fee reduction continues to ensure a quality audit.
4. Review a formal written statement from the external auditor delineating all relationships between the external auditor and Equitable that may impact its independence and objectivity, consistent with the rules of professional conduct of the Canadian provincial chartered accountants institutes or other regulatory bodies, as applicable.
5. Annually assess the qualifications, effectiveness, independence and quality of services provided by the external auditor, including an assessment of the lead partner, taking into consideration the opinions of management and Internal Audit, and any concerns raised by Equitable's regulators about the external auditor's independence. Discuss the findings of the assessment with the external auditor and report on the overall effectiveness of the external auditor to the Board.
6. Recommend to the Board for shareholder approval, the appointment of the external auditor. The Committee shall also recommend to the for Board approval the termination of the external auditor.

7. Conduct a comprehensive review of the external auditor at least every 5 years. As part of this review, the Committee should periodically consider whether to put the external audit contract out for tender, taking into consideration the length of the current audit firm's tenure and the risks it may pose to the audit firm's objectivity and independence, and approve the criteria for tendering the contract.
8. Pre-approve in accordance with applicable Board-approved policies any service to be provided by the external auditor to Equitable, including audit and audit-related services and permitted non-audit and tax services. The decisions of any member of the Audit Committee to whom this authority has been delegated, as well as any pre-approvals of a particular service must be presented to the full Audit Committee for review at the next scheduled meeting.
9. Review at least annually the total fees billed and paid to the external auditor by the required categories.
10. Review and discuss with the external auditor annually the Canadian Public Accountability Board's public report and any findings specific to an inspection of Equitable's audit.
11. Review at least annually a report from the external auditor which describes or includes:
 - (i) the firm's internal quality control practices and procedures;
 - (ii) any material issues raised by their most recent internal quality control review, peer review, or by governmental or professional inquiry or investigation within the preceding five years regarding one or more independent audits carried out by the external auditor and any steps taken to deal with such issues.
12. Monitor the rotation plan for partners on the engagement.
13. Review and approve policies and procedures regarding the hiring of current or former partners or employees of the current or former external auditor, as required by applicable laws.
14. Review with the external auditor any issues that may be brought forward by it, including any audit problems or difficulties, such as restrictions on its audit activities or access to requested information, and management's responses.
15. Review all substantive correspondence between the external auditor and management about audit findings.
16. Review and approve transfers of tax amounts between Equitable Group Inc. and the Bank.

Finance Function

1. Review and approve at least annually the organizational structure of the Finance function.
2. Approve the appointment or removal of the Chief Financial Officer.
3. Review and approve annually the mandate of the Chief Financial Officer.
4. Review and approve annually the Finance function's resources and budget.
5. Annually assess the effectiveness and performance of the Chief Financial Officer, taking into account any regulatory findings with respect to the Finance function, and convey the results to the Chief Executive Officer as input into the compensation approval process.
6. Periodically engage an independent third party to assess the effectiveness of the Finance function, review the results of that assessment and Management's response, and report such results to the Board.

7. Ensure the Chief Financial Officer has unfettered access and a functional reporting line to the Committee to raise any financial reporting issues or issues with respect to the relationship and interaction among the Finance Department, management, the external auditor and/or regulators.

Other

1. Review such returns of the Bank as the Superintendent of Financial Institutions may specify.
2. Review with Equitable's General Counsel any litigation claim or other contingency that could have a material impact on Equitable's financial condition.
3. Review and assess the adequacy of this mandate at least annually and where necessary, recommend changes to the Board for approval.
4. Annually evaluate the Committee's effectiveness with respect to this mandate.
5. Participate as required or as determined by the Committee Chair in internal or external educational sessions to enhance familiarity with the Committee's responsibilities. The Bank shall provide appropriate funding for such sessions.
6. Have unrestricted access to the external auditor, management and employees of Equitable and have the authority to retain and terminate external counsel and other advisors to assist it in fulfilling its responsibilities, at the expense of the Bank. The Committee shall also have access to any and all books and records.
7. Perform such other functions and tasks imposed on the Committee by regulatory requirements or delegated to it by the Board.
8. Prepare a report on its activities on an annual basis for inclusion in Equitable Group Inc.'s Management Information Circular.

C. MEMBERSHIP

1. The Committee shall consist of a minimum of three directors.
2. Each Committee member shall be independent as defined in applicable laws, rules and regulations and as determined pursuant to the director independence policy. No member of the Committee may be an officer or employee of the Bank or its subsidiary or affiliates. No members of the Committee may be a person who is "affiliated" with the Bank as such term is defined in the *Bank Act*.
3. Each Committee member must be financially literate or become financially literate within a reasonable period of time after appointment to the Committee. Financially literate means the ability to read and understand financial statements that present a breadth and level of complexity of the issues that can reasonably be expected to be raised by Equitable's financial statements.
4. Committee members are appointed annually by the Board upon the recommendation of the Governance and Nominating Committee, with such appointments to take effect immediately following the annual meeting of shareholders. Members 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 of Committee members by the Board.

E. CHAIR AND SECRETARY

1. The Board shall appoint one member of the Committee as the Committee Chair. In the absence of the appointed Chair, the Committee members present may appoint a chair from their number for 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 at Committee meetings and record and maintain minutes of all meetings of the Committee and subsequently present them to the Committee for approval.

F. MEETINGS AND QUORUM

1. The Committee shall meet at least quarterly, or more frequently as circumstances dictate to carry out its 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 the Committee Chair, by any Committee member or by the external auditor. Bank Management members and others may attend meetings as the Committee Chair considers appropriate. Members may participate in meetings in person or by telephone, electronic or other communication facilities. A member participating by such means is deemed to be present at that meeting.
3. 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 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 of the Committee 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 is now lawfully called.
5. Notice of each Committee meeting shall also be given to the external auditor and the Internal Auditor, to attend and be heard at each meeting.
6. Quorum for a meeting of the Committee shall be a majority of its members, subject to a minimum of two members.
7. Written resolutions in lieu of a meeting are permitted, solely in accordance with the *Bank Act* (Canada).
8. Matters decided by the Committee shall be by majority vote.
9. The Committee shall meet *in camera* immediately prior to and/or after each meeting. The Committee shall also meet in separate *in camera* sessions with each of the external auditor, the internal auditor and the chief financial officer.

G. REPORT TO THE BOARD

1. The Committee Chair shall report to the Board after each Committee meeting on material matters reviewed by, and recommendations made by, the Committee.

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This mandate was last reviewed and approved by the Board on November 8, 2018.