

**HOME CAPITAL GROUP INC. SECURITIES LITIGATION
SETTLEMENT AGREEMENT**

Made as of June 22, 2017

BETWEEN

CLAIRE R. MCDONALD

("Plaintiff")

- and -

**HOME CAPITAL GROUP INC.
GERALD M. SOLOWAY
ROBERT MORTON
ROBERT J. BLOWES**

("Defendants")

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SETTLEMENT AGREEMENT

Subject to the approval of the Court and the Ontario Securities Commission as provided herein, the Plaintiff and the Defendants hereby stipulate and agree that in consideration of the promises and covenants set forth in this Agreement and upon the Approval Order becoming a Final Order, this Action will be settled and compromised, and the Settlement implemented, pursuant to the terms and conditions contained herein.

SECTION 1- RECITALS

WHEREAS:

- A. On February 13, 2017, the Plaintiff, on her own behalf and on behalf of all others who acquired HCG common shares during the Class Period, commenced the Action against HCG and the Individual Defendants alleging, among other things, material misrepresentations in certain of HCG's public disclosures released during the Class Period.
- B. On April 19, 2017, the Ontario Securities Commission Staff commenced the OSC Proceeding, concerning many of the same facts alleged in the Action.
- C. HCG seeks to settle the Action and the OSC Proceeding as part of a global settlement, with settlement of each proceeding being a condition precedent to the other.

- D. The Parties have engaged in hard-fought arm's length negotiations, including mediation before the Honourable Warren K. Winkler (ret.).
- E. The Defendants have denied and continue to deny the Plaintiff's claims in the Action, have vigorously denied any wrongdoing or liability of any kind or whatsoever, and would have actively and diligently pursued affirmative defences and other defences had this Action not been settled.
- F. The Plaintiff, with the benefit of advice from Class Counsel and based upon an analysis of the facts and law applicable to the issues in this Action, taking into account HCG's constrained financial position and the uncertainty as to its ability to continue as a going concern, the extensive burdens, complexities, risks and expense of continued litigation in light of the availability of insurance proceeds to later fund a settlement or judgment, the estimated total damages suffered by Class Members, admissions to be made by the Defendants in settling the OSC Proceeding, legal limitations on the value of certain claims advanced, the value of an early settlement as well as the fair, cost-effective and assured method of resolving the claims of the Class, has concluded that settlement on the terms set out in this Agreement is fair, reasonable and in the best interests of the Class.
- G. The Defendants, similarly, have concluded that settlement on the terms set out in this Agreement is desirable in order to avoid the time, risk and expense of continuing with the Action, including any potential appeals, and to resolve finally

and completely the pending claims raised or that could have been raised in the Action.

- H. The Parties entered into Minutes of Settlement dated June 14, 2017, to be amplified and superseded by this Agreement.
- I. As hereinafter provided, the Parties intend to and hereby do finally resolve this Action and all the claims that were or could have been asserted in the Action against the Defendants, without any admission of liability or wrongdoing whatsoever by the Defendants, or any of them, with prejudice and without costs, subject to the approval of this Agreement by the Court, and approval of the OSC Settlement Agreement by the OSC.
- J. The Plaintiff asserts that she is a suitable representative for the Class and will seek to be appointed as the representative plaintiff in the Action for the purposes of its settlement pursuant to the terms set out in this Agreement.

NOW THEREFORE, in consideration of the covenants, agreements and releases set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties stipulate and agree that this Agreement (which supercedes and replaces the Minutes of Settlement dated June 14, 2017) represents the agreement between the Parties to resolve and release, fully and finally, in accordance with the terms more particularly set out herein, all Released Claims, and subject to the approval of the Court as provided herein, to obtain an Approval Order

that is a Final Order dismissing the Action as against the Defendants with prejudice and without costs.

SECTION 2 - DEFINITIONS

In this Settlement Agreement, including the Recitals and Schedules hereto:

- (1) *Action* means the action styled *McDonald v Home Capital Group Inc., et al.* filed in the Ontario Superior Court of Justice (London Registry) and bearing Court File. No. 349/17CP.
- (2) *Administration Expenses* means all fees, disbursements, expenses, costs, taxes and any other amounts incurred or payable in relation to the notice, approval, implementation and administration of the Settlement, including the costs of publishing and delivery of notices, fees, disbursements and taxes paid to the Administrator, and any other expenses approved by the Court which shall be paid from the Settlement Funds in accordance with Section 4.1. For greater certainty, Administration Expenses do not include Class Counsel Fees.
- (3) *Administrator* means the third party professional firm and any employees of such firm, selected at arm's length by Class Counsel, agreed upon by the Defendants, and appointed by the Court to do any one or more of the following:
 - (a) facilitate dissemination of the First Notice;
 - (b) receive and report to the Parties on valid Opt-Out Requests;
 - (c) facilitate dissemination of the Second Notice;
 - (d) administer this Settlement in accordance with the Distribution Protocol;
and

- (e) report to the Parties and the Court on the administration of the Settlement.
- (4) *Agreement* means this settlement agreement.
- (5) *Approval Motion* means a motion to be brought by the Plaintiff in the Court for the Approval Order.
- (6) *Approval Order* means an order made by the Court substantially in the form attached as **Schedule "5"** hereto:
 - (a) approving the Settlement;
 - (b) approving the form of the Second Notice;
 - (c) approving the Plan of Notice for the purpose of the publication and dissemination of the Second Notice;
 - (d) approving the Distribution Protocol; and
 - (e) dismissing the Action as against the Defendants without costs and with prejudice on the Effective Date

or as fixed by the Court.
- (7) *Authorized Claimant* means any Class Member who has submitted a completed Claim Form which, pursuant to the terms of the Agreement and the Distribution Protocol, has been approved for compensation by the Administrator in accordance with the Distribution Protocol.
- (8) *Certification and First Notice Motion* means a motion to be brought by the Plaintiff in the Court for the Certification and First Notice Order.
- (9) *Certification and First Notice Order* means an order made by the Court in substantially the form attached as **Schedule "1"** hereto:
 - (a) certifying the Action for settlement purposes only;

- (b) appointing the Administrator;
 - (c) approving the form, content and method of dissemination of the First Notice;
 - (d) prescribing opt-out procedures; and
 - (e) fixing the date for the Approval Motion
or as fixed by the Court.
- (10) ***Claim Form*** means the form to be approved by the Court which, when completed and submitted in a timely manner to the Administrator, constitutes a Class Member's claim for compensation pursuant to the Settlement.
- (11) ***Claims Bar Deadline*** means the date by which each Class Member must file a Claim form and all supporting documentation with the Administrator; which date shall be one hundred and twenty (120) days after the date on which the Second Notice is first published.
- (12) ***Class* or *Class Members*** means all persons and entities wherever they may reside or be domiciled, other than Excluded Persons and Opt-Out Parties, who acquired HCG common shares during the Class Period.
- (13) ***Class Counsel*** means Siskinds LLP.
- (14) ***Class Counsel Fees*** means the fees, disbursements, costs, interest thereon in accordance with the *Class Proceedings Act, 1992*, SO 1992, c 6, s 33(7)(c), HST and other applicable taxes or charges of Class Counsel as approved by the Court.
- (15) ***Class Period*** means the period from and including November 5, 2014 to and including the close of trading on the Toronto Stock Exchange on July 10, 2015.

- (16) *Collateral Agreement* means the agreement entered into by the Parties dated June 22, 2017.
- (17) *Common Issue* means: Did one or more of HCG's Class Period disclosure documents or public oral statements contain one or more misrepresentations and/or omissions within the meaning of the *Securities Act*, R.S.O. 1990, c. B-16, as amended, or at common law?
- (18) *Counsel for the Defendants* means Stikeman Elliott LLP, Borden Ladner Gervais LLP and Lax O'Sullivan Lisus Gottlieb LLP, individually and collectively.
- (19) *Court* means the Ontario Superior Court of Justice.
- (20) *CPA* means the *Class Proceeding Act*, 1992, S.O. 1992, c. 6, as amended.
- (21) *Defendant* means any Defendant named as a defendant in the Action.
- (22) *Distribution Protocol* means the distribution plan stipulating the proposed distribution of the net Settlement Funds.
- (23) *Effective Date* means the first date on which all of the following have occurred:
- (a) the order approving the OSC Settlement Agreement has become a Final Order;
 - (b) HCG's right to terminate the Agreement has expired; and
 - (c) the Approval Order has become a Final Order.
- (24) *Eligible Shares* means the HCG common shares acquired by a Class Member or Opt-Out party during the Class Period and still held at the close of trading on the Toronto Stock Exchange on July 10, 2015.
- (25) *Escrow Account* means

- (a) prior to the Approval Order, the trust account of Stikeman; and
 - (b) after the date that is thirty-one (31) days after the issuance of the Approval Order, an interest bearing trust account at a Canadian Schedule 1 bank in Ontario under the control of the Administrator appointed pursuant to the Approval Order.
- (26) *Escrow Settlement Funds* means the Settlement Funds plus any interest accruing thereon.
- (27) *Excluded Persons* means:
- (a) each Defendant;
 - (b) the past or present subsidiaries or affiliates of HCG;
 - (c) officers, directors, partners, legal representatives, consultants, agents, successors and assigns of HCG;
 - (d) any member of each of the individual Defendants' families; and
 - (e) the heirs, successors and assigns of the Defendants.
- (28) *Final Order* means any order contemplated by this Settlement Agreement from which no appeal lies or in respect of which any right of appeal has expired without the initiation of proceedings in respect of that appeal such as the delivery of a notice of motion for leave to appeal or a notice of appeal.
- (29) *First Notice* means the long-form and short-form Notice of
- (a) the certification of the Action as against the Defendants for settlement purposes;
 - (b) the procedure to opt-out and become an Opt-Out Party; and
 - (c) the pendency of the Approval Motion;
- substantially in the forms attached as **Schedules "3" and "4"** hereto.

- (30) *HCG* means Home Capital Group Inc., a corporation continued under the *Business Corporations Act*, RSO 1990, c B 16.
- (31) *Individual Defendants* means Gerald M. Soloway, Robert Morton and Robert J. Blowes.
- (32) *Long Form Notice of Settlement* means notice to the Class of the Approval Order substantially in the form attached as **Schedule "6"** hereto or as fixed by the Court.
- (33) *Minutes of Settlement* means the Minutes of Settlement between the Parties, executed on June 14, 2017.
- (34) *Opt-Out Deadline* means the date thirty (30) days after the date on which the First Notice is first published.
- (35) *Opt-Out Party* means any person who would otherwise be a Class Member and who submits a valid Opt-Out Request by the Opt-Out Deadline.
- (36) *Opt-Out Period* means the period up to and including the Opt-Out Deadline, during which Opt-Out Requests may be submitted by persons who fall within the Class and wish to exclude themselves from the Class, participation in the Action and the Settlement.
- (37) *Opt-Out Request* means the procedure, to be approved by the Court, by which a Class Member may exclude him, her or itself from the Class, participation in the Action and the Settlement.
- (38) *Opt-Out Threshold* means the total number of Eligible Shares required to be held by all Opt-Out Parties in order to trigger the Defendants' right to terminate this Agreement in accordance with Section 10.2 hereof, as particularized in the Collateral Agreement.

- (39) *OSC* means the Ontario Securities Commission.
- (40) *OSC Proceeding* means the OSC proceeding commenced on April 19, 2017 by Notice of Hearing and Statement of Allegations as against HCG, Gerald M. Soloway, Robert Morton and Martin Reid.
- (41) *OSC Settlement Agreement* means the agreement, between Staff of the OSC and HCG, Gerald M. Soloway, Robert Morton and Martin Reid dated June 14, 2017.
- (42) *Parties* mean the Plaintiff and the Defendants.
- (43) *Plaintiff* means the Plaintiff, Claire R. McDonald.
- (44) *Plan of Notice* means the plan for disseminating the First Notice and Second Notices to the Class substantially in the form attached as **Schedule "2"** hereto or as fixed by the Court.
- (45) *Released Claims* (or Released Claim in the singular) means any and all claims, demands, actions, suits, causes of action, whether class, individual or otherwise in nature, including assigned claims, whether known or unknown, asserted or unasserted, regardless of the legal theory, existing now or arising in the future by any and all of the Plaintiff or the Class Members, arising out of or relating in any way to the acquisition, purchase, sale, retention, pricing, marketing or distribution of Eligible Shares during the Class Period and any claims which were raised or could have been raised in the Action. Released Claims include, without limitation, all claims for damages including, but not limited to punitive, aggravated, statutory and other multiple damages or penalties of any kind; or remedies of whatever kind or character, known or unknown, that are now recognized by law or equity or that may be created and recognized in the future by statute, regulation, judicial decision, or in any

other manner; injunctive and declaratory relief; economic or business losses or disgorgement of revenues or profits; costs or lawyers' fees; and prejudgment and post-judgment interest.

- (46) *Releasees* means the Defendants and, as applicable, each of their respective direct and indirect parents, subsidiaries, affiliates, and divisions, along with each of their respective current and former officers, directors, employees, trustees, representatives, lawyers, agents and insurers; any and all predecessors, successors, and/or shareholders of the Defendants and each of their direct and indirect parents, subsidiaries, affiliates, and divisions.
- (47) *Releasors* means the Plaintiff, the Class Members and their respective heirs, executors, trustees, administrators, assigns, attorneys, representatives, partners and insurers and their predecessors, successors, heirs, executors, trustees, administrators and assignees, but excludes Opt-Out Parties.
- (48) *Second Notice* means the Short Form Notice of Settlement and the Long Form Notice of Settlement.
- (49) *Settlement* means the settlement provided for in this Agreement.
- (50) *Settlement Funds* means CAD\$29,500,000.00, inclusive of Administration Expenses, Class Counsel Fees, and any other costs or expenses otherwise related to the Action.
- (51) *Short Form Notice of Settlement* means summary notice to the Class of the Approval Order substantially in the form attached as **Schedule "7"** hereto or as fixed by the Court.
- (52) *Siskinds* means Siskinds LLP.

(53) *Stikeman* means Stikeman Elliott LLP.

SECTION 3 - APPROVAL AND NOTICE PROCESS

3.1 Best Efforts

- (1) The Parties shall use their best efforts to effectuate this Settlement and to secure the Approval Order.
- (2) Until the Approval Order becomes a Final Order or the termination of this Agreement, whichever occurs first, the Parties agree to hold in abeyance all steps in the Proceeding as they relate to the Defendants, other than the motions provided for in this Agreement and such other matters required to implement the terms of this Agreement.

3.2 Certification and First Notice Motion

- (1) The Plaintiff will, as soon as is reasonably practicable, bring the Certification and First Notice Motion. The Defendants will consent to the issuance of the Certification and First Notice Order substantially in the form attached as Schedule "1" hereto:
 - (a) appointing the Administrator;
 - (b) approving Part 1 of the Plan of Notice, substantially in the form attached as Schedule "2" hereto; and
 - (c) approving the form and content of the First Notice, substantially in the long-form attached as Schedule "3" hereto, and the short-form attached as Schedule "4" hereto.
- (2) Upon entry of the Certification and First Notice Order, the Administrator shall cause the First Notice to be published in accordance with Part 1 of the Plan of Notice and the directions of the Court. The costs of publishing the First Notice shall be paid from the Escrow Account as and when incurred.

3.3 Approval Motion and Notice

- (1) The Plaintiff will thereafter bring the Approval Motion before the Court in accordance with the Court's directions. The Defendants will consent to the Approval Order substantially in the form attached as Schedule "5" hereto, approving, amongst other things:
 - (a) this Settlement;
 - (b) Part 2 of the Plan of Notice, substantially in the form attached as Schedule "2" hereto; and
 - (c) the form and content of the Second Notice, substantially in the long-form attached as Schedule "6" hereto, and the short-form attached as Schedule "7" hereto.
- (2) Upon the granting of the Approval Order, the Administrator shall cause the Second Notice to be published and disseminated in accordance with Part 2 of the Plan of Notice as approved by the Court. The costs of publishing the Second Notice shall be paid from the Escrow Account as and when incurred.

3.4 Notice of Termination

- (1) If this Agreement is terminated after the First Notice has been published and disseminated, a notice of the termination will be given to the Class. The Administrator will cause the notice of termination, in a form approved by the Court, to be published and disseminated as the Court directs. The costs of publishing a notice of termination shall be paid from the Escrow Account as and when incurred.

3.5 Report to the Court

- (1) After publication and dissemination of each of the notices required by this Section, Class Counsel shall file with the Court an affidavit confirming publication and dissemination.

SECTION 4 - SETTLEMENT BENEFIT

4.1 Payment of Settlement Funds

- (1) HCG shall pay, or cause the insurers to pay, the Settlement Funds for the benefit of the Class Members in full and final settlement of the Released Claims, as follows:
 - (a) the amount of \$18,500,000.00 inclusive of all fees, disbursements and taxes, within 30 days of execution of the Minutes of Settlement, to Stikeman in trust, from which funds shall be paid Class Counsel Fees and Administration Expenses; and
 - (b) the amount of \$11,000,000.00, within 30 days of execution of the Minutes of Settlement, to Stikeman in trust, pursuant to an undertaking given to the OSC in accordance with the OSC Settlement Agreement, for the benefit of the Class Members, without any deduction for Class Counsel Fees and Administration Expenses.
- (2) Notwithstanding the division of the Settlement Funds into separate funds as provided in Section 4.1(1), above, the entirety of the Settlement Funds shall be paid in settlement of the Class Action and shall be applied for the benefit of Class Members. The Parties agree that their segregation is not intended to and shall not be interpreted to reduce the result achieved by the Plaintiff for the purpose of seeking approval of the Settlement under Section 3.3(1) hereof or the fees and disbursements of Siskinds LLP under Section 14.1(1) hereof.
- (3) Neither the Defendants nor the Defendants' insurers shall have any obligation to pay any further amount to the Plaintiff, the Class Members or Class Counsel with respect to this Settlement Agreement or the Action for any reason whatsoever, including any amount for damages, interest, legal fees (including Class Counsel fees), disbursements, taxes of any kind, costs and expenses relating in any way to the Action, including as

described in Sections 3.2(2) to 3.4(1) above, the Released Claims, the Settlement, and Administration Expenses.

- (4) Stikeman shall account to the Administrator for all payments made from the Escrow Account prior to the Approval Order becoming a Final Order. The Administrator shall provide an accounting to the Court for all payments made from the Escrow Account, whether made by Stikeman or the Administrator. In the event this Agreement is terminated, Stikeman or the Administrator, whichever then has control of the Escrow Account, shall deliver an accounting to the Court no later than ten (10) days after the termination.
- (5) Any dispute concerning the entitlement to or quantum of expense incurred in the publication and dissemination of First Notice, or by the Administrator subsequently, shall be dealt with by a motion to the Court on notice to the Parties.

4.2 Settlement Funds to be Held in Trust

- (1) Prior to the Approval Order, Stikeman shall maintain the Escrow Account and hold the Settlement Funds in trust as provided for in this Agreement. After the date that is thirty-one (31) days after the issuance of the Approval Order, the Administrator shall maintain the Escrow Account in an account at a Canadian Schedule 1 bank in Ontario under the control of the Administrator and hold the Settlement Funds in trust as provided for in this Agreement. No amount shall be paid out from the Escrow Account by either Stikeman or the Administrator, except in accordance with this Settlement Agreement, or in accordance with an order of the Court obtained on notice to the Parties.

4.3 Taxes on Interest

- (1) Except as expressly provided herein all interest earned on the Settlement Funds shall accrue to the benefit of the Class and shall become and remain part of the Escrow Account.
- (2) Subject to Section 4.3(3), all taxes payable on any interest which accrues on or otherwise in relation to the Settlement Funds in the Escrow Account from and after the date that is thirty-one (31) days after the issuance of the Approval Order shall be the responsibility of the Class. The Administrator shall be responsible for fulfilling all tax reporting and payment requirements arising from the Settlement Funds in the Escrow Account, including any obligation to report taxable income and make tax payments. All taxes (including interest and penalties) due with respect to the income earned by the Settlement Funds shall be paid from the Escrow Account.
- (3) The Defendants shall have no responsibility to make any filings relating to the Escrow Account, to pay tax on any income earned by the Settlement Funds, or to pay any taxes on the monies in the Escrow Account, unless this Agreement is terminated, in which case any interest earned on the Settlement Funds in the Escrow Account shall be paid to HCG and the Defendants' insurers in accordance with and in proportion to their respective contributions to the Settlement Funds who, in such case, shall be responsible for the payment of any taxes on such interest not previously paid.

SECTION 5 - NO REVERSION

- (1) Unless this Agreement is terminated as provided herein, HCG and the Defendants' Insurers shall not be entitled to the repayment of any portion

of the Settlement Funds and then only to the extent of and in accordance with the terms provided herein.

SECTION 6 - DISTRIBUTION OF THE SETTLEMENT FUNDS

- (1) On or after the Effective Date, the Administrator shall distribute the balance of the Settlement Funds remaining in the Escrow Account in accordance with the following priorities:
 - (a) to pay Class Counsel Fees, from the portion of the Settlement Funds described in Section 4.1(1)(a) hereof;
 - (b) to pay, from the portion of the Settlement Funds described in Section 4.1(1)(a) hereof, all of the costs and expenses reasonably and actually incurred in connection with the provision of the Second Notice;
 - (c) to pay all of the Administration Expenses from the portion of the Settlement Funds described in Section 4.1(1)(a) hereof. For greater certainty, the Defendants and the Class are specifically excluded from eligibility for any payment of costs and expenses under this subsection;
 - (d) to pay any taxes required by law to be paid to any governmental authority from the portion of the Settlement Funds described in Section 4.1(1)(a) hereof; and
 - (e) to pay a *pro rata* share of the balance of the Settlement Funds described in Section 4.1(1)(a) and 4.1(1)(b) hereof to each Authorized Claimant in proportion to his, her or its claim as recognized in accordance with the Distribution Protocol.

SECTION 7 - EFFECT OF SETTLEMENT

7.1 No admission of Liability

- (1) Whether or not this Agreement is terminated, this Agreement, anything contained in it, any and all negotiations, discussions, and communications associated with this Agreement, shall not be deemed, construed or interpreted as a concession or admission of wrongdoing or liability by the Releasees, or as a concession or admission by the Releasees of the truthfulness of any claim or allegation asserted in this Action. Neither this

Agreement nor anything contained herein shall be used or construed as an admission by the Releasees of any fault, omission, liability or wrongdoing in connection with any disclosure document or oral statement at issue in the Action.

7.2 Agreement Not Evidence

- (1) The Parties agree that, whether or not it is terminated, unless otherwise agreed, this Agreement and anything contained herein, any and all negotiations, documents, discussions and proceedings associated with this Agreement, and any action taken to implement this Agreement, shall not be referred to, offered as evidence or received as evidence or interpreted in this Action or in any other pending or future civil, criminal, quasi-criminal, administrative action, disciplinary investigation or other proceeding as any presumption, concession or admission:
 - (a) of the validity of any claim that has been or could have been asserted in the Action by the Plaintiff against the Defendants, or the deficiency of any defence that has been or could have been asserted in the Action;
 - (b) of wrongdoing, fault, neglect or liability by the Defendants; and
 - (c) that the consideration to be given hereunder represents the amount that could be or would have been recovered in the Action after trial.
- (2) Notwithstanding Section 7.2(1), this Agreement may be referred to or offered as evidence in order to obtain the orders or directions from the Court contemplated by this Agreement, in a proceeding to approve or enforce this Agreement, to defend against the assertion of Released Claims, in any coverage litigation or proceeding, between or among HCG, any Individual Defendants, any other past, present or future Directors or Officers of HCG on the one hand, and the Defendants' insurers, on the other hand, or as otherwise required by law.

7.3 Restrictions on Further Litigation

- (1) Upon the issuance of the Approval Order, the Releasors and Siskinds shall not now or hereafter institute, continue, maintain or assert, either directly or indirectly, whether in Canada or elsewhere, on their own behalf or on behalf of any class or any other person, any action, suit, cause of action, claim or demand against any Releasee or any other person who may claim contribution or indemnity or other claims over for relief from any Releasee in respect of any Released Claim or any matter related thereto.
- (2) For greater certainty, upon the issuance of the Approval Order, the Releasors and Siskinds shall not now or hereafter voluntarily pursue, initiate, or continue any regulatory investigation, complaint, or other proceeding with the Ontario Securities Commission, the Securities Exchange Commission, or any other relevant regulatory authority in respect of the subject matter of this Agreement. This provision shall not prevent any Party from complying with any compulsory legal or regulatory process.

SECTION 8 - CERTIFICATION FOR SETTLEMENT ONLY

8.1 Consent to Certification

- (1) The Defendants will consent to certification of the Action as a class proceeding, pursuant to Sections 2, 5 and 6 of the *Class Proceedings Act, 1992*, SO 1992, c 6, solely for the purpose of effecting this Agreement.
- (2) The Parties agree that the only common issue that the Plaintiff will seek to define is the Common Issue and the only class that they will assert is the Class.

8.2 Certification Without Prejudice

- (1) The Parties agree that the certification of the Action as a class proceeding in accordance with Section 8.1 hereof is for the sole purpose of effecting the Settlement. In the event that this Agreement is terminated as provided herein, the Certification and First Notice Order shall be vacated or set aside as set out herein, and shall be without prejudice to any position that any of the Parties may later take on any issue in the Action including in a subsequent certification motion. In particular, the fact of the Defendants' consent to certification for settlement purposes shall not be referenced in any way in the further prosecution of the Action, nor shall such consent be deemed to be an admission by the Defendants that the Plaintiff has met any of the requisite criteria for certification of the Action as a class proceeding.

SECTION 9 - OPTING OUT

9.1 Awareness of any Potential Opt-Outs

- (1) The Plaintiff and Class Counsel represent and warrant that:
 - (a) they are unaware of any Class Member who has expressed an intention to opt-out of the Class; and
 - (b) they will not encourage or solicit any Class Member to opt-out of the Class.

9.2 Opt-Out Procedure

- (1) A Class Member who wishes to exclude him, her or itself from the Class must submit a an Opt-Out Request along with all required supporting documents to the Administrator, postmarked on or before the Opt-Out Deadline. An Opt-Out Request shall consist of the following:
 - (a) a statement of intention to opt out of the Action, signed by the Class Member or a person authorized to bind the Class Member;

- (b) a listing of all purchases and sales of HCG common shares between November 5, 2014 and July 10, 2015;
 - (c) supporting documents to evidence such transactions, in the form of trade confirmations, brokerage statements or other transaction records; and
 - (d) contact information for the Class Member, including name, address, telephone number and email address.
- (2) In order to remedy any deficiency in the completion of the Opt-Out Request, the Administrator may require and request that additional information be submitted by a Class Member who submits an Opt-Out Request.
- (3) If a Class Member fails to submit a properly supported Opt-Out Request and/or fails to remedy any deficiency by the Opt-Out Deadline, the Class Member shall not have opted out of the Proceeding, subject to any order of the Court to the contrary, and will in all other respects be subject to and bound by the provisions of this Agreement and the releases contained herein.
- (4) The Opt-Out Deadline will not be extended unless the Court orders otherwise.
- (5) Opt-Out Parties will be excluded from any and all rights and obligations arising from the Settlement. Class Members who do not opt-out shall be bound by the Settlement and the terms of this Settlement Agreement regardless of whether the Class Member files a Claim Form or receives compensation from the Settlement.

9.3 Notification of Number of Opt-Outs

- (1) Within five (5) days after the Opt-Out Deadline, the Administrator shall report to the Court and the Parties the number of Eligible Shares held by

each Opt-Out Party, a summary of the information delivered by each Opt-Out Party, and the total number of Eligible Shares held by all Opt-Out Parties.

- (2) The Administrator shall also provide to Counsel for the Parties copies of all of the Opt-Out Requests submitted by Opt-Out Parties at the same time as the report in Section 9.3(1).

SECTION 10 - TERMINATION OF THE AGREEMENT

10.1 General

- (1) This Agreement shall be automatically terminated if:
 - (a) An order substantially in the form of the Approval Order, is not granted by the Court;
 - (b) the Approval Order is reversed on appeal and the reversal becomes a Final Order; or
 - (c) the OSC Settlement Agreement is not approved by the OSC.
- (2) This Agreement shall be terminated if HCG elects to terminate the Agreement in accordance with Section 10.2(1) forthwith upon delivery to Class Counsel of the notice of election to terminate contemplated by that Section.
- (3) In the event this Agreement is terminated in accordance with its terms:
 - (a) the Parties will be restored to their respective positions prior to the execution of this Agreement;
 - (b) the Plaintiff and the Defendants will consent to an Order vacating or setting aside of any order certifying this Action as a class proceeding for the purposes of implementing this Agreement and such order shall include a declaration that:
 - (i) the prior consent certification of this Action for settlement purposes shall not be deemed to be an admission by the

Defendants that the Action met any of the criteria for certification as a class action;

- (ii) the prior consent certification of this Action for settlement purposes shall be without prejudice to any position that any of the Parties may later take on any issue in the action including in a subsequent certification motion; and
 - (iii) no Party to this Action and no other person may rely upon the fact of the prior consent certification order for any purpose whatsoever;
- (c) the Escrow Settlement Funds will be returned to HCG and the Defendants' insurers in proportion to their contributions, in accordance with Section 10.3(2)(d) hereof;
 - (d) this Agreement will have no further force and effect and no effect on the rights of the Parties except as specifically provided for herein;
 - (e) all statutes of limitation applicable to the claims asserted in this Action shall be deemed to have been tolled during the period beginning with the execution of this Agreement and ending with the day on which the orders contemplated by Section 10.3(2) are entered;
 - (f) any costs reasonably incurred and paid out of the Escrow Account for performing the services required to prepare to implement this Settlement, and amounts paid for the publication and dissemination of notices are non-recoverable from the Plaintiff, the Class Members, the Administrator or Class Counsel;
 - (g) this Agreement and the consent certification order will not be introduced into evidence or otherwise referred to in any litigation against the Defendants.
- (4) Notwithstanding the provisions of Section 10.1(3)(d), if this Agreement is terminated, the provisions of this Section 10 and Sections 1, 2, 3.4, 3.5, 4.1(4), 4.3(2), 4.3(3), 5, 7.1, 7.2, 8.2, and 15 shall survive termination and shall continue in full force and effect.

10.2 Effect of Exceeding the Opt-Out Threshold, Conditions Precedent and Right to Terminate

- (1) Notwithstanding any other provision in this Agreement, HCG may, in its discretion, elect to terminate the Agreement if the total number of Eligible Shares held by Opt-Out Parties exceeds the Opt-Out Threshold, provided that Stikeman, as counsel for HCG, provides notice of the election to terminate to Class Counsel within five (5) days of Class Counsel notifying Counsel for the Defendants of the number of Opt-Outs pursuant to Section 9.3(1), after which date HCG's right to terminate the Agreement will have expired.
- (2) If the Opt-Out Threshold is not exceeded, HCG's right to terminate this Agreement pursuant to the provisions of this Section is inoperative and of no force and effect.
- (3) The Opt-Out Threshold shall be stated in the Collateral Agreement signed contemporaneously with the execution of this Agreement. The Collateral Agreement will state the Opt-Out Threshold shall be kept confidential by the Parties and their counsel, and may be shown to the Court solely for purposes of the Approval Motion but shall not be otherwise disclosed by the Parties and their counsel, unless disclosure is ordered by the Court or the Defendants provide prior written consent to disclosure.

10.3 Allocation of Monies in the Escrow Account Following Termination

- (1) In the event this Agreement is terminated, Stikeman or the Administrator, whichever then has control of the Escrow Account, shall deliver an accounting to the Court no later than ten (10) days after the termination.
- (2) If this Settlement Agreement is terminated, HCG shall, within thirty (30) days after termination, apply to the Court, on notice to the Plaintiff and the Administrator, as may be necessary, for an order:

- (a) declaring this Settlement Agreement null and void and of no force or effect except for the provisions listed in Section 10.1(4);
 - (b) determining whether a notice of termination shall be sent out to the Class Members and, if so, the form and method of disseminating such a notice;
 - (c) requesting an order setting aside, *nunc pro tunc*, all prior orders entered by the Court in accordance with the terms of this Agreement, including any order certifying the Action as a class proceedings for the purposes of implementing this Agreement; and
 - (d) authorizing the payment of all remaining funds in the Escrow Account, including accrued interest, to HCG and the Defendants' insurers in proportion to their contributions.
- (3) Subject to Section 10.4, the Parties shall consent to the orders sought in any motion made by the Defendants pursuant to Section 10.3(2).

10.4 Disputes Relating to Termination

- (1) If there is any dispute about the termination of this Agreement, the Court shall determine any dispute by motion made by a Party on notice to the other Parties.

10.5 No Right to Terminate

- (1) For greater certainty, no dispute or disagreement among the Plaintiff and/or members of the Class or any of them about the proposed distribution of the Settlement Funds or the Distribution Protocol shall give rise to a right to terminate this Agreement.

SECTION 11- DETERMINATION THAT THE SETTLEMENT IS FINAL

- (1) The Settlement shall be considered final on the Effective Date.

SECTION 12 - RELEASES AND JURISDICTION OF THE COURT

12.1 Release of Releasees

- (1) As of the Effective Date, the Releasors forever and absolutely release, waive and forever discharge the Releasees from the Released Claims.
- (2) The Releasors acknowledge that they are aware that they may hereafter discover facts in addition to or different from those facts which they know or believe to be true with respect to the Action and the subject matter of this Agreement, and that it is their intention to release fully, finally and forever all Released Claims, and in furtherance of such intention, this release and, subject to the provisions of Section 10, this Agreement shall be and remain in effect notwithstanding the discovery or existence of any such additional or different facts.

12.2 No Further Claims

- (1) As of the Effective Date, the Releasors and Class Counsel shall not now or hereafter institute, continue, maintain or assert, either directly or indirectly, whether in Ontario or elsewhere, on their own behalf or on behalf of any class or any other person, any action, suit, cause of action, claim or demand against any of the Releasees or any other person who may claim contribution or indemnity from any of the Releasees in respect of any Released Claim.

12.3 Dismissal of the Action

- (1) As of the Effective Date, this Action shall be dismissed as against the Defendants with prejudice and without costs.

12.4 No Claims in Interim

- (1) As of the date of this Agreement, Class Counsel do not represent a Plaintiff in any other proceeding related to any matter at issue in this Action.

SECTION 13 - ADMINISTRATION

13.1 Appointment of the Administrator

- (1) The Court will appoint the Administrator to serve until such time as the Settlement Funds are distributed in accordance with the Distribution Protocol, to implement this Agreement and the Distribution Protocol, on the terms and conditions and with the powers, rights, duties and responsibilities set out in this Agreement and in the Distribution Protocol.

13.2 Information and Assistance from the Defendants

- (1) HCG shall, forthwith and prior to the hearing of the Certification and First Notice Motion, authorize and direct its transfer agent to deliver an electronic list of the names and addresses of persons who hold or held Eligible Shares to the Administrator. The reasonable fees and expenses required to be paid to HCG's transfer agent so as to accomplish this shall be paid by Stikeman from the portion of the Settlement Funds described in Section 4.1(1)(a) hereof.
- (2) The Administrator may use the information obtained under Section 13.2(1) for the purpose of delivering the First Notice, Second Notice and for the purposes of administering and implementing this Agreement, the Plan of Notice and the Distribution Protocol.
- (3) Any information obtained or created in the administration of this Agreement is confidential and, except as required by law, shall be used

and disclosed only for the purpose of distributing notices and the administration of this Agreement and the Distribution Protocol.

13.3 Claims Process

- (1) In order to seek payment from the Settlement Funds, a Class Member must submit a completed Claim Form to the Administrator, in accordance with the provisions of the Distribution Protocol, on or before the Claims Bar Deadline. From and after the Effective Date, Class Members shall be bound by the terms of the Settlement regardless of whether they submit a completed Claim Form or receive payment from the Settlement Funds.
- (2) In order to remedy any deficiency in the completion of a Claim Form, the Administrator may require and request that additional information be submitted by a Class Member who submits a Claim Form. Such Class Members shall have until the later of thirty (30) days from the date of the request from the Administrator or the Claims Bar Deadline to rectify the deficiency. Any person who does not respond to such a request for information within this period shall be forever barred from receiving any payments pursuant to the Settlement, subject to any order of the Court to the contrary, but will in all other respects be subject to and bound by the provisions of this Agreement and the releases contained herein.
- (3) By agreement between the Administrator and Class Counsel and on Notice to Counsel for the Defendants, the Claims Bar Deadline may be extended. Class Counsel and the Administrator shall agree to extend the Claims Bar Deadline if, in their opinions, doing so will not adversely affect the efficient administration of the Settlement and it is in the best interests of the Class to do so.

13.4 Disputes Concerning the Decisions of the Administrator

- (1) In the event that a Class Member disputes the Administrator's decision, whether in whole or in part, the Class Member may appeal the decision to the Court. The decision of the Court will be final with no right of appeal.
- (2) No action shall lie against Class Counsel or the Administrator for any decision made in the administration of this Agreement and Distribution Protocol without an order from the Court authorizing such an action.

13.5 Conclusion of the Administration

- (1) Following the Claims Bar Deadline, and in accordance with the terms of this Agreement, the Distribution Protocol, and such further approval or order of the Court as may be necessary, or as circumstances may require, the Administrator shall distribute the net Escrow Settlement Funds to Authorized Claimants.
- (2) No claims or appeals shall lie against Class Counsel or the Administrator based on distributions made substantially in accordance with this Agreement, the Distribution Protocol, or with any other order or judgment of the Court.
- (3) If the Escrow Account is in a positive balance (whether by reason of tax refunds, un-cashed cheques or otherwise) after one hundred eighty (180) days from the date of distribution of the Escrow Settlement Funds to the Authorized Claimants, the balance shall be allocated to the OSC for use in accordance with the purposes set out in para 3.4(2)(b) of the Ontario *Securities Act*.
- (4) Upon conclusion of the administration, the Administrator shall provide an accounting to the Parties for all payments made from the Escrow Account, whether made by Stikeman or the Administrator.

SECTION 14 - THE FEE AGREEMENT AND CLASS COUNSEL FEES

14.1 Motion for Approval of Class Counsel Fees

- (1) At the Approval Motion, Class Counsel may seek the approval of Class Counsel Fees to be paid as a first charge on the portion of the Settlement Funds described in Section 4.1(1)(a) herein. Class Counsel are not precluded from making additional applications to the Court for expenses incurred as a result of implementing the terms of the Agreement. All amounts awarded on account of Class Counsel Fees shall be paid from the portion of the Settlement Funds described in Section 4.1(1)(a) herein.
- (2) The Defendants acknowledge that they are not parties to the motion concerning the approval of Class Counsel Fees, they will have no involvement in the approval process to determine the amount of Class Counsel Fees and they will not take any position or make any submissions to the Court concerning Class Counsel Fees, except as requested and required by the Court. Subject to the foregoing, the Plaintiff will provide the Defendants with notice of the motion to approve Class Counsel Fees and copies of the materials filed with the Court, and the Defendants and their counsel are entitled to attend any motion for approval of Class Counsel Fees.
- (3) The procedure for and the allowance or disallowance by the Court of any requests for Class Counsel Fees to be paid out of the Settlement Funds are not part of the Settlement provided for herein, except as expressly provided in Section 6, and are to be considered by the Court separately from its consideration of the fairness, reasonableness, and adequacy of the Settlement provided for herein.
- (4) Any order or proceeding relating to Class Counsel Fees, or any appeal from any order relating thereto or reversal or modification thereof, shall

not operate to terminate or cancel this Agreement or affect or delay the finality of the Approval Order and the Settlement of this Action provided herein.

14.2 Payment of Class Counsel Fees

- (1) In accordance with Section 6(1)(a) herein, on or after the Effective Date the Administrator shall pay from the Escrow Account to Class Counsel in trust the Class Counsel Fees approved by the Court.

SECTION 15 - MISCELLANEOUS

15.1 Motions for Directions

- (1) Any one or more of the Parties, Class Counsel, or the Administrator may apply to the Court for directions in respect of any matter in relation to this Agreement and the Distribution Protocol.
- (2) All motions contemplated by this Agreement shall be on notice to the Parties.

15.2 Defendants Have No Responsibility or Liability for Administration

- (1) Except for the obligations in respect of the performance of the obligations under Sections 4.1(1) and 13.2(1), the Defendants shall have no responsibility for and no liability whatsoever with respect to the administration or implementation of this Agreement and the Distribution Protocol, including, without limitation, the processing and payment of claims by the Administrator.

15.3 Headings, etc.

- (1) In this Agreement:

- (a) the division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement;
 - (b) the terms “the Agreement”, “this Agreement”, “herein”, “hereto” and similar expressions refer to this Agreement and not to any particular section or other portion of the Agreement;
 - (c) all amounts referred to are in lawful money of Canada; and
 - (d) “person” means any legal entity including, but not limited to, individuals, corporations, sole proprietorships, general or limited partnerships, limited liability partnerships or limited liability companies, by whatever name in the jurisdiction in which the person is domiciled.
- (2) In the computation of time in this Agreement, except where a contrary intention appears:
- (a) where there is a reference to a number of days between two events, they shall be counted by excluding the day on which the first event happens and including the day on which the second event happens, including all calendar days; and
 - (b) only in the case where the time for doing an act expires on a holiday, the act may be done on the next day that is not a holiday.

15.4 Governing Law

- (1) This Agreement shall be governed by and construed and interpreted in accordance with the laws of the Province of Ontario.
- (2) The Parties agree that the Court shall retain exclusive and continuing jurisdiction over this Proceeding, the Parties and Class Members to interpret and enforce the terms, conditions and obligations under this Agreement and the Approval Order.

15.5 Severability

- (1) Any provision hereof that is held to be inoperative, unenforceable or invalid in any jurisdiction shall be severable from the remaining

provisions which shall continue to be valid and enforceable to the fullest extent permitted by law.

15.6 Entire Agreement

- (1) This Agreement and the Collateral Agreement constitute the entire agreement among the Parties and supersedes all prior and contemporaneous understandings, undertakings, negotiations, representations, promises, agreements, agreements in principle and memoranda of understanding in connection herewith. None of the Parties will be bound by any prior obligations, conditions or representations with respect to the subject matter of this Agreement and the Collateral Agreement, unless expressly incorporated herein. This Agreement may not be modified or amended except in writing and on consent of all Parties and any such modification or amendment must be approved by the Court.

15.7 Binding Effect

- (1) If the Settlement is approved by the Court and becomes final as contemplated in Section 11(1), this Agreement shall be binding upon and enure to the benefit of the Plaintiff, the Class Members, the Defendants, Class Counsel, the Releasees and the Releasers, the insurers, or any of them, and all of their respective heirs, executors, predecessors, successors and assigns. Without limiting the generality of the foregoing, each and every covenant and agreement made herein by the Plaintiff shall be binding upon all Releasers and each and every covenant and agreement made herein by the Defendants shall be binding upon all of the Releasees.

15.8 Survival

- (1) The representations and warranties contained in this Agreement shall survive its execution and implementation.

15.9 Negotiated Agreement

- (1) This Agreement and the underlying settlement have been the subject of arm's length negotiations and many discussions among the undersigned and counsel. Each of the undersigned has been represented and advised by competent counsel, so that any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafters of this Agreement shall have no force and effect. The Parties further agree that the language contained in or not contained in previous drafts of the Agreement, or the superceded Minutes of Settlement, shall have no bearing upon the proper interpretation of this Agreement.

15.10 Recitals

- (1) The recitals to this Agreement are true, constitute material and integral parts hereof and are fully incorporated into and form part of this Agreement.

15.11 Acknowledgements

- (1) Each Party hereby affirms and acknowledges that:
 - (a) its signatory has the authority to bind the Party for which it is signing with respect to the matters set forth herein and has reviewed this Agreement; and
 - (b) the terms of this Agreement and the effects thereof have been fully explained to it by his or its counsel;
 - (c) he, she or its representative fully understands each term of this Agreement and its effect.

15.12 Counterparts

- (1) This Agreement may be executed in counterparts, all of which taken together will be deemed to constitute one and the same agreement, and a signature delivered by email or facsimile shall be deemed an original signature for purposes of executing this Agreement.

15.13 Confidentiality of Settlement Negotiations and Non-Disparagement

- (1) In any public discussion of, comment on, press release or other communication of any kind (with the media or otherwise) about this Agreement and the Distribution Protocol, the Plaintiff and Class Counsel agree and undertake to describe the Settlement and the terms of this Agreement as fair, reasonable and in the best interests of the Class.
- (2) Nothing in this Section shall prevent the Parties or their counsel, or any of them, from reporting to their clients, from complying with any order of the Court, or from making any disclosure or comment required by this Agreement, or from making any necessary disclosure or comment for the purposes of any applicable securities or tax legislation or from making any disclosure or comment to Class Members or the Court or for the purposes of any proceedings as between the Defendants.
- (3) Without limiting the generality of the foregoing, the Parties specifically agree that the Parties will not make any public statements, comment or any communication of any kind about any negotiations or information exchanged as part of the settlement process, unless required to do so by law. In addition, to the extent that there is public discussion of, comment on or communication of any kind about this Agreement, the Parties and their counsel agree and undertake to make no statement or comment that the Agreement is other than fair, reasonable and in the best interests of the Class, unless required to do so by law.

15.14 Notice

- (1) Any notice, instruction, motion for Court approval or motion for directions or Court orders sought in connection with this Agreement or any other report or document to be given by any party to any other party shall be in writing and delivered personally, by facsimile or e-mail during normal business hours, or sent by registered or certified mail, or courier postage paid:

For Claire R. McDonald

Michael G. Robb
Siskinds LLP

Telephone: (519) 660-7872
Facsimile: (519) 660-7873
Email: michael.robb@siskinds.com

For Home Capital Group Inc.

Peter F. C. Howard
Stikeman Elliott LLP

Telephone: (416) 869-5613
Facsimile: (416) 947-0866
Email: phoward@stikeman.com

For Gerald M. Soloway

Terrence O'Sullivan
Lax O'Sullivan Lisus Gottlieb LLP

Telephone: (416) 598-3556
Facsimile: (416) 598-3730
Email: tosullivan@counsel-toronto.com

For Robert Morton and Robert J. Blowes

James D.G. Douglas
Borden Ladner Gervais LLP

Telephone: (416) 367-6029
Facsimile: (416) 367-6749
Email: jdouglas@blg.com

15.15 Date of Execution

- (1) The Parties have executed this Settlement Agreement as of the date on the cover page.

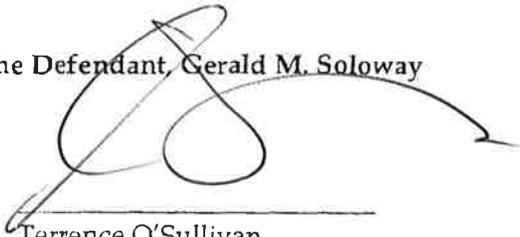
For the Plaintiff and Class Members

Per: 
Michael G. Robb
Partner, Siskinds LLP

For the Defendant, Home Capital Group Inc.

Per: Stikeman, Elliott: per Pdt
Peter F. C. Howard
Partner, Stikeman Elliott LLP

For the Defendant, Gerald M. Soloway

Per: 
Terrence O'Sullivan
Partner, Lax O'Sullivan Lisus Gottlieb LLP

For the Defendants, Robert Morton and Robert J. Blowes

Per: _____
James D.G. Douglas
Partner, Borden Ladner Gervais LLP

For the Plaintiff and Class Members

Per: 

Michael G. Robb
Partner, Siskinds LLP

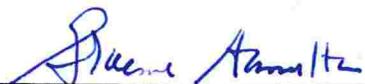
For the Defendant, Home Capital Group Inc.

Per: _____
Peter F. C. Howard
Partner, Stikeman Elliott LLP

For the Defendant, Gerald M. Soloway

Per: _____
Terrence O'Sullivan
Partner, Lax O'Sullivan Lisus Gottlieb LLP

For the Defendants, Robert Morton and Robert J. Blowes

Per: 

~~James D.G. Douglas~~ GRAEME.A. HAMILTON
~~Partner~~, Borden Ladner Gervais LLP
SENIOR ASSOCIATE

SCHEDULE 1

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE) _____, THE _____
JUSTICE R. M. RAIKES) DAY OF _____, 2017

B E T W E E N:

CLAIRE R. MCDONALD

Plaintiff

- and -

HOME CAPITAL GROUP INC., GERALD M. SOLOWAY, ROBERT MORTON and
ROBERT J. BLOWES

Defendants

Proceeding under the *Class Proceedings Act, 1992*

ORDER

THIS MOTION, made by the Plaintiff for, *inter alia*, an Order that the within proceeding be certified as a class proceeding as against the Defendants, for settlement purposes only, fixing the date of a settlement approval motion, and approving the form, content and method of dissemination of a notice of certification and notice of a pending settlement approval hearing, was heard this day at 80 Dundas Street, London, ON, N6A 6A3.

ON READING the materials filed, including the Settlement Agreement, dated June 22, 2017, attached hereto as **Schedule "A"** ("**Settlement Agreement**") and on hearing the submissions of Counsel for the Plaintiff and Counsel for the Defendants;

ON BEING ADVISED that the Defendants consent to this Order;

AND ON BEING ADVISED that RicePoint Administration Inc., consents to being appointed the Administrator for the purposes of ss. 3.2(2), 3.4, 9.2 and 9.3 of the Settlement Agreement;

1. **THIS COURT DECLARES** that except as otherwise stated, this Order incorporates and adopts the definitions set out in the Settlement Agreement.
2. **THIS COURT ORDERS** that this action is certified as a class proceeding as against the Defendants for the purpose of settlement only, pursuant to the *Class Proceedings Act, 1992*, S.O. 1992 c.6 ("*CPA*"), ss. 2 and 5, but subject to the terms of the Settlement Agreement, including ss. 8.2 and 10 thereof.
3. **THIS COURT ORDERS** that the class certified for the purpose of settlement with the Defendants is the Class, defined as:

All persons and entities wherever they may reside or be domiciled, other than Excluded Persons and Opt-Out Parties, who acquired HCG common shares during the Class Period.

4. **THIS COURT ORDERS** that Claire R. McDonald is appointed as the Representative Plaintiff for the Class.

5. **THIS COURT ORDERS** that the following issue is common to the Class:

Did one or more of HCG's Class Period disclosure documents or other public oral statements contain one or more misrepresentations and/or omissions within the meaning of the *Securities Act*, RSO 1990, c. B-16, as amended, or at common law?

6. **THIS COURT ORDERS** that any Class Member who wishes to validly exclude him, her or itself from this Action, must do so by submitting to RicePoint Administration Inc., an Opt-Out Request postmarked on or before the Opt-Out Deadline. An Opt-Out Request shall consist of: (a) a statement of intention to opt out of the Action, signed by the Class Member or a person authorized to bind the Class Member; (b) a listing of all purchases and sales of HCG common shares between November 5, 2014 and July 10, 2015, (c) supporting documents to evidence such transactions, in the form of trade confirmations, brokerage statements or other transaction records; and (d) contact information for the Class Member, including name, address, telephone number and email address.

7. **THIS COURT ORDERS** that any person who would otherwise be a Class Member who validly excludes him, her or itself from this Action, in accordance with

paragraph six (6) of this Order, is not bound by the Settlement Agreement and shall no longer participate or have the opportunity in the future to participate in this Action and the Settlement.

8. **THIS COURT ORDERS** that any person who is a member of the Class and who does not validly exclude him, her or itself from this Action in accordance with paragraph six (6) of this Order on or prior to the Opt-Out Deadline will be bound by the Settlement Agreement, including the releases contained therein, if and when it becomes effective, and may not exclude him, her or itself from this Action in the future, whether or not a claim to participate in the distribution of the Settlement Funds is submitted by that person.
9. **THIS COURT ORDERS** that by no later than five (5) calendar days after the Opt Out Deadline, RicePoint Administration Inc. shall:
 - (a) report to the Court and the Parties the number of Eligible Shares held by each Opt-Out Party and the total number of Eligible Shares held by all Opt-Out Parties and the identities of the Opt-Out Parties; and
 - (b) provide to the Defendants copies of the Opt-Out Requests submitted by Opt-Out Parties.
10. **THIS COURT ORDERS** that RicePoint Administration Inc., is hereby appointed as the Administrator for the purposes of ss. 3.2(2), 9.2 and 9.3 of the Settlement Agreement.

11. **THIS COURT ORDERS** that the First Notice is hereby approved in substantially the forms attached as Schedules “3” and “4”, respectively, to the Settlement Agreement.
12. **THIS COURT ORDERS** that Part 1 of the Plan of Notice attached as Schedule “2” to the Settlement Agreement is hereby approved for the purposes of the publication and dissemination of the First Notice.
13. **THIS COURT ORDERS** that the First Notice shall be published in accordance with the Settlement Agreement and Part 1 of the Plan of Notice.
14. **THIS COURT ORDERS** that the hearing of the Approval Motion and the Representative Plaintiff’s motion for approval of Class Counsel Fees shall take place at 10:00 AM, EDT, on August 21, 2017, at 80 Dundas Street, London, Ontario, N6A 5B6.
15. **THIS COURT ORDERS** that Class Members who wish to file with the Court an objection or comment on the Settlement or the request for approval of Class Counsel Fees shall deliver a written statement to Class Counsel, at the address indicated in the First Notice, no later than August 16, 2017.

THE HONOURABLE JUSTICE R. M. RAIKES

MCDONALD
Plaintiff

v

HOME CAPITAL GROUP INC., et al.
Defendants

Court File No.: 349/17CP

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at London

Proceeding under the *Class Proceedings Act, 1992*

ORDER

Siskinds LLP

Barristers & Solicitors

680 Waterloo Street

P.O. Box 2520

London, ON N6A 3V8

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Toronto, ON M5C 1M3

Douglas Worndl (LSUC#: 30170P)

Tel: (416) 594-4379

Fax: (416) 594-4380

Lawyers for the Plaintiff

SCHEDULE 2

PLAN OF NOTICE

Capitalized terms used in this Plan of Notice have the meanings given to them in the Settlement Agreement dated June 22, 2017.

PART 1 - FIRST NOTICE

Subject to such alternative or additional direction by the Court, the manner of providing the First Notice will consist of a combination of direct individual notice to Class Members and an indirect digital publication campaign consisting of digital publication and a press release.

As described in this Part 1, and Part 2, below, direct individual notice is the preferred method by which the Plaintiff proposes to provide notice. Direct notice will be given to Class Members: (a) identified by the Administrator through the broker outreach described below, (b) identified by HCG's transfer agent pursuant to s. 13.2(1) of the Settlement Agreement, and (c) known to Class Counsel.

Long-Form Notice

Individual Long-Form Notice from Class Counsel

The long-form Notice of Certification and Notice of Court Hearing for Settlement Approval ("**First Long-Form**") will be mailed, electronically or physically, as may be required, to those persons and entities who have previously contacted Class Counsel for the purposes of receiving notice of developments in the Action.

Individual Long-Form Notice from Administrator

The Administrator will mail the First Long-Form to individuals and entities identified as a result of HCG directing its transfer agent, under s. 13.2(1) of the Settlement Agreement, to deliver to the Administrator an electronic list of the names and addresses of persons and entities who hold or held Eligible Shares.

The Administrator will also undertake an email outreach to brokerages and brokers in its proprietary database, requesting distribution of the First Long-Form to those of their clients who may be Class Members. Brokerages and brokers may prefer to provide a list of potentially affected clients to the Administrator, in which case the Administrator will send the First Long-Form to all persons and entities identified by the brokerages and/or brokers. It is expected that approximately 20% will be French speaking and this will be accounted for appropriately.

Digital Publication of the Long-Form Notice

Electronic publication of the First Long-Form will occur in both the English and French languages, posted on Class Counsel's website: <http://www.siskinds.com/home-capital-group-inc/> and on a dedicated website developed by the Administrator from

which the public can also obtain copies of the Settlement Agreement and proposed Distribution Protocol.

From its website, Class Counsel shall make a toll free number and email address available to the public that will enable Class Members to contact Class Counsel in order that they may, amongst other things:

- (a) obtain more information about opt-out rights and procedures, the Settlement and how to object to it, the proposed Distribution Protocol and/or Class Counsel Fees; and/or
- (b) request that a copy of the Settlement Agreement be electronically or physically mailed to them.

In addition, from Class Counsel's website, the public may view or obtain copies of the Settlement Agreement, proposed Distribution Protocol and, materials Class Counsel will file with the Court for the purposes of seeking approval of the Settlement.

Short-Form Notice

Digital Publication and Dissemination of the Short-Form Notice

Electronic publication of the short-form Notice of Certification and Notice of Court Hearing for Settlement Approval ("**First Short-Form**") will occur in both the English and French languages (with necessary formatting modifications) across Canada Newswire (a major business newswire in Canada, "**CNW**"). It is expected that, through CNW, the First Short-Form will be disseminated to all major digital, print and broadcast news outlets across Canada, plus all local newspapers in smaller urban and rural markets and to specialized business media subscribers.

PART 2 - SECOND NOTICE

Subject to such alternative or additional direction by the Court, the method of providing the Second Notice will consist of a combination of direct individual notice to Class Members and an indirect digital publication campaign consisting of digital publication and a press release.

As with the First Notice, the method of providing the Second Notice will consist of a combination of a broker outreach, individual notice to all Class Members known to Class Counsel and identified by the Administrator through the broker outreach, Class Members identified by HCG's transfer agent under s. 13.2(1) of the Settlement Agreement, and an indirect digital publication campaign consisting of digital media and a press release.

Long-Form Notice

Individual Long-Form Notice from the Administrator

Within thirty (30) days of the date of the Approval Order, the Administrator will send the Long Form Notice of Settlement ("**Second Long-Form**") and the Claim Form to all putative Class Members as follows:

1. The Administrator will mail the Second Long-Form and Claim Form to individuals and entities identified as a result of HCG directing its transfer agent, under s. 13.2(1) of the Settlement Agreement, to deliver to the Administrator an electronic list of the names and addresses of persons and entities who hold or held Eligible Shares; and
2. The Administrator will send the Second Long-Form and Claim Form to the brokerages and brokers in the Administrator's proprietary database, requesting that they either send a copy of the Second Long Form and Claim Form to all individuals and entities identified by them as being Class Members, or to send the names and addresses of all known Class Members to the Administrator who will mail the Second Long Form and Claim Form to the individuals and entities so identified.

Class Counsel shall mail or email the Second Long Form and Claim Form to those persons and entities who have previously contacted Class Counsel for the purposes of receiving notice of developments in the Action.

Class Counsel shall again make a toll-free number and email address available to the public that will enable Class Members to obtain more information about the settlement, the claims process, and to request that a copy of the Settlement Agreement, Distribution Protocol and/or Second Long-Form and Claim Form be sent electronically or physically to them. Additionally, the public may view or obtain those documents from the website of Siskinds LLP: <http://www.siskinds.com/home-capital-group-inc/>

Digital Publication of the Long-Form Notice

The Second Long-Form will be posted, in both the English and French languages, on:

- (a) <http://www.siskinds.com/home-capital-group-inc/> ; and
- (b) the dedicated website of the Administrator.

Short-Form Notice

Electronic publication of the short-form Notice of Settlement ("**Second Short-Form**") will occur in both the English and French languages (with necessary formatting modifications) across CNW.

SCHEDULE 3

HOME CAPITAL GROUP INC. SECURITIES LITIGATION

NOTICE OF CERTIFICATION FOR SETTLEMENT PURPOSES AND SETTLEMENT APPROVAL HEARING

Read this notice carefully as it may affect your legal rights

Who this Notice is For

This notice is directed to everyone who acquired shares of Home Capital Group Inc., (“HCG”, TSX: HCG, CUSIP: 436913107, ISIN: CA4369131079) from November 5, 2014 through to and including the close of trading on the Toronto Stock Exchange on July 10, 2015 (“Class Period”).

What the Action is About

On February 13, 2017, an action was commenced in the Ontario Superior Court of Justice (Southwest Region – London, Ontario) against HCG and certain of its current and former directors and executive officers. The Plaintiff alleges that certain of HCG’s public disclosures released during the Class Period were materially misleading (the “Action”).

Class Certification to give effect to Settlement

The Plaintiff has entered into a settlement with HCG, Gerald M. Soloway, Robert Morton and Robert J. Blowes (“Defendants” and “Settlement”). The Settlement is described below.

On [insert date], 2017, the Court certified the Action as a class proceeding for settlement purposes only. Certification against the Defendants was obtained with their consent, but is conditional upon the Court’s approval of the Settlement. The Defendants do not admit any wrongdoing or liability.

In granting certification, the Court appointed Siskinds LLP as Class Counsel and defined the Class or Class Members as follows:

All persons and entities wherever they may reside or be domiciled, other than Excluded Persons and Opt-Out Parties, who acquired HCG common shares during the Class Period.*

*The terms “Eligible Shares, Excluded Persons and Opt-Out Parties” are defined in the Settlement Agreement dated June 22, 2017 which can be found on the website

of Siskinds LLP, at <http://www.siskinds.com/home-capital-group-inc/>.

The Terms of the Settlement

The Settlement is part of a global settlement to resolve the Action and related enforcement proceeding by Staff of the Ontario Securities Commission (“OSC”) against HCG and others, commenced on April 19, 2017 (“OSC Proceeding”).

The Settlement provides that \$29,500,000.00 (“Settlement Funds”), will be paid for the benefit of the Class Members before deductions for legal fees and expenses to administer the Settlement.

The Settlement is a compromise of disputed claims and is not an admission of liability, wrongdoing or fault on the part of any of the Defendants, all of whom have denied and continue to deny the allegations made against them in the Action.

In order for the Settlement to take effect, the Court must approve the Settlement of the Action and the OSC must approve the parallel settlement of the OSC Proceeding.

The certification of the Action was conditional and will be of no force or effect if the Court does not approve the Settlement, if the Defendants terminate the Settlement Agreement* or if the settlement of the OSC Proceeding is not approved by the OSC.

*The Defendants may terminate the Settlement Agreement if Class Members holding a certain number of Eligible Shares exclude themselves from the Class, a process known as “opting-out”, described further below.

The Plaintiff and Class Counsel recommend the Settlement of the Action to Class Members. In reaching the Settlement, Class Counsel considered HCG’s then constrained financial position and the uncertainty as to its ability to continue as a going concern, the availability of insurance proceeds to fund a settlement or judgment, the estimated total damages suffered by Class Members, admissions to be made by the Defendants in the OSC

Proceeding, legal limitations on the value of certain claims advanced, and the value of an early settlement.

A more complete explanation of the Settlement and why Class Counsel recommend the Settlement will be provided to the Court and made publicly available. The materials Class Counsel will file with the Court for the purposes of seeking approval of the Settlement and the proposed methodology for distributing the Settlement Funds (“**Distribution Protocol**”) will be posted at: <http://www.siskinds.com/home-capital-group-inc/> no later than August 3, 2017. Copies of the Settlement Agreement and the proposed Distribution Protocol may be found there too.

Participating in the Settlement or Excluding Yourself from the Class Action and the Settlement

If you are a Class Member, you will be bound by the terms of the Settlement once approved unless you opt out of the Action. Class Members who do not opt out will i) be entitled to participate in the Settlement; ii) be bound by the terms of the Settlement; and iii) will not be permitted to bring other legal proceedings in relation to the matters alleged in the Action against the Defendants, or any person released by the approved Settlement. Conversely, if you are a Class Member who opts out of the Action (an “Opt-Out Party”), you will not be able to make a claim to receive compensation from the Settlement Funds but will maintain the right to pursue your own claim against the Defendants relating to the matters alleged in the Action.

If you are a Class Member and wish to opt out, you must submit a request to do so, together with required supporting documentation (“**Opt-Out Request**”), to RicePoint Administration Inc., at the following address, postmarked no later than [insert date] 2017 (“**Opt-Out Deadline**”):

[insert address]

A list of the information needed to submit a valid Opt-Out Request can be obtained from the websites of RicePoint Administration Inc. and Siskinds LLP, at: [insert] and <http://www.siskinds.com/home-capital-group-inc/>. An Opt-Out Request that does not contain all of the required information will not be valid.

Next Step - Settlement Approval Hearing will be held in [London, Ontario]

The Settlement must be approved by the Court and OSC approval of the resolution of the OSC Proceeding must be obtained before the Settlement can come into force

and effect and before Class Members can make a claim for compensation.

The Distribution Protocol provides that the Settlement Funds, net of costs of administration and Class Counsel’s fees and disbursements, will be distributed pro rata to Eligible Claimants based on their Notional Entitlements. The Notional Entitlements of Class Members will be the difference between Class Members’ acquisition cost and either their actual disposition proceeds or a deemed disposition at a price established by reference to the trading price of HCG’s common shares during the 10 trading days following the end of the Class Period. The claims of Class Members who acquired their shares prior to May 6, 2015 will be reduced by 1/3 to account for the additional risk their claims would have faced had the action proceeded. Class Members are encouraged to review the proposed Distribution Protocol at the website of Class Counsel, at <http://www.siskinds.com/home-capital-group-inc/>

Class Members may, but are not required to, attend at the hearing where Class Counsel will ask the Court to approve the Settlement (“**Approval Hearing**”). The Approval Hearing will be held on August 21, 2017, 10:00 am EDT, at the courthouse located at 80 Dundas Street, London, Ontario.

If the Settlement is approved by the Court, then a further notice will be published that will explain how Class Members can make a claim to receive compensation from the Settlement Funds. To receive such notice by mail or email, you may provide contact information to Class Counsel.

Class Counsel Fees and Disbursements

As is customary in class action litigation, Class Counsel undertook this litigation on a contingency fee basis, meaning that no legal fees have been paid as the matter has progressed and that Class Counsel has funded the expenses necessary to advance the litigation. At the time of the Approval Hearing, Class Counsel will request that the Court approve its claim for legal fees under the contingency fee agreement with the representative plaintiff, to be paid out of the Settlement Funds not exceeding [insert]% of the Settlement Funds, plus HST, and up to ● in reimbursement for disbursements and applicable taxes.

Class Members May Object

Class Members who wish to comment on or object to the Settlement, the proposed Distribution Protocol and/or the proposed Class Counsel Fee request should do so in writing. **All comments or objections should be received by Class Counsel (at the address listed below) no later than August 16, 2017** Class Counsel will file any and all such submissions with the Court. Class Members may attend the Approval Hearing whether or not an objection or comment was delivered. The Court may permit Class Members to participate in the Approval Hearing whether or not an objection was made.

A written objection should include:

- (i) the Class Member's name, address, telephone number, fax number (where applicable) and email address;
- (ii) the particulars of the Class Member's transactions in Home Capital Group common shares during the Class Period;
- (iii) a brief statement outlining the objection to the Settlement; and
- (iv) a statement as to whether the objector intends to appear at the Approval Hearing in person or through a lawyer, and if through a lawyer, the name, address, telephone number, fax number, and email address of the lawyer.

Class Members who approve of or do not oppose the Settlement, Distribution Protocol and application for Class Counsel's fees and disbursements do not need to appear at the Approval Hearing or take any other action at this time.

For any further questions relating to the Action, further information, or to deliver a comment or objection please contact Class Counsel:

Nicholas Baker
Siskinds LLP
680 Waterloo Street
London, ON N6A 3V4
Tel: 1.800.461.6166 ext. 2380 (toll free)
Email: nicholas.baker@siskinds.com

*Publication of this notice was authorized by the
Ontario Superior Court of Justice*

SCHEDULE 4

****FOR IMMEDIATE RELEASE****

**HOME CAPITAL GROUP INC. SECURITIES LITIGATION
NOTICE OF CERTIFICATION FOR SETTLEMENT PURPOSES AND
SETTLEMENT APPROVAL HEARING**

Read this notice carefully as it may affect your legal rights

London, Ontario, June [**], 2017

THE CLASS ACTION

On February 13, 2017, an action was commenced in the Ontario Superior Court of Justice in London, Ontario against Home Capital Group Inc. ("HCG", TSX: HCG, CUSIP: 436913107, ISIN: CA4369131079) and certain of its former directors and executive officers. The Plaintiff alleges that certain of HCG's public disclosures released during the period **November 5, 2014 to July 10, 2015 ("Class Period")** were materially misleading, which resulted in damage to HCG shareholders who acquired HCG common shares during the Class Period (the "Action" and "Class Members").

CONSENT CERTIFICATION FOR SETTLEMENT PURPOSES

A settlement of the Action has been agreed between the parties to the Action; and, on [insert date], 2017, the Ontario Superior Court of Justice ("Court") certified the Action as a class proceeding for settlement purposes. **The subject settlement provides for settlement funds of \$29.5 million (CDN), to be paid for the benefit of the Class Members before deductions for legal fees and expenses to administer the settlement.** The Settlement is a compromise of disputed claims and is not an admission of liability, wrongdoing or fault.

Certification of the Action was obtained with the consent of the defendants to the Action, and is conditional upon the Court's approval of the settlement described above. **The Court will hear the plaintiff's request for approval of the settlement at a hearing to occur at at 80 Dundas Street, London, Ontario, on August 21, 2017 at 10 AM EDT.** Additionally, before the settlement of the Action can take effect, the Ontario Securities Commission must approve a parallel settlement of related regulatory action against HCG and others.

Class Members' legal rights may be affected by the certification of the Action and/or the approval of the settlement. **It is strongly recommended that anyone who is or believes they may be a Class Member read the detailed long-form notice.** [NTD: hyperlink the shaded to the long-form notice.]

The detailed long-form notice explains, amongst other things:

- (a) that Class Members will be bound by the terms of the settlement and entitled to participate in it, if it is approved, unless they exclude themselves from the Action;
- (b) the steps that a Class Member must take to validly exclude him, her or itself from the Action and the settlement;
- (c) that Class Members who exclude themselves from the Action will not be able to make a claim to receive compensation from the settlement funds but will maintain the right to pursue their own claim against the defendants relating to the matters alleged in the Action;
- (d) that Class Members who do not exclude themselves from the Action may still object to the terms of the settlement or otherwise provide comments, and the process for doing so.

FOR MORE INFORMATION

For questions, including about the certification of the Action and the settlement, Class Members' rights and the procedures for excluding themselves from the Action and the settlement and/or for more information about any part of this notice, please consult the detailed long-form notice or contact the following:

Class Counsel at:

Siskinds LLP

680 Waterloo Street
London Ontario N6A 3V8
Nicholas Baker
Tel: 1-800-461-6166 x2380
nicholas.baker@siskinds.com

RicePoint Administration Inc.

PO Box 4454, Toronto Station A
25 the Esplanade
Toronto, ON M5W 4B1
Email: [****@ricepoint.com]
Toll Free: 1 (888) 663-7185

SCHEDULE 5

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE) _____, THE ___ DAY OF
JUSTICE R. M. RAIKES) _____, 2017

B E T W E E N :

CLAIRE R. MCDONALD

Plaintiff

- and -

HOME CAPITAL GROUP INC., GERALD M. SOLOWAY,
ROBERT MORTON, and ROBERT J. BLOWES

Defendants

Proceeding under the *Class Proceedings Act, 1992*, SO 1992, c 6

**ORDER
(SETTLEMENT APPROVAL)**

THIS MOTION, made by the Plaintiff for an Order approving: (i) the Settlement Agreement reached between the Plaintiff and the Defendants on June 22, 2017; (ii) the proposed Distribution Protocol; and, (iii) the form, method of publication and dissemination of the Second Notice, was heard this day at 80 Dundas Street, London, ON, N6A 6A3.

ON READING the materials filed, including the Settlement Agreement, and on hearing the submissions of Class Counsel and Counsel for the Defendants;

ON BEING ADVISED that the Defendants consent to this Order;

AND ON BEING ADVISED that RicePoint Administration Inc., has consented to being appointed the Administrator for the purposes of all provisions in the Settlement Agreement relating to Second Notice and the administration of the Settlement;

1. **THIS COURT DECLARES** that except as otherwise stated, this Order incorporates and adopts the definitions set out in the Settlement Agreement.
2. **THIS COURT ORDERS** that the Settlement Agreement is fair, reasonable and in the best interests of the Class.
3. **THIS COURT ORDERS** that the Settlement Agreement is approved pursuant to section 29 of the *Class Proceedings Act, 1992*, SO 1992, c. 6.
4. **THIS COURT ORDERS** that all provisions of the Settlement Agreement (including the Recitals and Definitions) form part of this Order and are binding upon the Defendants in accordance with the terms thereof, and upon the Plaintiff and all Class Members that did not opt-out of the Action in accordance with the Order of the Ontario Superior Court of Justice dated June ●, 2017, including those persons that are minors or mentally incapable.
5. **THIS COURT ORDERS** that in the event of a conflict between this Order and the Settlement Agreement, this Order shall prevail.
6. **THIS COURT ORDERS** that compliance with requirements of Rules 7.04(1) and 7.08(4) of the *Rules of Civil Procedure, RRO 1990, Reg. 194* is hereby dismissed.

7. **THIS COURT ORDERS** that the Settlement Agreement shall be implemented in accordance with its terms.
8. **THIS COURT ORDERS** that the Distribution Protocol, attached hereto as **Schedule "A"** is fair and appropriate.
9. **THIS COURT ORDERS** that the Distribution Protocol is approved and that the Escrow Settlement Funds shall be distributed in accordance with the terms of the Settlement Agreement, following payment of Class Counsel Fees (to be approved) and Administration Expenses.
10. **THIS COURT ORDERS** that Part 2 of the Plan of Notice, attached hereto as **Schedule "B"**, is hereby approved for the purpose of the publication and dissemination of the Second Notice.
11. **THIS COURT ORDERS** that the form and content of the Short Form Notice of Settlement attached hereto as **Schedule "C"** is hereby approved.
12. **THIS COURT ORDERS** that the form and content of the Long Form Notice of Settlement attached hereto as **Schedule "D"** is hereby approved.
13. **THIS COURT ORDERS** that the form and content of the Claim Form, attached hereto as **Schedule "E"** is hereby approved.
14. **THIS COURT ORDERS** that the Plaintiff and Defendants may, on notice to the Court but without the need for further order of the Court, agree to reasonable extensions of time to carry out any provisions of the Settlement Agreement.

15. **THIS COURT ORDERS** that, other than that which has been provided in section 4.1 of the Settlement Agreement, the Releasees have no responsibility for and no liability whatsoever with respect to the administration of the Settlement.
16. **THIS COURT ORDERS** that, upon the Effective Date, the Releasers under the Settlement Agreement shall release and discharge, and shall be conclusively deemed to have fully, finally and forever released and discharged the Releasees from the Released Claims in the Settlement Agreement.
17. **THIS COURT ORDERS** that, upon the Effective Date, the Releasers and Class Counsel shall not now or hereafter institute, continue, maintain or assert, either directly or indirectly, whether in Ontario or elsewhere, on their own behalf or on behalf of any class or any other person, any action, suit, cause of action, claim or demand against any of the Releasees or any other person who may claim contribution or indemnity from any of the Releasees in respect of any Released Claim.
18. **THIS COURT ORDERS** that the approval of the Settlement Agreement shall not be effective unless and until the OSC Settlement Agreement is approved by the OSC.
19. **THIS COURT ORDERS** that in the event that the Settlement Agreement is terminated in accordance with its terms, this Order shall be declared null and void.

20. **THIS COURT ORDERS** that, upon the Effective Date, the Action shall be dismissed against all Defendants with prejudice and without costs.

THE HONOURABLE JUSTICE R. M. RAIKES

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at London

Proceeding under the *Class Proceedings Act*,
1992, SO 1992, c 6

**ORDER
(SETTLEMENT APPROVAL)**

Siskinds LLP

Barristers & Solicitors

680 Waterloo Street

P.O. Box 2520

London, ON N6A 3V8

Michael G. Robb (LSUC#: 45787G)

Tel: 519-660-7872

Fax: 519-660-7845

Douglas Worndl (LSUC#: 30170P)

Tel: (416) 594-4379

Fax: (416) 594-4380

Lawyers for the Plaintiff

SCHEDULE 6

**NOTICE OF SETTLEMENT APPROVAL
IN THE
HOME CAPITAL GROUP INC., SECURITIES CLASS ACTION**

This notice is directed to everyone who acquired shares of Home Capital Group Inc., (“HCG”, TSX: HCG, CUSIP: 436913107, ISIN: CA4369131079) from November 5, 2014 through to and including the close of trading on the Toronto Stock Exchange on July 10, 2015 (“Class Period”).

**READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR LEGAL RIGHTS.
YOU MAY NEED TO TAKE PROMPT ACTION.**

Important Deadline

Claims Bar Deadline (to file a claim for ●, 2017 compensation):

You may file your claim electronically or by mail. Claims will not be accepted after the Claims Bar Deadline. As a result, it is necessary that you act without delay.

Court Approval of the Class Action Settlement

On February 13, 2017, Claire R. McDonald (“**Plaintiff**”) commenced an action in the Ontario Superior Court of Justice (Southwest Region – London, Ontario) against HCG, Gerald M. Soloway, Robert Morton and Robert J. Blowes (“**Defendants**”).

The Plaintiff alleged that certain of HCG’s public disclosures released during the Class Period were materially misleading in relation to mortgage origination practices and changes in mortgage origination during the Class Period (“**Action**”). The claims being pursued in the Action were claims for damages for losses allegedly suffered as a result of HCG’s alleged misleading disclosures. The Plaintiff claimed the Defendants had liability for those losses.

On June 22, 2017, the Plaintiff and the Defendants entered into a settlement (“**Settlement**”) of the Action. The Settlement is part of a global settlement to resolve the Action and related enforcement proceeding by Staff of the Ontario Securities Commission (“**OSC**”) against HCG and others, commenced on April 19, 2017 (“**OSC Proceeding**”).

The Settlement provides that \$29,500,000.00 (“**Settlement Funds**”), will be paid for the benefit of the Class Members before deductions for legal fees and expenses to administer the Settlement. The Settlement was a compromise of disputed claims and not an admission of liability, wrongdoing or fault on the part of any of the Defendants, all of whom have denied and continue to deny the allegations made against them in the Action.

On June ●, 2017, the Ontario Superior Court of Justice (“**Court**”) certified the Action as a class proceeding, with the consent of the Defendants. By consenting, the Defendants did not admit any wrongdoing or liability; and, certification by the Court was not a decision on the merits of the Action.

On August ●, 2017, the Court approved the Settlement and ordered that it be implemented in accordance with its terms.

The Court also awarded Siskinds LLP (“**Class Counsel**”) legal fees, expenses and applicable taxes in the amount of \$● (“**Class Counsel Fees**”). As is customary in such cases, Class Counsel conducted the Action on a contingent fee basis. Class Counsel was not paid as the matter proceeded and funded the expenses of conducting the litigation. The amount awarded for Class Counsel Fees includes \$● for the reimbursement of amounts spent by Class Counsel in the conduct of the Action. The remainder, net of applicable taxes, will be Class Counsel’s only compensation for conducting the Action. Class Counsel Fees will be deducted from the Settlement Funds before it is distributed to Class Members.

Expenses incurred or payable relating to approval, notification, implementation and administration of the Settlement (“**Administration Expenses**”) will also be paid from the Settlement Funds before they are distributed to eligible Class Members.

Administrator

The Courts have appointed RicePoint Administration Inc., as the Administrator of the Settlement. The Administrator will, among other things: (i) receive and process the Claim Forms; (ii) make determinations of each Class Member’s eligibility for compensation pursuant to the Distribution Protocol; (iii) communicate with Class Members regarding their eligibility for compensation; and (iv) manage and distribute the Settlement Funds. The Administrator can be contacted at:

Telephone: ●

Mailing Address: Home Capital Group Inc., Securities Litigation
●

Website: ●

Copies of the Claim Form may also be obtained from the Claims Administrator.

Class Members' Entitlement to Compensation

Class Members may be eligible for compensation pursuant to the Settlement if they timely submit a completed Claim Form, including any supporting documentation, with the Administrator.

To be eligible for compensation under the settlement, Class Members must submit their Claim Form electronically or postmarked **no later than ●, 2017** (the "**Claims Bar Deadline**").

Only Class Members are permitted to participate in the Settlement. In particular, the following persons are not permitted to participate in the Settlement: (i) "**Excluded Persons**", which are defined in the Settlement Agreement as "Each of the Defendants; the past or present subsidiaries or affiliates of HCG; officers, directors partners, legal representatives, consultants, agents, successors and assigns of HCG; any member of each of the individual Defendants' families; and, the heirs, successors and assigns of the Defendants"; and (ii) persons who have previously opted out of the Action pursuant to the order of the Court dated June ●, 2017.

The remainder of the Settlement Funds, after deduction of Class Counsel Fees and Administration Expenses ("**Net Settlement Funds**"), will be distributed to Class Members in accordance with the Distribution Protocol.

Under the Distribution Protocol, Class Members who acquired HCG common shares during the Class Period and still held them at the close of trading on the Toronto Stock Exchange on July 10, 2015; and, who file a timely valid claim form, will receive a portion of the Net Settlement Funds as set out in the Distribution Protocol.

If there is a positive balance after one hundred and eighty (180) days from the date of distribution of the Net Settlement Funds to Class Members with valid claims, the Administrator shall, if feasible, allocate such balance among Class Members with valid claims in an equitable and economic fashion. Any balance below \$25,000.00 which still remains thereafter shall be donated to a recipient to be approved by the Court.

Copies of the Settlement Documents

Copies of the Settlement Agreement, the Claim Form, the Distribution Protocol, and the order of the Court approving the Settlement may be found on the websites of Class Counsel at <http://www.siskinds.com/home-capital-group-inc/> or by contacting Class Counsel at the contact information provided below.

Class Counsel

The law firm of Siskinds LLP is Class Counsel. Inquiries may be directed to:

Siskinds LLP
Michael G. Robb
680 Waterloo Street
London, ON N6A 3V8
Tel: 1-877-672-2121 x 2380
Fax: 519-672-6065
Email: michael.robb@siskinds.com

www.siskinds.com and
www.classaction.ca

Interpretation

If there is a conflict between: (a) the content of this notice and the Settlement Agreement; or, (b) the content of this notice and the Distribution Protocol; the terms of the Settlement Agreement or Distribution Protocol, whichever is applicable, will prevail.

PLEASE DO NOT CONTACT THE COURTS WITH INQUIRIES ABOUT THE CLASS ACTION OR THE SETTLEMENT. All inquiries should be directed to the Administrator or Class Counsel.

DISTRIBUTION OF THIS NOTICE HAS BEEN AUTHORIZED
BY THE ONTARIO SUPERIOR COURT OF JUSTICE

SCHEDULE 7

****FOR IMMEDIATE RELEASE****

**NOTICE OF SETTLEMENT APPROVAL
HOME CAPITAL GROUP INC., SECURITIES CLASS ACTION**

**IF YOU ACQUIRED COMMON SHARES OF HOME CAPITAL GROUP
INC. BETWEEN NOVEMBER 5, 2014 AND JULY 10, 2015,**

Read this notice carefully as it may affect your legal rights

London, Ontario, August ●, 2017

On February 13, 2017, an action styled *McDonald v Home Capital Group Inc., et al.* was commenced in the Ontario Superior Court of Justice (“**Court**”) on behalf of persons who acquired Home Capital Group Inc.’s (“HCG”, TSX: HCG, CUSIP: 436913107, ISIN: CA4369131079) shares between November 5, 2014 to July 10, 2015 (“**Class Period**”). The action related to Home Capital Group’s allegedly misleading disclosure in relation to mortgage origination practices and changes in mortgage origination during the Class Period.

A settlement of the action in the amount of \$29,500,000, paid for the benefit of affected class members has been approved by the Court. The settlement is a compromise of disputed claims and is not an admission of liability or wrongdoing by HCG or any other defendant named in the action.

If you acquired Home Capital Group Inc. shares during the Class Period, you may be eligible for compensation. In order to recover any such compensation, you must submit a completed Claim Form to RicePoint Administration Inc. **no later than ●, 2017.** If you do not timely submit a Claim Form, you will not be entitled to any compensation, and unless you have previously opted out, you will not be entitled to pursue any other action in respect of those claims.

For more information about the Settlement, your rights and how to exercise them, contact the Claims Administrator at:

●

Or Class Counsel (Siskinds LLP) at:

Michael G. Robb
680 Waterloo Street
London, ON N6A 3V8
Tel: 1-877-672-2121 x 2380

Fax: 519-672-6065

Email: michael.robb@siskinds.com

www.siskinds.com and www.classaction.ca