

**NOTICE OF SETTLEMENT APPROVAL
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 compensation): January 22, 2018

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; which, it is alleged, caused the share price of HCG common shares to trade at artificially high prices (“**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 28, 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 23, 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 \$3,312,591.90 (“**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 \$176,841.90 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 Court has appointed RicePoint Administration Inc., as the Administrator of the Settlement. The Administrator will, among other things: (i) receive and process electronic claims and paper 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: 1-866-432-5534

Mailing Address: **Home Capital Securities Litigation**
c/o RicePoint Administration Inc.
PO Box 4454, Toronto Station A
25 The Esplanade
Toronto, ON M5W 4B1

Website: www.homecapitalsettlement.com

Email: homecapital@ricepoint.com

The Claims Administrator's website contains the Court's Orders; the Settlement Agreement, as amended; the Distribution Protocol; the Guide to the Distribution Protocol; the General Instructions and Claim Form; and, a sample completed Claim Form.

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 January 22, 2018** (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 28, 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 allocated to the OSC for use in accordance with the purposes set out in para 3.4(2)(b) of the Ontario *Securities Act*.

Copies of the Settlement Documents

Copies of the Court's Orders; the Settlement Agreement, as amended; the Distribution Protocol; the Guide to the Distribution Protocol; the General Instructions and Claim Form; and, a sample completed Claim Form may also be found on the website of Class Counsel at 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.robbs@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