
Board of Directors' Mandate

This mandate provides terms of reference for the Board of Directors of EQB Inc. (the "Company") and its wholly-owned subsidiary, Equitable Bank (the "Bank" and collectively "EQB").

A. ROLE

The Board of Directors (the "Board") is responsible for supervising the management of the business and affairs of EQB. In carrying out this responsibility the Board has, either directly or through its committees, the duties set out in this mandate.

B. RESPONSIBILITIES

Culture of Integrity

1. Set and reinforce the "tone at the top" and expect the highest level of personal and professional integrity from the President and Chief Executive Officer ("CEO") and other executive officers, ensuring they foster a culture of integrity and compliance, risk driven values and ethical business conduct throughout EQB.
2. Understand, assess and oversee EQB's corporate culture and how it is embedded across the organization and aligned with the business strategy.
3. Approve the principles and standards of ethical personal and business conduct in EQB's Code of Conduct, and ensure there is a continuous, appropriate and effective process for ensuring adherence to the Code.

Strategic Planning

1. Adopt a strategic planning process and approve, on an annual basis, the strategic plan which takes into account, among other things, the opportunities and risks of the business and significant strategic initiatives including those related to technology presented by management, and ensure the alignment of the strategic plan with the Bank's risk appetite, capital and liquidity levels, and the competitive and regulatory environment.
2. Oversee the implementation of the strategic plan and monitor senior management's execution against the approved plan, strategy and risk appetite framework.
3. Oversee EQB's Bank's strategic direction, organizational structure and succession planning of executive officers (including appointing, developing and monitoring executive officers).
4. Review and approve the capital and financial plans and monitor performance against the approved plans.
5. Review and approve all material transactions.
6. Oversee EQB's environmental, social and governance ("ESG") initiatives, risks and reporting through the Board committees.

Capital and Liquidity Oversight

1. Oversee EQB's capital adequacy and management and approve EQB's Capital Management Policy and internal capital targets, ensuring appropriate capital management strategies are in place.
2. Approve and oversee the implementation of liquidity and funding frameworks and policies and annually review and approve the liquidity and funding plan.
3. Approve specific requests for capital expenditures beyond previously authorized limits.
4. Approve and oversee operating budgets.
5. Declare dividends, and review and approve capital transactions, including the issuance of debt and equity.

Risk Management and Internal Controls

1. Approve and oversee the implementation of EQB's Risk Appetite Framework (RAF) and risk appetite statements.
2. Oversee EQB's risk profile and the identification, measurement, monitoring and control of the principal risks to which EQB is exposed, and satisfy itself that appropriate frameworks, policies, processes and practices are in place to effectively manage and control those risks, including technology risks. Obtain assurances from management that such frameworks and policies are being adhered to.
3. Oversee the promotion and maintenance of a strong risk culture that stresses effective risk management across the organization.
4. Ensure the Board receives accurate and timely information from senior management in order to effectively perform its duties.
5. Oversee EQB's crisis management and recovery and resolution plans in accordance with applicable law and regulations.
6. Approve EQB's internal control framework.
7. Oversee adherence to applicable regulatory, corporate and legal requirements, and the integrity and effectiveness of EQB's internal controls, including those for financial and non-financial reporting, management information systems, and receive reports on the effective design of these systems and reasonable assurance that they are operating effectively.
8. Perform such duties, approve certain matters and review reports as may be required under policies approved by the Board.

Oversight of Management

1. Oversee EQB's Bank's talent management strategy and satisfy itself that there are processes in place to identify, attract, evaluate, develop and retain the right people to meet EQB's strategic ambitions.
2. Remove or replace the Chief Executive Officer, if required.

3. Approve the selection, appointment, mandate, objectives and compensation of the Chief Executive Officer and monitor progress against those objectives.
4. Approve the appointment and compensation of executive officers, including the heads of the control functions, and ensure they are qualified, competent and compensated in a manner that is consistent with appropriate prudential incentives.
5. Approve and oversee EQB's compensation policies and program to ensure alignment with EQB's business strategy, values and risk appetite.
6. Advise and counsel the President and Chief Executive Officer.
7. Ensure that an appropriate succession planning process is in place for the Chief Executive Officer and executive officers and heads of the control functions.
8. Approve any significant changes to EQB's executive organizational structure.
9. Oversee EQB's oversight functions having regard to their independence and effectiveness.
10. Establish appropriate processes to periodically assess the assurances provided by management and provide thoughtful guidance and constructive challenge to management.

Governance

1. Oversees EQB's approach to corporate governance and review and approve EQB's corporate governance guidelines annually.
2. Establish appropriate structures, policies and procedures to enable the Board to function independently of management and, at least annually, determine the independence of each Board member.
3. On the recommendation of the Governance and Nominating Committee, appoint directors or recommend nominees for election to the Board at the annual meeting of shareholders.
4. Establish Board committees, delegate appropriate responsibilities to those committees, and appoint a Chair for each Committee and as part of this process, review the structure and composition of the Board committees to ensure they provide sufficient oversight.
5. Oversee a formal orientation program for new directors and the ongoing education of all directors, and conduct and act upon annual evaluations of the Board, committee of the Board, and individual directors. Periodically consider engaging an independent external advisor to assess or assist the Board in conducting such evaluations.
6. Approve the selection, appointment and mandate of the Chair of the Board.
7. Establish expectations and responsibilities of directors to contribute effectively to Board operations.
8. Review and approve the adequacy and form of compensation for the independent directors at least every two years.
9. Oversee the board structure and governance activities of subsidiaries.

Communication and Public Disclosure

1. Approve material changes to EQB's disclosure policy, ensuring that it provides for timely, reliable and accurate disclosure to analysts, shareholders, and the general public.
2. Review and approve annual and quarterly financial statements of EQB and other public disclosure documents that require Board approval.
3. Ensure appropriate disclosure mechanisms and a contact for communications to the independent directors, and for receiving feedback from EQB's stakeholders.

Regulators

1. Consider reports from management, as required, on material regulatory matters and developments in EQB's relationship with its regulators.
2. Review the results of Office of the Superintendent of Financial Institution's ("OSFI") supervisory reviews of the Bank. Meet with OSFI to discuss the results as required, ensure OSFI is promptly notified of substantive issues affecting EQB, and oversee that OSFI is provided with prior notice of potential changes to Board membership and senior management.

C. COMPOSITION

1. The composition and organization of the Board, including the number, qualifications, number of meetings, Canadian residency requirements, quorum requirements, meeting procedures and notices of meetings are as established by regulatory requirements, and EQB's by-laws.
2. Directors must have complementary knowledge, skills and expertise, including appropriate representation of financial industry and risk management experience, to enable them to positively contribute to the achievement of EQB's business objectives.

D. INDEPENDENCE

1. The Board shall establish independence standards for directors and at least annually, shall determine the independence of each director in accordance with these standards. A majority of the directors shall be independent in accordance with these standards.
2. The Board shall meet in the absence of management, and shall also meet in the absence of non-independent directors prior to and/or following the conclusion of regularly scheduled or unscheduled meetings.
3. The Board shall have unrestricted access to EQB management and employees. The Board shall have the authority to retain and terminate independent legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the compensation of these advisors without consulting or obtaining the approval of any EQB officer. EQB shall provide appropriate funding, as determined by the Board, for the services of these advisors.

E. SECRETARY

1. The Corporate Secretary or their designate shall act as Secretary at Board meetings. The Secretary shall record and maintain minutes of all meetings of the Board and subsequently present them to the Board for approval.

F. MEETINGS

1. The Board shall meet no less than four times each year as required by the *Bank Act* (Canada). To enable the Board to function independently of management, the independent members of the Board may conduct all or part of any meeting in the absence of management, and shall include such a session on the agenda for each regularly scheduled meeting. For regularly scheduled meetings, an agenda and other documents for consideration are provided to all directors approximately one week in advance of each meeting.
2. Directors may participate in meetings in person or by telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate adequately with each other. A director participating by such means is deemed to be present at that meeting.
3. The Board may invite such persons as it may see fit to attend its meetings and to take part in discussions and considerations of the affairs of the Board.
4. Notice of Board meetings shall be sent to each director in writing or by telephone or electronic means, at least 24 hours before the date and time set for the meeting, at the director's contact information recorded with the Corporate Secretary. A director may in any way waive notice of a meeting of the Board and attendance at a meeting is a waiver notice of the meeting, except where a director attends for the express purpose of objecting to the transaction of any business on the ground that the meeting was not properly called. Any member of management shall also attend whenever requested to do so by the Chair of the Board.

* * * *

This mandate was last reviewed and approved by the Board on December 7, 2023.