

**CANADIAN WESTERN BANK**  
**MANDATE OF THE GOVERNANCE COMMITTEE**

**Purpose of the Governance Committee (the “Committee”)**

The purpose of the Committee is to assist the Board of Directors (the “Board”) in fulfilling its oversight responsibilities with respect to (a) developing the Bank’s corporate governance policies and practices; (b) assessing the Board’s nomination, development, and compensation; and (c) monitoring compliance with the self dealing provisions of applicable federal financial institution legislation, codes of conduct and specified regulatory requirements under federal legislation (the “Federal Legislation”).

**Organization of the Committee**

The Committee shall be comprised of not less than five directors, one of whom shall serve as the Chair of the Committee, as determined by the Board. Each Committee member shall satisfy the independence requirements of all applicable regulatory requirements as such qualifications are interpreted by the Board in the exercise of its sound business judgement.

**Meetings of the Committee**

In order for the Committee to transact business, three members of the Committee must be present and a majority of those present must be resident Canadians. The Committee shall meet at least annually and shall schedule a sufficient number of meetings (whether in person or by teleconference) to carry out its mandate. Any member of the Committee may call a meeting. The Chair, or in the Chair’s absence, another member of the Committee, shall preside at each meeting of the Committee.

**Reporting to the Board**

The Committee shall report after each meeting to the Board with respect to its activities with such recommendations as are deemed desirable in the circumstances.

**Outside Advisors**

The Committee shall have the authority to retain, at the Bank’s expense, independent advisors and consultants to advise the Committee as it determines necessary to carry out its duties and to fix the remuneration of such advisors and consultants. The Committee may request any officer or employee of the Bank, or the Bank’s external auditors or legal counsel to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

## **Duties and Responsibilities of the Committee**

The Committee shall have the following specific duties and responsibilities:

### **Corporate Governance**

- review corporate governance trends and best practices applicable to the Bank and make recommendations to the Board to adopt new governance policies and practices or to amend existing policies and practices; and
- review and monitor compliance with corporate governance policies and practices and report any instances of non-compliance to the Board.

### **Board Nomination, Development and Compensation**

- identify and recommend to the Board qualified candidates to be considered for Board membership;
- review, monitor, and make recommendations regarding new director orientation and the ongoing development of existing Board members;
- evaluate at least once every two years Board effectiveness and on alternate years individual director effectiveness, including membership, selection criteria, composition and size, and make recommendations to the Board for changes;
- review at least annually the fees and other benefits paid to directors and make recommendations to the Board for changes; and
- make recommendations to the Board regarding revisions to the Board of Directors' Manual.

### **Conduct Review and Regulatory Compliance**

- act as the Conduct Review Committee of Canadian Western Bank and each of its federally regulated financial institutions (the "CWB Financial Group");
- require management to establish procedures in order to ensure disclosure of potential transactions with specified related parties and review those procedures and their effectiveness in ensuring compliance with Federal Legislation;
- review any such potential transactions to ensure compliance with Federal Legislation, either approving or declining the transaction, as required;

- review and approve internal policies, and any amendments thereto, for credit arrangements and financial services available to employees of CWB Financial Group under the regulations concerning officers and related parties;
- monitor aggregate transactions of CWB Financial Group with directors and officers and their interests to ensure continued compliance with Federal Legislation and that excesses are brought to the Board for consideration;
- review the practices of CWB Financial Group to ensure that any transactions with related parties of CWB Financial Group that may have a material effect on the stability or solvency of CWB Financial Group are identified;
- review policies in respect to ethical and business conduct at the Bank and its subsidiaries, including the conduct policies, the corporate communications and insider trading policy and the assessment of responsible persons policy on an annual basis to ensure relevance and completeness in regard to legislative requirements;
- monitor procedures with respect to requirements under Federal Legislation related to identifying and resolving conflicts of interest, restricting the use of confidential information, providing disclosure of information to customers of the financial institution and handling of customer complaints, and be satisfied that the procedures are being adhered to; and
- review the mandate of the Committee at least annually and make recommendations for changes to the Board.

This mandate was last reviewed and approved by the Board on June 1, 2011.