

Canadian Western Bank
Personal & Business Conduct Policy for Directors

1.0 Purpose

- 1.1 The purpose of this policy is to establish a general standard of conduct for directors of the Bank (the "Bank" refers to Canadian Western Bank on a consolidated basis) in order to prevent improper conduct, to avoid conflict of interest, to ensure protection of personal information and to maintain and enhance the reputation of the Bank.
- 1.2 Directors of the Bank are under a duty to the Bank, its customers and its shareholders. Their duty is to act in all matters in a manner that will merit public trust and confidence in themselves and the Bank. Directors shall comply with all applicable legislation, regulations and rules.
- 1.3 Each director will deal fairly with the Bank's security holders, customers, suppliers, competitors, and employees. No director should take unfair advantage of anyone through illegal conduct, manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

2.0 Conflict of Interest

- 2.1 When carrying out their obligations as directors, directors shall conduct themselves in a manner that avoids conflicts of interest with the Bank or its customers. A conflict of interest may be defined as any situation in which a director is exposed to two or more duties which, to some degree, are mutually incompatible. A possible conflict of interest exists whenever directors or members of their Immediate Families have an interest in an entity or matter which may influence or cloud the judgement they may have to make in the discharge of their responsibilities to the Bank, or may be perceived by the public as doing so.
- 2.2 Private business and personal activities of directors shall be conducted in such a way so as to avoid taking advantage of information obtained because of their position as a director of the Bank. This would include trading in securities generally and particularly in securities of the institution and its affiliates on the basis of information known to the director but not generally known to the public.

3.0 Disclosure and Reporting

- 3.1 It is the responsibility of each director to be familiar with the Bank's Personal & Business Conduct Policy and to abide by its provisions at all times. If a potential conflict of interest exists an independent review must immediately be made of all matters relating to the potential conflict before the director commits himself or the Bank to any action.
- 3.2 With reference to Section 202 of the Bank Act, a director of the Bank who:
 - a) is a party to a material contract or transaction or proposed material contract or transaction with the Bank;
 - b) is a director or an officer of any entity that is a party to the material contract or transaction with the Bank; or
 - c) has a material interest in any person who is party to the material contract or transaction with the Bank,

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shall disclose in writing to the Bank or request to have entered in the minutes of the meetings of directors the nature and extent of that interest at such a time as to avoid any conflict or potential conflict of interest.

- 3.3 Disclosure shall be made at the meeting of directors, or a committee of directors, at which the proposed contract or transaction is first considered or at the first meeting after the director becomes an interested party in the contract or transaction.
- 3.4 A Director who is required to make a disclosure shall not be present at any meeting of directors, or any committee of directors, while the contract or transaction is being considered or vote on any resolution to approve it unless the contract or transaction relates primarily to their remuneration, is for indemnity or insurance provided for under the Bank Act or is with an affiliate of the Bank.
- 3.5 Any director who knowingly contravenes the Conflict of Interest provisions of the Bank Act will be asked to resign as a director and will not be eligible, for a period of 5 years after the date on which the contravention occurred, for election or appointment as a director of the Bank.
- 3.6 Each director of the Bank shall complete and sign a compliance report and file with the SVP & General Counsel on an annual basis.

4.0 Confidential Information

- 4.1 Financial and personal information about customers is entitled to the same respect and care as funds or valuable physical property. To protect the privacy rights of the Bank's customers, the directors shall,
 - a) collect and maintain only that information which is specifically necessary to properly serve customer accounts and render fair credit judgement,
 - b) maintain in a secure manner all files and record keeping systems which contain information on customers, and
 - c) divulge no personal or credit information to third parties except with proper customer authorization or pursuant to proper legal process or regulation.

5.0 Interpretation

- 5.1 For the purposes of this policy, and the Appendix annexed hereto:

"Immediate Family" means spouse, as well as children, relatives, or other individuals who are either wholly or partially financially dependent on the director, or any individual or organization which represents or acts as agent or fiduciary for such individuals.