



CANADIAN WESTERN BANK

ANNUAL INFORMATION FORM

DECEMBER 3, 2014



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Note: Unless otherwise specified, all information presented is as at October 31, 2014. References to the 2014 MD&A and the 2014 Financial Statements are references to Management's Discussion and Analysis and the consolidated financial statements of Canadian Western Bank (CWB) for the fiscal year ending October 31, 2014. References to Annual Reports are references to the Annual Reports of CWB. All documents referred to herein are available on CWB's profile on the System for Electronic Documents Analysis and Retrieval (www.sedar.com) and are incorporated herein by reference.

FORWARD-LOOKING STATEMENTS

From time to time, Canadian Western Bank (CWB or the Bank) makes written and verbal forward-looking statements. Statements of this type are included in the Annual Report and reports to shareholders and may be included in filings with Canadian securities regulators or in other communications such as press releases and corporate presentations. Forward-looking statements include, but are not limited to, statements about CWB's objectives and strategies, targeted and expected financial results, and the outlook for CWB's businesses or for the Canadian economy. Forward-looking statements are typically identified by the words "believe", "expect", "anticipate", "intend", "estimate", "may increase", "may impact", "goal", "focus", "potential", "proposed" and other similar expressions, or future or conditional verbs such as "will", "should", "would" and "could".

By their very nature, forward-looking statements involve numerous assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that management's predictions, forecasts, projections, expectations and conclusions will not prove to be accurate, that its assumptions may not be correct and that its strategic goals will not be achieved.

A variety of factors, many of which are beyond CWB's control, may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, but are not limited to, general business and economic conditions in Canada, including the volatility and level of liquidity in financial markets, fluctuations in interest rates and currency values, changes in monetary policy, changes in economic and political conditions, legislative and regulatory developments, legal developments, the level of competition, the occurrence of weather-related and other natural catastrophes, changes in accounting standards and policies, the accuracy and completeness of information CWB receives about customers and counterparties, the ability to attract and retain key personnel, the ability to complete and integrate acquisitions, reliance on third parties to provide components of business infrastructure, changes in tax laws, technological developments, unexpected changes in consumer spending and saving habits, timely development and introduction of new products, and management's ability to anticipate and manage the risks associated with these factors. It is important to note that the preceding list is not exhaustive of possible factors.

Additional information about these factors can be found in the Risk Management section of the 2014 MD&A.

These and other factors should be considered carefully, and readers are cautioned not to place undue reliance on these forward-looking statements as a number of important factors could cause CWB's actual results to differ materially from the expectations expressed in such forward-looking statements. Unless required by securities law, CWB does not undertake to update any forward-looking statement, whether written or verbal, that may be made from time to time by it or on its behalf.

Assumptions about the performance of the Canadian economy in 2015 and how it will affect CWB's businesses are material factors considered when setting organizational objectives and targets. Performance target ranges for fiscal 2015 consider the following management assumptions:

- Moderate economic growth in Canada and relatively stronger performance in the four western provinces;
- A relatively stable net interest margin compared to the level achieved in the fourth quarter of 2014, primarily attributed to treasury management strategies and shifts in asset mix that help to offset impacts from the very low interest rate environment, a flat interest rate curve and competitive factors; and
- Sound credit quality with actual losses remaining within CWB's historical range of acceptable levels.

Potential risks that may have a material adverse impact on current economic expectations and forecasts include a sustained period of materially lower energy and other commodity prices compared to average levels observed in fiscal 2014, a slowing rate of economic growth in the United States, a significant and sustained deterioration in Canadian residential real estate prices, or a significant disruption in major global economies. Greater than expected pricing competition and/or disruptions in domestic or global financial markets that meaningfully impact average loan yields and/or the overall costs of deposit funding may also contribute to adverse financial results compared to expectations.

CORPORATE STRUCTURE

Name, Address and Incorporation

CWB is a Schedule 1 chartered bank under the *Bank Act* (Canada) (the Bank Act) and was formed effective November 1, 1987 through the amalgamation of Bank of Alberta (incorporated on March 22, 1984) and Western & Pacific Bank of Canada (incorporated on March 25, 1982). CWB has also amalgamated with two other financial institutions since 1987: North West Trust Company (effective December 31, 1994) and B.C. Bancorp (effective November 1, 1996). The Bank Act is the charter of CWB and governs its operations.

CWB's head office is located at Suite 3000, Canadian Western Bank Place, 10303 Jasper Avenue, Edmonton, Alberta, T5J 3X6.

Intercorporate Relationships

The table below shows the subsidiaries of CWB as at October 31, 2014, as well as the percentage of each class of votes attaching to all voting securities of the subsidiary beneficially owned, and each subsidiary's province or country of incorporation.

Subsidiary	Percentage of Issued and Outstanding Shares Owned	Jurisdiction of Incorporation
Adroit Investment Management Ltd.	84%	Alberta
Canadian Direct Insurance Incorporated	100%	Canada
Canadian Western Bank Capital Trust	100%	Alberta
Canadian Western Bank Leasing Inc.	100%	Alberta
Canadian Western Financial Ltd.	100%	British Columbia
Canadian Western Trust Company	100%	Canada
McLean & Partners Wealth Management Ltd. ⁽¹⁾	54.6%	Alberta
National Leasing Group Inc.	100%	Alberta
Valiant Trust Company	100%	Canada

⁽¹⁾ CWB owns 54.6% of the holding company 1081937 Alberta Inc., which holds 100% of the issued and outstanding shares of McLean & Partners Wealth Management Ltd., its sole asset.

GENERAL DEVELOPMENT OF THE BUSINESS

Three-Year History

As at October 31, 2014, CWB was the seventh largest publicly traded Canadian Schedule 1 chartered bank in terms of market capitalization. It operates only in Canada, primarily in the four western provinces. CWB and its subsidiaries, National Leasing Group Inc. (National Leasing), Canadian Western Trust Company (CWT), Valiant Trust Company (Valiant), Canadian Direct Insurance Incorporated (CDI), Canadian Western Financial Ltd. (CWF), Adroit Investment Management Ltd. (Adroit), McLean & Partners Wealth Management Ltd. (McLean & Partners) and Canadian Western Bank Leasing Inc. (CWB Leasing), offer a comprehensive range of commercial and personal banking, trust, insurance and wealth management services.

CWB achieved loan growth over the last year of 12%. For the period from October 31, 2011 to October 31, 2014, CWB's annual net income available to common shareholders grew from \$178.1 million to \$218.5 million. From October 31, 2011 to October 31, 2014, total assets grew from \$14.8 billion to \$20.6 billion. Financial results for the past three fiscal years have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board.

Fiscal 2014

On December 12, 2013, CWB held a special shareholders meeting to amend the by-laws of CWB to increase the authorized number of First Preferred Shares.

On January 30, 2014, CWB filed a short form shelf prospectus allowing for the issuance of up to \$750 million of debt securities, common shares and preferred shares.

On January 31, 2014, pursuant to the shareholders agreement in respect of Adroit, CWB purchased 11,250 Class A Common Shares of Adroit from the Chief Executive Officer of Adroit upon his retirement, increasing CWB's interest to 84%.

On February 3, 2014, CWB issued 5 million First Preferred Shares, Series 5 (the Series 5 Preferred Shares) for gross proceeds of \$125 million by way of public offering.

On April 28, 2014, CWB opened its new flagship branch in downtown Edmonton, Alberta, relocating from another premises.

On April 30, 2014, CWB redeemed all of the issued and outstanding First Preferred Shares, Series 3 (the Series 3 Preferred Shares) for \$209 million.

Further information about CWB's development during the 2014 fiscal year can be found in CWB's MD&A in the 2014 Annual Report to Shareholders.

Fiscal 2013

On December 7, 2012, DBRS Limited (DBRS) assigned credit ratings on CWB's Short-Term Instruments and Non-Cumulative Preferred Shares.

On December 17, 2012, CWB issued \$250 million Series E subordinated debentures at a fixed rate of 3.463% per annum redeemable by CWB on or after December 17, 2019.

On May 17, 2013, CWB expanded its wealth management business by acquiring a 54.6% ownership interest in McLean & Partners.

Further information about CWB's development during the 2013 fiscal year can be found in CWB's MD&A in the 2013 Annual Report to Shareholders.

Fiscal 2012

On February 15, 2012, CWB sold 3.5% of its ownership in Adroit to key employees of Adroit, thereby reducing CWB's interest to 72.75%.

On May 29, 2012, CWB acquired 100% of the issued and outstanding preferred shares of National Leasing. As part of the February 1, 2010 acquisition by CWB of the common shares of National Leasing, selling common shareholders were given the opportunity to retain a participating interest in National Leasing, to be represented by preferred shares. CWB's acquisition of National Leasing preferred shares extinguished the participating interest held by former common shareholders of National Leasing.

On August 14, 2012, CWB opened an equipment finance centre in Lloydminster, Alberta.

On October 29, 2012, CWB expanded its banking network in Manitoba with the opening of a new full-service personal and business banking centre in Winnipeg. The business banking centre that was previously operating out of National Leasing's head office was transferred to this new business banking centre.

Further information about CWB's development during the 2012 fiscal year can be found in CWB's MD&A in the 2012 Annual Report to Shareholders.

DESCRIPTION OF THE BUSINESS

General

CWB is the largest publicly traded Schedule 1 chartered bank headquartered in Western Canada. CWB and its subsidiaries currently operate in the financial services areas of banking, trust, insurance and wealth management. CWB is primarily focused on its core business and personal banking and lending services in Western Canada. National Leasing specializes in commercial equipment leasing for small and mid-sized transactions and is represented across Canada. CWT provides trustee and custody services to independent financial advisors, corporations, brokerage firms and individuals. CWT also underwrites and administers residential mortgages through its Optimum Mortgage division. Valiant's operations include stock transfer and corporate trust services. CDI provides personal automobile and home insurance to customers in British Columbia and Alberta. Adroit and McLean & Partners specialize in discretionary wealth management for individuals, corporations and/or institutional clients. Adroit is also the manager and trustee of the CWB Core Funds. Third party mutual funds are offered through CWF, the Bank's mutual fund dealer subsidiary.

Summary

The CWB branch network consists of 17 branches in Alberta, 18 branches in British Columbia, four branches in Saskatchewan and two in Manitoba. CWB operates an Internet-based banking division under the name Canadian Direct Financial[®], which offers registered and non-registered deposit products. CWT and Valiant maintain offices in Calgary, Alberta, Edmonton, Alberta, Vancouver, British Columbia and Toronto, Ontario. Valiant also has an arrangement for co-transfer agency services in New York, New York. Adroit serves its customers from its Edmonton, Alberta office and McLean & Partners serves its customers from its Calgary, Alberta office. National Leasing is based in Winnipeg, Manitoba. National Leasing has a network of sales representatives across Canada who serve the needs of customers in every province. CDI's head office is located in Vancouver, British Columbia. CDI also maintains two call centres, which are located in Vancouver, British Columbia and Edmonton, Alberta. CWB Leasing provides equipment leasing through CWB branches.

Commercial lending services are divided into four major categories: general commercial, real estate (which includes construction and development loans), equipment financing (which includes equipment leasing generally carried out by CWB Leasing and National Leasing) and energy. A portfolio of loans identified internally as corporate lending has also been developed through selective participation in syndications, the majority of which are structured and led by the major Canadian banks.

Credit risk is managed through lending policies and procedures, the establishment of lending limits and a defined approval process. Risk diversification is addressed by establishing portfolio limits by geographic area, industry sector and loan product. It is CWB's policy to limit connected corporate borrowers' loan authorizations to not more than 10% of CWB's shareholders' equity. Generally, CWB's lending limit is \$50 million for a single risk exposure. However, for certain quality connections that confirm debt service capacity and security from more than one source, the limit is generally \$75 million. Customers with larger borrowing requirements are accommodated through loan syndications with other financial institutions.

Competitively priced consumer loans and mortgages are mainly offered to customers through bank branch locations. Optimum Mortgage, a division of CWT, offers conventional, high-ratio and alternative residential mortgages and home equity lines of credit, primarily through third party mortgage brokers.

CWB offers a variety of banking services and competitively priced deposit products. Customers have access to their accounts through CWB's membership in the Interac[®], Cirrus[®] and Exchange[®] automated banking machine networks, the Interac[®] Direct Payment system, and through CWBdirect[®] Online Banking and CWBdirect[®] Business Online Banking, both Internet computer banking platforms. Customers can also view their statements, account activity and cheque images over the Internet via Online Banking. Prior to November 1, 2011, CWB offered personal and business credit cards through an agreement with MBNA Canada Bank. On November 1, 2011, CWB began transitioning its business credit card customers to cards issued through an agreement with Peoples Trust Company. Third party mutual funds are offered to customers through CWB's mutual fund dealer subsidiary, CWF. CWT and Valiant deposit products are also offered through CWB's branch network.

National Leasing specializes in commercial equipment leasing for small to mid-sized transactions. Headquartered in Winnipeg, Manitoba, it serves customers in all provinces via its sales network.

CDI offers competitively priced personal home and automobile insurance directly to customers in British Columbia and Alberta. CDI offers optional automobile insurance in British Columbia through select broker distributors.

Trust services are offered through CWT and Valiant. CWT's personal trust services include self-directed registered investment accounts, non-registered investment accounts and individual pension plans. CWT's corporate and group trust services include registered pension plan custody, executive compensation plan services and employee-based savings plan services. Valiant provides various services to private and public companies, including stock transfer and registrar services, debenture trustee services, depository and escrow services, and employee plan services.

Adroit and McLean & Partners offer wealth management services via discretionary management of client investment accounts. Adroit clients may receive non-personalized investment management services by investing in the CWB Core Funds, two mutual funds managed by Adroit.

Substantially all revenues of CWB and its subsidiaries in 2013 and 2014 were derived from transactions with external customers.

Competitive Conditions

Competition mainly comes from chartered banks, credit unions, trust companies, insurance companies, asset lenders, pension funds, investment management firms, government owned entities operating in the financial services industry, commercial lessors and other regionally based financial institutions. CWB's businesses operate in very competitive markets, particularly with respect to the pricing, nature and extent of products and services offered. Key competitive differences are a commitment to highly personalized service and responsive decision-making.

Intangible Assets

Numerous trademarks and trade names associated with the businesses of CWB and its subsidiaries have been registered, or are in the process of registration. Further information about CWB's intangible assets can be found in the notes to the 2014 Financial Statements.

Environmental Protection

CWB is exposed to a degree of financial risk as a result of environmental laws. To manage this potential exposure, environmental risk is factored into credit evaluation procedures and property acquisitions to ensure CWB's interests are reasonably protected. To date, environmental risks have not had any material effect on operations.

Cycles

The operating results of CDI are subject to seasonal weather conditions, cyclical patterns of the industry and natural catastrophes. CDI purchases reinsurance protection to limit the impact of these events on capital and to manage volatility in operating results.

Employees

At October 31, 2014, CWB and its subsidiaries had 2,296 employees.

SUPERVISION AND REGULATION

CWB, CWT, Valiant and CDI are each federally regulated financial institutions. CWB is governed by the Bank Act, CWT and Valiant are governed by the *Trust and Loan Companies Act* (Canada), and CDI is governed by the *Insurance Companies Act* (Canada). The Office of the Superintendent of Financial Institutions (OSFI) is responsible to the Minister of Finance (the Minister) for the supervision of federally regulated financial institutions, including CWB, CWT, Valiant and CDI. OSFI is required to examine the affairs and business of each institution for the purpose of determining whether statutory requirements are duly observed and the institution is in sound financial condition. OSFI performs an annual examination and submits its report to the Minister thereafter.

In addition to their governing legislation, CWB, CWT, Valiant and CDI are subject to regulation under the *Financial Consumer Agency of Canada Act*. The Financial Consumer Agency of Canada enforces consumer-related provisions of the federal statutes that govern financial institutions. The activities of CWB's trust and insurance subsidiaries are also regulated under provincial laws where they conduct activities in those provinces. As a result of a recent decision of the Supreme Court of Canada, certain activities of CWB may be subject to provincial laws. CWF, Adroit and McLean & Partners are regulated by the provincial securities commissions in the provinces in which they operate. CWF is also regulated by the Mutual Fund Dealers Association of Canada (MFDA), the self-regulatory organization for mutual fund dealers. McLean & Partners is also regulated by the Investment Industry Regulatory Organization of Canada (IIROC). Valiant is a registered transfer agent with the Securities and Exchange Commission in the United States.

CWB, CWT and Valiant are member institutions of the Canada Deposit Insurance Corporation, which insures certain deposits held at the member institutions. CDI is a member of the Property and Casualty Insurance Compensation Corporation, which protects Canadian property and casualty policyholders against loss of benefits due to the financial failure of a member company. CWF is a member of the MFDA Investor Protection Corporation, which provides certain protections to MFDA member customers in the event the MFDA member becomes insolvent. McLean & Partners is a member of the Canadian Investor Protection Fund, which provides investor protection for investment dealer bankruptcy.

RISK FACTORS

The principal and other risks faced by CWB are described in the Risk Management section of the 2014 Annual Report, and those pages are incorporated herein by reference.

DIVIDENDS

During the year ended October 31, 2014, CWB declared dividends totalling \$0.78 per common share, compared to \$0.70 per common share during fiscal 2013 and \$0.62 per common share during fiscal 2012.

During the year ended October 31, 2014, CWB declared dividends totalling \$0.7881 Series 5 Preferred Share. Series 5 Preferred Shares were issued February 3, 2014, and the annualized dividend payable is \$1.10 per Series 5 Preferred Share.

During the year ended October 31, 2014, CWB declared dividends totalling \$0.90625 per Series 3 Preferred Shares as a result of the redemptions of Series 3 Preferred Shares on April 30, 2014. During the years ended October 31, 2013 and October 31, 2012, CWB declared dividends totalling \$1.8125 per Series 3 Preferred Shares.

The Board of Directors has declared a cash dividend of \$0.21 per common share payable on January 8, 2015 to holders of record on December 16, 2014. In addition, the Board of Directors has declared a cash dividend of \$0.275 per Series 5 Preferred Share payable on January 31, 2015 to holders of record on January 23, 2015.

Dividends are payable on the common shares and Series 5 Preferred Shares of CWB if, as and when declared by the Board of Directors. Series 5 Preferred Shares are entitled to preference over the common shares with respect to the payment of dividends.

CWB is prohibited from paying or declaring a dividend if there are reasonable grounds to believe that CWB is, or that payment would cause CWB to be, in contravention of any regulation made under the Bank Act with respect to the maintenance of adequate capital and adequate and appropriate forms of liquidity, or with any direction given with respect to such matters by OSFI.

In conjunction with the issuance of Trust Capital Securities – Series 1 (CWB WestS – Series 1) in August 2006 by Canadian Western Bank Capital Trust (CWB Trust), CWB contractually agreed that, if CWB Trust fails to pay in full the semi-annual distributions on its CWB WestS – Series 1, CWB will not declare dividends on outstanding preferred shares and common shares for a period of approximately 12 months. CWB Trust is an open-ended trust, established under the laws of Alberta on August 18, 2006 by Valiant Trust Company as settlor and trustee for the purpose of issuing the CWB WestS – Series 1.

DESCRIPTION OF CAPITAL STRUCTURE

General Description

The authorized share capital of CWB consists of (i) an unlimited number of common shares; (ii) an unlimited number of First Preferred Shares without nominal or par value, provided that the maximum aggregate consideration of all outstanding First Preferred Shares at any time does not exceed \$1,000,000,000; and (iii) 33,964,324 Class A Shares, all without nominal or par value.

Common Shares

The common shares are entitled to one vote per share at all meetings of holders of common shares. The common shares are entitled to dividends if, as and when declared by the Board of Directors and to the distribution of assets of CWB in the event of the liquidation, dissolution or winding up of CWB. As of October 31, 2014, there were 80,369,305 common shares outstanding.

First Preferred Shares

The First Preferred Shares are issuable in series. The First Preferred Shares of each series rank on a parity with the First Preferred Shares of every other series and are entitled to preference over the common shares and any other shares ranking junior to the First Preferred Shares with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding up of CWB. CWB's Board of Directors is empowered to fix the number of shares and the rights to be attached to the First Preferred Shares of each series, including the amount of dividends and any conversion, voting and redemption rights. Subject to the foregoing and applicable law, the holders of the First Preferred Shares are not entitled to receive notice of, attend or vote at meetings of the common shareholders of CWB.

As part of the issuance of CWB WestS – Series 1, the Board of Directors authorized the issuance of 4,200,000 First Preferred Shares, Series 1 which, when issued, would pay semi-annual, non-cumulative cash dividends with an annual yield of 4.00% and be redeemable at the sole option of CWB, with OSFI approval, after December 11, 2011 and 4,200,000 First Preferred Shares, Series 2 which, when issued, would pay semi-annual, non-cumulative cash dividends with an annual yield of 5.25% and be redeemable at the sole option of CWB, with OSFI approval, after December 11, 2011. No First Preferred Shares Series 1 or First Preferred Shares, Series 2 have been issued.

On February 3, 2014, CWB issued 5 million Series 5 Preferred Shares through a public offering with an issue price of \$25.00 per share. Holders of the Series 5 Preferred Shares are entitled to receive non-cumulative quarterly fixed dividends for the five-year period ending April 30, 2019 of \$1.10 per Series 5 Preferred Share, payable quarterly, as and when declared by the Board of Directors. The dividend rate on Series 5 Preferred Shares will reset May 1, 2019 and every five years thereafter at a level of 276 basis points over the then current five-year Government of Canada bond yield. The Series 5 Preferred Shares are not redeemable prior to April 30, 2019. Subject to the provisions of the Bank Act, the prior consent of OSFI and the provisions described in the prospectus for the public offering, on April 30, 2019 and on April 30 every five years thereafter, CWB may redeem all or any part of the then outstanding Series 5 Preferred Shares for \$25.00 per Series 5 Preferred Share together with all declared and unpaid dividends to the date fixed for redemption. As of October 31, 2014, there were 5,000,000 Series 5 Preferred Shares outstanding.

Should CWB choose not to redeem the outstanding Series 5 Preferred Shares on April 30, 2019, on that date and every five years thereafter, holders of Series 5 Preferred Shares will, subject to certain conditions, have the option to convert their Series 5 Preferred Shares to Non-Cumulative Floating Rate Preferred Shares, Series 6 (the Series 6 Preferred Shares). Holders of Series 6 Preferred Shares will be entitled to non-cumulative floating quarterly dividends equal to the 90-day Canadian treasury bill rate plus 276 basis points, as and when declared by the Board of Directors. Subject to the provisions of the Bank Act, the prior consent of OSFI and the provisions described in the prospectus for the public offering, CWB may redeem, with notice, all or any part of the then outstanding Series 6 Preferred Shares at (i) a price of \$25.00 per Series 6 Preferred Share together with all declared and unpaid dividends to the date fixed for redemption on April 30, 2024 and every five years thereafter; or (ii) a price of \$25.50 together with all declared and unpaid dividends to the date fixed for redemption in the case of redemptions on any other date on or after April 30, 2019. Subject to certain conditions, holders of Series 6 Preferred Shares may also have the option to convert their Series 6 Preferred Shares into Series 5 Preferred Shares on April 30, 2024 and every five years thereafter. There are currently no Series 6 Preferred Shares outstanding.

In March 2009, CWB issued 8,390,000 million preferred units. The preferred units issued by way of a private placement and a public offering each consisted of one Series 3 Preferred Share with an issue price of \$25.00 per share and 1.7857 and 1.7800 common share purchase warrants, respectively (the Warrants). Each Warrant was exercisable at a price of \$14.00 to purchase one common share in the capital of CWB until March 3, 2014. All issued Warrants have since been exercised or redeemed. Holders of the Series 3 Preferred Shares were entitled to receive non-cumulative quarterly fixed dividends for the five-year period ending April 30, 2014 of 7.25% per annum, payable quarterly, as and when declared by the Board of Directors. The dividend rate on Series 3 Preferred Shares would have reset May 1, 2014 and every five years thereafter at a level of 500 basis points over the then current five-year Government of Canada bond yield. The Series 3 Preferred Shares were not redeemable prior to April 30, 2014. Subject to the provisions of the Bank Act, the prior consent of OSFI and the provisions described in the prospectus for the public offering, on April 30, 2014 and on April 30 every five years thereafter, CWB could redeem all or any part of the then outstanding Series 3 Preferred Shares for \$25.00 per Series 3 Preferred Share together with all declared and unpaid dividends to the date fixed for redemption. CWB redeemed all of the issued and outstanding Series 3 Preferred Shares on April 30, 2014.

The Class A Shares were created and issued in connection with CWB's amalgamation with B.C. Bancorp in 1996. Pursuant to the conditions applicable to the Class A Shares, all of the issued and outstanding Class A Shares were automatically converted into common shares 20 business days after the effective date of the amalgamation with B.C. Bancorp. There are currently no Class A Shares issued or outstanding.

Subordinated Debentures

As of October 31, 2014, CWB had \$625 million of conventional subordinated debentures outstanding. The material details of these subordinated debentures may be found in the notes to the 2014 Financial Statements.

Trust Capital Securities

On August 31, 2006, CWB Trust privately placed 105,000 CWB WesTS – Series 1 with institutional investors for gross proceeds of \$105 million. The gross proceeds were used to acquire a \$105 million deposit note from CWB. Both the CWB WesTS – Series 1 and the deposit note bear interest at 6.199% until December 31, 2016 and thereafter at the Canadian Dollar Offered Rate 180-day Bankers' Acceptance rate plus 2.55%. The material details of the CWB WesTS – Series 1 may be found in the notes to the 2014 Financial Statements.

Constraints

Any person wishing to obtain, or increase, a significant interest in a bank must make an application to the Minister of Finance. Ownership, directly or indirectly, of more than 10% of any class of shares of a bank constitutes a significant interest. A bank with equity of \$8.0 billion or more (a Large Bank) may not have a shareholder which owns, directly or indirectly, more than 20% of its outstanding voting shares of any class or more than 30% of its outstanding non-voting shares of any class. Although CWB does not meet this equity threshold, CWB was grandfathered and deemed to be a Large Bank under this section of the Bank Act. The Minister has the power to change CWB's status if it is demonstrated that the change in status is in the public interest and it will foster opportunities for CWB to grow and better serve its customers. If the Minister were to change the status of CWB, the Minister could approve the acquisition of all of CWB's common shares by a single entity.

CWB monitors the above constraints on shareholdings through various means, including completion of Declaration of Ownership Forms for shareholder certificate transfer requests and a shareholder identification program managed by CWB's Investor Relations function.

Ratings

The following credit ratings have been assigned to CWB by DBRS and are current to December 3, 2014. DBRS last confirmed these ratings on October 21, 2014. CWB pays DBRS a fee for providing a credit rating for CWB.

Debt	DBRS Rating ⁽¹⁾	Trend	DBRS Rating Description
Issuer Rating	A (low)	Stable	<ul style="list-style-type: none"> The issuer rating addresses the overall credit strength of the issuer based on the DBRS long-term obligations rating scale. The DBRS long-term rating scale provides an opinion on the risk of default; that is, the risk that an issuer will fail to satisfy its financial obligations in accordance with the terms under which an obligation has been issued. The A rating is ranked third of DBRS's 10 long-term rating categories. The "low" designation means the securities should be considered as belonging in the lower subcategory of the rating category. An obligation rated "A" is of good credit quality. The capacity for the payment of financial obligations is substantial. The issuer may be vulnerable to future events, but qualifying negative factors are considered manageable.
Deposit and Senior Debt Rating	A (low)	Stable	<ul style="list-style-type: none"> The A rating is ranked third of DBRS's 10 long-term rating categories. The "low" designation means the securities should be considered as belonging in the lower subcategory of the category. An obligation rated "A" is of good credit quality. The capacity for the payment of financial obligations is substantial. The obligor may be vulnerable to future events, but qualifying negative factors are considered manageable.
Short-Term Instruments Rating	R-1 (low)	Stable	<ul style="list-style-type: none"> The DBRS short-term debt rating scale provides an opinion on the risk that an issuer will not meet its short-term financial obligations in a timely manner. The R-1 rating is the first of DBRS's six short-term rating categories. An obligation rated R-1(low) is of good credit quality. The obligor's capacity for the payment of short-term financial obligations as they fall due is substantial. Overall strength is not as favourable as higher rating categories. The obligor may be vulnerable to future events, but qualifying negative factors are considered manageable.
Subordinated Debt Rating	BBB (high)	Stable	<ul style="list-style-type: none"> The BBB rating is ranked fourth of DBRS's 10 long-term rating categories. The "high" designation means the securities should be considered as belonging in the higher subcategory of the rating category. An obligation rated BBB is of adequate credit quality. The capacity for the payment of financial obligations is considered acceptable. The obligor may be vulnerable to future events.
Non-Cumulative Preferred Share Series 5 Rating	Pfd-3	Stable	<ul style="list-style-type: none"> The DBRS preferred share rating scale is used in the Canadian securities market and is meant to give an indication of the risk that a borrower will not fulfil its full obligations in a timely manner, with respect to both dividend and principal commitments. The Pfd-3 rating is the third of DBRS's six rating categories for preferred shares. A security rated Pfd-3 is of adequate credit quality. While protection of dividends and principal is considered acceptable, the issuing entity is more susceptible to adverse changes in financial and economic conditions, and there may be other adverse conditions present which detract from debt protection.

⁽¹⁾ A more detailed explanation of each rating above may be obtained directly from DBRS.

In general terms, ratings are opinions that reflect the creditworthiness of an issuer, a security, or an obligation. They are opinions based on forward-looking measurements that assess an issuer's ability and willingness to make timely payments on outstanding obligations (whether principal, interest, dividend, or distributions) with respect to the terms of an obligation. Ratings do not address the market price of a security.

Credit ratings are intended to provide investors with an independent assessment of the credit quality of an issuer or a security and do not speak to the suitability of particular securities for any particular investor. A credit rating is, therefore, not a recommendation to purchase, sell or hold a security. Ratings are subject to revision and withdrawal at any time by the rating organization.

Each DBRS rating category is appended with one of three rating trends: "Positive", "Stable", or "Negative". The rating trend indicates the direction in which DBRS considers the rating is headed should present tendencies continue or, in some cases, unless challenges are addressed. However, the investor must not assume that a positive or negative trend necessarily indicates that a rating change is imminent.

MARKET FOR SECURITIES

Trading Price and Volume

CWB's common shares and Series 5 Preferred Shares are listed and traded on the Toronto Stock Exchange (TSX) under the symbols CWB and CWB.PR.A, respectively. The Series 3 Preferred Shares were redeemed on April 30, 2014 and are no longer listed on the TSX. The following table shows the price ranges and volumes traded for these securities for each month of the most recent fiscal year (November 2013 through October 2014).

Period	Common Shares		Series 5 Preferred Shares		Series 3 Preferred Shares	
	Price Range (\$)	Volume	Price Range (\$)	Volume	Price Range (\$)	Volume
November 2013	32.61 - 34.89	2,652,099	-	-	25.52 - 25.85	169,374
December 2013	34.33 - 38.90	5,001,227	-	-	25.50 - 25.75	168,814
January 2014	35.77 - 39.05	7,198,611	-	-	25.12 - 25.84	336,889
February 2014	35.63 - 36.88	3,610,850	24.84 - 25.41	807,637	25.31 - 25.40	122,186
March 2014	35.12 - 37.80	5,981,387	25.00 - 25.39	203,068	25.34 - 25.50	116,012
April 2014	36.97 - 38.07	3,510,603	25.30 - 25.80	234,227	24.98 - 25.49	216,310
May 2014	36.26 - 37.76	1,954,847	25.15 - 26.00	98,687	-	-
June 2014	37.42 - 40.15	3,292,380	25.10 - 25.80	112,257	-	-
July 2014	39.68 - 42.07	2,741,618	25.35 - 25.90	101,104	-	-
August 2014	40.30 - 43.30	2,360,186	25.60 - 25.94	45,588	-	-
September 2014	38.86 - 40.96	2,573,344	25.51 - 26.47	41,162	-	-
October 2014	35.80 - 39.87	4,247,123	25.21 - 26.00	41,702	-	-

DIRECTORS AND OFFICERS

Director and Officer Information

The following table lists the name, municipality of residence and principal occupation of each director of CWB, the period that each director has served as a director, and the committees on which the director served. Directors may be elected annually by the shareholders or, subject to the by-laws of CWB, may be appointed by the Board of Directors. Directors hold office until the next annual meeting of shareholders.

Name and Municipality of Residence	Principal Occupation	Director Since	Board Committee Membership
ALBRECHT W.A. BELLSTEDT, Q.C. Canmore, Alberta, Canada	President, A.W.A. Bellstedt Professional Corporation (consulting services firm)	March 9, 1995	Governance (Chair) Human Resources
ANDREW J. BIBBY Vancouver, British Columbia, Canada	Chief Executive Officer and Director, Grosvenor Americas Partners	December 3, 2012	Human Resources Loans
CHRISTOPHER H. FOWLER Edmonton, Alberta, Canada	President and Chief Executive Officer, CWB	March 7, 2013	Loans
LINDA M.O. HOHOL Calgary, Alberta, Canada	Corporate Director	June 1, 2011	Audit Governance Loans
ALLAN W. JACKSON ⁽¹⁾ Calgary, Alberta, Canada	President and Chief Executive Officer, ARCI Ltd. (real estate development company)	March 22, 1984	Governance Human Resources Loans
WENDY A. LEANEY Toronto, Ontario, Canada	President, Wyoming Associates Ltd. (general investment holding company)	March 8, 2001	Audit Human Resources Loans (Chair)
ROBERT A. MANNING ⁽²⁾ Edmonton, Alberta, Canada	President, Cathton Investments Ltd. (general investment holding company)	January 31, 1986	Audit (Chair) Governance Human Resources
SARAH A. MORGAN-SILVESTER Vancouver, British Columbia, Canada	Corporate Director	March 6, 2014	Audit Loans
HOWARD E. PECHET Rancho Mirage, California, U.S.A.	President, Mayfield Consulting Inc. (general investment holding company)	March 22, 1984	Human Resources Loans
ROBERT L. PHILLIPS, Q.C. Vancouver, British Columbia, Canada	President, R.L. Phillips Investments Inc. (private investment firm)	March 8, 2001	Audit Human Resources Loans ⁽⁴⁾
RAYMOND J. PROTTI, ICD.D Victoria, British Columbia, Canada	Corporate Director	March 5, 2009	Audit Governance
IAN M. REID Edmonton, Alberta, Canada	Corporate Director	March 3, 2011	Audit Loans
H. SANFORD RILEY, C.M. Winnipeg, Manitoba, Canada	President and Chief Executive Officer, Richardson Financial Group Limited (financial services company)	March 3, 2011	Human Resources Loans
ALAN M. ROWE, CPA, CA Toronto, Ontario, Canada	Partner, Crown Realty Partners (investment management company)	July 1, 1996	Audit Human Resources (Chair) Loans

⁽¹⁾ Mr. Jackson also serves as the Chair of the Board of Directors.

⁽²⁾ Of the amounts disclosed for Mr. Manning, 1,859,922 shares are owned by Cathton Investments Ltd. (Cathton). Mr. Manning exercises direction over these shares as a director and President of Cathton.

⁽³⁾ Mr. Phillips serves as an alternate on the Loans Committee.

Each of the directors listed have held their respective positions and offices with the same, predecessor or associated firms or organizations for the past five years except Mr. Rowe, who, prior to July 2010, was also a Partner at Crown Capital Partners Inc. (an investment management company) and Ms. Morgan-Silvester, who, prior to July 2014, was Chancellor of the University of British Columbia (a *pro bono* position).

The following table lists the name, municipality of residence and principal occupation of each executive officer of CWB. Executive Officer is defined as a chair, vice-chair, president, a vice president in charge of a principal business unit, division or function (including sales, finance or production), an officer of CWB or any of its subsidiaries who performed a policy-making function in respect of CWB, or any other individual who performed a policy-making function in respect of CWB.

Name and Municipality of Residence	Principal Occupation and Position with CWB	Employed Since
KELLY S. BLACKETT Edmonton, Alberta, Canada	Executive Vice President, Human Resources	2013
NIALL P. BOLES Edmonton, Alberta, Canada	Senior Vice President and Treasurer	2014
LARS K. CHRISTENSEN, CMA Edmonton, Alberta, Canada	Vice President and Chief Internal Auditor	1994
DIANE M. DAVIES, CA Edmonton, Alberta, Canada	Vice President, Operations	2005
MICHAEL J. DOCHERTY Calgary, Alberta, Canada	Vice President, Equipment Financing Group	1991
M. GLEN EASTWOOD Strathmore, Alberta, Canada	Senior Vice President and Regional General Manager	2001
CHRISTOPHER H. FOWLER Edmonton, Alberta, Canada	President and Chief Executive Officer	1991
MARIO V. FURLAN Vancouver, British Columbia, Canada	Senior Vice President and Regional General Manager	1990
RANDELL W. GARVEY, CFA, FCMA Edmonton, Alberta, Canada	Executive Vice President	2005
RICHARD R. GILPIN St. Albert, Alberta, Canada	Senior Vice President, Credit Risk Management	2001
CAROLYN J. GRAHAM, FCA Edmonton, Alberta, Canada	Executive Vice President and Chief Financial Officer	2000
MICHAEL N. HALLIWELL Edmonton, Alberta, Canada	Senior Vice President and Regional General Manager	1990
RICHARD N. HALLSON Edmonton, Alberta, Canada	Vice President, Corporate Lending	1997
GAIL L. HARDING, Q.C. Calgary, Alberta, Canada	Senior Vice President, General Counsel and Corporate Secretary	2004
KIRBY T. HILL, CFA Edmonton, Alberta, Canada	Vice President, Strategy and Communications	2003
DARRELL R. JONES, CMA Edmonton, Alberta, Canada	Senior Vice President and Chief Information Officer	2008
PETER K. MORRISON Edmonton, Alberta, Canada	Senior Vice President, Business and Personal Banking	2002
GREGORY J. SPRUNG Coquitlam, British Columbia, Canada	Executive Vice President, Banking	2005

Name and Municipality of Residence	Principal Occupation and Position with CWB	Employed Since
ALLEN D. STEPHEN, CA Sherwood Park, Alberta, Canada	Vice President and Chief Accountant	2008
SCOTT M.E. WEISS Vancouver, British Columbia, Canada	Vice President, Real Estate Lending	2003
BRIAN J. YOUNG Vancouver, British Columbia, Canada	Executive Vice President, CWB and President and Chief Executive Officer, CDI	2004

All of the executive officers listed above have held their current positions or other senior positions with CWB or its subsidiaries during the past five years, with the exception of Ms. Blackett and Mr. Boles. Ms. Blackett joined CWB in March 2013, prior to which she held the following positions with General Electric or its affiliated companies: Leader, Learning Organizational Development & HR Strategy (July 2012 - March 2013), and Vice President, Organizational Development and Effectiveness (2009 – June 2012). Mr. Boles joined CWB in May 2014, prior to which he held the following positions: Vice President – Liquidity, Funding, and Cash Management, Canadian Imperial Bank of Commerce (May 2010 – April 2014) and Group Liquidity and Funding Manager, Bank of Scotland (2008 – April 2010).

As at October 31, 2014, CWB directors and executive officers, as a group, beneficially owned or exercised direction over 2,820,224 common shares, or approximately 3.509% of the issued and outstanding common shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of CWB has, within the 10 years prior to the date of this Annual Information Form, been a director or executive officer of any company that (i) was the subject of a cease trade order or similar order, or an order that denied the company access to any exemption under securities legislation for more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity of director, chief executive officer or chief financial officer, (ii) was subject to an event that occurred while the person was acting in the capacity of director, chief executive officer or chief financial officer that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade order or similar order, or an order that denied the company access to any exemption under securities legislation for more than 30 days, or (iii) within one year of the director or executive officer ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, except as follows:

- Mr. Rowe served as a director of Big Sky Farms Inc. from October 8, 2004 to April 12, 2010 which, on March 23, 2010, implemented a plan of compromise and arrangement as approved by the Saskatchewan Court of Queen’s Bench pursuant to the *Companies’ Creditors Arrangement Act* (Canada); and
- Mr. Rowe served as a director of CrownAG International Inc. from November 25, 2004 to June 14, 2005 as a nominee of a secured lender which, together with two other secured lenders, appointed a receiver of the company on June 14, 2005.

No director or executive officer has, within 10 years prior to the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer.

Conflicts of Interest

There are no existing or potential material conflicts of interest between the directors and officers of CWB or its subsidiaries.

LEGAL PROCEEDINGS

In the ordinary course of business, CWB and its subsidiaries are parties to legal proceedings. Based on current knowledge, CWB does not expect the outcome of any of these proceedings to have a material effect on its consolidated financial position or operations. However, there is a possibility that the resolution of such proceedings may be material to the consolidated results of operations for a particular period.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or executive officer of CWB or its subsidiaries, or an associate thereof, had any material interest, direct or indirect, in any transaction within the three most recently completed fiscal years that has materially affected or will materially affect CWB.

TRANSFER AGENTS AND REGISTRAR

Valiant acts as registrar and transfer agent for CWB's common shares and Series 5 Preferred Shares and the CWB WestS – Series 1 at its principal office in Calgary, Alberta, and at its offices in Toronto, Ontario and Vancouver, British Columbia.

EXPERTS

KPMG LLP were auditors of CWB for the year ended October 31, 2014 and prepared and executed the audit report accompanying the annual consolidated financial statements.

AUDIT COMMITTEE INFORMATION

Audit Committee's Mandate

CWB's Audit Committee Mandate sets out the Committee's purpose, organization, reporting, duties and responsibilities. A copy of the Mandate is attached hereto as Schedule A.

Composition of the Audit Committee

As of October 31, 2014, the Audit Committee was comprised of eight directors, all of whom are independent directors and financially literate: Robert A. Manning (Chair), Linda M.O. Hohol, Wendy A. Leaney, Sarah A. Morgan-Silvester, Robert L. Phillips, Raymond J. Protti, Ian M. Reid and Alan M. Rowe.

Relevant Education and Expertise

The following section lists the relevant education and experience for each Audit Committee member.

Robert A. Manning, B.Sc. (Hons), MBA (Chair of the Audit Committee)

Robert Manning acquired significant experience and exposure to accounting and financial reporting issues as the current President and a director of privately held Cathton Investments Ltd. and several subsidiary and affiliated companies, and as Executive Vice President and a director of North West Trust Company from 1979-1980. Mr. Manning completed his Masters of Business Administration at Cranfield School of Management and his Bachelor of Science (Hons) at the University of Manchester Institute of Science and Technology. Mr. Manning has been a director of CWB for 28 years.

Linda M.O. Hohol, FICB

Linda Hohol acquired significant experience and exposure to accounting and financial reporting issues as the former President of TSX Venture Exchange Inc. at the TMX Group Inc. in addition to her prior role as the Executive Vice President, Wealth Management and Senior Vice President, Alberta and NWT for Canadian Imperial Bank of Commerce, where she

spent 26 years. Ms. Hohol currently serves on the Board of Directors of EllisDon Construction Ltd., Oncolytics Biotech Inc. and NAV Canada. She has also served on many boards, including the Board of Export Development Canada (Vice Chair), ATB Financial (Chair of the Risk Committee) as well as the Calgary Airport Authority and Canada Foundation for Innovation (Chair of both Audit and Finance Committees). She is a graduate of the Executive Development Program of the Kellogg Business School. Ms. Hohol is a Fellow of the Institute of Canadian Bankers. Ms. Hohol has been a director of CWB for three years.

Wendy A. Leaney, B.A. (Hons), FICB

Wendy Leaney acquired significant experience and exposure to accounting and financial reporting issues in various capacities during her 26 year career with TD Bank. She is the President of Wyoming Associates Ltd., a private investment and consulting firm. Ms. Leaney's career has been focused on providing corporate finance, advisory and lending services to the communications and media sectors. She currently serves as a director of Corus Entertainment Inc. Ms. Leaney received her Bachelor of Arts (Hons) from the University of Toronto and has completed the Executive Management Program at the University of Western Ontario. Ms. Leaney is a Fellow of the Institute of Canadian Bankers and has completed both the Canadian Securities Course and the Partners, Directors and Officers Course offered by the Canadian Securities Institute. Ms. Leaney has been a director of CWB for 13 years.

Sarah A. Morgan-Silvester, B.Comm. (Hons, Gold Medalist), Finance

Sarah Morgan-Silvester acquired significant experience and exposure to accounting and financial reporting issues as a member of the Partnership Board (as an outside board member) of Grant Thornton LLP and Grant Thornton Consulting as well as in her prior roles as Executive Vice President, Personal Financial Services and Wealth Management, HSBC Bank Canada and President and Chief Executive Officer of HSBC Trust Company (Canada). Ms. Morgan-Silvester holds a Bachelor of Commerce degree from the University of British Columbia and the Human Resources and Compensation Committee Certified designation. She is also a Fellow of the Institute of Canadian Bankers. Ms. Morgan-Silvester was appointed as a director of CWB on March 6, 2014.

Robert L. Phillips, B.Sc. Chemical Engineering (Hons), LLB (Gold Medalist), Q.C.

Robert Phillips acquired significant experience and exposure to accounting and financial reporting issues as the current President of R.L. Phillips Investments Inc., a private investment firm, as President and Chief Executive Officer of the BCR Group of Companies from 2001-2004, as Executive Vice President of MacMillan Bloedel Limited from 1999-2000, as President and Chief Executive Officer of PTI Group Inc. from 1998-1999 and as President and Chief Executive Officer of Dresco Energy Services Ltd. from 1994-1998. Mr. Phillips is Chairman of Precision Drilling Corporation and MacDonald Dettwiler & Associates Ltd. and a director of Canadian National Railway Company and West Fraser Timber Co. Ltd. Mr. Phillips received his Bachelor of Laws (Gold Medalist) and Bachelor of Science, Chemical Engineering (Hons) degrees from the University of Alberta. He has been a director of CWB for 13 years.

Raymond J. Protti, B.A. (Hons, Gold Medalist), M.A., ICD.D

Raymond Protti acquired significant experience and exposure to accounting and financial reporting issues during a distinguished career spanning more than 25 years in the Canadian public service, where he held several senior positions. Mr. Protti also served as President and Chief Executive Officer of the Canadian Bankers Association from 1996-2007. Mr. Protti is a member of the Board of the Royal British Columbia Museum. He received his Bachelor of Arts (Hons, Gold Medalist) and Master of Arts, both in Economics, from the University of Alberta. He holds the ICD.D designation from the Institute of Corporate Directors. Mr. Protti has been a director of CWB for five years. He also served as a director of CDI from June 2007 to August 2010.

Ian M. Reid, B.Comm.

Ian Reid acquired significant experience and exposure to accounting and financial reporting issues during his 30 year career at Finning International Inc., which included 11 years as President of Finning (Canada) Ltd. He is currently the Vice Chair of Stuart Olson Inc. and the independent Chairman of the Board of Fountain Tire Ltd. Mr. Reid also serves as a director of Delta Gold Corporation and Associated Engineering and Voice Construction OPCO ULC. As well, he served as a member of the Alberta Provincial Audit Committee until the end of 2013. He holds a Bachelor of Commerce degree from the University of Saskatchewan and has completed the Advanced Management Program at Harvard Business School. Mr. Reid has been a director of CWB for three years.

Alan M. Rowe, B. Comm. (Hons, Gold Medalist), CPA, CA

Alan Rowe acquired significant experience and exposure to accounting and financial reporting issues in his current position as a Partner of Crown Realty Partners, as well as previous positions with Crown Capital Partners Inc. and with Crown Life Insurance Company, which included positions as Senior Vice President, Chief Financial Officer and Corporate Secretary, Vice President Finance, and Vice President and Treasurer. Mr. Rowe received his Bachelor of Commerce (Hons, Gold Medalist) from Memorial University of Newfoundland, has been a Chartered Accountant since 1980 (Newfoundland Gold Medalist) and is a member of Financial Executives International. Mr. Rowe has been a director of CWB for 18 years.

Pre-Approval Policies and Procedures Regarding External Auditors

As part of CWB's corporate governance structure, the Audit Committee annually reviews and approves the terms and scope of the external auditors' engagement. To further ensure that the independence of the auditors is not compromised, CWB's policy requires that the Audit Committee also pre-approve all significant engagements of the auditors for non-audit services and monitor all other engagements.

Under the policy, the significance threshold for non-audit engagements is defined as any engagement for which the cost estimate exceeds 5% of the annual audit fee, as outlined in the auditors' scope memorandum. Receiver/manager services provided by the auditors to borrowers of CWB are not included in the definition of non-audit services under this policy but are reviewed by the Audit Committee on an annual basis.

All non-audit service engagements, regardless of the cost estimate, are required to be co-ordinated and approved by CWB's Chief Financial Officer, or designate, to further ensure that adherence to this policy is monitored. All non-audit service engagements are to be reported to the Audit Committee on a quarterly basis.

Auditor Service Fees

The following table lists the fees paid to KPMG LLP by CWB and its affiliates, by category, during fiscal 2014 and 2013.

	Year Ended October 31, 2014 (\$)	Year Ended October 31, 2013 (\$)
Audit fees	1,019,393	601,559
Audit-related fees	201,400	204,348
Tax-related fees	363,509	157,653
All other fees	43,209	18,671
Total fees	1,627,511	982,231

Audit Fees

Audit fees were paid for professional services rendered for the audit of CWB's annual financial statements, for services provided in connection with statutory and regulatory filings, for engagements, and the review of CWB's interim financial statements. Audit fees are inclusive of regulatory charges paid to the Canadian Public Accountability Board. The audit fees paid in 2014 were significantly higher than those paid in 2013 due to the fact that not all of the audit fees in respect of 2013 were billed in that year. As a result, a portion of the fees related to audit services performed in 2013 were actually paid by CWB in 2014. The actual increase in audit fees for the fiscal 2014 audit was approximately 3% as compared to the fiscal 2013 audit.

Audit-Related Fees

Audit-related fees were paid for assurance and related services that are reasonably related to the performance of the audit or review of the financial statements and are not reported under the audit fees item above. In 2014, audit-related fees were comprised of fees related to the issuance of Series 5 Preferred Shares, assurance work related to the implementation of a new banking system, National Housing Act Mortgage-Backed Securities project and special procedures performed for a subsidiary as part of its regulatory requirements. In 2013, audit-related fees were comprised of fees related to the issuance of subordinated debentures and costs related to special procedures performed for a subsidiary as part of its regulatory requirements.

Tax-Related Fees

Tax-related fees were paid for professional services relating to tax compliance, tax advice and tax planning. Tax compliance services included the review of corporate tax returns and preparation of senior management tax returns. Tax planning and advisory services related to common forms of taxation, including income tax, capital tax, goods and services tax, and property tax. In 2014, tax-related fees also included fees for advice in respect of the United States “Foreign Account Tax Compliance Act”.

All Other Fees

All other fees were paid for products or services other than the audit fees, audit-related fees and tax-related fees described above. In 2014, these fees were in respect of the administration of securitized loans and leases. In 2013, these fees were comprised of fees associated with the administration of securitized loans and leases in addition to professional courses.

ADDITIONAL INFORMATION

Additional information relating to CWB may be found on SEDAR at www.sedar.com.

Additional information, including directors’ and officers’ remuneration and indebtedness, principal holders of securities and securities authorized under equity compensation plans, is contained in CWB’s Management Proxy Circular for its most recent annual meeting of shareholders.

Additional financial information is provided in CWB’s audited consolidated financial statements and Management’s Discussion and Analysis for the year ended October 31, 2014, which is available at www.sedar.com and in the 2014 Annual Report.

Copies of the information referred to in this section may be obtained by writing to the Corporate Secretary, Canadian Western Bank, Suite 3000, Canadian Western Bank Place, 10303 Jasper Avenue, Edmonton, Alberta, T5J 3X6 or via CWB’s website at www.cwb.com.

SCHEDULE A

MANDATE OF THE AUDIT COMMITTEE

1.0 Purpose of the Audit Committee

The purpose of the Audit Committee is to assist the Board of Directors (the “Board”) in fulfilling its oversight responsibilities with respect to the:

- 1.1 integrity of the financial statements, other financial information and certain disclosure documents provided by Canadian Western Bank to its shareholders, the public and others;
- 1.2 qualifications and independence of the external auditors;
- 1.3 performance of the Bank’s internal and external auditors; and
- 1.4 adequacy of the CWB Group's internal controls.

For the purposes of this mandate, “Bank” means Canadian Western Bank and “CWB Group” means the Bank, its federally regulated subsidiaries and such other subsidiaries designated from time to time by the Board.

Although the Audit Committee has the powers and responsibilities set forth in this mandate, the role of the Audit Committee is oversight. It is not the duty of the Audit Committee to conduct audits or to determine that the CWB Group's financial statements are complete, accurate and in accordance with International Financial Reporting Standards (“IFRS”). The external auditor is responsible for planning and carrying out, in accordance with professional standards, an audit of the CWB Group's annual financial statements and reviewing the Bank’s quarterly financial information. Management of the CWB Group is responsible for the preparation, presentation and integrity of the financial statements and for maintaining appropriate accounting and financial reporting principles, policies and internal controls and procedures designed to ensure compliance with accounting standards and applicable laws and regulations.

2.0 Organization of the Audit Committee

The Audit Committee shall be comprised of not less than three directors, one of whom shall serve as the Chair of the Audit Committee, as determined and appointed by the Board. Each Audit Committee member shall satisfy the independence, financial literacy and experience requirements of all applicable regulatory requirements (including Multilateral Instrument 52-110 *Audit Committees*) and one Audit Committee member shall be considered a financial expert, as such qualifications are interpreted by the Board in the exercise of its sound business judgment.

3.0 Meetings of the Audit Committee

In order for the Audit Committee to transact business, two members of the Audit Committee must be present and a majority of those present must be resident Canadians. The Audit Committee shall meet on a regular basis and shall schedule a sufficient number of meetings (whether in person or by teleconference) to carry out its mandate, which shall occur at least once each quarter. Any member of the Audit Committee or the external auditors may call a meeting. At least quarterly, the Audit Committee shall have separate private meetings with the external auditors, Chief Internal Auditor, Chief Financial Officer and management to consider any relevant matters. The Chair, or in his or her absence another member of the Audit Committee, will preside at each meeting of the Audit Committee.

4.0 Reporting to the Board

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

5.0 Outside Advisors

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

6.0 Duties and Responsibilities of the Audit Committee

The Audit Committee shall have the following specific duties and responsibilities:

- 6.1 prior to approval by the Board, review the Bank's annual filings including annual audited financial statements, annual Management's Discussion and Analysis ("MD&A"), the Annual Information Form ("AIF") and any other documents and information that are incorporated by reference in the AIF of the Bank and report and make a recommendation thereon to the Board;
- 6.2 prior to approval by the Board, review the interim reports to shareholders, including the interim quarterly financial statements and the interim MD&A, and report and make a recommendation thereon to the Board;
- 6.3 periodically review management's procedures for the review of financial information extracted or derived from the financial statements that is to be publicly disclosed and has not otherwise been reviewed by the Audit Committee;
- 6.4 prior to approval by the Board, review the Bank's earnings press releases;
- 6.5 discuss major issues regarding accounting principles and financial statement presentations, including significant changes in the selection or application of accounting principles, analyses prepared by management or the external auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements of the CWB Group;
- 6.6 meet with the external auditors, including without management present, to discuss the annual and interim financial results and the returns referred to within this mandate and receive and review any reports of the external auditors' thereon;
- 6.7 recommend to the Board the appointment of the external auditors for the CWB Group, who shall report directly to the Committee. Review the terms of the external auditors' engagement, their level of remuneration, the audit plan, the materiality threshold for the audit, any proposed changes in accounting policies, their presentation and input concerning significant risks and key estimates and judgments of management;
- 6.8 oversee the resolution of disagreements between management and the external auditors regarding financial reporting;
- 6.9 review the independence of the external auditors, including obtaining from the auditors a statement describing all relationships between the auditors and CWB Group and discussing such relationships with the auditors;
- 6.10 review the quality of the external audit and report to the Board on the effectiveness of the external audit;
- 6.11 review and approve the policy for non-audit services to be completed by the external auditors, which includes an established definition of what constitutes non-audit services and a requirement for pre-approval for all but de minimus engagements. The Audit Committee may delegate to one or more Audit Committee members the authority to grant approval of such services, provided the decisions of such members are reported to the full Audit Committee at its next meeting;

- 6.12 review and approve hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the CWB Group;
- 6.13 require the management of the CWB Group to implement and maintain appropriate internal control procedures, including procedures designed to identify, monitor and manage audit-related risks. Review, evaluate and approve those procedures;
- 6.14 oversee the finance and internal audit functions, and, in particular:

Finance function

- (a) recommend to the Board, jointly with the Human Resources Committee, the appointment or removal of the Chief Financial Officer of the Bank;
- (b) review the appointment of each Chief Financial Officer of an entity within the CWB Group;
- (c) meet with the Chief Financial Officer of the Bank at least quarterly without management present;
- (d) review and approve on a regular basis the mandate and annual plan of the finance function;
- (e) review the effectiveness of the finance function;
- (f) annually review and approve the function's budget and resources; and
- (g) periodically require an independent review of the finance function.

Internal Audit function

- (a) recommend to the Board the appointment or removal of the Chief Internal Auditor;
 - (b) meet with the Chief Internal Auditor of the Bank at least quarterly without management present;
 - (c) annually review and approve the internal audit department charter and audit plan;
 - (d) review the effectiveness of the internal audit function;
 - (e) meet with the Chief Internal Auditor of the Bank and with management of the Bank to discuss reports on internal audit activities and findings and the effectiveness of the internal control procedures established for the CWB Group;
 - (f) annually review and approve the function's budget and resources; and
 - (g) periodically require an independent review of the internal audit function.
- 6.15 review correspondence received from regulators and external auditors, together with management's responses thereto, concerning the effectiveness of internal controls and other matters that fall within the responsibility of the Committee;
 - 6.16 oversee the CWB Group's Anti-Money Laundering and Anti-Terrorist Financing Program and approve amendments thereto;
 - 6.17 at least annually, meet with the Chief Anti-Money Laundering Officer to review the annual report on the CWB Group's Anti-Money Laundering and Anti-Terrorist Financing Program;
 - 6.18 review such returns of the CWB Group as the Superintendent of Financial Institutions may specify;
 - 6.19 review such investments and transactions that could adversely affect the well-being of the CWB Group as the external auditors or any officer of the Bank may bring to the attention of the Audit Committee;
 - 6.20 receive quarterly reports on any litigation matters which could significantly affect the financial statements of the CWB Group;
 - 6.21 receive a quarterly report from the Loans Committee of the Board concerning the quality of the loan portfolio, the adequacy of the allowance for credit losses and amounts written-off by management;
 - 6.22 receive a quarterly report from the Bank's Disclosure Committee;

- 6.23 act as the audit committee for the CWB Group, including the review of the annual audited financial statements and report thereon to each respective board before approval is given;
- 6.24 meet annually, including without management present, with the appointed actuary of the CWB Group's federally regulated insurance company subsidiary;
- 6.25 receive the periodic external peer review reports regarding the work of the appointed actuary;
- 6.26 establish procedures for the receipt and handling of complaints, including confidential, anonymous submissions by employees of the CWB Group regarding accounting, internal accounting controls, or auditing matters and receive reports of all such complaints;
- 6.27 review and assess annually the adequacy of its mandate; and
- 6.28 prepare any report from the Audit Committee that may be required to be included in the Bank's management proxy circular or that the Board elects to include on a voluntary basis.

This mandate was last reviewed and approved by the Board on August 27, 2014.