CANADIAN WESTERN BANK

NOTICE OF ANNUAL MEETING OF COMMON SHAREHOLDERS

March 8, 2012

MANAGEMENT PROXY CIRCULAR

NOTICE OF ANNUAL MEETING OF COMMON SHAREHOLDERS

Dear Fellow Shareholders:

We will be holding the annual meeting of the Common Shareholders of Canadian Western Bank (CWB):

Date:	Thursday, March 8, 2012
Time:	3:00 p.m. (Mountain Standard Time)
Place:	The Fairmont Hotel Macdonald Empire Ballroom 10065 100th Street Edmonton, Alberta T5J 0N6

The meeting will cover the following items:

1. receiving the financial statements of CWB for the year ended October 31, 2011 and the auditors' report on those statements;
2. appointing the auditors of CWB who will serve until the next annual meeting;
3. electing CWB's Board of Directors who will serve until the next annual meeting;
4. considering an advisory resolution on CWB's approach to executive compensation; and
5. considering any other business that may properly come before the meeting.

By order of the Board of Directors

Gail L. Harding, Q.C., ICD.D
Senior Vice President, General Counsel
and Corporate Secretary

Edmonton, Alberta
January 5, 2012

IMPORTANT – VOTING INFORMATION
If you cannot attend the meeting in person, please complete and sign the enclosed proxy form and return it in the postage-prepaid envelope provided or fax it to (604) 681-3067. For your vote to be counted, your proxy must be received by Canadian Western Bank's transfer agent, Valiant Trust Company, by facsimile or by mail at Valiant Trust Company, Attention: Proxy Department, P.O. Box 6510 Stn. Terminal, Vancouver, British Columbia, V6B 4B5, no later than 3:00 p.m. (Mountain Standard Time) on March 6, 2012.

January 5, 2012

Dear Shareholders:

On behalf of the board of directors and management of Canadian Western Bank, it is our pleasure to invite you to attend Canadian Western Bank's annual meeting of shareholders. This year, our annual meeting will be held at the Fairmont Hotel Macdonald, Empire Ballroom, Edmonton, Alberta, on Thursday, March 8, 2012 at 3:00 p.m. (Mountain Standard Time).

The meeting will be an opportunity for you to hear about our performance in 2011 and our plans for the future. It will also be an opportunity for you to meet with our board of directors and management and ask any questions you may have.

The meeting is also your opportunity to vote on the items detailed in the enclosed management proxy circular. We ask that you take the time to review the circular as it contains important information about these items. In addition, the circular contains information about our executive compensation and governance practices.

We value the input of our shareholders. If you are unable to attend the meeting in person, you may vote your shares by following the procedure detailed in the circular. For your convenience, the meeting will also be webcast live on the Investor Relations page of our website at www.cwbankgroup.com. A recorded version of the webcast will be available on our website following the meeting.

We thank you for your participation as a shareholder of Canadian Western Bank and look forward to your participation on March 8, 2012.

Sincerely,

Allan W. Jackson
Chair of the Board

Larry M. Pollock
President and
Chief Executive Officer

Management Proxy Circular

(All information is as of December 31, 2011 unless otherwise indicated.)

Contents

VOTING INFORMATION

Why have I received this management proxy circular?

You have received this management proxy circular (the Circular) because you hold common shares of Canadian Western Bank (CWB or the Bank), and management of the Bank is required to provide the enclosed information to you so you may exercise your right to vote at the annual meeting of common shareholders of the Bank. The meeting will be held at the time and place listed in the notice of meeting accompanying this Circular.

What will I be voting on?

Common shareholders of the Bank will be voting on:

- the appointment of the Bank's auditors;
- the election of directors; and
- an advisory resolution on the Bank's approach to executive compensation.

Who can vote?

Except for voting restrictions explained below, each shareholder is entitled to one vote for each common share he or she owns as at the close of business on January 13, 2012.

How many shares are entitled to vote?

As of December 31, 2011, there were 75,492,478 fully paid and non-assessable common shares outstanding in the capital of the Bank.

The *Bank Act* (Canada) (the Bank Act) prohibits shares from being voted where they are beneficially owned by:

- the Government of Canada or a province;
- the government of a foreign country or a political subdivision of a foreign country;
- an agency of any of these entities; or
- any person who has acquired more than 10% of any class of shares of the Bank without the approval of the Minister of Finance (Canada).

Additionally, no person, or entity controlled by any person, may cast votes in respect of any shares beneficially owned by the person or entity that represent, in the aggregate, more than 20% of the eligible votes that may be cast.

To the knowledge of the directors and officers of the Bank, as of the date hereof, no person owns or exercises control or direction over common shares carrying more than 10% of the votes attached to the outstanding common shares of the Bank.

Who is soliciting my proxy?

The enclosed form of proxy is being solicited by the management of the Bank. It is expected that the solicitation will be primarily by mail. The costs associated with this solicitation will be borne by the Bank.

How do I vote if I am a registered shareholder?

Registered shareholders hold shares in their own name and usually hold a physical share certificate evidencing their share ownership.

There are two ways you can vote your shares if you are a registered shareholder. You may vote in person at the meeting or you may appoint someone to represent you as proxyholder and have him or her vote your shares at the meeting.

If you cannot attend the meeting in person and wish to appoint a proxyholder to represent you, please complete and sign the enclosed proxy form and return it in the postage-prepaid envelope provided or fax it to (604) 681-3067. For your vote to be counted, your proxy must be received by CWB's transfer agent, Valiant Trust Company, by facsimile or by mail at Valiant Trust Company, Attention: Proxy Department, P.O. Box 6510 Stn. Terminal, Vancouver, British Columbia, V6B 4B5, no later than 3:00 p.m. (Mountain Standard Time) on March 6, 2012.

How do I vote if I am a non-registered shareholder?

Most shareholders do not hold shares in their own name but in the name of a "nominee", which is usually a trust company, securities broker or other financial institution. If you fall into this category, you are considered a non-registered shareholder.

If you are a non-registered shareholder, you should contact your nominee to determine what documentation is required for you or someone of your choosing to be appointed proxyholder. Only after being appointed proxyholder can a person vote shares directly at the meeting.

Your nominee is required to seek your instructions as to how to vote your shares. For this reason, you have received this Circular from your nominee, together with a voting instruction form. Each nominee has its own voting instructions, which you should follow carefully to ensure that your shares are counted. If you are a non-registered shareholder who has voted and wish to vote in person, contact your nominee to discuss whether this is possible and what procedure to follow.

How will my shares be voted if I give my proxy?

The common shares represented by your proxy will be voted or withheld from voting in accordance with your instructions on any ballot that may be called. If you specify a choice with respect to any matter to be acted upon, your shares will be voted accordingly. In the event that you appoint the Bank directors designated in the form of proxy as your proxyholders but do not specify a choice as to how you want your shares voted, the shares represented by your proxy will be voted in the following manner:

- FOR the appointment of KPMG LLP as the Bank's auditors;
- FOR the election as directors of all the nominees set out in the Director Nominees section of this Circular; and
- FOR the advisory resolution on the Bank's approach to executive compensation.

Can I appoint someone to vote my shares other than the Bank directors designated in the form of proxy?

You can choose anyone to act as your proxyholder. It does not have to be the persons named in the enclosed form of proxy or another shareholder. Just fill in the person's name in the blank space provided on the enclosed form of proxy. If you leave the space in the form of proxy blank, the persons designated in the form of proxy, who are directors of the Bank, will be appointed to act as your proxyholder.

What if amendments are made to these matters or if other matters are brought before the meeting?

No matter is expected to come before the meeting other than the matters referred to in the notice of meeting. However, if any such matters which are not now known to management (or amendments or variations to matters identified in the notice of meeting) properly come before the meeting, the proxies will be voted on such matters in accordance with the best judgment of the person or persons voting the proxies.

How will my votes be counted?

Valiant Trust Company, the Bank's transfer agent, will act as the meeting's scrutineer and will count the proxies and tabulate the results.

The transfer agent preserves the confidentiality of individual shareholder votes, except:

- where the shareholder clearly intends to communicate his or her individual position to management; and
- as necessary to comply with legal requirements.

Subject to these two exceptions, all proxies are considered confidential and will be retained by Valiant Trust Company in its capacity as the Bank's transfer agent.

What if I want to change my vote?

If you are a registered shareholder and want to revoke your proxy after you have delivered it, you can do so by signing a written statement to this effect and delivering it to Gail L. Harding, Q.C., Corporate Secretary, Suite 3000, Canadian Western Bank Place, 10303 Jasper Avenue, Edmonton, Alberta, T5J 3X6 on or before March 7, 2012 or by depositing it with the Chair of the meeting prior to the meeting. If your shares are held in the name of a nominee, you will need to contact your nominee to discuss whether revocation is possible and, if so, the procedure to follow.

BUSINESS OF THE MEETING

FINANCIAL STATEMENTS AND AUDITORS' REPORT

The financial statements of the Bank for the year ended October 31, 2011 and the auditors' report to the shareholders of the Bank will be presented at the meeting. The financial statements have been prepared in accordance with generally accepted accounting principles in Canada as set forth in the CICA Handbook published by the Canadian Institute of Chartered Accountants.

The financial statements are included in the Bank's 2011 Annual Report, which has been mailed to all shareholders. These documents are also available on the Bank's website at www.cwbankgroup.com and the Bank's profile on the System for Electronic Document Analysis and Retrieval (SEDAR) website at www.sedar.com.

APPOINTMENT OF AUDITORS

The persons named in the enclosed form of proxy intend to vote for the appointment of KPMG LLP (KPMG) as auditors of the Bank, to hold office until the next annual meeting of shareholders. KPMG was first appointed as auditors of the Bank on December 17, 2007.

Management recommends that shareholders vote FOR the appointment of KPMG as auditors of the Bank.

Pre-Approval Policies and Procedures

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 audit fee, as outlined in the auditors' scope memorandum. Receiver/manager services provided by the auditors to borrowers of the Bank 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 the Chief Financial Officer (CFO), or designate, to further ensure that adherence to this policy is monitored. All non-audit service engagements must also be reported to the Audit Committee on a quarterly basis.

Auditor Service Fees

The following table lists the fees paid to KPMG by the Bank and its affiliates, by category, during fiscal 2011 and 2010.

	Year Ended October 31, 2011 ($)	Year Ended October 31, 2010 ($)
Audit fees[1]	872,002	728,309
Audit-related fees	250,958	0
Tax-related fees	97,910	205,172
All other fees	9,876	13,129
Total fees	1,230,746	946,610

(1) KPMG are the auditors of National Leasing Group Inc. (National Leasing), which was acquired by the Bank on February 1, 2010. Audit fees paid to KPMG after that date and related to National Leasing are included in the 2010 totals.

Audit Fees

Audit fees were paid for professional services rendered by the auditors for the audit of the Bank's annual financial statements, or services provided in connection with statutory and regulatory filings, or engagements and the review of the Bank's interim financial statements. Audit fees are inclusive of regulatory charges paid to the Canadian Public Accountability Board.

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 annual financial statements and are not reported under the audit fees item above. In 2011, audit-related fees were comprised of accounting fees related to the issuance of subordinated debentures as well as costs associated with the further implementation of International Financial Reporting Standards (IFRS).

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 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 2010, additional fees were incurred as a result of tax advisory services related to the acquisition of National Leasing.

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 2010, these fees were comprised of fees associated with the administration of securitized leases and loans. In 2011, these fees were comprised of fees related to professional courses and fees associated with the valuation of intellectual property.

ELECTION OF DIRECTORS

The number of directors to be elected is 14. Management of the Bank proposes to nominate the persons named in the Director Nominees section of this Circular, who are all presently directors of the Bank, for election as directors to hold office until the close of the next annual meeting following their election.

Management recommends that shareholders vote FOR each of the nominees for director listed in this Circular.

ADVISORY RESOLUTION ON EXECUTIVE COMPENSATION APPROACH

The Board of Directors (Board), through the Human Resources Committee, is responsible for formulating and monitoring the effectiveness of the Bank's executive compensation program. In creating the Bank's executive compensation program, the Board is guided by the goal of aligning the interests of the Bank's executives with the long-term interests of the Bank's shareholders. The Board believes that shareholders should have an opportunity to express their opinion on the Bank's executive compensation program by voting for or against the following resolution:

> **"RESOLVED** on an advisory basis, and not to diminish the role and responsibilities of the Board of Directors, that the shareholders accept the approach to executive compensation disclosed in the Bank's Circular delivered in advance of the 2012 annual meeting of shareholders."

Approval of this resolution will require that it be passed by a majority of the votes cast by shareholders. As this is an advisory vote, the results will not be binding upon the Board. However, the Board and the Human Resources Committee will consider the outcome of the vote as part of its ongoing review of the Bank's executive compensation program.

Prior to voting on this resolution, the Board urges shareholders to read the Executive Compensation and Related Information section of this Circular as it explains the objectives, philosophy, and principles used in designing an executive compensation program for the Bank's Named Executive Officers. Furthermore, the Board encourages shareholders with specific concerns about executive compensation to contact the Board directly by writing to the Chair of the Board, Suite 3000, 10303 Jasper Avenue, Edmonton, Alberta, T5J 3X6 or by emailing the Chair of the Board at ChairoftheBoard@cwbank.com.

Management recommends that shareholders vote FOR the advisory resolution on the Bank's executive compensation approach.

DIRECTOR INFORMATION

DIRECTOR NOMINEES

In accordance with By-law One of the Bank, the directors have set the number of directors to be elected at the annual meeting at 14. Management of the Bank proposes to nominate the persons named below for election as directors of the Bank, to hold office until the close of the next annual meeting following their election. All of the nominated individuals, except Ms. Hohol, were elected by the shareholders at the previous annual meeting for a term that expires at the close of the next annual meeting following their election. Ms. Hohol was appointed as a director by the Board in June 2011.

Albrecht W.A. Bellstedt, Q.C.

Canmore, Alberta
Canada

Age[1]: 62
Director Since: 1995

Independent

Mr. Bellstedt is President of A.W.A. Bellstedt Professional Corporation, a consulting services firm. He was previously Executive Vice President, Law and Corporate of TransCanada Corporation, a North American energy services company and, prior to that, a partner of the law firm Milner Fenerty. Mr. Bellstedt received his Bachelor of Arts from Queen's University and his Juris Doctor from the University of Toronto.

Public company directorships in the past five years	Role on boards and committees
Capital Power Corporation (2009 – Present)	Corporate Governance, Compensation and Nominating Committee (Chair) Environment, Health and Safety Committee
The Churchill Corporation (2007 – Present)	Chair
The Forzani Group Ltd. (1993 – 2011)	-
TC PipeLines GP, Inc. (2001 – 2007)	-
Sun-Times Media Group, Inc. (2007 – 2008)	-

Board/Committee Membership	Attendance		Attendance (Total)	
Board of Directors	6 of 6	100%	13 of 16	81%
Governance Committee (Chair)	3 of 3	100%		
Human Resources Committee[2]	2 of 2	100%		
Loans Committee[2]	2 of 5	40%		

Equity Ownership

Year	Common Shares[3]	Deferred Share Units (DSUs)	Total Common Shares and DSUs	Total Value of Common Shares and DSUs[4] ($)	Minimum Required ($)	Total Amount at Risk as a Multiple of Annual Retainer
2011	13,200	2,985	16,185	417,573	400,000	5.22
2010	13,200	1,658	14,858	419,739	400,000	5.25
Net Change	0	1,327	1,327	(2,166)	-	-

Linda M.O. Hohol

Calgary, Alberta
Canada

Age[1]: 59
Director Since: 2011

Independent

Ms. Hohol, a Corporate Director, is the former President of TSX Venture Exchange Inc. at the TMX Group Inc. Prior to that she was Executive Vice President, Wealth Management, Canadian Imperial Bank of Commerce. Ms. Hohol currently serves on the boards of directors of EllisDon Construction Ltd., Export Development Canada and Canada Foundation for Innovation as well as various charitable organizations. She has also served on the boards of Alberta Treasury Branches and Alberta Health Services. Ms. Hohol received the distinguished business leader award from the Haskayne School of Business in 2005. She is a graduate of the Executive Development Program of the Kellogg Business School and has completed courses at the MIT Sloan School of Management. Ms. Hohol is a Fellow of the Institute of Canadian Bankers.

Public company directorships in the past five years	Role on boards and committees
Nil	-

Board/Committee Membership	Attendance		Attendance (Total)	
Board of Directors[5]	3 of 3	100%	13 of 17	76%
Governance Committee[5]	1 of 1	100%		
Loans Committee[5]	9 of 13	69%		

Equity Ownership

Year	Common Shares[3]	Deferred Share Units (DSUs)	Total Common Shares and DSUs	Total Value of Common Shares and DSUs[4] ($)	Minimum Required[6] ($)	Total Amount at Risk as a Multiple of Annual Retainer
2011	3,690	999	4,689	120,976	400,000	1.51

Allan W. Jackson

Calgary, Alberta
Canada

Age[1]: 71
Director Since: 1984

Independent

Mr. Jackson is President and Chief Executive Officer of ARCI Ltd., a real estate development company, and President and Chief Executive Officer of Jackson Enterprises, Inc., a holding and consulting company. Mr. Jackson was previously President and Chief Executive Officer of Knowlton Realty Ltd. Mr. Jackson received his Bachelor of Arts (Hons) in Business Administration from the University of Western Ontario.

Public company directorships in the past five years	Role on boards and committees
WestJet Airlines Ltd. (2003 – Present)	Audit Committee Compensation Committee (Chair) Corporate Governance and Nominating Committee

Board/Committee Membership	Attendance		Attendance (Total)	
Board of Directors (Chair)	6 of 6	100%	32 of 36	89%
Governance Committee	3 of 3	100%		
Human Resources Committee	5 of 5	100%		
Loans Committee	18 of 22	82%		

Equity Ownership

Year	Common Shares[3]	Deferred Share Units (DSUs)	Total Common Shares and DSUs	Total Value of Common Shares and DSUs[4] ($)	Minimum Required ($)	Total Amount at Risk as a Multiple of Annual Retainer
2011	114,000	10,913	124,913	3,222,755	400,000	40.28
2010	114,000	4,976	118,976	3,361,072	400,000	42.01
Net Change	0	5,937	5,937	(138,317)	-	-

Wendy A. Leaney

Toronto, Ontario
Canada

Age[1]: 64
Director Since: 2001

Independent

Ms. Leaney is President of Wyoming Associates Ltd., a general investment holding company. She was previously Managing Director and Co-Head of Global Communications Group, TD Securities Inc. and Vice President, TD Bank (Communications Group, Corporate & Investment Banking Group, Toronto). 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.

Public company directorships in the past five years	Role on boards and committees
Corus Entertainment Inc. (2000 – Present)	Audit Committee

Board/Committee Membership	Attendance		Attendance (Total)	
Board of Directors	6 of 6	100%	30 of 35	86%
Audit Committee	4 of 4	100%		
Governance Committee	3 of 3	100%		
Loans Committee	17 of 22	77%		

Equity Ownership

Year	Common Shares[3]	Deferred Share Units (DSUs)	Total Common Shares and DSUs	Total Value of Common Shares and DSUs[4] ($)	Minimum Required ($)	Total Amount at Risk as a Multiple of Annual Retainer
2011	19,500	2,985	22,485	580,113	400,000	7.25
2010	18,000	1,658	19,658	555,339	400,000	6.94
Net Change	1,500	1,327	2,827	24,774	-	-

Robert A. Manning

Edmonton, Alberta
Canada

Age[1]: 62
Director Since: 1986

Independent

Mr. Manning is President of Cathton Investments Ltd., a general investment holding company. He was previously Executive Vice President and a director of North West Trust Company and Corporate Banking Account Manager at Bank of Montreal. Mr. Manning is a director of numerous private companies as well as a trustee of the University Hospital Foundation in Edmonton. Mr. Manning completed his Masters of Business Administration at the Cranfield School of Management and his Bachelor of Science (Hons) at the University of Manchester Institute of Science and Technology.

Public company directorships in the past five years	Role on boards and committees
Nil	-

Board/Committee Membership	Attendance		Attendance (Total)	
Board of Directors	6 of 6	100%	18 of 18	100%
Audit Committee (Chair)	4 of 4	100%		
Governance Committee	3 of 3	100%		
Human Resources Committee	5 of 5	100%		

Equity Ownership

Year	Common Shares[3][7]	Deferred Share Units (DSUs)	Total Common Shares and DSUs	Total Value of Common Shares and DSUs[4] ($)	Minimum Required ($)	Total Amount at Risk as a Multiple of Annual Retainer
2011	1,918,470	4,480	1,922,950	49,612,110	400,000	620.15
2010	1,796,970	2,488	1,799,458	50,834,689	400,000	635.43
Net Change	121,500	1,992	123,492	(1,222,579)	-	-

Gerald A.B. McGavin, C.M., O.B.C., FCA

Vancouver,
British Columbia
Canada

Age[1]: 74
Director Since: 1989

Independent

Mr. McGavin is President of McGavin Properties Ltd., a general investment holding company. He was previously President and Chief Operating Officer of BC Hydro and Power Authority and President and Chief Executive Officer of Yorkshire Trust Company. Mr. McGavin earned his Bachelor of Commerce from the University of British Columbia and his Masters in Business Administration from the University of California at Berkeley. Mr. McGavin is also a Fellow of the Institute of Chartered Accountants of British Columbia and was appointed as a Member of the Order of Canada in 1999 and as a Member of the Order of British Columbia in 2006.

Public company directorships in the past five years	Role on boards and committees
Nil	-

Board/Committee Membership	Attendance		Attendance (Total)	
Board of Directors	6 of 6	100%	31 of 32	97%
Audit Committee	4 of 4	100%		
Loans Committee (Chair)	21 of 22	95%		

Equity Ownership

Year	Common Shares[3]	Deferred Share Units (DSUs)	Total Common Shares and DSUs	Total Value of Common Shares and DSUs[4] ($)	Minimum Required ($)	Total Amount at Risk as a Multiple of Annual Retainer
2011	60,000	2,985	62,985	1,625,013	400,000	20.31
2010	60,000	1,658	61,658	1,741,839	400,000	21.77
Net Change	0	1,327	1,327	(116,826)	-	-

Howard E. Pechet

Rancho Mirage,
California
United States

Age[1]: 63
Director Since: 1984

Independent

Mr. Pechet is President of Mayfield Consulting Inc., a general investment holding company. Mr. Pechet has been involved in the development and operation of numerous hotels, casinos and theatres. He has served as a director of several charitable organizations and is presently Vice Chair of The Sloane Gardens Club in London, England. Mr. Pechet received a Bachelor of Arts (Hons) from the University of Alberta and a Master of Arts from Washington State University.

Public company directorships in the past five years	Role on boards and committees
Nil	-

Board/Committee Membership	Attendance		Attendance (Total)	
Board of Directors	6 of 6	100%	30 of 33	91%
Human Resources Committee	5 of 5	100%		
Loans Committee	19 of 22	86%		

Equity Ownership

Year	Common Shares[3]	Deferred Share Units (DSUs)	Total Common Shares and DSUs	Total Value of Common Shares and DSUs[4] ($)	Minimum Required ($)	Total Amount at Risk as a Multiple of Annual Retainer
2011	335,180	2,985	338,165	8,724,657	400,000	109.06
2010	330,880	1,658	332,538	9,394,199	400,000	117.43
Net Change	4,300	1,327	5,627	(669,542)	-	-

Robert L. Phillips, Q.C.

Vancouver,
British Columbia
Canada

Age[1]: 61
Director Since: 2001

Independent

Mr. Phillips is President of R.L. Phillips Investments Inc., a private investment firm. Mr. Phillips was previously President and Chief Executive Officer of BCR Group of Companies, Executive Vice President of MacMillan Bloedel Limited and President and Chief Executive Officer of Dreco Energy Services Ltd. and of PTI Group Inc. In addition to the current public company directorships set out below, Mr. Phillips is a director of EPCOR Utilities Inc. Mr. Phillips received his Bachelor of Laws (Gold Medalist) and Bachelor of Science, Chemical Engineering (Hons) from the University of Alberta.

Public company directorships in the past five years[8]	Role on boards and committees
Axia NetMedia Corporation (2000 – Present)	Audit Committee Corporate Governance and Nominating Committee (Chair) Human Resources and Compensation Committee (Chair)
Capital Power Corporation (2009 – Present)	Corporate Governance, Compensation and Nominating Committee
MacDonald, Dettwiler & Associates Ltd. (2003 – Present)	Chair of the Board Governance and Nominating Committee Human Resources and Management Compensation Committee
Precision Drilling Corporation (2004 – Present)	Chair of the Board Audit Committee Compensation Committee Corporate Governance and Nominating Committee
TerraVest Income Fund (2004 – Present)[9]	Audit Committee Governance and Nominating Committee (Chair)
West Fraser Timber Co. Ltd. (2005 – Present)	Lead Director Governance and Nominating Committee (Chair) Safety and Environment Committee
Boston Pizza Royalties Income Fund (2002 – 2008)	-
EPCOR Preferred Equity Inc. (2002 – 2007)	-
Tree Island Wire Income Fund (2002 – 2007)	-

Board/Committee Membership	Attendance		Attendance (Total)	
Board of Directors	6 of 6	100%	19 of 19	100%
Audit Committee	4 of 4	100%		
Human Resources Committee	5 of 5	100%		
Loans Committee (Alternate)[10]	4	n/a		

Equity Ownership

Year	Common Shares[3]	Deferred Share Units (DSUs)	Total Common Shares and DSUs	Total Value of Common Shares and DSUs[4] ($)	Minimum Required ($)	Total Amount at Risk as a Multiple of Annual Retainer
2011	20,767	2,985	23,752	612,802	400,000	7.66
2010	18,096	1,658	19,754	558,051	400,000	6.98
Net Change	2,671	1,327	3,998	54,751	-	-

L. (Larry) M. Pollock

Edmonton, Alberta
Canada

Age(1): 65
Director Since: 1990

Non-Independent

Mr. Pollock is President and Chief Executive Officer (CEO) of the Bank. He has served as the former Chair of the Board of Directors of the YMCA (Edmonton) and as a director on the Board of the C.D. Howe Institute, the Northern Alberta Institute of Technology and of Junior Achievement (Northern Alberta). In addition to the public company directorships set out below, Mr. Pollock is currently a director of EPCOR Utilities Inc. and Clark Builders. Mr. Pollock graduated from the Saskatchewan Institute of Applied Arts and Sciences in Business Administration.

Public company directorships in the past five years	Role on boards and committees
Canadian Helicopters Group Inc. (2005 – Present)	Audit Committee Compensation, Corporate Governance and Nominating Committee
WestJet Airlines Ltd. (1999 – Present)	Audit Committee Compensation Committee Corporate Governance and Nominating Committee

Board/Committee Membership	Attendance		Attendance (Total)	
Board of Directors	6 of 6	100%	16 of 28	57%
Loans Committee	10 of 22	45%		

Equity Ownership

Year	Common Shares(3)	Restricted Share Units (RSUs)	Total Common Shares and RSUs	Total Value of Common Shares and RSUs(4) ($)	
2011	401,572	23,851	425,423	10,975,913	For disclosure relating to the value of Mr. Pollock's shareholdings, refer to the table on page 26.
2010	414,405	19,228	433,633	12,250,132	
Net Change	(12,833)	4,623	(8,210)	(1,274,219)	

Raymond J. Protti, ICD.D

Victoria,
British Columbia
Canada

Age(1): 66
Director Since: 2009

Independent

Mr. Protti is a Corporate Director. He was previously President and Chief Executive Officer of the Canadian Bankers Association. Mr. Protti serves on the Board of Governors of the University of Victoria and Ocean Networks Canada. Mr. Protti received his Bachelor of Arts (Hons, Gold Medalist) and Master of Arts, both in Economics, from the University of Alberta. Mr. Protti holds the ICD.D designation from the Institute of Corporate Directors.

Public company directorships in the past five years	Role on boards and committees
Nil	-

Board/Committee Membership	Attendance		Attendance (Total)	
Board of Directors	5 of 6	83%	14 of 16	88%
Audit Committee(11)	2 of 2	100%		
Governance Committee	3 of 3	100%		
Loans Committee(11)	4 of 5	80%		

Equity Ownership

Year	Common Shares(3)	Deferred Share Units (DSUs)	Total Common Shares and DSUs	Total Value of Common Shares and DSUs(4) ($)	Minimum Required ($)	Total Amount at Risk as a Multiple of Annual Retainer
2011	16,785	2,985	19,770	510,066	400,000	6.38
2010	11,204	1,658	12,862	363,352	400,000	4.54
Net Change	5,581	1,327	6,908	146,714	-	-

Ian M. Reid

Edmonton, Alberta
Canada

Age[1]: 56
Director Since: 2011

Independent

Mr. Reid is a Corporate Director. He retired from Finning International Inc. in 2008 after a 30-year career, which included 11 years as President of Finning (Canada) Ltd. In addition to the public company directorships set out below, Mr. Reid serves on the Board of Directors of Fountain Tire Ltd., a privately held corporation owned in partnership with Goodyear Canada. He served as the Chair of the Board of Governors of the Northern Alberta Institute of Technology from 2003 until 2007 and has been a member of numerous other community and industry associations. Mr. Reid holds a Bachelor of Commerce from the University of Saskatchewan and is a graduate of the Advanced Management Program at Harvard Business School.

Public company directorships in the past five years	Role on boards and committees
The Churchill Corporation (2007 – Present)	Vice Chair of the Board Audit Committee Corporate Governance and Nominating Committee (Chair)
Flint Energy Services Ltd. (2009 – Present)	Corporate Governance Committee (Chair) Human Resources and Compensation Committee

Board/Committee Membership	Attendance		Attendance (Total)	
Board of Directors[12]	3 of 3	100%	17 of 22	77%
Audit Committee[12]	2 of 2	100%		
Loans Committee[12]	12 of 17	71%		

Equity Ownership

Year	Common Shares[3]	Deferred Share Units (DSUs)	Total Common Shares and DSUs	Total Value of Common Shares and DSUs[4] ($)	Minimum Required[13] ($)	Total Amount at Risk as a Multiple of Annual Retainer
2011	4,516	2,597	7,113	183,515	400,000	2.29
2010	2,500	0	2,500	70,625	400,000	0.88
Net Change	2,016	2,597	4,613	112,890	-	-

H.S. (Sandy) Riley, C.M.

Winnipeg, Manitoba
Canada

Age[1]: 60
Director Since: 2011

Independent

Mr. Riley is President and Chief Executive Officer of Richardson Financial Group Limited, a financial services affiliate of James Richardson & Sons, Limited and a director of Richardson GMP, an investment dealer. Prior to 2003, he was the Chair and President and Chief Executive Officer of Investors Group Inc., a personal financial services organization. In addition to the public company directorships set out below, Mr. Riley is Chair of the Board of Directors of the University of Winnipeg Foundation and serves as a director of the Canada West Foundation. Mr. Riley received a Bachelor of Political Science from Queen's University and received a Juris Doctor from Osgoode Hall Law School. Mr. Riley was appointed as a Member of the Order of Canada in 2002.

Public company directorships in the past five years	Role on boards and committees
GMP Capital Inc. (2009 – Present)	Audit Committee
Manitoba Telecom Services Inc. (2011 – Present)	Audit Committee
Molson Coors Brewing Company (1999 – Present)	Compensation and Human Resources Committee (Chair)
The North West Company Inc. (2002 – Present)	Chair of the Board

Board/Committee Membership	Attendance		Attendance (Total)	
Board of Directors[14]	3 of 3	100%	14 of 22	64%
Human Resources Committee[14]	2 of 2	100%		
Loans Committee[14]	9 of 17	53%		

Equity Ownership

Year	Common Shares[3]	Deferred Share Units (DSUs)	Total Common Shares and DSUs	Total Value of Common Shares and DSUs[4] ($)	Minimum Required[15] ($)	Total Amount at Risk as a Multiple of Annual Retainer
2011	6,000	2,597	8,597	221,803	400,000	2.77
2010	1,000	0	1,000	28,250	400,000	0.35
Net Change	5,000	2,597	7,597	193,553	-	-

Alan M. Rowe, CA

Toronto, Ontario
Canada

Age[1]: 56
Director Since: 1996

Independent

Mr. Rowe is a Partner of Crown Realty Partners, an investment management company. Prior to July 2007, he was Senior Vice President, Chief Financial Officer and Corporate Secretary of Crown Life Insurance Company, a life insurance company. Mr. Rowe is a Chartered Accountant. He holds a Bachelor of Commerce (Hons) from Memorial University of Newfoundland.

Public company directorships in the past five years	Role on boards and committees
Nil	-

Board/Committee Membership	Attendance		Attendance (Total)	
Board of Directors	6 of 6	100%	32 of 37	86%
Audit Committee	4 of 4	100%		
Human Resources Committee (Chair)	5 of 5	100%		
Loans Committee	17 of 22	77%		

Equity Ownership

Year	Common Shares[3]	Deferred Share Units (DSUs)	Total Common Shares and DSUs	Total Value of Common Shares and DSUs[4] ($)	Minimum Required ($)	Total Amount at Risk as a Multiple of Annual Retainer
2011	22,000	5,976	27,976	721,781	400,000	9.02
2010	22,000	3,317	25,317	715,205	400,000	8.94
Net Change	0	2,659	2,659	6,576	-	-

Arnold J. Shell

Toronto, Ontario
Canada

Age[1]: 62
Director Since: 1997

Independent

Mr. Shell is President of Arnold J. Shell Consulting Inc., an insurance, retirement and estate planning consulting firm. Mr. Shell was previously Senior Vice President, Insurance Operations with Crown Life Insurance Co. Mr. Shell holds a Bachelor of Arts in Mathematics and Philosophy and a Master of Arts in Actuarial Mathematics, both from the University of Manitoba. He is a graduate of the Advanced Management Program at Harvard Business School. He is also a Fellow of the Canadian Institute of Actuaries and a Fellow of the Society of Actuaries.

Public company directorships in the past five years	Role on boards and committees
Nil	-

Board/Committee Membership	Attendance		Attendance (Total)	
Board of Directors	6 of 6	100%	16 of 17	94%
Governance Committee[16]	1 of 1	100%		
Human Resources Committee	5 of 5	100%		
Loans Committee[16]	4 of 5	80%		

Equity Ownership

Year	Common Shares[3]	Deferred Share Units (DSUs)	Total Common Shares and DSUs	Total Value of Common Shares and DSUs[4] ($)	Minimum Required ($)	Total Amount at Risk as a Multiple of Annual Retainer
2011	18,000	5,976	23,976	618,581	400,000	7.73
2010	18,000	3,317	21,317	602,205	400,000	7.53
Net Change	0	2,659	2,659	16,376	-	-

(1) The age of each director is provided as at the date of the annual meeting of shareholders (March 8, 2012).
(2) Mr. Bellstedt became a member of the Human Resources Committee and ceased to be a member of the Loans Committee effective March 3, 2011.
(3) Common shareholdings of the Bank, as listed for all nominees, are those beneficially owned or over which control or direction is exercised by such nominee as at December 31, 2011 and, except for Ms. Hohol, as at January 5, 2011 and have been provided by the respective nominees.
(4) The value of common shares and, as applicable, DSUs and RSUs are valued at the closing price of the common shares on December 30, 2011 and January 5, 2011.
(5) Ms. Hohol was appointed a director on June 1, 2011. On this date, she also became a member of the Governance Committee and Loans Committee.
(6) Ms. Hohol has until June 1, 2014 to comply with the minimum shareholding requirement.
(7) Of the common shareholdings of Mr. Manning as at December 31, 2011, 1,859,922 shares are owned by Cathton Investments Ltd. (Cathton). Mr. Manning is a director and the President of Cathton.
(8) The Governance Committee has considered Mr. Phillips' participation as a director on a number of other public company boards and has determined that Mr. Phillips' additional public board memberships will not impair his ability to devote the time and attention to the Bank required in order for Mr. Phillips to properly discharge his duties nor his ability to act effectively and in the best interests of the Bank.
(9) Mr. Phillips will cease to be a director of this company in 2012.

(10) Mr. Phillips serves as an alternate member of the Loans Committee and attends only when invited by the Committee to share his expertise in certain specified industries.
(11) Mr. Protti became a member of the Audit Committee and ceased to be a member of the Loans Committee effective March 3, 2011.
(12) Mr. Reid became a member of the Audit Committee and Loans Committee upon his election as a director on March 3, 2011.
(13) Mr. Reid was appointed as a director on March 3, 2011 and has until March 3, 2014 to comply with the minimum shareholding requirement.
(14) Mr. Riley became a member of the Human Resources Committee and Loans Committee upon his election as a director on March 3, 2011.
(15) Mr. Riley was appointed as a director on March 3, 2011 and has until March 3, 2014 to comply with the minimum shareholding requirement.
(16) Mr. Shell became a member of the Governance Committee and ceased to be a member of the Loans Committee effective March 3, 2011.

ATTENDANCE OF DIRECTORS AT BOARD AND COMMITTEE MEETINGS

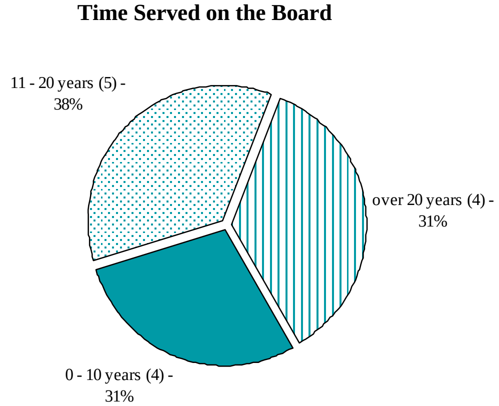
The following table sets forth the number of directors' meetings and committee meetings held during the 12-month period ended October 31, 2011 and the number of meetings attended by each director. In that period, the Board held four regularly scheduled meetings and two special meetings. Special meetings are called on shorter notice than regularly scheduled meetings, which are scheduled a year or more in advance. Loans Committee meetings are not scheduled and are typically called on less than one week's notice. Members of the Loans Committee are not expected to attend all meetings of this committee.

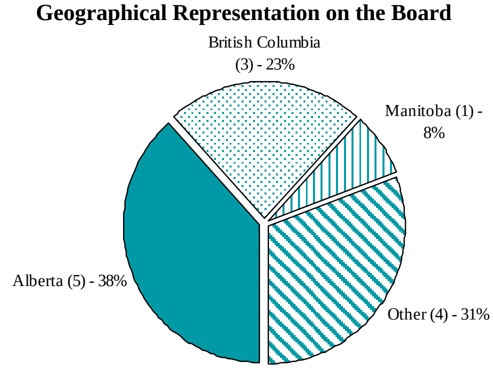
	Board (6 Meetings)		Audit Committee (4 Meetings)		Governance Committee (3 Meetings)		Human Resources Committee (5 Meetings)		Loans Committee (22 Meetings)	
Director Name	**#**	**%**	**#**	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Albrecht W.A. Bellstedt(1)	6	100	-	-	3	100	2/2	100	2/5	40
Linda M.O. Hohol(2)	3/3	100	-	-	1/1	100	-	-	9/13	69
Allan W. Jackson	6	100	-	-	3	100	5	100	18	82
Wendy A. Leaney	6	100	4	100	3	100	-	-	17	77
Robert A. Manning	6	100	4	100	3	100	5	100	-	-
Gerald A.B. McGavin	6	100	4	100	-	-	-	-	21	95
Howard E. Pechet	6	100	-	-	-	-	5	100	19	86
Robert L. Phillips(3)	6	100	4	100	-	-	5	100	4	n/a
L. (Larry) M. Pollock	6	100	-	-	-	-	-	-	10	45
Raymond J. Protti(4)	5	83	2/2	100	3	100	-	-	4/5	80
Ian M. Reid(5)	3/3	100	2/2	100	-	-	-	-	12/17	71
H.S. (Sandy) Riley(6)	3/3	100	-	-	-	-	2/2	100	9/17	53
Alan M. Rowe	6	100	4	100	-	-	5	100	17	77
Arnold J. Shell(7)	6	100	-	-	1/1	100	5	100	4/5	80
Average Percentage	74/75	99	24/24	100	17/17	100	34/34	100	142/194	73

(1) Mr. Bellstedt became a member of the Human Resources Committee and ceased to be a member of the Loans Committee effective March 3, 2011.
(2) Ms. Hohol was appointed a director on June 1, 2011. On this date, she also became a member of the Governance Committee and Loans Committee.
(3) Mr. Phillips serves as an alternate member of the Loans Committee and attends only when invited by the Committee to share his expertise in certain specified industries.
(4) Mr. Protti became a member of the Audit Committee and ceased to be a member of the Loans Committee effective March 3, 2011.
(5) Mr. Reid became a member of the Audit Committee and Loans Committee upon his election as a director on March 3, 2011.
(6) Mr. Riley became a member of the Human Resources Committee and Loans Committee upon his election as a director on March 3, 2011.
(7) Mr. Shell became a member of the Governance Committee and ceased to be a member of the Loans Committee effective March 3, 2011.

COMPOSITION AND EXPERTISE OF THE BOARD

A board of directors is most effective when it can draw from a variety of skills and experiences. The following charts illustrate the diversity of perspectives of the non-executive director nominees based on their length of time on the Board and their geographical representation.





The following table outlines the diversity of experience and expertise of the non-executive director nominees, based on a self assessment by each nominee.

Board of Directors Areas of Experience/Expertise	
Area of Experience/Expertise	**Number of Directors with Experience/Expertise**
Senior level position in a major company Broad business experience through a senior level position in a major company	12
Financial services industry Experience in the financial services industry gained in banking, trust, insurance or wealth management	9
Risk management Experience identifying principal corporate risks to ensure that management implements the appropriate systems to manage risk – may have been gained as an executive of a major public company or by serving as Chair or a member of the risk committee of another publicly traded company	9
Financial expertise Based on the definitions of financial literacy for members of an audit committee under securities laws	13
Compensation Experience overseeing compensation design – may have been gained as an executive of a major public company or by serving as Chair or a member of the Human Resources Committee of CWB or another publicly traded company	10
Real estate Experience in real estate development or the real estate industry	5
Energy lending Experience in the oil and gas or mining industries or in lending to such industries	4
Equipment financing Experience in the equipment industry or lending to such industry	2
Legal/regulatory Training or experience in law and/or compliance	7
Public policy Experience in public policy and government relations	5

INDEPENDENCE OF DIRECTORS

To better align the interests of the Board with those of the Bank's shareholders, all of the nominees for election to the Board, except the Bank's President and CEO, are independent. It is a requirement under the Bank Act for the CEO to be a director of the Bank. Please refer to Schedule A – Statement of Corporate Governance Practices for a discussion of how the Bank determines whether its directors are independent.

OTHER PUBLIC COMPANY DIRECTORSHIPS AND INTERLOCKING DIRECTORSHIPS

The Bank recognizes that Board membership requires a significant dedication of time. The Board has considered whether to limit the number of public company directorships its directors can hold. However, the Board has decided to not implement a policy on this matter at this time. The Board believes that individual director assessments are the best method for ensuring that Board members remain accountable and continue to discharge their duties as directors of the Bank.

The following table lists the nominees for director of the Bank who served together on the boards of other public companies as at October 31, 2011. The Board has not implemented a policy on interlocking board memberships as it does not believe that the interlocking board memberships of its directors impact the ability of these directors to act in the best interests of the Bank.

Entity	Director/Trustee	Committees
Capital Power Corporation	Albrecht W.A. Bellstedt	Corporate Governance, Compensation and Nominating Committee (Chair) Environment, Health and Safety Committee
	Robert L. Phillips	Corporate Governance, Compensation and Nominating Committee
The Churchill Corporation	Albrecht W.A. Bellstedt	-
	Ian M. Reid	Audit Committee Corporate Governance and Nominating Committee (Chair)
WestJet Airlines Ltd.	Allan W. Jackson	Audit Committee Compensation Committee (Chair) Corporate Governance and Nominating Committee
	L. (Larry) M. Pollock	Audit Committee Compensation Committee Corporate Governance and Nominating Committee

DIRECTOR ORIENTATION AND CONTINUING EDUCATION

The Bank's director orientation program allows new directors to meet with management and receive an overview of the Bank's businesses, operations and initiatives. In addition, new directors are provided with reference material about the Bank and the banking industry. In 2011, Ms. Linda Hohol, Mr. Ian Reid, and Mr. Sanford Riley participated in the orientation program.

Presentations specific to their oversight responsibilities are provided to the Board and its committees, including several presentations on IFRS which were provided to the Audit and Loans Committees in fiscal 2011. The Bank also provides continuing education to directors regarding business operations of CWB and its subsidiaries (the CWB Group) as well as the economic environment in which its businesses operate. The table below lists the presentations provided to the Board during the 2011 fiscal year. All directors attended these presentations, except for Mr. Rowe, who did not attend the presentations held on March 3, 2011.

Date	Topic	Presented by
December 6, 2010	Economic Outlook for Edmonton and Northern Alberta	Edmonton Economic Development Corporation
December 7, 2010	Leadership Development	Linkage, Inc.
March 3, 2011	Relationship Banking	CWB Management
March 3, 2011	Optimum Mortgage	CWT Management
March 3, 2011	CWB's British Columbia Region	CWB Management
June 1, 2011	Outlook on Vancouver Real Estate Market	Deloitte & Touche, Financial Advisory Group
September 1, 2011	CWB's Equipment Financing Group	CWB Management
September 2, 2011	CWB's Northern Alberta Region	CWB Management
September 2, 2011	Energy Lending	CWB Management
September 2, 2011	Canadian Direct Insurance Incorporated's (CDI) Reinsurance Program	CDI Management

DIRECTOR COMPENSATION

Compensation Governance

The Governance Committee has responsibility for recommending to the Board the amount and structure of director compensation. In making its recommendations, the Governance Committee annually reviews publicly available director compensation surveys and compares the Bank's director compensation and structure to those of other similarly sized Canadian public companies.

In light of the increased duties and responsibilities of the Chair of the Board and as an outcome of the Governance Committee's review of director compensation surveys, the Board approved, effective March 2011, an increase in the annual Chair of the Board retainer from $40,000 to $100,000. There were no increases in the other retainers or meeting attendance fees during fiscal 2011. Commencing in March 2012, the Human Resources Committee Chair retainer will be increased from $7,500 to $10,000 to reflect the additional responsibilities of this position. No additional increases to retainers or meeting attendance fees have been approved for fiscal 2012.

Retainers and Fees

Directors are compensated for their services as directors through a combination of annual retainers and meeting attendance fees. Annual retainers are paid upon election to the Board. Meeting attendance fees are paid over the directors' term as meetings occur. Mr. Pollock, who is an executive officer of the Bank, does not receive any fees for serving as a director of the Bank. Directors are reimbursed for travel and other expenses when they attend meetings or conduct business on behalf of the Bank or its subsidiaries.

Annual retainers and meeting attendance fees were paid to the non-management directors on the following basis during the year ended October 31, 2011.

Retainers and Fees	CWB (excluding CDI) ($)	CDI ($)
Chair of the Board Retainer (per year)	100,000	10,000
Annual Retainer (per year)	80,000	20,000
Audit Committee Chair Retainer (per year)	15,000	7,500
Committee Chair Retainer (other than Audit) (per year)	7,500	N/A
Board Attendance Fee (per meeting)	1,500	1,500
Committee Attendance Fee (other than Audit) (per meeting)	1,500	N/A
Audit Committee Attendance Fee (per meeting)	3,000	N/A
Audit Committee Member Retainer (per year)	8,000	N/A
Committee Member Retainer (other than Audit) (per year)	4,000	N/A

Deferred Share Unit Plan

Effective March 4, 2010, the Board implemented a deferred share unit plan (DSUP) for the Bank's directors. Each director is required to receive a minimum of 50% of his or her annual retainer in the form of deferred share units (DSUs). In addition, the Chair of the Board may elect to receive any portion of the Chair of the Board retainer in the form of DSUs. Payments to directors for serving on committees, chairing committees or attending meetings are not eligible to be received in the form of DSUs.

The purpose of the DSUP is to enhance the Bank's ability to attract and retain talented individuals to serve as directors and to promote a greater alignment of interests between directors and shareholders of the Bank by linking a portion of annual director compensation to the future value of the Bank's common shares.

DSUs are only redeemable once a director ceases to serve as a director, at which point they are paid out in cash. The value of a DSU at the time it is granted to a director and at the time it is redeemed for cash following the director's retirement is equal to the average daily volume weighted trading price of the Bank's common shares on the date the DSUs are granted or redeemed and the four consecutive trading days immediately prior to that date. DSUs earn dividends at the same rate that dividends are paid on the Bank's common shares. When paid, DSU dividends are reinvested into DSUs.

DSUs credited to a director are counted as common shares (on a one-for-one basis) for determining whether a director has met the minimum director shareholding requirement set by the Bank.

Director Total Compensation

The following table shows the amounts, before withholdings, earned by the non-management directors during the year ended October 31, 2011 in respect of membership on the Board of CWB and its committees and, in the case of Mr. McGavin, of CDI.

Director Name	Fee Breakdown: Board Retainer[(1)] ($) In Cash	Fee Breakdown: Board Retainer[(1)] ($) In DSUs	Fee Breakdown: Committee Member Retainer[(2)] ($)	Fee Breakdown: Board Attendance Fees ($)	Fee Breakdown: Committee Attendance Fees ($)	Total Fees Earned ($)	All Other Compen-sation ($)	Total Compensation ($)
Albrecht W.A. Bellstedt	40,000	40,000	11,500	9,000	10,500	111,000	-	111,000
Linda M.O. Hohol[(3)]	30,000	30,000	6,000	4,500	15,000	85,500	-	85,500
Allan W. Jackson	-	180,000[(4)]	12,000	9,000	39,000	240,000	-	240,000
Wendy A. Leaney	40,000	40,000	16,000	9,000	42,000	147,000	-	147,000
Robert A. Manning	20,000	60,000	23,000	9,000	24,000	136,000	-	136,000
Gerald A.B. McGavin	40,000	40,000	15,500	9,000	43,500	148,000	34,500[(5)]	182,500
Howard E. Pechet	40,000	40,000	8,000	9,000	36,000	133,000	-	133,000
Robert L. Phillips	40,000	40,000	12,000	9,000	25,500	126,500	-	126,500
Raymond J. Protti	40,000	40,000	12,000	7,500	16,500	116,000	-	116,000
Ian M. Reid	-	80,000	12,000	4,500	24,000	120,500	-	120,500
H.S. (Sandy) Riley	-	80,000	8,000	4,500	16,500	109,000	-	109,000
Alan M. Rowe	-	80,000	19,500	9,000	45,000	153,500	-	153,500
Arnold J. Shell	-	80,000	8,000	9,000	15,000	112,000	-	112,000

(1) Annual retainers are paid upon election as a director and relate to the period from election to the next annual meeting of shareholders.
(2) Includes the Committee Chair retainers.
(3) Ms. Hohol was appointed to the Board on June 1, 2011 and her Board and committee retainer fees were pro-rated for nine months.
(4) Includes the Chair of the Board retainer.
(5) Represents fees earned as a director of CDI. Mr. McGavin ceased serving on the CDI Board on June 14, 2011.

The aggregate amount that may be paid by the Bank each financial year to its directors is $2,000,000. In the fiscal year ended October 31, 2011, the non-management directors earned a total of $1,738,000 from the Bank and $34,500 from CDI for total fees and retainers of $1,772,500.

DIRECTORS' SHAREHOLDING REQUIREMENTS

To ensure that directors' interests are aligned with shareholder interests, all non-management directors of the Bank are required to hold, either directly or indirectly, or exercise control or direction over, common shares or DSUs of the Bank with a value equivalent to five times the annual Board retainer paid to directors. Directors have three years from the date of initial appointment to comply and must hold one-third of the requirement on the first anniversary of their appointment as a director and two-thirds of the requirement on the second anniversary of their appointment. Thereafter, compliance is assessed as at October 31 of each year. As of the date of this Circular, all directors seeking re-election met this requirement, except for Ms. Hohol, who has until June 2014, and Mr. Reid and Mr. Riley, who each has until March 2014 to meet the minimum shareholding requirement.

Commencing in fiscal 2012, directors are prohibited from directly or indirectly entering into short sales or buying or selling a call or put in respect of the Bank's securities. In addition, directors are not permitted to enter into non-recourse pledges of Bank securities or to purchase financial instruments (including prepaid variable forward contracts, equity swaps, collars or units of exchange funds) designed to hedge or offset a decrease in the market value of equity securities of the Bank granted as compensation or held, directly or indirectly, by the director.

ADDITIONAL DISCLOSURE RELATING TO DIRECTORS

No proposed director has, within the 10 years prior to the date of this Circular, 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, (ii) was subject, after the proposed director ceased to be a director or executive officer, to 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 resulted from an event that occurred while that person was active in the capacity of director or executive officer, or (iii) during the tenure of the director or executive officer or 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 set forth below:

Director	Entity	Description
Alan M. Rowe	Big Sky Farms Inc.	Mr. Rowe served from October 8, 2004 to April 12, 2010 as a director of Big Sky Farms Inc. 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).
	CrownAg International Inc.	Mr. Rowe served from November 25, 2004 to June 14, 2005 as a director of CrownAg International Inc. and was a nominee of a secured lender which, together with two other secured lenders, appointed a receiver of the company on June 14, 2005.
Albrecht W.A. Bellstedt	Atlas Cold Storage Income Trust	Mr. Bellstedt, who served as a trustee of Atlas Cold Storage Income Trust, was subject to an Ontario Securities Commission cease trade order that was issued in respect of all insiders of Atlas Cold Storage Income Trust on December 2, 2003 due to the late filing of financial statements required to reflect certain restatements. The cease trade order was rescinded in January 2004.

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

EXECUTIVE COMPENSATION AND RELATED INFORMATION

LETTER TO SHAREHOLDERS

To Our Shareholders

The Human Resources Committee assists the Board in establishing the Bank's compensation philosophy and structure, overseeing executive officer compensation decisions and ensuring that effective succession planning is in place. Last year, shareholders voted for the first time on the Bank's approach to executive compensation, and we were pleased that the Bank's advisory resolution received a support level of over 99% from its shareholders.

2011 Committee Activities

In accordance with our practice of conducting a more in-depth comparison of executive compensation every three years to test the data contained in benchmark compensation surveys, the Committee retained Mercer (Canada) Limited during the past year. The Mercer report provided the Committee with additional information on the compensation of specified entities the Committee believes are generally similar in size, industry and/or geographical focus to CWB. This information was used to determine the general validity of the compensation data obtained through the compensation surveys utilized by the Committee to assess compensation levels. Based on the Mercer report, the Committee concluded that the structure and amount of the Bank's current executive compensation were generally within the compensation range of the specified comparators and consistent with the Bank's stated compensation philosophy. Further details contained in the Mercer report are set out on page 27.

In 2011, we enhanced our compensation practices to incorporate further measures to strengthen the alignment between compensation practices and risk management with the introduction of the Compensation Recoupment Policy. The Policy provides the Committee with discretion to claw back awards of short-term and long-term incentives in incidences of financial restatement, fraud or intentional misconduct. Particulars of this Policy are provided on page 24.

The Board understands that CWB's history of success is the result of an experienced and dedicated leadership team. Leadership development therefore has always been an important factor in the President and CEO's performance objectives. This focus on executive development was also a significant priority for the Committee and the Board during 2011 in anticipation of the end of Mr. Pollock's current employment term in March 2013.

2011 CEO Performance and Compensation

The achievement of financial performance targets represents a significant factor in the determination of Mr. Pollock's short-term incentive award. Although CWB met or exceeded all of its fiscal 2011 financial performance targets, the targets established by the Committee for 2011 short-term compensation purposes were more aggressive than the Bank's performance targets. Details of these compensation performance targets are described on page 33. Loan growth of 16%, a provision for loan losses as a percentage of average loans of 0.20% and growth in net income of 9% all exceeded the short-term compensation performance targets. Primarily as a result of the fact that interest rates did not increase in 2011 as expected, total revenue growth of 13% on a taxable equivalent basis (teb), return on common equity of 15.6%, return on assets of 1.20% and an efficiency ratio (teb) of 45.3% were marginally below the short-term compensation performance targets. The Committee also noted Mr. Pollock's instrumental role in the executive leadership development and succession planning initiatives in 2011. After consideration of these achievements, the Committee granted Mr. Pollock an annual incentive award of 175% of base salary. Mr. Pollock's 2011 total compensation was $3,040,425, an increase of 0.9% over 2010 total compensation. Further discussion of Mr. Pollock's 2011 performance and compensation may be found on page 32.

Compensation Approach

The fundamental approach to the Bank's compensation structure remains the same as in prior years. Compensation is designed to attract and retain the talent needed for the continued success of the CWB Group. Base salary ranges are established by reference to compensation of similar sized companies with whom CWB

Group competes for talent in Western Canada and the Canadian financial services sector. Short-term incentive awards are limited to a specified percentage of base salary, dependent on the individual's position. The value of the short-term incentive awarded to each executive officer for a given year is approved by the Committee after review of the CWB Group's performance against compensation performance targets for that year as well as consideration of the executive's non-financial contributions to the ongoing success of the CWB Group. As such, there is a direct link between the Bank's performance, the executive's performance and the value of the short-term incentive.

Long-term incentives consist of stock options and restricted share units, with the value realized by executives from both being directly correlated to the share price performance of CWB common shares. Long-term incentive awards are determined within a specified target and maximum percentage of base salary, dependent upon the individual's position. These forms of long-term incentives, together with the shareholding requirements of the executive, ensure that the executive's long-term interests are closely aligned with the interests of the Bank's shareholders.

In addition to reviewing each element of compensation, the Committee examines the cumulative effect of the total compensation package. The total compensation target for an executive is the median of the range of available comparison data if performance is met. Variances from the median may be determined by the Committee based on such factors as individual performance, relevant experience, tenure, internal equity considerations and retention potential. Actual compensation may also vary in times of share price fluctuation. In reviewing total compensation, the Committee noted that many of the Bank's competitors offer executive defined benefit pension plans, the value of which are not affected by performance thresholds, clawbacks or the share price of the company. Other than two executive officers of the Bank, no officer of CWB has a pension plan. In assessing the value of the total compensation package, the long-term incentive awards provide, in part, a proxy for a pension plan. This fact has been taken into consideration in the decision not to include performance thresholds on vesting of long-term incentive awards.

The Committee retains discretion, subject to the stated maximum percentage of salary in the case of short-term and long-term incentives, to adjust individual awards in order to address unexpected or uncontrollable circumstances, or to adjust for undesirable outcomes. We believe that strict adherence to a formula could restrict the ability of the Committee to act in circumstances of inappropriate behaviour. The ability of the Committee to exercise judgment is critical to ensure that awards encourage management to take appropriate action to respond to unexpected circumstances. This has been particularly true in the current environment in which the CWB Group operates.

The Board's objective in its compensation policy is to ensure that the link between CWB performance and pay is clear and easy for participants in the compensation programs to understand. The Board believes that overly complex variable compensation structures result in less understanding and thereby provide less motivation for the employee and, possibly, less transparency for the investor.

The Board believes the Bank's executive compensation structure supports the creation of long-term sustainable value for the shareholders and does not encourage inappropriate risk taking. We will continue to monitor our compensation structure against trends in the industry and adopt compensation practices we believe are appropriate for the CWB Group.

Alan M. Rowe, CA
Chair, Human Resources Committee

Allan W. Jackson
Chair of the Board

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Governance

The Human Resources Committee assists the Board with respect to the establishment of the Bank's compensation philosophy and structure. It is comprised of eight independent directors: Alan M. Rowe, who serves as Chair, Albrecht W.A. Bellstedt, Allan W. Jackson, Robert A. Manning, Howard E. Pechet, Robert L. Phillips, H.S. (Sandy) Riley and Arnold J. Shell. No member of the Human Resources Committee has ever been an officer or employee of the Bank or any of its affiliates, and no member is an active chief executive officer with a publicly traded company.

All members have direct experience in compensation matters as current or former chief executive officers or executive officers, including three members whose experience is primarily in the financial services sector. Four members also currently serve as Chair of the compensation committee for other publicly traded companies. Collectively, this experience provides the Human Resources Committee with the knowledge, skills, experience and background in executive compensation and human resources matters to make decisions on the suitability of the Bank's compensation policies and practices.

The responsibilities, powers and operation of the Human Resources Committee are set out in its mandate, which is available on the Bank's website at www.cwbankgroup.com. Its key responsibilities include the following.

Compensation Structure
• review the organizational structure of the Bank at the executive level • establish, amend and monitor all compensation plans • award short-term and long-term incentives • establish shareholding requirements for senior management • review the annual report on employment equity practices
CEO Performance and Compensation
• establish an executive compensation structure for the President and CEO, including the establishment and weighting of annual performance targets • review the position description for the President and CEO • complete the annual performance appraisal for the President and CEO • review and approve the employment contract of the President and CEO
Performance and Compensation of the Executive Officers
• in conjunction with the CEO, establish an executive compensation structure for the Executive Vice Presidents • review the position descriptions for the Executive Vice Presidents • review and recommend to the Board the appointment of all Executive Vice Presidents • review and approve any employment contract entered into between the CWB Group and an executive level officer
Succession Planning and Leadership Development
• review the succession plans for all officers within the CWB Group • ensure appropriate programs are in place for leadership development
Disclosure
• review and approve the compensation discussion and analysis in CWB's annual proxy circular

The Human Resources Committee held four regularly scheduled meetings and one special meeting in fiscal 2011. The President and CEO and the Senior Vice President, Human Resources attend meetings of the Human Resources Committee but do not have the right to vote on any matter. Other senior officers may also attend for parts of a meeting for presentation purposes. No officer, including the President and CEO, is present when his or her compensation is discussed.

The Human Resources Committee has instituted good governance practices that enhance the Human Resources Committee's ability to effectively carry out its responsibilities. These practices include:

- holding in-camera sessions without management present during every Human Resources Committee meeting;
- utilizing a work plan which sets out the timetable of all regularly occurring matters for which the Human Resources Committee has responsibility; and
- hiring external advisors to advise the Human Resources Committee on compensation levels and structure no less than once every three years and requiring their attendance when their reports are discussed.

In addition, the Human Resources Committee receives feedback from shareholders on governance matters through an annual advisory resolution on the Bank's approach to executive compensation, through ChairoftheBoard@cwbank.com, and by meeting with key stakeholders upon request. During fiscal 2011, the Chair of the Board and the Chairs of the Human Resources and Governance Committees met with representatives of the Canadian Coalition for Good Governance to hear their perspectives on the Bank's approach to governance and executive compensation.

During fiscal 2011, the Human Resources Committee focused on the following:

2011 Key Accomplishments
• an in-depth review of the structure and amount of executive compensation. Further details on the report prepared by Mercer (Canada) Limited are set out on page 27; • a review of succession plans for each executive officer, including the President and CEO, as well as other key positions within the CWB Group. As a result of this review, the Human Resources Committee is satisfied that one or more potential successors have been identified for all key positions; • the oversight of executive development processes designed to enhance leadership talent within the executive team. This included the engagement of an executive development firm to conduct detailed leadership assessments of, and development sessions with, key Executive Vice Presidents of the Bank; and • an assessment of the design of executive compensation programs to ensure practices were consistent with sound and effective risk management. The Human Resources Committee adopted the Compensation Recoupment Policy, which provides for the recoupment of previously paid variable compensation, the forfeiture of vested and unvested equity-based compensation, and the recoupment of any realized gains on previously exercised equity-based compensation awards, at the discretion of the Human Resources Committee, in the event of a financial restatement, or if the individual engages in job-related fraudulent conduct or intentional misconduct.

Executive Compensation Philosophy

The compensation program for the Bank's executives is based on three guiding objectives:

- to attract and retain competent motivated individuals;
- to align compensation with the achievement of the Bank's strategic and operational objectives; and
- to align compensation with long-term shareholder interests.

In determining compensation levels and the compensation structure for executive positions, the Human Resources Committee strives to ensure a competitive level of total compensation relative to comparative positions in the western Canadian market and/or Canadian financial services sector, as appropriate. The executive compensation philosophy is to provide a reasonable level of annual base compensation commensurate with the responsibilities of the executive, with all other compensation elements based on pay for performance. Performance in the context of the short-term incentive is based on the achievement of annual corporate and individual objectives. Performance in the context of the long-term incentive is based on value creation for shareholders and is designed to encourage executives to remain with the Bank over the long term. This compensation philosophy results in a significant portion of each executive's compensation being "at risk" in order to motivate executives and to align their interests with the creation of long-term shareholder value. Generally, the more senior the position, the greater the officer's total compensation is "at risk". In addition, the higher the individual's position, the higher the percentage that options represent in the individual's long-term incentive relative to the percentage represented by restricted share units, with the objective that more senior executives should have a larger portion of their long-term incentive at risk. Accordingly, options represent 70% of Mr. Pollock's long-term incentive compared to 60% of an Executive Vice President's long-term incentive.

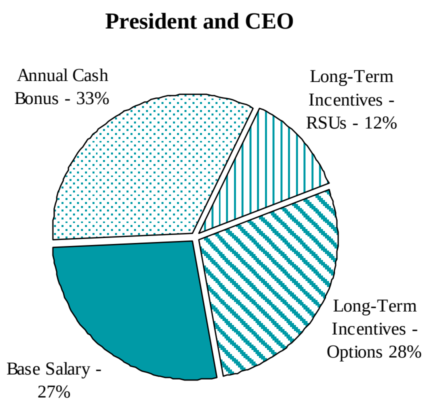
In addition to the above principles, the Board supports a compensation structure that ensures that the link between performance and pay is simple and easy to understand. The Board believes that overly complex compensation structures result in less understanding, and thereby provide less motivation, for the employee. The Human Resources Committee also retains discretion, subject to the stated maximum percentage of base salary, to adjust individual awards to deal with unexpected circumstances or to adjust undesirable outcomes.

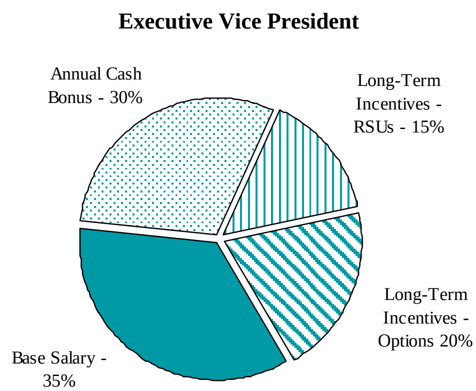
The Bank's compensation philosophy is to position each component of total compensation at the median of comparator market data. Variances from the median may be determined by the Human Resources Committee based on such factors as individual performance, relevant experience, tenure, internal equity considerations and retention potential. Total compensation may exceed the median total compensation level of the selected executive compensation surveys in times of strong share price appreciation and corporate performance. While the objective is to ensure that total compensation will always be competitive, it is also designed to ensure that superior performance will result in superior compensation and that it achieves the objective of retaining experienced management.

The value of retirement benefits, group benefits and perquisites are modest in relation to comparator market compensation data. Retirement income benefits for officers, other than two executive officers, are provided through Bank contributions to the Group Registered Retirement Savings Plan rather than a defined benefit pension plan. Values of defined benefit pensions are not affected by corporate performance thresholds, the executive's performance, clawbacks or the share price of a company. The value of the executive's long-term incentives therefore provides, in part, a proxy for a pension plan. As a result, no performance thresholds have been imposed on long-term incentives.

Components of each executive’s overall compensation vary with the position and that particular position’s ability to impact the Bank’s success. The following table illustrates, as a percentage for each element, the executive’s target total compensation mix.

Compensation Mix Targets





Compensation Alignment with Risk Management Principles

The Human Resources Committee continuously monitors the Bank’s compensation structure against trends in the industry. During fiscal 2011, the Bank’s compensation practices were enhanced to incorporate further measures to strengthen the alignment between compensation practices and risk management with the adoption of the Compensation Recoupment Policy. This Policy provides, at the discretion of the Human Resources Committee, for the recoupment of previously paid variable compensation, the forfeiture of vested and unvested equity-based variable compensation, and the recoupment of any realized gains on previously exercised equity-based compensation in the event of a financial restatement or if the individual engages in job-related fraudulent conduct or intentional misconduct. The Policy was effective September 2011 and applies to all positions at the Assistant Vice President level or higher within the CWB Group.

The CWB share trading restrictions prohibit the Bank's officers from directly or indirectly entering into short sales or buying or selling a call or a put in respect of the Bank's securities. Subsequent to fiscal 2011, the share trading restrictions were amended to also prohibit the entering into of non-recourse pledges of Bank securities and the purchase of financial instruments (including prepaid variable forward contracts, equity swaps, collars or units of exchange funds) designed to hedge or offset a decrease in the market value of equity securities of CWB granted as compensation or held, directly or indirectly, by a director or officer of the Bank.

The Human Resources Committee believes the alignment of compensation and governance practices with risk management principles promotes the generation of long-term shareholder value within an effective risk control environment. The Principles for Sound Compensation Practices and the associated Implementation Standards were established by the Financial Stability Board with the intent to protect against excessive risk taking and to enhance the stability and soundness of the global financial system. The following table summarizes these principles and describes the Bank's alignment with each principle.

Financial Stability Board Principles	CWB Alignment
Effective governance of compensation	
1. The firm's board of directors must actively oversee the compensation system's design and operation.	• the Board establishes the Bank's compensation philosophy and structure • the Human Resources Committee, composed entirely of independent directors - reviews the compensation outcomes of the compensation structure to ensure that they are consistent with the compensation philosophy - oversees the hiring, promotion and compensation of executive officers - ensures effective succession planning is in place - approves and amends compensation programs - determines incentive compensation criteria and allocations • the Human Resources Committee meets in camera for part of each Committee meeting and provides its report in camera to the Board
2. The firm's board of directors must monitor and review the compensation system to ensure the system operates as intended.	• key performance objectives are approved by the Human Resources Committee at the beginning of the year and performance against those objectives is evaluated at the end of each year in order to establish that year's awards • the Human Resources Committee engages an independent compensation consultant at least once every three years to review the compensation structure and the level of compensation of the executive officers
3. Staff engaged in financial and risk control must be independent, have appropriate authority, and be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the firm.	• compensation for executives in control functions (risk, audit, compliance and finance) is based on enterprise performance and individual performance and is independent of the results of specific businesses supported • the Chief Internal Auditor meets in camera with the Audit Committee at each Committee meeting
Effective alignment of compensation with prudent risk taking	
4. Compensation must be adjusted for all types of risk.	• the Chair of the Audit Committee is a member of the Human Resources Committee and the Chair of the Human Resources Committee is a member of the Audit Committee. In addition, one other member of the Human Resources Committee is a member of the Audit Committee. Five members of the Human Resources Committee are also members of the Loans Committee. These cross-memberships on committees of the Board support alignment of compensation and risk control principles • all executive compensation plans, other than the long-term incentive plan (LTIP) for the CEO, have a discretionary element that permits the Human Resources Committee to consider risk when determining awards • the Human Resources Committee includes capital and risk based ratios, such as return on equity and the provision for loan losses, as part of the performance targets for variable compensation
5. Compensation outcomes must be symmetric with risk outcomes.	• short-term incentives are subject to maximum percentages of base salary and have no minimums • variable compensation is subject to claw back and forfeiture in the event of a financial restatement, fraud or intentional misconduct

Effective alignment of compensation with prudent risk taking	
6. Compensation payout schedules must be sensitive to the time horizon of risks.	• stock options vest after three years and restricted share units (RSUs) vest one-third in each year after they are awarded, ensuring sufficient time for the share price to incorporate the impact of risks taken • share ownership requirements for all officers of the Bank ensures their interests are aligned with shareholders at all times • officers are not permitted to use hedging strategies designed to monetize or reduce market risk associated with equity-based compensation or their holdings in Bank securities
7. The mix of cash, equity and other forms of compensation must be consistent with risk alignment.	• equity-based compensation as a percentage of total compensation increases with seniority and the authority of such individual to make decisions that could have a material impact on the risk profile of the Bank
Engagement by stakeholders	
8. Firms must disclose clear, comprehensive and timely information about their compensation practices to facilitate constructive engagement by all stakeholders.	• CWB provides timely and transparent disclosure about its approach to compensation, including the compensation design philosophy and the link between compensation and performance • shareholders annually vote on a non-binding advisory resolution to approve the Bank's approach to executive compensation • shareholders are encouraged to contact the Chair on governance and compensation-related matters by letter or through ChairoftheBoard@cwbank.com

Shareholding Requirements for Executive Officers

The Human Resources Committee strongly supports equity ownership. CWB encourages employees to participate in ownership of the Bank through the Share Incentive Plan (SIP) and the Employee Share Purchase Plan (ESPP). In addition, the Board believes that executives should have a considerable investment in the common shares and common share equivalents of the Bank and has instituted share ownership guidelines which require officers to maintain ownership levels equal to a multiple of annual salary.

To reinforce the focus on generating long-term value for shareholders, the minimum shareholding requirement was increased in fiscal 2010 to five times annual salary for the President and CEO and two times annual salary for an Executive Vice President. The level of ownership may be achieved through the holding of common shares and outstanding RSUs. Compliance is assessed annually on October 31. Each executive officer must achieve the minimum shareholdings within three years of receiving his or her promotion or within five years of commencing employment with CWB. Each Named Executive Officer met the minimum shareholding requirement as at October 31, 2011.

Named Executive Officer	Ownership Requirement Multiple	Ownership Requirement ($)	Common Shares and RSUs as of October 31, 2011(1) ($)	Common Shares and RSUs as a Multiple of Salary
L. (Larry) M. Pollock President and CEO	5 times annual salary	3,400,00	11,992,800	17.6
Tracey C. Ball Executive Vice President and CFO	2 times annual salary	641,834	1,501,865	4.7
Christopher H. Fowler Chief Operating Officer(2)	2 times annual salary	574,166	714,752	2.5
Randell W. Garvey Executive Vice President	2 times annual salary	562,200	595,850	2.1
Brian J. Young Executive Vice President, CWB and President and CEO, CDI	2 times annual salary	564,384	1,680,617	6.0

(1) Common shares and RSUs are valued at the common share closing price of $28.50 on October 31, 2011.
(2) Mr. Fowler was appointed Chief Operating Officer in December 2011.

All executive officers are prohibited from directly or indirectly entering into short sales or buying or selling a call or put in respect of the Bank's securities. The Bank has adopted a policy, effective in fiscal 2012, which prohibits officers from entering into non-recourse pledges of Bank securities and purchasing financial instruments (including prepaid variable forward contracts, equity swaps, collars or units of exchange funds) designed to hedge or offset a decrease in the market value of equity securities of the Bank granted as compensation or held, directly or indirectly, by the officer.

Compensation Decision-Making Process

Description of Process

The Human Resources Committee recommends to the Board the compensation structure, including the various elements of the compensation program. The Senior Vice President, Human Resources provides the Human Resources Committee with relevant market data and other information as requested in order to support the Human Resources Committee's deliberations. The CEO also makes recommendations to the Human Resources Committee regarding the level and form of compensation awards for the executive officers, other than the CEO. The Human Resources Committee has full discretion to adopt or alter management recommendations and to consult its own advisors.

It is difficult for the Bank to identify a sufficient number of comparators to establish a reasonable permanent comparator group of companies as there are few publicly traded financial institutions of a similar size with a similar asset mix and geographic focus as the Bank. As a result, the Human Resources Committee reviews broad-based executive compensation surveys to determine base salary and total compensation for its executive officers. In addition, it retains an independent compensation expert at least once every three years to provide a custom survey to the Human Resources Committee. In accordance with this process, the Human Resources Committee retained Mercer (Canada) Limited (Mercer), a wholly owned subsidiary of March & McLennan Companies, Inc., in April 2011 to conduct a detailed total direct compensation analysis for the President and CEO position as well as each of the Executive Vice President positions within the Bank. Mercer prepared initial recommendations regarding the criteria for the primary peer group and the companies to be included in the peer group for consideration by the Human Resources Committee. Mercer also worked with the Human Resources Committee to reach agreement on four additional compensation reference groups as well as the position matches to be used for comparison purposes. In its report, Mercer compared base salary, total cash compensation and total direct compensation of the executive positions in the Bank to the position matches in the primary peer group. The Human Resources Committee believes the companies in the primary peer group are broadly representative of the industry in which CWB operates. The companies selected for the primary peer group were:

Canadian Imperial Bank of Commerce	Intact Financial Corporation
National Bank Canada	IGM Financial Inc.
Industrial Alliance Insurance and Financial Services Inc.	Home Capital Group Inc.
	Genworth MI Canada Inc.
Alberta Treasury Branches	AGF Management Ltd.
Laurentian Bank of Canada	Equitable Group Inc.
E-L Financial Corporation Ltd.	CI Financial Corp.

In addition to the primary peer group, Mercer utilized four additional reference groups in order to provide further context to the information for the primary peer group. The first reference group consisted of western-based companies generally similar in size and complexity to CWB. Full comparative compensation data was not available for this reference group. The second reference group consisted of United States regional banks. The third reference group consisted of companies in the banking, securities and insurance sectors contained in a survey undertaken by Mercer in 2010, and the fourth reference group consisted of western-based public companies with revenue between $100 million and $1 billion contained in Mercer's 2010 survey.

Mercer delivered its report to the Human Resources Committee in September 2011. The Mercer report generally found the structure of the Bank's compensation program to be consistent with the compensation programs of the primary peer group, with the exception of pension benefits and performance-based long-term incentives. The Human Resources Committee noted that executive defined benefit pension plans are not affected by either an executive's performance or the share price of a company. Other than two executive officers, no officer of the Bank has a pension plan. Therefore, in assessing the value of the total compensation package, the value of the executive's long-term incentives provides, in part, a proxy for a pension plan. This fact has been taken into consideration in the decision not to include performance thresholds on vesting of long-term incentive awards.

The Mercer report also concluded that base salary, total cash compensation and total direct compensation was generally within the median range of the specified peer group, after including consideration of pension benefit arrangements.

Upon review of the Mercer report, the Human Resources Committee was satisfied as to the validity of the compensation data obtained through prior compensation surveys used to assess compensation levels. The Human Resources Committee was also satisfied that the structure and amount of the Bank's executive compensation was generally in the median range for the specified peer group and consistent with the Bank's stated compensation philosophy.

Mercer was the only compensation consultant retained by the Bank during fiscal 2011 and fiscal 2010. The following table lists the aggregate fees billed by Mercer or any of its affiliates, by category.

	Year Ended October 31, 2011 ($)	**Year Ended October 31, 2010 ($)**
Executive Compensation - Related Fees	73,595	-
All Other Fees	-	-

Determination of Performance Incentives

Short-Term Incentives

At the end of each year, the Human Resources Committee reviews the Bank's financial results and discusses variations between targets and performance with the CEO. In addition, the Human Resources Committee reviews with the CEO the achievement of his short-term incentive objectives and the general performance of each of his direct reports. Achievement of the Bank's annual compensation performance targets is a major consideration in determining the amount of the annual performance incentive. However, the Human Resources Committee is of the view that strict adherence to formulas for determining the annual performance incentive may lead to unintended consequences and may be counterproductive to creating shareholder value, particularly in a rapidly changing environment. Accordingly, the Human Resources Committee may exercise discretion in assessing an executive's performance and determining the amount of an annual incentive award.

The target short-term incentive for the CEO is equal to 125% of base salary, with a maximum short-term incentive equal to 175% of base salary. A target incentive is the level of bonus typically awarded for performance that meets expectations. For fiscal 2011, the maximum target short-term incentive for Ms. Ball and Mr. Fowler was equal to 85% of base salary and the maximum target short-term incentive for the other Executive Vice Presidents was equal to 75% of base salary. Based on the Mercer report, these percentages are moderately below the percentages in the primary peer group.

Long-Term Incentives

The annual aggregate value of the grants under the LTIP for all officers, other than the President and CEO, is determined by the Human Resources Committee each December, upon review of the previous year's financial results. Although the achievement of the stated performance targets for the prior year is a material consideration in the determination of the LTIP grant, the Human Resources Committee does not establish specific performance metrics which must be met to achieve an LTIP grant. Notwithstanding the aggregate value of the annual LTIP grants is determined by reference to the previous year's financial performance, the LTIP grants are considered to be part of the executive's compensation for the upcoming year.

In accordance with the terms of his amended employment agreement, Mr. Pollock receives an annual LTIP grant equal to 150% of that year's base salary. For fiscal 2011, the value of the target LTIP grant to an Executive Vice President was 80% of the executive's base salary and the maximum was 108% of his or her base salary. The awarded value is then allocated 70% to options and 30% to RSUs for the President and CEO and 60% to options and 40% to RSUs for the Executive Vice Presidents. On a grant date for RSUs, the previous five-day weighted average trading price of a common share is divided into the value of the applicable allocation to arrive at the number of RSUs that will be granted to the executive. On a grant date for options, the value of an option on such date as determined using a binomial option pricing model is divided into the value of the applicable allocation to arrive at the number of options that will be granted to the executive. Generally, stock options are granted in December and June with each grant representing one-half of the awarded option value, and RSUs are granted in June for the entire awarded RSU value. Grants of RSUs and stock options are not influenced by the number of previous grants made to an executive.

Elements of Total Compensation

	Total Direct Compensation				Indirect Compensation
Element	**Base Salary**	**Annual Incentives**	**Long-Term Equity-Based Incentives**		**Retirement Benefits, Group Benefits and Perquisites**
Form	Cash	Cash	RSUs[(1)] Options[(2)]		
Purpose	Compensates executives for the leadership and specific skills needed to fulfil their responsibilities	Rewards executives for creating shareholder value and achieving specific performance objectives	Links the interests of executives and shareholders by rewarding executives for share price appreciation	+	Invests in employee health and well-being and provides funding for income at retirement
Performance Period	1 Year	1 Year	3-5 Years		-

(1) Vest and pay out one-third each year for three years.
(2) Vest on third anniversary and expire on fifth anniversary.

The following section provides a further description of each of the elements of compensation.

Base Salary

Base salary is used to provide a level of income certainty and for attraction and retention. Annual increases to base salary are generally within a range provided to all employees of the Bank. Additional increases beyond this percentage may be made to reflect additional responsibilities assumed by the executive, to reflect expanded oversight responsibilities of the executive associated with the growth of the business or to bring an executive's base salary within the median range of the comparator market compensation data.

Short-Term Incentive

The short-term incentive consists of an annual cash payment. The value of the short-term incentive is based on a percentage of the executive's base salary and is awarded based on financial and non-financial performance of the Bank and the executive during the year.

Long-Term Incentives

The long-term incentive program (LTIP) is designed to motivate and reward officers and employees for creating mid- and long-term shareholder value and is comprised of the Share Incentive Plan (SIP) and the Restricted Share Unit Plan (the RSU Plan). Approximately 350 employees (Participants) at the mid-management level and above were eligible to participate in the LTIP.

The following provides details of the Bank's LTIP.

Share Incentive Plan

Securities Issued and Issuable

- 13,832,000 common shares have been authorized for issuance under the SIP since its inception (after adjusting for stock dividends in 2005 and 2007, each of which effectively achieved a two-for-one split of the Bank's common shares), representing 18.32% of all issued and outstanding common shares.
- 4,132,409 common shares are reserved for issuance under existing grants, representing 5.47% of all issued and outstanding common shares.
- 819,872 common shares are available for issuance under future grants, representing 1.09% of all issued and outstanding common shares.
- In accordance with the rules of the Toronto Stock Exchange (TSX), the number of common shares issuable to insiders at any time, under all security-based compensation arrangements, cannot exceed 10% of the Bank's issued and outstanding common shares; the number of common shares issued to insiders within any one-year period, under all security-based compensation arrangements, cannot exceed 10% of the Bank's issued and outstanding common shares.

Exercise Price

- All outstanding options have an exercise price equal to the weighted average trading price of the Bank's common shares on the TSX on the grant date and the four trading days immediately preceding the grant date. The SIP provides that the exercise price of an option cannot be less than this price.

Term

- All outstanding options, other than 320,000 options granted to Mr. Pollock in fiscal 2006, have a term of five years. The SIP permits options to be granted with a term of up to eight years.
- An option's term is extended by up to 10 days following a blackout period should it otherwise expire during, or immediately after, a blackout period.

Vesting

- All outstanding options, other than 320,000 options granted to Mr. Pollock in fiscal 2006, vest three years after they are granted. The Human Resources Committee has the authority to set the date at which options vest and to accelerate the time at which any option vests.
- All outstanding options vest upon a change of control.

Resignation, Termination, Death or Retirement

The following describes how options are affected by a Participant's resignation, termination, death or retirement:

	Unvested Options as of the Effective Date	**Options Vested but Unexercised as of the Effective Date**
Resignation	Unvested options are forfeited	Must be exercised before the earlier of the original expiry date and 90 days
Termination (with cause)	Unvested options are forfeited	Must be exercised before the earlier of the original expiry date and 30 days
Termination (without cause)	Unvested options are forfeited	Must be exercised before the earlier of the original expiry date and one year
Death	Unvested options vest immediately and must be exercised before the earlier of the original expiry date and two years	Must be exercised before the earlier of the original expiry date and two years
Retirement (for options granted prior to December 7, 2010)	Options that would vest within two years of retirement vest immediately and must be exercised before the earlier of the original expiry date and 18 months	Must be exercised before the earlier of the original expiry date and 18 months
Retirement (for options granted on or after December 7, 2010)	Each option vests at the earlier of the original vesting date and one year	Must be exercised before the earlier of the original expiry date and two years

Assignment

No option is assignable other than by will or the laws of descent and distribution or pursuant to a qualified domestic relations order.

Cashless Settlement Alternative

The Bank does not provide financial assistance to Participants who wish to exercise options, other than through loans generally available to all employees. However, the SIP provides that, as an alternative to exercising options by paying the exercise price, a Participant may choose to use a cashless settlement alternative. The cashless settlement alternative allows for the value of options at the time of exercise to be settled by exchanging the options for "Substituted Rights" and the immediate conversion of those rights into common shares.

The cashless settlement alternative provides that the number of shares to be issued is determined by the following formula:

$$\textbf{Number of Shares} = \text{Number of Substituted Rights} \times \frac{(\text{Current Price} - \text{Exercise Price})}{\text{Current Price}}$$

- "Current Price" means the closing price of the common shares on the TSX on the date the notice of exchange is delivered to the Bank.
- "Exercise Price" means the exercise price of the options.

Amendments

Shareholder approval is required for the following types of amendments to the SIP:

- amendments to the number of common shares issuable under the SIP, including an increase to a fixed maximum number of common shares or a change from a fixed maximum number of common shares to a fixed maximum percentage;
- any amendment which reduces the exercise price or purchase price of an option;
- any amendment extending the term of an option beyond its original expiry date except as otherwise permitted by the SIP;
- the adoption of any option exchange involving the cancellation and reissuance of options;
- an amendment which would permit options to be transferred or assigned to an arm's-length third party who is not an associate, affiliate or legal representative of the option holder;
- any amendment expanding Participants to include non-employee directors; and
- amendments required to be approved by shareholders under applicable law (including, without limitation, the rules, regulations and policies of the TSX).

The Board may amend the SIP without shareholder approval for certain types of amendments, including amendments to the vesting provisions and amendments necessary to comply with applicable law. On September 1, 2011, the SIP was amended to make option grants subject to the Bank's Compensation Recoupment Policy, which gives the Board the power to claw back incentive compensation granted to certain employees in situations involving a financial restatement, fraud or intentional misconduct.

Restricted Share Unit Plan

RSUs granted under the RSU Plan are bookkeeping entries credited to an account created for each Participant. Each RSU represents a unit with an underlying value equivalent to the value of a common share of the Bank. Notional dividends are assumed to accrue to the holder of the RSU and are included in the amount paid to the holder upon vesting. Under the RSU Plan, each RSU must vest before December 31 of the third year after the grant.

The RSU Plan provides that one-third of each grant of RSUs vests on each of the first, second and third anniversary of the date of grant. The value of a RSU on the vesting date will be based on the average of the weighted average trading price of the common shares on the TSX for each of the four business days preceding the vesting date plus the vesting date of the RSU. The value of all RSUs is paid to Participants no later than 60 days after vesting.

If a Participant ceases to be an employee before an RSU's vesting date by reason of his or her death or retirement, then such granted RSUs vest in accordance with the terms of the RSU Plan as if the Participant was an employee on the RSU vesting date. Subject to Board discretion, if a Participant's employment ceases for any reason other than death or retirement, all of the Participant's unvested RSUs are cancelled and no compensation is paid for those RSUs.

Retirement Benefits, Group Benefits and Perquisites

Mr. Pollock has an individual pension plan and a pension funding arrangement, the details of which are set out on page 41. Mr. Young has an individual pension plan funded by CDI which was established to provide him with pension benefits equivalent to that which he would have received if CDI had not been purchased by the Bank. Details of Mr. Young's pension are set out on page 42. Named Executive Officers, other than Mr. Pollock and Mr. Young, are eligible to participate in the Bank's Group Registered Retirement Savings Plan (RRSP). The Bank contributes an amount equal to 3% of base salary and matches the employee's contribution up to an additional 4.5%. If the maximum contribution exceeds the RRSP contribution limit for that year, the individual's contribution is reduced. The Bank's contributions vest immediately.

The Named Executive Officers participate in various employee benefit plans, including health, dental, and life and disability insurance, on the same basis as other employees. Perquisites provided to the Named Executive Officers include paid parking, club memberships, a home security system, tax preparation services, retirement planning services and a medical exam once every two years.

2011 Performance and Compensation

Larry M. Pollock, President and CEO

Mr. Pollock is the President and CEO of the Bank, a position he has held since January 1990. Mr. Pollock has ultimate responsibility for the corporate strategies and performance of the CWB Group. In addition to the five Executive Vice Presidents, the President of National Leasing Group also reports directly to Mr. Pollock. Over his 22-year term as President and CEO, Mr. Pollock has overseen the growth of the CWB Group from $1.4 million in net income in 1990 to $178 million in 2011 and from $418 million in assets to $14,772 million over this same period.

<u>Employment Agreement and 2011 Long-Term Incentive Plan Grant</u>

The value of Mr. Pollock's annual LTIP grant is determined in accordance with the terms of his employment contract, the key terms of which are set out below:

Term	November 1, 2009 – March 31, 2013
Base Salary	$650,000 initial base salary, with annual review ($680,000 in fiscal 2011)
Short-Term Incentive	• Based on Shareholder Value, Leadership and Operational Results with measurements and weighting set annually • Target bonus equal to 125% of base salary (level of bonus where performance meets expectations) • Maximum bonus equal to 175% of base salary • Amount of bonus to be pro-rated in year of retirement
Long-Term Incentive	• To be valued at 150% of base salary as at November 1 of each year • 70% total value to be awarded in options • 30% of total value to be awarded in RSUs • All outstanding options vest upon retirement and must be exercised within 18 months of retirement • All outstanding RSUs vest in accordance with the RSU Plan

Retirement Plan	• During the term of the employment contract, an amount equal to 15% of base salary to be paid annually into a retirement plan or paid directly to Mr. Pollock
Termination of Employment Without Cause	• A settlement amount equal to the lesser of: a) two times the average of the two most recent years base salary and bonus; and b) the value of the employment contract to the end of the extended term • Continuation of life and dependant life insurance or payment in lieu thereof for a period of five years
Change of Control	• Payment equal to that described under "Termination of Employment Without Cause" should there be a change of control and Mr. Pollock's position be substantially eliminated
Retention Arrangements	• In 2006, Mr. Pollock was granted 320,000 options, all of which had vested as of January 2, 2011
Non-Compete	• Mr. Pollock is precluded for a period of two years after he ceases to be an officer of the Bank from being involved with a competitor of CWB or any of its subsidiaries in any of the western Canadian provinces or Ontario
Extended Term	• For a period of two years after Mr. Pollock ceases to be an officer of the Bank, he will become a consultant to the Chair of the Board with a base salary equal to 50% of his base salary at the date of retirement and an annual short-term incentive payment of 125% to 175% of base salary

2011 Short-Term Incentive Grant

At the beginning of each fiscal year, the Human Resources Committee sets the approximate weightings of the components of the annual short-term incentive for the President and CEO. For fiscal 2011, the approximate weightings remained at 40% Shareholder Value, 30% Operational Results and 30% Leadership. In setting the financial targets within Shareholder Value and Operational Results, the Human Resources Committee established compensation performance targets which were higher than the Bank's minimum performance targets for 2011. As a result, each performance target for the purpose of the 2011 short-term incentive was at a more aggressive level of performance than the applicable performance target for the Bank.

In December 2011, the Human Resources Committee reviewed the performance objectives for the President and CEO for fiscal 2011 and the results obtained, the highlights of which are provided in the table below.

2011 Compensation Performance Targets	Met Target	2011 Results
Shareholder Value – 40%		
• Net income growth of 9%	✓	• Net income growth of 9%
• Total revenue (teb) growth of 14%(1)	×	• Total revenue (teb) growth of 13%
• Return on common shareholders' equity of 16.4%(2)	×	• Return on common shareholders' equity of 15.6%
• Return on assets of 1.24%(3)	×	• Return on assets of 1.20%
Operational Results – 30%		
• Loan growth of 14%	✓	• Loan growth of 16%
• Provision for credit losses as a percentage of average loans of 0.23%	✓	• Provision for credit losses as a percentage of average loans of 0.20%
• Efficiency ratio (teb) of 44.3%(4)	×	• Efficiency ratio of 45.3%
Leadership – 30%		
• Development and execution of strategic vision	✓	• Continued leadership in strategic business initiatives • Canadian Direct Insurance was ranked "Highest in Customer Satisfaction among Auto Insurers in Western Canada" by J.D. Power and Associates(5) • Completed the repurchase of outstanding warrants resulting in future earnings accretion to shareholders • Continued expansion of branch network through the opening and expansion of two Bank branches

2011 Compensation Performance Targets	Met Target	2011 Results
• Communication	✓	• Had a significant role in enhancing the Bank's profile • Enhanced communication with the investor community to explain the strengths in CWB's business model by hosting the first CWB Group Investor Day presentation to institutional investors in Toronto • Maintained strong communication channels with employees through expanded use of the CWB Group intranet and branch visits
• Leadership development and succession planning	✓	• Bank recognized for the fifth consecutive year as one of the "50 Best Employers in Canada" as reported by *The Globe and Mail Report on Business* • National Leasing Group named regional winner of "Canada's 10 Most Admired Corporate Cultures of 2011" by *Waterstone Human Capital* • Continued to execute on executive development and succession planning initiatives

(1) Taxable equivalent basis (teb) is used by most banks to permit uniform measurement and comparison of net interest income. An adjustment to taxable equivalent basis increases interest income and the provision for income taxes to what they would have been had tax-exempt securities been taxed at the statutory rate. The taxable equivalent basis does not have a standardized meaning prescribed by generally accepted accounting principles and, therefore, may not be comparable to similar measures presented by other banks.
(2) Return on common shareholders' equity is calculated as annualized net income after preferred share dividends divided by average common shareholders' equity.
(3) Return on assets is calculated as annualized net income after preferred share dividends divided by average total assets.
(4) Efficiency ratio is calculated as non-interest expenses divided by total revenues (teb).
(5) Canadian Direct Insurance received the highest numerical score among auto insurance providers in Western Canada in the proprietary J.D. Power and Associates 2011 Canadian Auto Insurance Customer Satisfaction Study[SM]. Study based on 11,286 total responses measuring 11 providers in Western Canada (AB, BC, MB, SK) and measures consumer satisfaction with auto insurance providers. Proprietary study results are based on experiences and perceptions of consumers surveyed in July-August 2011. Experiences of individual consumers may vary. Visit jdpower.com

In December 2010, the Human Resources Committee believed there was a reasonable likelihood of the achievement of the compensation performance targets under Shareholder Value and Operational Results based on the economic and market assumptions at that time. These assumptions included three increases in the Bank of Canada overnight interest rate during fiscal 2011. None of these anticipated interest rate increases occurred. Given the importance of net interest income to the revenue of the Bank, the relatively unchanged interest rate environment had a material impact on each of the performance targets which were not achieved. The exercise of a substantial number of outstanding warrants during the year was also not contemplated in the fall of 2010 but resulted in a decrease in the Bank's return on equity.

Under Mr. Pollock's leadership, net income growth of 9% met the compensation performance target. Loan growth of 16% exceeded the compensation performance target, and the provision for loan losses as a percentage of average loans of 0.20% was better than the compensation performance target of 0.23%. The Bank maintained strong capital ratios providing a solid capital base for future expansion. The Bank also continued to deliver on the Bank's strategic initiatives related to branch expansion and technology infrastructure. Mr. Pollock played a key role in both executive leadership development and succession planning initiatives during 2011. Based on the above factors, the Human Resources Committee awarded Mr. Pollock an annual incentive payment of 175% of base salary.

Executive Vice Presidents

2011 Long-Term Incentive Plan Grant

The value of the annual LTIP grant for executive officers, other than the President and CEO, is determined each year in December after review of the prior year's results. Although the value of the LTIP is determined based on prior year's performance, it is considered part of the current year's compensation. The Human Resources Committee reviewed the fiscal 2010 performance in December 2010 and awarded an LTIP value for fiscal 2011 to each executive officer equal to 108% of their base salary. This value was at the upper limit of the LTIP in light of the exceptional performance of the Bank against 2010 performance targets as well as the individual performance of each Named Executive Officer. The following table highlights the Bank's 2010 performance against the 2010 performance targets.

2010 Compensation Performance Targets	Met Target	2010 Results
• Net income growth of 12%	✓	• Net income growth of 54%
• Total revenue (teb) growth of 12%(1)	✓	• Total revenue (teb) growth of 32%
• Loan growth of 10%	✓	• Loan growth of 14%
• Provision for credit losses as a percentage of average loans of 0.15-0.20%	×	• Provision for credit losses as a percentage of average loans of 0.21%
• Efficiency ratio (teb) of 48%(1)(2)	✓	• Efficiency ratio of 44%
• Return on common shareholders' equity of 13%(3)	✓	• Return on common shareholders' equity of 17%
• Return on assets of 0.90%(4)	✓	• Return on assets of 1.24%

(1) Taxable equivalent basis (teb) is used by most banks to permit uniform measurement and comparison of net interest income. An adjustment to taxable equivalent basis increases interest income and the provision for income taxes to what they would have been had tax-exempt securities been taxed at the statutory rate. The taxable equivalent basis does not have a standardized meaning prescribed by generally accepted accounting principles and, therefore, may not be comparable to similar measures presented by other banks.
(2) Efficiency ratio is calculated as non-interest expenses divided by total revenues (teb).
(3) Return on common shareholders' equity is calculated as annualized net income after preferred share dividends divided by average common shareholders' equity.
(4) Return on assets is calculated as annualized net income after preferred share dividends divided by average total assets.

2011 Short-Term Incentive Grant

The achievement of the 2011 compensation performance targets for short-term incentive purposes is a significant factor in determining the short-term incentive of the Named Executive Officers, other than the CEO. The following table highlights the Bank's performance against the short-term incentive performance targets for 2011.

2011 Compensation Performance Targets	Met Target	2011 Results
• Net income growth of 9%	✓	• Net income growth of 9%
• Total revenue (teb) growth of 14%(1)	×	• Total revenue (teb) growth of 13%
• Loan growth of 14%	✓	• Loan growth of 16%
• Provision for credit losses as a percentage of average loans of 0.23%	✓	• Provision for credit losses as a percentage of average loans of 0.20%
• Efficiency ratio (teb) of 44.3%(1)(2)	×	• Efficiency ratio of 45.3%
• Return on common shareholders' equity of 16.4%(3)	×	• Return on common shareholders' equity of 15.6%
• Return on assets of 1.24%(4)	×	• Return on assets of 1.20%

(1) Taxable equivalent basis (teb) is used by most banks to permit uniform measurement and comparison of net interest income. An adjustment to taxable equivalent basis increases interest income and the provision for income taxes to what they would have been had tax-exempt securities been taxed at the statutory rate. The taxable equivalent basis does not have a standardized meaning prescribed by generally accepted accounting principles and, therefore, may not be comparable to similar measures presented by other banks.
(2) Efficiency ratio is calculated as non-interest expenses divided by total revenues (teb).
(3) Return on common shareholders' equity is calculated as annualized net income after preferred share dividends divided by average common shareholders' equity.
(4) Return on assets is calculated as annualized net income after preferred share dividends divided by average total assets.

As described on page 20, the 2011 compensation performance targets established for short-term incentive purposes required a superior level of performance than the performance targets set for the Bank. The achievement of the compensation performance targets is the primary factor considered by the Human Resources Committee in determining the amount of the short-term incentive awarded to the Named Executive Officers, other than the CEO. Other factors include the achievements of the business divisions or departments for which the executive is responsible as well as the overall leadership demonstrated by the executive.

The following outlines the experience and responsibilities of each of the other Named Executive Officers and the factors considered by the Human Resources Committee in determining to award the maximum annual short-term incentive for fiscal 2011.

Tracey C. Ball, Executive Vice President and CFO

Ms. Ball has been Executive Vice President and Chief Financial Officer of the Bank since June 2004. She has held numerous positions with the Bank over a 24-year period, including Vice President and Chief Accountant. Prior to joining the Bank, Ms. Ball worked for a national accounting firm.

Ms. Ball received her Bachelor of Arts (Commerce) from Simon Fraser University and is a chartered accountant in Alberta and British Columbia. She holds the ICD.D designation from the Institute of Corporate Directors and is a Fellow of the Institute of Chartered Accountants of Alberta.

Responsibilities

Ms. Ball is responsible for financial and capital management for the CWB Group, including management reporting and external reporting, effective governance and internal controls, and taxation. She also oversees the investor and public relations, legal services and regulatory compliance functions.

2011 Performance

Ms. Ball continued to play a leadership role in the areas of strategy and external communications. She oversaw the implementation of fundamental changes in accounting standards, transitioning from Canadian Generally Accepted Accounting Principles to IFRS, which will be effective in 2012, as well as capital standards, as set out in the Basel III standards as agreed upon by the Basel Committee on Banking Supervision. Under Ms. Ball's stewardship, capital ratios remained strong with a tangible common shareholders' equity to risk weighted assets of 8.6%, Tier 1 ratio of 11.1% and a total capital ratio of 15.4% at year end. Ms. Ball was also instrumental in obtaining the Bank's credit rating, which enabled the Bank to expand its investor base and create a new liquidity channel.

Christopher H. Fowler, Chief Operating Officer

Mr. Fowler was appointed Chief Operating Officer in December 2011. During fiscal 2011 he served as Executive Vice President. Prior to April 2008, Mr. Fowler was Senior Vice President, Credit Risk Management. Mr. Fowler has worked in the banking industry for over 26 years, 20 of which have been with CWB. His experience has included both commercial lending as well as oversight for credit risk policies and procedures, loan adjudication and portfolio monitoring.

Mr. Fowler received his Bachelor of Arts (Economics) and his Master of Arts (Economics) from the University of British Columbia.

Responsibilities

Mr. Fowler leads the commercial and retail banking business operated through the Bank's branch network. He also oversees credit risk management, the Optimum Mortgage division and Canadian Western Financial. In 2011, Mr. Fowler assumed responsibility for strategic planning and was instrumental in the development of the new three-year strategic plan for the CWB Group.

2011 Performance

Under Mr. Fowler's leadership, the CWB Group adopted a new three-year strategic plan based upon the themes "Do What We Do Only Better" and "Make the Whole Worth More Than the Sum of the Parts". Mr. Fowler also oversaw very strong loan growth of 16%, surpassing the $12 billion mark in total loans. These results were achieved while maintaining credit quality, as demonstrated by the 2011 provision for loan losses as a percentage of average loans at 0.20%. He continued to lead the Bank's employees in the development of business planning best practices and delivered on the Bank's branch expansion objective through the opening of a new branch in British Columbia.

Randell W. Garvey, Executive Vice President

Mr. Garvey has been Executive Vice President of the Bank since June 2007. Prior to his appointment, he held the position of Senior Vice President, Corporate Support. Mr. Garvey joined the Bank in November 2005 following 24 years in management with a Crown corporation and various municipalities.

Mr. Garvey received his Bachelor of Administration from the University of Regina**.** Mr. Garvey is a Chartered Financial Analyst and a Fellow of the Certified Management Accountants.

Responsibilities

Mr. Garvey's responsibilities include treasury, technology, operations, infrastructure, human resources, marketing and product development, business continuity planning and corporate security. In addition, Mr. Garvey oversees the control functions of group risk management and internal audit.

2011 Performance

Under Mr. Garvey's leadership, significant investments in the Bank's information technology and operations infrastructure have been made or are in progress. These enhancements will support and enable the Bank to achieve its long-term strategic objectives. Mr. Garvey has a key oversight role in the ongoing development of a formalized enterprise-wide risk management framework. He also successfully diversified the Bank's funding channels in 2011 through the Bank's first issuance of floating rate senior deposit notes in the capital markets.

Brian J. Young, Executive Vice President and President, Canadian Direct Insurance Incorporated

Mr. Young has been Executive Vice President of the Bank since July 2005. Mr. Young joined CWB in April 2004 when CDI was acquired by the Bank. Mr. Young has over 32 years experience in financial services, including commercial lending, insurance and trust services. He has held various positions with HSBC Bank Canada, Lloyds Bank Canada and Continental Bank of Canada.

Mr. Young received his Bachelor of Commerce (Finance) from the University of Saskatchewan. He is also a Fellow of the Institute of Canadian Bankers.

Responsibilities

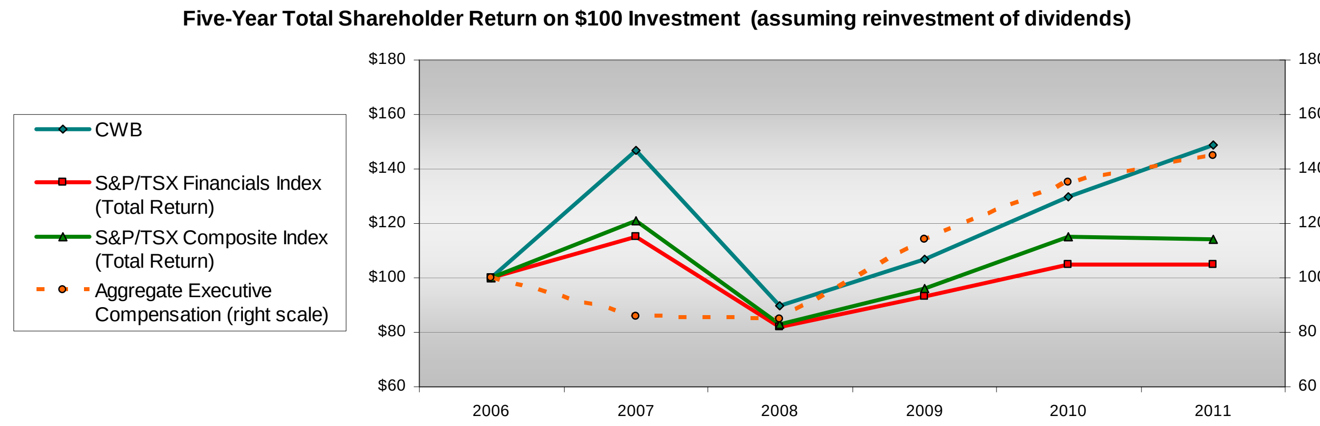
Mr. Young is responsible for the insurance business, conducted through CDI, and the trust services business, conducted through Canadian Western Trust Company (CWT) and Valiant Trust Company (Valiant Trust), within the CWB Group.

2011 Performance

Under Mr. Young's leadership, CDI's net income, excluding the impact of the mandatory participation in the Alberta risk sharing pools, increased a record 14%. During the year, CDI was also ranked "Highest in Customer Satisfaction among Auto Insurers in Western Canada" by J.D. Power and Associates.(1) Mr. Young oversaw material net income growth in CWT trust services and Valiant Trust. Valiant Trust also successfully commenced raising deposits within the Bank branches, thereby supporting the Bank's retail banking initiative.

(1) Canadian Direct Insurance received the highest numerical score among auto insurance providers in Western Canada in the proprietary J.D. Power and Associates 2011 Canadian Auto Insurance Customer Satisfaction Study℠. Study based on 11,286 total responses measuring 11 providers in Western Canada (AB, BC, MB, SK) and measures consumer satisfaction with auto insurance providers. Proprietary study results are based on experiences and perceptions of consumers surveyed in July-August 2011. Experiences of individual consumers may vary. Visit jdpower.com

Stock Performance Graph



	31-Oct-06	31-Oct-07	31-Oct-08	31-Oct-09	31-Oct-10	31-Oct-11
CWB	100	147	90	107	130	149
S&P/TSX Financials Index (Total Return)	100	115	82	93	105	105
S&P/TSX Composite Index (Total Return)	100	121	83	96	115	114
Aggregate Executive Compensation (right scale)	100	86	85	114	135	145

The preceding graph shows the cumulative return over five years of $100 invested in common shares of CWB as at October 31, 2006 compared to the cumulative return of $100 invested in the S&P/TSX Composite Index and in the S&P/TSX Financials Index over the same period. The graph also demonstrates the trend in total compensation earned by the Named Executive Officers to the Bank's returns to shareholders over the same five-year period. Compensation for Named Executive Officers is directly impacted by the Bank's share price, as a meaningful proportion of the executive's compensation consists of the LTIP, which is tied to the Bank's share price. A direct correlation between total shareholder return and the aggregate compensation earned by the Named Executive Officers is not possible given that base salary and the short-term incentive program are independent of the Bank's share price.

NAMED EXECUTIVE OFFICER COMPENSATION

Summary Compensation Table

The following table summarizes the aggregate compensation paid or payable by the Bank to the President and CEO, the Executive Vice President and CFO and the next three most highly compensated executive officers of the Bank whose total compensation, excluding pension, received (or to be received) in respect of the fiscal year ended October 31, 2011 was greater than $150,000.

Name and Principal Position	Year	Salary ($)	Share-Based Awards(1) ($)	Option-Based Awards(2) ($)	Non-Equity Incentive Plan Compensation: Annual Incentive Plans ($)	Pension Value ($)	All Other Compensation(3) ($)	Total Compensation ($)
L. (Larry) M. Pollock President and CEO	2011	680,000	306,010	713,997	1,190,000	-	150,418(4)	3,040,425
	2010	650,000	292,494	682,501	1,137,500	-	251,493(5)	3,013,988
	2009	550,000	-	199,291	687,500	-	1,024,856(6)	2,461,647
Tracey C. Ball, FCA, ICD.D Executive Vice President and CFO	2011	320,917	139,545	209,310	274,550	-	45,017(7)	989,339
	2010	308,750	127,425	191,144	263,925	-	42,570(8)	933,814
	2009	292,875	96,003	106,398	255,000	-	36,610(8)	786,886
Christopher H. Fowler Chief Operating Officer(9)	2011	287,083	126,134	189,218	248,200	-	41,596(7)	892,231
	2010	260,417	107,722	161,598	223,125	-	35,648(8)	788,510
	2009	242,500	80,005	98,612	187,500	-	30,834(10)	639,451

Name and Principal Position	Year	Salary ($)	Share-Based Awards(1) ($)	Option-Based Awards(2) ($)	Non-Equity Incentive Plan Compensation – Annual Incentive Plans ($)	Pension Value ($)	All Other Compensation(3) ($)	Total Compensation ($)
Randell W. Garvey, CFA, FCMA Executive Vice President	2011	281,100	122,474	183,714	212,625	-	40,949(7)	840,862
	2010	267,583	110,440	165,661	201,825	-	36,653(8)	782,162
	2009	254,292	83,198	101,208	195,000	-	32,870(8)	666,568
Brian J. Young Executive Vice President, CWB, and President and CEO, CDI	2011	282,192	122,474	183,714	212,625	177,000	19,893(11)	997,898
	2010	262,842	112,853	164,286	206,250	55,000	16,280(12)	817,511
	2009	247,400	80,005	98,612	187,500	85,000	13,401(12)	711,918

(1) Share-based awards are comprised of RSUs. The grant price of each RSU is the weighted average price of a Bank common share on the four trading days preceding the date on which the RSU was granted plus the day of the grant. The following table provides details on the RSUs granted to the Named Executive Officers during the last three fiscal years**:**

Fiscal Year	Grant Date	RSUs Granted	RSU Value	Recipients
2009	June 15, 2009	20,080	$16.893	Named Executive Officers other than Mr. Pollock
2010	December 11, 2009	13,241	$22.090	Mr. Pollock
	June 11, 2010	19,568	$23.428	Named Executive Officers other than Mr. Pollock
2011	December 15, 2010	10,400	$29.424	Mr. Pollock
	June 10, 2011	16,602	$30.757	Named Executive Officers other than Mr. Pollock

(2) All options are valued using the binomial option pricing method. The following table provides details on the options granted to the Named Executive Officers during the last three fiscal years as well as the inputs used to value the options granted:

	Fiscal Year 2009		Fiscal Year 2010		Fiscal Year 2011	
	Dec 12, 2008	June 15, 2009	Dec 11, 2009	June 11, 2010	Dec 15, 2010	June 10, 2011
Options Granted	154,375	59,800	142,686	45,041	126,264	56,973
Option Value	$1.903	$5.191	$7.158	$7.634	$8.689	$6.722
Valuation Inputs						
Exercise Price	$11.758	$16.893	$22.090	$23.428	$29.424	$30.757
Expected Life	4 Years	4 Years	4 Years	4 Years	4 Years	4 Years
Stock Price Volatility	34.9%	43.2%	43.51%	44.11%	40.95%	31.83%
Dividend Yield	4.0%	2.5%	2.03%	2.08%	1.77%	1.84%
Risk-Free Interest Rate	2.1%	2.5%	2.60%	2.56%	2.24%	2.03%

The four-year estimated expected life is based on the historical exercise pattern of options granted in the past. The risk-free rate is the Government of Canada Yield Curve on the option grant date.

(3) Does not include perquisites or other personal benefits as they do not exceed the lesser of $50,000 or 10% of the total salary for any of the Named Executive Officers.

(4) Includes the payment of 15% of salary in lieu of a contribution to Mr. Pollock's pension plan, the Bank's contribution to the ESPP, dividends on unvested RSUs and a "Celebration" award paid to all employees.

(5) Includes a one-time signing bonus with respect to Mr. Pollock's revised employment agreement effective November 1, 2009, the payment of 15% of salary in lieu of a contribution to Mr. Pollock's pension plan, the Bank's contribution to the ESPP and dividends on granted and unvested RSUs.

(6) Includes a payment to Mr. Pollock in the amount of $922,970 to extinguish the Bank's obligation to pay a previously granted retiring allowance, the payment of 15% of salary in lieu of a contribution to Mr. Pollock's pension plan and the Bank's contribution to the ESPP.

(7) Includes the Bank's contribution to the ESPP, contribution to the Group RRSP, dividends earned on unvested RSUs and a "Celebration" award paid to all employees.

(8) Includes the Bank's contribution to the ESPP, contribution to the Group RRSP and dividends earned on unvested RSUs.

(9) Mr. Fowler was appointed Chief Operating Officer in December 2011.

(10) Includes the Bank's contribution to the ESPP, contribution to the Group RRSP, dividends earned on granted and unvested RSUs, and a taxable benefit on an employee mortgage loan.

(11) Includes the Bank's contribution to the ESPP, dividends earned on unvested RSUs and a "Celebration" award paid to all employees.

(12) Includes the Bank's contribution to the ESPP and dividends earned on unvested RSUs.

Incentive Plan Awards

The following table shows all option-based and share-based awards held by Named Executive Officers that were outstanding as of October 31, 2011.

Name	Grant Date	Option-Based Awards: Number of Securities Underlying Unexercised Options (#)	Option-Based Awards: Option Exercise Price ($)	Option-Based Awards: Option Expiration Date	Option-Based Awards: Value of Unexercised In-The-Money Options[(2)] ($)	Share-Based Awards[(1)]: Number of Shares or Units of Shares that have not Vested (#)	Share-Based Awards[(1)]: Market or Payout Value of Share-Based Awards that have not Vested[(3)] ($)
L. (Larry) M. Pollock President and CEO	May 31, 2006	40,000	21.459	Apr 30, 2012	281,640	-	-
	May 31, 2006	60,000	21.459	Apr 30, 2013	422,460	-	-
	May 31, 2006	80,000	21.459	July 1, 2013	563,280	-	-
	May 31, 2006	100,000	21.459	July 1, 2013	704,100	-	-
	Sept 12, 2008	20,290	21.445	Sept 11, 2013	143,146	-	-
	Dec 12, 2008	94,375	11.758	Dec 11, 2013	1,580,026	-	-
	June 15, 2009	3,800	16.893	June 14, 2014	44,107	-	-
	Dec 11, 2009	95,348	22.090	Dec 10, 2014	611,181	8,828	260,249
	Dec 15, 2010	82,182	29.424	Dec 14, 2015	-	10,400	302,016
		575,995			**4,349,940**	**19,228**	**562,265**
Tracey C. Ball Executive Vice President and CFO	Dec 12, 2008	15,000	11.758	Dec 11, 2013	251,130	-	-
	June 15, 2009	15,000	16.893	June 14, 2014	174,105	1,895	56,282
	Dec 11, 2009	13,352	22.090	Dec 10, 2014	85,586	-	-
	June 11, 2010	12,519	23.428	June 10, 2015	63,496	3,626	106,097
	Dec 15, 2010	12,046	29.424	Dec 14, 2015	-	-	-
	June 10, 2011	15,569	30.757	June 9, 2016	-	4,537	130,575
		83,486			**574,317**	**10,058**	**292,954**
Christopher H. Fowler Chief Operating Officer	Dec 12, 2008	15,000	11.758	Dec 11, 2013	251,130	-	-
	June 15, 2009	13,500	16.893	June 14, 2014	156,695	1,579	46,896
	Dec 11, 2009	11,288	22.090	Dec 10, 2014	72,356	-	-
	June 11, 2010	10,584	23.428	June 10, 2015	53,682	3,066	89,711
	Dec 15, 2010	10,890	29.424	Dec 14, 2015	-	-	-
	June 10, 2011	14,074	30.757	June 9, 2016	-	4,101	118,027
		75,336			**533,863**	**8,746**	**254,634**
Randell W. Garvey Executive Vice President	Dec 12, 2008	15,000	11.758	Dec 11, 2013	251,130	-	-
	June 15, 2009	14,000	16.893	June 14, 2014	162,498	1,642	48,767
	Dec 11, 2009	11,572	22.090	Dec 10, 2014	74,177	-	-
	June 11, 2010	10,850	23.428	June 10, 2015	55,031	3,143	91,964
	Dec 15, 2010	10,573	29.424	Dec 14, 2015	-	-	-
	June 10, 2011	13,665	30.757	June 9, 2016	-	3,982	114,602
		75,660			**542,836**	**8,767**	**255,333**
Brian J. Young Executive Vice President, CWB, and President and CEO, CDI	Dec 12, 2008	15,000	11.758	Dec 11, 2013	251,130		
	June 15, 2009	13,500	16.893	June 14, 2014	156,695	1,579	46,896
	Dec 11, 2009	11,126	22.090	Dec 10, 2014	71,318		
	June 11, 2010	11,088	23.428	June 10, 2015	56,238	3,212	99,983
	Dec 15, 2010	10,573	29.424	Dec 14, 2015	-		
	June 10, 2011	13,665	30.757	June 9, 2016	-	3,982	114,602
		74,952			**535,381**	**8,773**	**261,481**

(1) As at October 31, 2011, there are no vested share-based awards that have not been paid out or distributed.
(2) The market value of unexercised in-the-money options is calculated based on the difference between $28.50, the closing price of a common share on October 31, 2011, and the exercise price of the option.
(3) The market value of share-based awards that have not vested is calculated by multiplying the number of RSUs granted to the Named Executive Officers by the October 31, 2011 common share closing price of $28.50. RSUs also pay notional dividends as if they were common shares. Holders of RSUs are entitled to receive this dividend entitlement when RSUs vest. Accordingly, the final figures in the table include dividends earned up to October 31, 2011 on unvested RSUs. No assumption is made for future dividends.

Incentive Plan Awards – Value Vested or Earned during the Year

The following table shows the value of equity-based awards that vested and non-equity incentive plan compensation earned by Named Executive Officers for the year ending October 31, 2011.

Name	Option-Based Awards Value Vested During the Year ($)(1)	Share-Based Awards Value Vested During the Year ($)(2)	Non-Equity Incentive Plan Compensation Value Earned During the Year ($)
L. (Larry) M. Pollock President and CEO	670,154	127,015	1,190,000
Tracey C. Ball Executive Vice President and CFO	-	116,629	274,550
Christopher H. Fowler Chief Operating Officer	-	97,873	248,200
Randell W. Garvey Executive Vice President	-	101,087	212,625
Brian J. Young Executive Vice President, CWB, and President and CEO, CDI	-	100,153	212,625

(1) These amounts represent the pre-tax value the Named Executive Officers would have received had they exercised options that vested during fiscal 2011 on the date the options vested. The value of a vested option is calculated as the difference between the closing price on the vesting date and the exercise price of that option. Options that vested on dates where the closing price of a common share of the Bank was less than the option exercise price have been assigned a value of zero.

(2) The Bank's share-based awards consist of RSUs. The amounts represent the pre-tax value of the RSUs that vested in 2011. The value of vested RSUs is calculated as the number of RSUs that vested multiplied by the Vesting Date Value (the average of the weighted average trading price for the vesting date and the four business days preceding the vesting date) and the dividend entitlement earned on such vested RSUs.

Pension Plan Benefits

The following sets out the estimated annual pension for Mr. Pollock and Mr. Young. The other Named Executive Officers do not participate in a defined benefit or defined contribution pension arrangement.

Pension Plan for President and CEO

The Bank has established an individual pension plan for Mr. Pollock, the President and CEO of the Bank. The plan provides benefits on a defined benefit basis for service prior to January 1, 1996 and on a defined contribution basis for service after December 31, 1995. Mr. Pollock is not required to contribute to the pension plan. The defined benefit plan provides a benefit of 2% of the three-year final average base salary for each year of credited service, subject to the *Income Tax Act* (Canada) maximum of $2,552 for each year of credited service. This maximum is scheduled to increase each year with Canadian wage inflation. The benefit is payable for Mr. Pollock's lifetime with 66.67% continuation to his spouse following his death. The normal retirement age is age 65. Retirement after age 65 is subject to an increase in pension on an actuarial equivalent basis.

The funded ratio of the defined benefit plan was 180% as of December 31, 2010, the date of the last actuarial valuation report.

The Bank is required to contribute each year to the defined contribution plan an amount equal to one-half of the *Income Tax Act* (Canada) maximum defined benefit limit described above. However, as required by the Canada Revenue Agency, the Bank is using the surplus under the defined benefit provision to fund the defined contribution requirement. Further, as Mr. Pollock is entitled to all plan assets under the individual pension plan, any surplus will accrue to him. Accordingly, the entire plan is deemed to be a defined contribution plan and the value of the individual pension plan obligation is equal to the value of plan assets. At October 31, 2011, the value of the plan assets was $1,958,000.

Defined Contribution Plan Table

Name	Accumulated Value at Start of Year ($)	Compensatory[(1)] ($)	Accumulated Value at Year End ($)
L. (Larry) M. Pollock President and CEO	1,779,000	-	1,958,000

(1) Current year Bank contributions.

Pension Plan for President and CEO, Canadian Direct Insurance Incorporated

CDI has established a defined benefit pension program for Mr. Young, the President and CEO of CDI, who is also an Executive Vice President of the Bank. The pension program consists of a registered pension plan, which provides benefits up to the *Income Tax Act* (Canada) maximums, and a non-registered unfunded supplemental arrangement, which provides benefits in excess of the *Income Tax Act* (Canada) maximums. The pension formula for the combined plans provides a benefit of 1.8% of the three-year final average Year's Maximum Pensionable Earnings (YMPE) and 2.5% of the three-year final average base salary in excess of the three-year final average YMPE for each year of credited service. The pension program represents a continuation of Mr. Young's pension arrangement in place prior to the acquisition of CDI. The combination of the pension from the CDI plan and the fixed pension earned prior to the acquisition will be equivalent to the pension payable had the acquisition not taken place. The pension is payable for Mr. Young's lifetime with a guarantee of 120 monthly payments. The normal retirement age is age 60. Mr. Young is required to contribute 3% of base salary to the pension plan each year.

The following table sets out information for Mr. Young regarding his annual pension benefit.

Defined Benefit Plan Table

Name	Number of Years Credited Service (#)	Annual Benefits Payable[(1)] ($)		Accrued Obligation at Start of Year[(2)] ($)	Compensatory Change[(3)] (4)	Non-Compensatory Change[(4)] (4)	Accrued Obligation at Year End[(2)] ($)
		At Year End	At Age 65				
Brian J. Young Executive Vice President, CWB, and President and CEO, CDI	7.5	70,101	100,206	785,000	177,000	26,000	988,000

(1) Based on three-year final average base salary and three-year final average YMPE at October 31, 2011.
(2) The accrued obligation is the value of the projected pension benefit earned for service earned to that date. It is determined in accordance with generally accepted accounting principles and is dependent on the actuarial assumptions used for the year. The significant actuarial assumptions used to determine the accrued obligation as of October 31, 2011 include a discount rate of 4.4% (4.75% as of October 31, 2010), salary increases of 4.0% and retirement at age 62. The actuarial method is the projected unit credit method pro-rata on service. The assumptions and method are not identical to those used by other companies and, as a result, may not be directly comparable across companies. These amounts may change over time due to factors such as changes in assumptions and salary levels.
(3) Includes current year service cost net of employee contributions and changes due to actual salary differing from assumed levels.
(4) Includes actual employee contributions, interest on the beginning of year accrued obligation, and impact of any changes in actuarial assumptions.

Termination and Change of Control Benefits

The following table summarizes the estimated incremental payments that would be received by each Named Executive Officer in each circumstance where the Named Executive Officer ceases to be employed by CWB. The amounts shown in the table below are calculated based on positions as at October 31, 2011 and, therefore, do not include compensation changes or options or RSUs granted subsequent to the 2011 year end. The assumptions underlying the calculations in the following tables include:

- For the calculation of the cash severance benefit, the base salary level of the executive as at October 31, 2010 and 2011 was used, as well as the annual incentive amounts earned for the 2010 and 2011 fiscal years.

- Amounts received upon acceleration of the option and RSU awards vesting dates are based on the October 31, 2011 closing price of $28.50 per common share. For options, the value is calculated based on the difference between $28.50 and the exercise price of the option multiplied by the number of qualifying options. For RSUs, the value is calculated by multiplying the number of RSUs by $28.50.

The actual amount that a Named Executive Officer could receive in the future as a result of a termination of employment could differ materially from the amounts set forth below as a result of, among other things, changes in the Bank's share price, changes in the executive's base salary, the timing of the termination event, changes in the bonus amounts, and the vesting and grants of additional equity awards. The following table includes only contractually agreed to severance amounts and does not include any potential common law entitlements arising in the event of termination of employment without cause.

Name	Termination for Cause ($)	Termination other than for Cause ($)	Change of Control ($)	Retirement ($)	Resignation ($)	Death ($)
L. (Larry) M. Pollock President and CEO						
Cash Severance[(1)]	-	3,920,846	3,920,846	-	-	-
Accelerated RSU Vesting[(2)]	-	-	-	-	-	-
Accelerated Option Vesting[(3)]	-	2,235,314	2,235,314	2,235,314	-	2,235,314
Continuation of Employee Benefits[(4)]	-	1,153	1,153	1,153	-	-
Total	-	6,157,313	6,157,313	2,236,467	-	2,235,314
Tracey C. Ball Executive Vice President and CFO						
Cash Severance	-	-	-	-	-	-
Accelerated RSU Vesting[(2)]	-	-	-	-	-	-
Accelerated Option Vesting[(3)]	-	-	574,317	574,317	-	574,317
Continuation of Employee Benefits	-	-	-	-	-	-
Total	-	-	574,317	574,317	-	574,317
Christopher H. Fowler Chief Operating Officer						
Cash Severance	-	-	-	-	-	-
Accelerated RSU Vesting[(2)]	-	-	-	-	-	-
Accelerated Option Vesting[(3)]	-	-	533,863	533,863	-	533,863
Continuation of Employee Benefits	-	-	-	-	-	-
Total	-	-	533,863	533,863	-	533,863
Randell W. Garvey Executive Vice President						
Cash Severance	-	-	-	-	-	-
Accelerated RSU Vesting[(2)]	-	-	-	-	-	-
Accelerated Option Vesting[(3)]	-	-	542,836	542,836	-	542,836
Continuation of Employee Benefits	-	-	-	-	-	-
Total	-	-	542,836	542,836	-	542,836
Brian J. Young Executive Vice President, CWB, and President and CEO, CDI						
Cash Severance[(5)]	-	1,345,125	1,345,125	-	-	-
Accelerated RSU Vesting[(2)]	-	-	-	-	-	-
Accelerated Option Vesting[(3)]	-	-	535,381	535,381	-	535,381
Continuation of Employee Benefits	-	-	-	-	-	-
Total	-	1,345,125	1,880,506	535,381	-	535,381

(1) Mr. Pollock’s employment agreement provides that, if Mr. Pollock’s employment is terminated, without cause or notice, or if the Bank's normal operations are changed as a result of a sale, merger or liquidation, in such a manner as to eliminate substantively the position of CEO, then the Bank will pay the CEO a settlement amount equal to the lesser of (a) two times the average of the two most recent full year's base salaries and bonuses immediately prior to termination; and (b) the value of the employment contract to the end of its extended term (March 31, 2015).

(2) Subject to the discretion of the Human Resources Committee, RSUs do not vest earlier than provided for in the RSU Plan.

(3) All outstanding options vest in the event of the employee’s death or upon a change of control of the Bank. If the employee is eligible to retire, any of the employee’s unvested options that vest within two years of retirement vest and become exercisable immediately. On December 7, 2010, the SIP was amended such that options granted after this date do not immediately vest upon retirement. The amounts in the table represent the incremental value of options that would vest on the occurrence of a triggering event. This amount is calculated as the number of options that immediately vest on the triggering event pursuant to the terms of the SIP times the difference between the closing price of a common share of the Bank on October 31, 2011 and the applicable grant exercise price.

(4) Represents the cost to the Bank to purchase life insurance in an amount of $100,000 and dependant life insurance in the amount of $10,000 for five years after the date Mr. Pollock retires, if there is a change in control or he is terminated without cause.

(5) The President and CEO of CDI has an employment agreement with CDI that provides that, if his employment is terminated without cause, CDI is sold, merged or liquidated or CDI’s normal operations are changed in such a manner as to eliminate substantively his position, then CDI will pay the President and CEO a termination and compensation settlement, unless he decides to remain with CDI or he accepts a senior position with any company prior to payment of the settlement. The dollar value of such settlement shall be determined by averaging the two most recent full years of total compensation and multiplying that average by 22/12. Total compensation includes bonuses and all benefits, but excludes any options granted.

OTHER INFORMATION

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table lists the number of securities to be issued upon the exercise of outstanding options, the weighted average exercise price of the outstanding options and the number of securities remaining for future issuance under equity compensation plans as at October 31, 2011.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options	Weighted Average Exercise Price of Outstanding Options ($)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity compensation plans approved by shareholders	3,542,072	21.360	1,440,706
Equity compensation plans not approved by shareholders	-	-	-
Total	3,542,072	21.360	1,440,706

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors are or were during the course of the financial year indebted to the Bank for any purpose. No executive officers are, or have been during the course of the financial year, indebted to the Bank with respect to indebtedness entered into in connection with a purchase of securities of the Bank or any of its subsidiaries. There is no indebtedness to any subsidiaries of the Bank, and neither the Bank nor any of its subsidiaries has issued any guarantees, support agreements, letters of credit or other similar arrangements to another entity in connection with indebtedness to that entity by any officer, director or employee or former officer, director or employee of the Bank or any of its subsidiaries.

Aggregate Indebtedness

The table below shows the aggregate indebtedness to the Bank of all executive officers, directors, employees and former executive officers, directors and employees of the Bank and its subsidiaries. This amount includes routine indebtedness as defined under Canadian securities laws.

Purpose	To the Bank or its Subsidiaries ($)	To Another Entity ($)
Share purchases	-	-
Other	110,010,259(1)	-

(1) $63,852,709 of which represents indebtedness in the form of residential mortgages.

Non-Routine Indebtedness of Directors and Executive Officers(1)(2)

The table below shows the non-routine indebtedness of directors and executive officers of the Bank and their associates.

Name and Principal Position	Involvement of Bank or Subsidiary	Largest Amount Outstanding During 2011 Financial Year ($)	Amount Outstanding as at December 31, 2011 ($)
Tracey Ball Executive Vice President and CFO	Lender	779,222	683,503(3)(4)
Randell Garvey Executive Vice President	Lender	317,978	267,559(3)
Richard Gilpin Senior Vice President, Credit Risk Management	Lender	223,867	105,325(3)
M. Glen Eastwood Senior Vice President and Regional General Manager	Lender	321,073	310,223(3)
Darrell Jones Senior Vice President and Chief Information Officer	Lender	307,415	9,936(3)

Name and Principal Position	Involvement of Bank or Subsidiary	Largest Amount Outstanding During 2011 Financial Year ($)	Amount Outstanding as at December 31, 2011 ($)
Uve Knaak Senior Vice President, Human Resources	Lender	74,809	44,108[4]
John (Jack) Wright Senior Vice President	Lender	220,454	194,355[3][4]

(1) This table excludes routine indebtedness. Routine indebtedness is defined to include (i) loans of $50,000 or less to directors, or executive officers, that are made on terms no more favourable than the terms on which loans are made to employees generally; (ii) loans to directors and executive officers who are full-time employees, if these loans are fully secured by their residence and do not exceed their annual salary; and (iii) loans to directors or proposed nominees for election as a director if made on the same terms as available to other customers and involve no more than usual risks.

(2) "Executive Officer" means: 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.

(3) Represents a mortgage securing a fixed term mortgage and/or a personal line of credit (LOC) on an interest only basis. Such loans are granted according to the standards applicable to customers, except for the interest rate, which is at the rate posted for the Bank's customers less 3%, to a minimum of 3% on the mortgage, and at greater of the government prescribed rate (GPR) or 2% for the LOC. The employee borrowing rate was 2% from November 1, 2010 to October 31, 2011.

(4) Represents a LOC or demand loan at the greater of the GPR or 2%.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Bank has purchased, at its expense, a liability insurance policy for the directors and officers of the Bank and its subsidiaries. This policy covers directors and officers in circumstances where the Bank is not able to or is prevented from indemnifying them, subject to the terms and conditions outlined in the policy wording. The policy has a limit of $100,000,000 with a $100,000 deductible. The Bank paid a total premium of $374,741 covering the year ended October 31, 2011.

SHAREHOLDER PROPOSALS

There were no shareholder proposals submitted for consideration at this meeting. The final date for submitting shareholder proposals for inclusion in the management proxy circular for next year's annual shareholder meeting is October 8, 2012.

ADDITIONAL INFORMATION

Additional information relating to the Bank may be found on SEDAR at www.sedar.com. Additional financial information is provided in the Bank's Consolidated Financial Statements and Management's Discussion and Analysis for the year ended October 31, 2011, which are both available on SEDAR at www.sedar.com and in the Bank's 2011 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 the Bank's website at www.cwbankgroup.com.

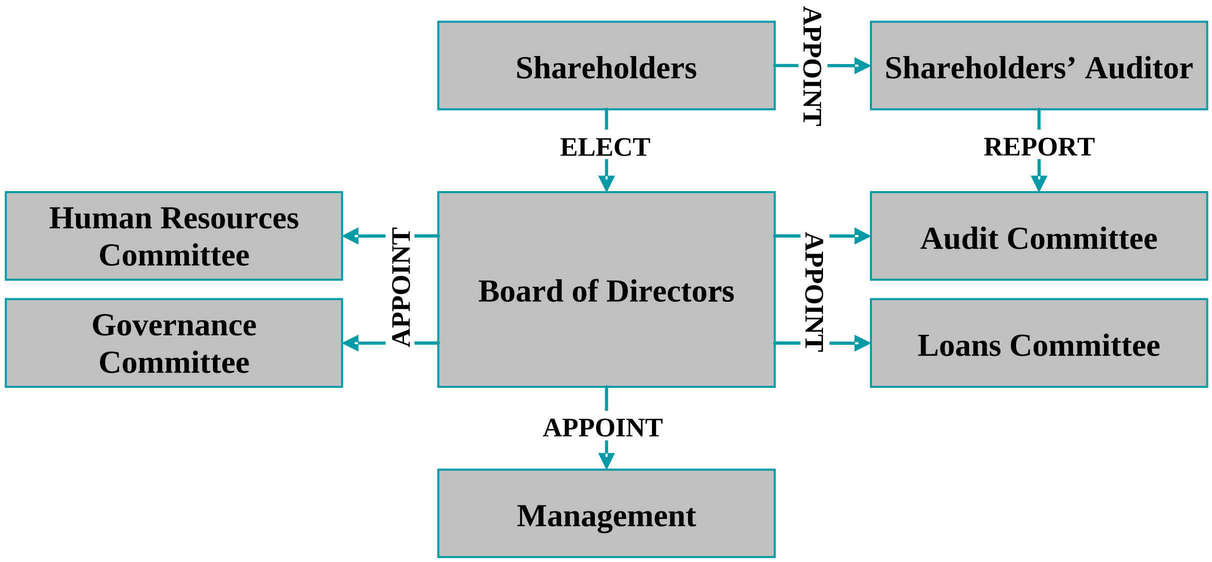
DIRECTORS' APPROVAL

The Board of Directors has approved the content and sending of this Management Proxy Circular.

Gail L. Harding, Q.C., ICD.D
Senior Vice President, General Counsel
and Corporate Secretary

January 5, 2012

SCHEDULE A:
STATEMENT OF CORPORATE GOVERNANCE PRACTICES



A visual overview of the Bank's corporate governance structure

INTRODUCTION

The Board and management of the Bank believe sound and effective corporate governance is an essential component in managing the Bank's operations effectively for the benefit of customers, employees, shareholders and other stakeholders.

The Bank reviews its governance policies regularly to ensure adherence to the requirements of authorities that regulate the Bank, including the Office of the Superintendent of Financial Institutions, the Canadian Securities Administrators and the Toronto Stock Exchange. In addition, the Bank supplements corporate governance regulatory requirements by evaluating and, where appropriate, incorporating the corporate governance best practices of groups that seek to represent the interests of shareholders and other stakeholders.

The Bank's corporate governance framework is supported by clearly defined roles for its Board and committees. The Governance Committee provides direction, monitors compliance, makes recommendations to the Board to enhance corporate performance, and promotes ongoing improvement in Board effectiveness.

THE BOARD OF DIRECTORS

Independence

AT A GLANCE

13 of the 14 directors nominated for election are independent (93%).

The Board has reviewed the status of each of its directors to determine whether such director is "independent" as defined in National Instrument 58-101 *Disclosure of Corporate Governance Practices* (NI 58-101) and "affiliated" as defined by the affiliation regulations set forth in the Bank Act. The review included the completion of a self-assessment questionnaire by each of the directors and a review of the responses by the Governance Committee. As a result of this review and after consideration of all business, charitable and family relationships among the directors and the Bank, the Board has determined that all of the directors, except Mr. Pollock, (or 93% of the Board) are both independent and not affiliated with the Bank. Mr. Pollock is not independent and is affiliated with the Bank as a result of his position as President and CEO of the Bank. It is a requirement under the Bank Act that the CEO serve as a director of the Bank.

The following table displays the independence status as well as the other public company directorships held by each of the Bank's directors:

Name	Independence Status	Other Public Company Directorships
Albrecht W.A. Bellstedt	Independent	Capital Power Corporation The Churchill Corporation
Linda M. Hohol	Independent	
Allan W. Jackson	Independent	WestJet Airlines Ltd.
Wendy A. Leaney	Independent	Corus Entertainment Inc.
Robert A. Manning	Independent	
Gerald A.B. McGavin	Independent	
Howard E. Pechet	Independent	
Robert L. Phillips	Independent	Axia NetMedia Corporation Capital Power Corporation MacDonald Dettwiler & Associates Ltd. Precision Drilling Corporation TerraVest Income Fund West Fraser Timber Co. Ltd.
L. (Larry) M. Pollock	Not Independent	Canadian Helicopters Group Inc. WestJet Airlines Ltd.
Raymond J. Protti	Independent	
Ian M. Reid	Independent	The Churchill Corporation Flint Energy Services Ltd.
H.S. (Sandy) Riley	Independent	GMP Capital Inc. Manitoba Telecom Services Inc. Molson Coors Brewing Company The North West Company Inc.
Alan M. Rowe	Independent	
Arnold J. Shell	Independent	

In order to ensure directors remain independent from the Bank, policies of the Bank restrict the Bank from granting credit to a director or any person, firm or corporation related to a director, unless such credit facility is fully secured by bank deposit instruments, Government of Canada bonds or treasury bills, or securities issued or guaranteed by a provincial government.

Board Meetings

AT A GLANCE

A portion of every Board meeting is reserved for independent directors to meet without the presence of management and non-independent directors.

The Board held four regular meetings and two special meetings during fiscal 2011. Part of one of the regular meetings was dedicated to a comprehensive review of the Bank's strategy.

At each regularly scheduled Board meeting, the Board receives presentations from executive officers of the Bank and, from time to time, other senior officers of the Bank.

In order to facilitate an open and candid discussion among independent directors, a portion of every Board meeting is reserved for independent directors to meet without the presence of management and non-independent directors.

Chair of the Board

AT A GLANCE

Recognized as an independent director, Mr. Allan Jackson is the Chair of the Board.

Mr. Allan Jackson became the Chair of the Board upon his re-election as a director on March 4, 2010. Mr. Jackson is an independent director as defined in NI 58-101. As Chair of the Board, his responsibilities include ensuring that the Board functions effectively and independently of management and that it meets its obligations and responsibilities as set out in its mandate.

Attendance Record

AT A GLANCE

Four regularly scheduled quarterly Board meetings and two special Board meetings were held during the 2011 fiscal year. In addition, 34 committee meetings were held during this period.

Directors are expected to attend the annual shareholders meeting as well as Board meetings and meetings of committees on which they serve, with the exception of the Loans Committee. The Loans Committee is generally convened on less than one week's notice and full attendance by committee members is not expected.

The following table displays the number of meetings held by the Board and each committee as well as the average director attendance at these meetings:

Board or Board Committee	Number of Meetings	Average Attendance Record (%)
Board of Directors	(6 Meetings)	99
Audit Committee	(4 Meetings)	100
Governance Committee	(3 Meetings)	100
Human Resources Committee	(5 Meetings)	100
Loans Committee	(22 Meetings)	73

A detailed record of meeting attendance for each director is set out in this Circular under the heading Attendance of Directors at Board and Committee Meetings on page 14.

BOARD MANDATE

The Board's mandate sets out the Board's purpose, organization, duties and responsibilities. A copy of the mandate is attached as Schedule B to this Circular.

POSITION DESCRIPTIONS

The Board has developed written position descriptions for the Chair of the Board and for the Chair of Board Committees. The Board has also developed a written position description for the CEO.

DIRECTOR ORIENTATION AND CONTINUING EDUCATION

AT A GLANCE

In 2011, management prepared special presentations for directors on certain business areas of the Bank and new Bank initiatives. Directors also met with outside experts in various fields and participated in a guided tour of the Bank's corporate office where they were able to meet and discuss ongoing projects with members of middle management.

New Director Orientation

The Bank provides each new director with a two and a half day orientation, during which time the director has the opportunity to meet with senior management. During these meetings, management provides the new director with an overview of the Bank's businesses, operations and initiatives. New directors are also provided with an orientation package, which includes a copy of all Board and committee mandates as well as Bank policies and other Bank reference material. New directors are also provided with information about the banking industry.

Ongoing Director Education

The Bank's continuing education program focuses on helping directors maintain or enhance their skills and abilities as directors. Directors are kept informed through reports and presentations by senior management at the quarterly Board meetings as to matters that are impacting, or which may impact, the Bank's operations. Special presentations on specific business operations are also provided to the Board.

In 2011, the Board participated in special presentations by business unit leaders on regional banking operations, energy lending, the Bank's equipment financing division, CDI's reinsurance program, CWT's mortgage division, and the Bank's relationship banking strategy. In addition, directors met with outside experts in the fields of real estate, economic development and leadership development. Directors also participated in a guided tour of the Bank's corporate office. On the tour, members of the Board were given presentations by middle management on current developments and a status report on ongoing projects. Finally, directors received training on the Bank's new Board Portal—a secure web-based application that allows directors to access meeting materials and Board reference materials remotely.

ETHICAL BUSINESS CONDUCT

AT A GLANCE

The Bank promotes ethical conduct and honest dealings with the public via its codes of conduct for employees and directors, its policies and procedures for related party transactions and its corporate disclosure policy. Banking clients who are dissatisfied with the Bank's business conduct may also engage the Bank's independent Ombudsman.

The Bank has a number of policies and procedures in place to ensure that its employees and directors conduct all business dealings in an ethical manner. These policies and procedures include codes of conduct for the Bank's employees and directors as well as policies and procedures for related party transactions. The Board has delegated compliance oversight in regard to these codes and policies to the Governance Committee. The Governance Committee is also tasked with reviewing these codes and policies on an annual basis.

Codes of Conduct

The Bank has a written code of conduct for its directors and a written code of conduct for its officers and employees. A copy of both these codes may be found on the Bank's website at www.cwbankgroup.com. The Board monitors compliance with the codes by requiring each director, officer and employee to sign an annual certificate confirming that he/she has read, understands and agrees to comply with the applicable code. To the knowledge of the Board, there have been no departures from the codes during fiscal 2011 that would have required the filing of a material change report.

Related Party Transactions

In the event a director or executive officer has a material interest in any transaction or agreement considered by the Board or any committee of the Board, such interest must be declared and recorded in the minutes of the meeting, and the director or executive officer must vacate the meeting while the transaction or agreement is being discussed. The responsibilities of the Governance Committee include establishing procedures to ensure disclosure and review of related party transactions in accordance with the requirements under the Bank Act. These procedures include obtaining an annual certificate from each director and officer of the Bank. The certificate discloses all related parties of the director or officer and any related party transactions with the Bank.

Culture of Ethical Business Conduct

The Board believes that a culture of strong corporate governance and ethical business conduct must be endorsed by the Board and the executive officers. The codes of conduct address many areas of business conduct. A whistleblower procedure for the Bank has been established through which complaints or concerns regarding questionable audit or accounting matters may be made. The whistleblower procedure also allows for anonymous reporting of complaints and concerns.

The Bank has adopted a corporate disclosure policy, which is reviewed annually. Quarterly and annual financial documents are reviewed by an internal Disclosure Committee prior to being recommended for Board approval and CEO/CFO certification of annual and interim filings. Inquiries and requests for information from shareholders and potential investors receive prompt attention from an appropriate officer. The Bank's quarterly earnings conference calls with analysts and institutional investors are broadcast live, via the Internet, and archived on the Bank's website for 60 days. The calls are also accessible on a live and recorded basis via telephone to interested retail investors, the media and members of the public. The Bank also includes all significant disclosure documents on its website at www.cwbankgroup.com.

The Bank has engaged an independent Ombudsman to receive complaints from banking clients who are unable to obtain satisfaction from the internal complaint-handling process.

NOMINATION OF DIRECTORS

AT A GLANCE

At the Bank's annual meeting of shareholders on March 3, 2011, the Bank welcomed Mr. Ian Reid and Mr. Sandy Riley as new directors. On June 1, 2011, Ms. Linda Hohol was appointed as the Bank's 14th director.

Identifying Candidates

The Governance Committee is responsible for identifying new candidates for Board nomination. As of the date of this Circular, this committee is comprised of seven directors, all of whom are independent. The mandate of this committee in respect of nomination and Board assessment matters specifically sets out the following duties and responsibilities:

- identifying and recommending to the Board qualified candidates to be considered for Board membership;
- reviewing, monitoring, and making recommendations regarding new director orientation and the ongoing development of existing Board members;
- evaluating at least once every two years, on alternate years, Board effectiveness and individual director effectiveness; and
- evaluating membership, selection criteria, composition and size of the Board and making recommendations to the Board for changes.

Assessing Board Composition

The Governance Committee annually reviews both the size and composition of the Board and Board committees in accordance with the Bank's policy. Before recommending a new director to the Board, the Governance Committee considers the skills, expertise and experience of the incumbent directors in order to determine any gaps in the skills, expertise and experience of the Board or any of the committees.

The Governance Committee then assesses each potential candidate's skills, expertise, and experience against the needs of the Board and each of the Board committees. The Governance Committee will also take into account such matters as a candidate's integrity, independence and residency.

The Governance Committee does not maintain a standing list of skills, expertise and experience expected from new directors as the skills, expertise and experience sought from director candidates will vary as the composition of the Board and Board committees evolve over time. Also for this reason, the Governance Committee does not maintain an "ever-green" list of suitable director candidates.

As a result of the 2011 review of the composition of the Board and its committees, Ms. Linda Hohol was appointed to the Board on June 1, 2011 as the Bank's 14th director. Ms. Hohol, who also serves on the Bank's Loans Committee and Governance Committee, brings extensive banking experience to CWB and is being recommended to the shareholders for election to the Board at the 2012 annual shareholders meeting.

Election by Shareholders

AT A GLANCE

The Bank holds annual individual director elections and has adopted a majority voting policy.

The Board of the Bank believes that each of its members should carry the confidence and support of its shareholders. To this end, the form of proxy used for voting at the shareholder meeting enables shareholders to vote separately in favour of, or to withhold from voting, for each nominee. At the meeting, the Chair will call for a vote by ballot and the scrutineers will record, with respect to each nominee, the number of shares in his or her favour and the number of shares withheld from voting. If, with respect to any particular nominee, the number of shares withheld exceeds the number of shares voted in favour of the nominee, then, for purposes of the Bank's policy, the nominee shall be considered to not have received the support of the shareholders, even though the nominee will have been duly elected as a matter of corporate law.

A person elected as a director who is considered under this test to not have the support of shareholders is expected to immediately submit his or her resignation to the Board. The Governance Committee will promptly consider the director's offer to resign and make a recommendation to the Board whether to accept it. In making its recommendation, the Governance Committee will consider the cause of the withheld votes, the skills and attributes of the director, the overall composition of the Board and whether accepting the resignation would cause the Bank to fail to meet a regulatory requirement. Any director who tenders his or her resignation will not participate in the deliberations unless the remaining directors do not constitute a quorum, in which case all directors may participate in the deliberations. Within 90 days of receiving the final voting results, the Board will issue a press release announcing that it has accepted the director's resignation or explaining its reasons for not accepting the resignation. If the resignation is accepted, subject to any corporate law restrictions, the Board may leave the resultant vacancy unfilled until the next annual general meeting, fill the vacancy through the appointment of a new director whom the Board considers to merit the confidence of the shareholders, or it may call a special meeting of shareholders at which one or more director nominees will be presented to shareholders to fill the vacant position or positions.

This majority voting policy does not apply to a contested election where the number of nominees exceeds the number of directors to be elected. Nominees for election to the Board must agree to the policy before their names are recommended for election to shareholders. In the event any director fails to tender his or her resignation in accordance with the policy, the Board will not re-nominate the director.

COMPENSATION

AT A GLANCE

The Governance Committee is responsible for recommending director compensation while the Human Resources Committee is responsible for recommending executive officer compensation. Aggregate director compensation is limited by the Bank's by-laws.

Director Compensation

The Governance Committee is responsible for recommending to the Board the compensation of the Bank's directors, and the Human Resources Committee is responsible for recommending to the Board the compensation of the Bank's executive officers. As of the date of this Circular, the Governance Committee is comprised of seven directors, all of whom are independent, and the Human Resources Committee is comprised of eight directors, all of whom are independent. The mandate of each of these committees specifically sets out the following duties and responsibilities relating to compensation:

Governance Committee
Mandate includes the following responsibilities related to director compensation:
Reviewing at least annually the fees and other benefits paid to directors
Making recommendations to the Board for changes to director compensation
Human Resources Committee
Mandate includes the following responsibilities related to officer compensation:
Establishing an executive compensation structure for the CEO
Establishing, in conjunction with the CEO, an executive compensation structure for all the other Named Executive Officers and Executive Vice Presidents
Establishing, amending, monitoring and, where appropriate, terminating all compensation plans and arrangements for executive officers, officers and employees, including pension and retirement plans, cash-based incentives such as bonuses, and share incentive plans and other equity-based arrangements
Ensuring that the compensation structure promotes long-term sustainable, profitable growth and is in keeping with the risk profile set by the Board
Awarding grants of options under any share incentive plan, subject to regulatory and shareholder approval
Awarding grants of restricted share units under the Bank's Restricted Share Unit Plan

Determination of Compensation

The remuneration paid to the Bank's directors and executive officers is reviewed each year by the Governance Committee and the Human Resources Committee, respectively. The level of remuneration is designed to provide a competitive level of remuneration relative to comparable positions in the marketplace. The aggregate annual remuneration that may be paid to all directors is set out by the Bank's by-laws. Any increase to this amount requires shareholder approval.

Compensation Consultants

Each of the Governance Committee and the Human Resources Committee has the authority to retain consultants, including compensation consultants or advisors, as the committee may determine necessary or advisable to carry out its responsibilities. Information about compensation consultants retained by the Bank in 2011 may be found on page 27.

BOARD COMMITTEES

The Bank Act requires the Bank to have an Audit Committee and Conduct Review Committee. The Board has four standing committees: the Audit Committee, the Governance Committee (which also acts as the Conduct Review Committee), the Human Resources Committee and the Loans Committee. All directors currently serve on at least one standing committee.

In order to facilitate an open and candid discussion among independent directors, a portion of every committee meeting is reserved for independent directors to meet without the presence of management and non-independent directors.

Audit Committee

Members: Robert A. Manning – Chair, Wendy A. Leaney, Gerald A.B. McGavin, Robert L. Phillips, Raymond J. Protti, Ian M. Reid and Alan M. Rowe.

The Audit Committee is comprised of seven directors who meet the standard for independence and financial literacy set out in National Instrument 52-110 *Audit Committees*.

A review of the education and experience of the Audit Committee members may be found on page 15 of the Bank's Annual Information Form dated December 7, 2011, which has been filed on SEDAR at www.sedar.com. This committee's written mandate may be summarized as follows:

Audit Committee Mandate Summary
Reviewing the Bank's audited annual financial statements, unaudited quarterly financial statements and other public documents containing financial information and reporting thereon to the Board
Discussing major issues regarding accounting principles and financial statement preparation
Recommending to the Board the appointment of the external auditors and dealing with all matters relating to the external auditors
Reviewing the Bank's policy for non-audit services to be completed by the external auditors and the Bank's hiring policies regarding employees and former employees of the present and former external auditors
Requiring management to implement and maintain appropriate internal control procedures, including procedures designed to identify, monitor and manage audit-related risks
Meeting with the Bank's Chief Internal Auditor and management to discuss reports on internal audit activities
Reviewing correspondence received from regulators and external auditors, together with management's responses thereto, concerning the effectiveness of internal risk controls and other matters that fall within the Committee's responsibility
Reviewing such returns of the Bank and its subsidiaries as the Superintendent of Financial Institutions may specify
Reviewing a quarterly report from the Loans Committee concerning the quality of the Bank's loan portfolio and the adequacy of the allowance for credit losses
Reviewing the appointment of the Bank's Chief Financial Officer and Chief Internal Officer as well as any Chief Financial Officer of a Bank subsidiary
Reviewing periodically the Bank's code of conduct for senior financial officers
Reviewing a quarterly report from the Bank's Disclosure Committee
Acting as the audit committee for the Bank's subsidiaries
Meeting annually with CDI's appointed actuary and receiving a triennial report regarding the external review of the appointed actuary
Establishing procedures for the receipt and handling of complaints received by the Bank and its subsidiaries regarding accounting, internal accounting controls, or auditing matters and establishing procedures for the confidential, anonymous submission of concerns by Bank employees
Annually reviewing and assessing the Committee mandate

Governance Committee

Members: Albrecht W.A. Bellstedt – Chair, Linda M.O. Hohol, Allan W. Jackson, Wendy A. Leaney, Robert A. Manning, Raymond J. Protti and Arnold J. Shell.

The Governance Committee is comprised of seven independent directors. This committee is responsible for the identification of new directors (as described under "Nomination of Directors" above) and the determination of the compensation of the Bank's directors (as described under "Compensation" above). In addition, this committee's written mandate includes the following:

Governance Committee Mandate Summary
Reviewing corporate governance trends and best practices applicable to the Bank and making recommendations to the Board to adopt new governance policies and practices or to amend existing policies and practices
Reviewing and monitoring compliance with corporate governance policies and practices and reporting instances of non-compliance to the Board
Evaluating, on alternating years, Board effectiveness and individual director effectiveness, and recommending changes to the Board
Acting as the Conduct Review Committee for the Bank and each of its federally regulated subsidiaries
Requiring management of the Bank to establish procedures in order to ensure disclosure of potential transactions with specified related parties of the Bank and reviewing those procedures and their effectiveness in ensuring that the Bank is complying with the Bank Act
Reviewing any such potential transactions to ensure compliance with the Bank Act, and either approving or declining the transaction, as required
Reviewing and approving internal policies, and any amendments thereto, for credit arrangements and financial services available to employees of the Bank under the regulations concerning officers and associated parties
Monitoring aggregate transactions of the Bank with directors and officers and their interests to ensure continued compliance with the Bank Act and that excesses are brought to the Board for consideration
Reviewing the practices of the Bank to ensure that any transactions with related parties of the Bank that may have a material effect on the stability or solvency of the Bank are identified
Reviewing 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
Monitoring procedures with respect to requirements under federal financial institution 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 being satisfied that the procedures are being adhered to
Reviewing the mandate of the Governance Committee at least annually and making recommendations for change to the Board.

Human Resources Committee

Members: Alan M. Rowe – Chair, Albrecht W.A. Bellstedt, Allan W. Jackson, Robert A. Manning, Howard E. Pechet, Robert L. Phillips, H.S. (Sandy) Riley and Arnold J. Shell.

The Human Resources Committee is comprised of eight independent directors, none of whom currently serve as the CEO of a public company. This committee's mandate includes establishing and overseeing the Bank's executive compensation program (as described under "Compensation" above). Additionally, this committee's written mandate provides for the following duties and responsibilities:

Human Resources Committee Mandate Summary
Reviewing and recommending to the Board, the employment and appointment of the executive officers (Executive Vice President and above) of the Bank
Reviewing the position descriptions for the executive officers of the Bank and approving changes
Ensuring an annual performance appraisal is completed for the President and CEO and that it is reviewed with him by the Chair of the Board
Acting as the Human Resources Committee for all subsidiaries of the Bank
Reviewing and approving any employment-related contract entered into between the Bank, or one of its subsidiaries, and an executive level officer (equivalent to Executive Vice President within the Bank, or higher)
Reviewing the succession plans for the Bank and its subsidiaries, which include all critical positions as well as all officers at each of the companies and ensuring appropriate programs are in place for leadership development
Establishing shareholding requirements for the senior management of the Bank and reviewing compliance on an annual basis
Reviewing and approving the compensation discussion and analysis in the Bank's annual proxy circular and reporting on its review to the Board
Reviewing the organizational structure of the Bank at the executive level
Reviewing the Bank's Employment Equity Report annually
Reviewing the mandate of the Human Resources Committee at least annually and recommending changes to the Board

Loans Committee

Members: Gerald A.B. McGavin – Chair, Linda M.O. Hohol, Allan W. Jackson, Wendy A. Leaney, Howard E. Pechet, L. (Larry) M. Pollock, Ian M. Reid, H.S. (Sandy) Riley and Alan M. Rowe. Robert L. Phillips – Alternate.

The Loans Committee is comprised of nine directors, eight of whom are independent. Mr. Phillips serves as an alternate member and only attends meetings when invited by the committee to share his expertise in certain specified industries. The President and CEO, who is not independent, is a member of this committee. This committee's written mandate may be summarized as follows:

Loans Committee Mandate Summary
Establishing and approving lending limits for the Bank, the Bank's Credit Committee and the President and CEO within the limits established by the Board and reviewing such limits at least annually
Dealing with credit applications which are in excess of the lending limit for the Bank's Credit Committee but within the Loans Committee's lending limit and which have been recommended by management of the Bank
Dealing with loans to a foreign country or which are guaranteed by a foreign country
Making recommendations to the Board for loan proposals in excess of the lending limits established for the Loans Committee
With respect to credit risk, reviewing details of the amount, nature, characteristics, concentration and quality of the credit portfolio of the Bank
Confirming at least annually that management has reviewed the Bank's Lending Policies and Guidelines to ensure that they are sound, prudent and compliant with regulatory standards, and reviewing and approving, if acceptable, new policies and guidelines or amendments to existing policies and guidelines, as recommended by management
Reviewing management's proposals for allowances and making recommendations for the consideration of the Audit Committee of the Board
Reviewing proposed changes to the policy on Director Related Loans and making recommendations to the Board
Determining the content and frequency of management reports to the Loans Committee
Reviewing at least quarterly the Bank's Credit Risk Management program and making recommendations for changes to the Board
Acting as the loans committee for CWT
Reviewing the mandate of the Loans Committee at least annually and making recommendations for changes to the Board

ASSESSMENTS

AT A GLANCE

The Board conducts assessments annually. In "even" years, Board members assess the effectiveness of the Board as a whole. In "odd" years, Board members assess the effectiveness of their peers.

In response to the Board's commitment to effective corporate governance, a two-pronged evaluation process has been initiated. In "even" years, the Board members assess their effectiveness as a Board. In "odd" years, a peer evaluation of each member is scheduled.

Both evaluation processes are conducted in-house and require all members to complete questionnaires that are forwarded to the Chair of the Board (except for the Chair of the Board assessment, which is forwarded to the Chair of the Governance Committee). The Chair of the Board (or the Chair of the Governance Committee in the case of the Chair of the Board assessment) then compiles the results and prepares a single document that includes any comments that may have been forwarded. Anonymity of the particular submitter is maintained, with the aggregate results presented to the Governance Committee.

During the Board assessment, members are asked to rate items such as structure and size of the Board, the knowledge and diversity of the membership, as well as the timeliness and completeness of information received for discussion and the overall effectiveness of the decision-making process. The Board assessment is intended to highlight deficiencies and solicit suggestions for improving the Board. The Governance Committee is responsible for creating a plan to address any deficiency or evaluating and, if appropriate, implementing any suggestion elicited through the Board assessment process.

The peer evaluation asks directors to evaluate each other's leadership skills, communication skills and knowledge. In addition, directors are asked to evaluate the effectiveness of the Chair of the Board and the chairs of the committees in regard to their performance as chairs. These peer assessments were revised and enhanced during 2011. The peer evaluation process is intended to ensure that each director is contributing to the ongoing stewardship of the Bank. The process is a forum for directors to provide each other with suggestions on how they can improve and is also intended to bring to light issues that may ultimately lead to a director being asked to resign. It is expected that directors found by their peers to lack requisite skills or knowledge, whose performance as directors has deteriorated, or whose attendance is less than satisfactory would be asked to resign.

SCHEDULE B:
MANDATE OF THE BOARD OF DIRECTORS

Introduction

The Board's primary responsibility is to oversee the management of the business and to pursue the best interests of the Bank. The Board has plenary power and exercises overall responsibility for the management and supervision of the affairs of the Bank.

Board Size and Criteria

The Board shall consist of at least seven and not more than 25 directors, a majority of whom must be resident Canadians at the time of election or appointment, and no more than 15% may be employees of the Bank or a subsidiary of the Bank. A majority of the directors of the Board shall be independent within the meaning of Multilateral Instrument 52-110 Audit Committees. If a person will have reached the age of 75 years at the time of the election of the Board, he is not eligible to be nominated as a director.

Board Meetings

In order for the Board to transact business, a majority of the directors must be present and a majority of those present must be resident Canadians. The Board 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. The Board shall have an in camera session at each Board meeting with only independent directors present.

Reports From Committees/Subsidiaries

Unless waived by the Board, the Chair of each of the Audit Committee, the Governance Committee and the Human Resources Committee shall provide a report to the Board on material matters considered by such committee at the first Board meeting after the committee's meeting.

Chairman

The Board shall appoint a Chairman of the Board who shall have responsibility to ensure that the Board discharges its duties and responsibilities. The Chairman of the Board shall be an independent director.

Outside Advisors

The Board shall have the authority to retain, at the Bank's expense, independent advisors and consultants to advise the Board as it determines necessary to carry out its duties and to fix the remuneration of such advisors and consultants. The Board 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 Board or to meet with any directors of, or consultants to, the Board.

Governance

The Board of Directors has responsibility for developing the Bank's approach to governance issues although the Governance Committee plays a key role by recommending and reporting on governance issues, including ethical conduct, to the Board. The Board may delegate specific governance issues to other committees of the Board. The Board is responsible for establishing the appropriate procedures to ensure that the Board, Board committees and individual directors can function independently of management.

General Duties

It is the duty of the directors of the Bank to manage, or supervise the management of, the business and affairs of the Bank. In exercising his or her duties, every director shall act honestly and in good faith with a view to the best interests of the Bank and exercise the care, diligence and skill that a reasonably prudent person would exercise in similar circumstances. Each director shall also comply with the provisions of the Bank Act (the "Act"), the regulations under the Act and the by-laws of the Bank. The Board may establish from time to time various committees of the Board to perform certain functions on behalf of the Board.

Statutory Responsibilities Contained in the Bank Act

The Board shall comply with the requirements under the Act including, but not limited to, the following:

- establish an audit committee and a conduct review committee to perform the duties of such committees as set out in the Act;

- establish procedures to resolve conflicts of interest, including techniques for the identification of potential conflict situations and for restricting the use of confidential information, and designate a committee of the Board to monitor such procedures;

- establish procedures to provide disclosure of information to customers of the Bank that is required to be disclosed by the Act and for dealing with complaints as required by the Act, and designate a committee of the Board to monitor such procedures and satisfy itself that they are being adhered to by the Bank;

- establish investment and lending policies, standards and procedures in accordance with the Act;

- approve the Bank's annual statement and specific reports prior to submission to the Superintendent of Financial Institutions; and

- approve, when required, related party transactions in accordance with Part XI of the Act and establish policies and procedures and oversee reporting with respect to related party transactions.

Stewardship Duties and Responsibilities

The Board has responsibility for stewardship of the Bank, including the responsibility to:

- to the extent feasible, satisfy itself as to the integrity of the Chief Executive Officer (the "CEO") and other executive officers (as defined in National Instrument 51-102 *Continuous Disclosure Obligations*) and that the CEO and other executive officers create a culture of integrity throughout the organization;

- adopt a strategic planning process and approve, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the business;

- identify and monitor key risks of the Bank on a consolidated basis including market risk, operational risk, liquidity risk and reputational risk;

- oversee enterprise risk management of the Bank on a consolidated basis to ensure that policies and procedures are in place to measure and manage risk exposure;

- oversee succession planning (including appointing, training and monitoring senior management);

- adopt a communication and disclosure policy for the Bank;

- oversee the Bank’s internal control and management information systems;

- develop the Bank’s approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Bank; and

- review and disclose, no less than annually, measures for receiving feedback from stakeholders.

Other Duties and Responsibilities

The Board shall:

- with the assistance of the Human Resources Committee, review and ratify the employment, appointment, grade levels and compensation of the Chief Executive Officer and the Executive Vice Presidents;

- with the assistance of the Human Resources Committee, develop a position description for the Chief Executive Officer which, together with other Board approved policies and practices, should provide for a definition of the limits to management’s responsibilities, and approve the objectives of the Bank to be met by the Chief Executive Officer;

- with the assistance of the Human Resources Committee, ensure the performance of the Chief Executive Officer is evaluated at least annually;

- with the assistance of the Governance Committee, develop a process to evaluate the effectiveness of each director and the Board as a whole on no less than a biennial basis;

- review and approve the strategic plan, the annual business plan and accompanying capital plan and financial operation budget, including capital expenditures;

- approve material divestures, acquisitions and financial commitments;

- with the assistance of the Human Resources Committee, approve the management proxy circular, including the Compensation Discussion and Analysis;

- with the assistance of the Audit Committee, approve the annual audited financial statements, Management’s Discussion and Analysis (“MD&A”), annual information form and other annual public documents of the Bank;

- with the assistance of the Audit Committee, approve the quarterly reports to the shareholders, including the unaudited interim quarterly statements and the quarterly MD&A;

- determine the content and frequency of management reports;

- review any recommendations from regulators or the external auditors respecting their assessment of the effectiveness of the internal controls that come to their attention in the conduct of their work;

- ensure an independent audit/inspection function is in place to monitor the effectiveness of organizational and procedural controls; and

- with the assistance of the Audit Committee and Loans Committee, approve loan writeoffs.

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