



Mandate of the Governance and Conduct Review Committee

CANADIAN WESTERN BANK

Approved May 28, 2019





1.0 Purpose of the Committee

The purpose of the Committee is to assist the Board of Directors in fulfilling its oversight responsibilities relating to:

- 1.1 the Bank's corporate governance policies and practices;
- 1.2 the Board's nomination, development, and compensation practices; and
- 1.3 the Bank's compliance with specific requirements applicable to codes of conduct and specified regulatory requirements under federal financial institution legislation (the "Federal Legislation").

2.0 Organization of the Committee

The Board will annually (and from time to time) appoint at least three independent directors to be the Committee. The Board will appoint one Committee member to act as the Chair of the Committee.

3.0 Meetings of the Committee

For the Committee to transact business, three members of the Committee must be present and a majority of directors present must be resident Canadians. The Committee shall meet at least once a quarter and shall schedule a sufficient number of meetings (whether in person or by teleconference) to carry out its mandate. Any member of the Committee may call a meeting. At each meeting, the Committee will meet with the General Counsel and Corporate Secretary and the Chief Compliance Risk Officer without management present. The Chair, or in the Chair's absence, another member of the Committee, shall preside at each meeting of the Committee.

4.0 Reporting to the Board

The Committee shall report after each meeting to the Board about its activities and make recommendations as it deems desirable in the circumstances.

5.0 Outside Advisors

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

6.0 Duties and Responsibilities of the Committee

The Committee has the following specific duties and responsibilities:

Corporate Governance

- 6.1 review corporate governance trends and best practices applicable to the Bank and make recommendations to the Board to adopt new governance policies and practices or to amend existing policies and practices;
- 6.2 review and approve annually the Corporate Governance Policies and report any instances of non-compliance to the Board;



- 6.3 review and recommend to the Board the Bank’s disclosure and corporate governance guidelines, practices and policies in annual disclosure documents;
- 6.4 review any shareholder proposals submitted to the Bank pursuant to section 143 of the Bank Act and recommend to the Board a response to each such proposal;

Board Nomination, Development and Compensation

- 6.5 act as the Nominating Committee and the Board Compensation Committee for the Bank;
- 6.6 identify and recommend to the Board qualified candidates to be considered for Board membership;
- 6.7 at least annually, review and recommend to the Board the appointment of directors to each Board committee and recommend the Chair for each Board committee;
- 6.8 review, monitor, and make recommendations regarding new director orientation and the ongoing development of existing Board members;
- 6.9 evaluate on alternating years Board and committee effectiveness and individual director effectiveness and make recommendations to the Board for changes. The Committee may choose to engage independent external advisors in the Board evaluation process;
- 6.10 develop a Board skills and competency evaluation process, the results of which are reviewed periodically by the Board and integrated with the overall Board succession plan. Particular attention should be given to the positions of the Chair of the Board and the Chairs of the Board committees;
- 6.11 at least annually, review and recommend changes to the Board the remuneration paid to directors and expense reimbursement;

Legal and Regulatory Compliance, including Conduct Review

- 6.12 act as the Conduct Review Committee of the Bank and each of its federally regulated financial institutions (the “Federally Regulated Entities”);
- 6.13 act as the Consumer Matters committee of the Bank and each of the Federally Regulated Entities;
- 6.14 require management to establish procedures to ensure disclosure of potential transactions with specified related parties and review those procedures and their effectiveness in ensuring compliance with Federal Legislation;
- 6.15 review any such potential transactions to ensure compliance with Federal Legislation, either approving or declining the transaction, as required;
- 6.16 review and approve internal policies, and any amendments thereto, for credit arrangements and financial services available to employees of the Federally Regulated Entities;
- 6.17 monitor aggregate transactions of the Federally Regulated Entities with directors and officers and their interests to ensure continued compliance with Federal Legislation and that excesses are brought to the Board for consideration;



- 6.18 review the practices of CWB Financial Group to ensure that any transactions with related parties of CWB Financial Group that may have a material effect on the stability or solvency of CWB Financial Group are identified;
- 6.19 review and approve policies relating to ethical and business conduct at the CWB Financial Group annually and receive reports on all non-accounting and auditing matters quarterly;
- 6.20 receive quarterly reports on any litigation matters which could affect the reputation of CWB Financial Group and identify to the Audit Committee any matters which could significantly affect the financial statements of CWB Financial Group;
- 6.21 review and approve the corporate disclosure policy and the share trading restrictions policy on an annual basis;
- 6.22 monitor procedures to address requirements under Federal Legislation to identify and resolve conflicts of interest, restrict the use of confidential information, provide disclosure of information to customers of the financial institution and handle customer complaints, and be satisfied that the procedures are being adhered to;
- 6.23 review regular reports from the Chief Compliance Risk Officer on the design and operation of the regulatory compliance program, CWB Financial Group's exposure to regulatory risk as well as the remediation plans, as necessary;
- 6.24 review regular reports from the Chief Anti-Money Laundering Officer on the design and operation of the program, CWB Financial Group's exposure to AML/ATF risk as well as the remediation plans, as necessary;
- 6.25 review at least annually the report on outsourcing arrangements;
- 6.26 oversee the Regulatory Compliance function:
 - 6.26.1 approve the appointment or removal of the Chief Compliance Risk Officer;
 - 6.26.2 review and approve annually the mandate of the Chief Compliance Risk Officer;
 - 6.26.3 annually assess the effectiveness of the Chief Compliance Risk Officer and convey its view of the Chief Compliance Risk Officer's performance against stated goals and objectives as input to the compensation approval process;
 - 6.26.4 approve the appointment or removal of the Chief Anti-Money Laundering Officer;
 - 6.26.5 review and approve annually the mandate of the Chief Anti-Money Laundering Officer;
 - 6.26.6 annually assess the effectiveness of the Chief Anti-Money Laundering Officer and convey its view of the Chief Anti-Money Laundering Officer's performance against stated goals and objectives as input to the compensation approval process;
 - 6.26.7 review and approve annually the mandate of the Regulatory Compliance function;
 - 6.26.8 ensure the independence and effectiveness of the function; and
 - 6.26.9 annually review and approve the function's budget and resources;



- 6.27 review the mandates of the Board, the Committee, the Chair of the Board and Committee Chairs annually and make recommendations for changes to the Board and review all other Committee mandates and recommend changes to the applicable Committee where appropriate; and
- 6.28 perform such other functions and tasks as may be mandated by regulatory requirements or the Board.