



Mandate of the Human Resources 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 role to:

- 1.1 establish the Bank's compensation philosophy and satisfy itself that compensation structure and programs are consistent with the Bank's philosophy, strategy and the prudent management of its operations and the risks to which it is exposed;
- 1.2 oversee the compensation of the Bank's executive officers (Executive Vice President and higher) and recommend the appointment of such officers; and
- 1.3 ensure that effective succession planning and robust talent planning and leadership development processes are in place for the Bank and each of its subsidiaries.

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, a majority of the Committee must be present and majority of those directors present must be resident Canadians. The Committee shall meet on a regular basis and shall schedule a sufficient number of meetings (whether in person or by teleconference) to carry out its mandate. Any member of the Committee may call a meeting. The Chair, or in the Chair's absence, another member of the Committee, shall preside at each meeting of the Committee.

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 fix the 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:

- 6.1 review and recommend to the Board, jointly with the Audit Committee in the case of the Chief Financial Officer, and jointly with the Risk Committee in the case of the Chief Risk Officer, the appointment, employment or termination of the Chief Executive Officer ("CEO") and any executive level officer (equivalent to Executive Vice President within the Bank, or higher);
- 6.2 review and recommend to the Board the compensation structure and level of compensation for the CEO;



- 6.3 with the assistance of the CEO, establish the compensation structure and level of compensation for all Executive Vice Presidents of the Bank and Named Executive Officers;
- 6.4 annually, and in conjunction with the Audit Committee in the case of the Chief Financial Officer and in conjunction with the Risk Committee in the case of the Chief Risk Officer, approve goals and objectives relevant to the CEO's, Executive Vice Presidents' and other Named Executive Officers' compensation, review and evaluate the CEO's, Executive Vice Presidents' and other Named Executive Officers' performance in light of those goals and objectives and ensure that the CEO's annual evaluation is reviewed with him by the Chair of the Board;
- 6.5 review and approve, and, where appropriate, amend or terminate all compensation plans and arrangements for executives and senior officers of the Bank, and any employee where the resulting compensation exceeds a materiality threshold established by the Committee, to ensure the structure promotes long term sustainable profitable growth and is consistent with the risk appetite framework approved by the Board. This includes:
 - Pension and retirement programs;
 - Incentive compensation plans and other bonus arrangements; and
 - Share-based incentive plans and other equity-based arrangements;
- 6.6 annually review the design, structure and current year results of material compensation programs, to ensure the programs and results are consistent with good governance standards and the risk appetite approved by the Board and do not encourage inappropriate risk taking;
- 6.7 review management's assessment of the Bank's significant human resource risks and the effectiveness of related internal controls;
- 6.8 review the succession plans for the Bank and its subsidiaries, which will include all critical positions and ensuring appropriate programs are in place for leadership development;
- 6.9 review with management any incidence of deficient performance of an employee who is the head of an oversight function;
- 6.10 review the organizational structure of the Bank at the executive level;
- 6.11 annually, and in conjunction with the Audit Committee in the case of the Chief Financial Officer and in conjunction with the Risk Committee in the case of the Chief Risk Officer, review the position descriptions for the CEO, Executive Vice Presidents and other Named Executive Officers of the Bank and approve changes;
- 6.12 review and approve any employment-related contract entered into between the Bank, or one of its subsidiaries, and an executive level officer;
- 6.13 establish shareholding requirements for the senior management of the Bank and review compliance on an annual basis;
- 6.14 award grants of options under any share incentive plan, subject to applicable regulatory and shareholder approval;



- 6.15 review the annual aggregate incentive award pool established for grants of long-term equity-based compensation; review the Employment Equity Report annually;
- 6.16 review and approve the compensation discussion and analysis in the Bank's annual proxy circular and report on its review to the Board;
- 6.17 review the mandate of the Committee annually and recommend changes to the Board; and
- 6.18 perform such other functions and tasks as may be mandated by regulatory requirements and the Board.