



CANADIAN WESTERN BANK

Mandate of the Human Resources Committee

Approved August 27, 2020

1.0 Purpose of the Committee

The purpose of the Committee is to assist the Board of Directors (the **Board**) of Canadian Western Bank (the **Bank**) fulfill its oversight responsibilities relating 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 to the Board 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 CWB Financial Group (being the Bank and each of its subsidiaries in each jurisdiction it carries on business).

2.0 Organization of the Committee

The Board will annually (and from time to time) appoint at least three independent directors to form 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 directors present must be resident Canadians. The Committee will meet at least once a quarter and will schedule a sufficient number of meetings (by any means reasonable in the circumstances) to carry out its mandate. Any member of the Committee may call a meeting. The Committee will have an *in camera* session at each meeting with only independent directors present. At least quarterly, the Committee will meet with the Executive Vice President, Human Resources and Corporate Communications without other management present. The Chair, or in the Chair's absence, another member of the Committee, will preside at each meeting of the Committee.

4.0 Reporting to the Board

The Committee will 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 the remuneration of, at the Bank's expense, independent advisors and consultants to support 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 internal or 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 is responsible to, in addition to other duties the Board may assign it:

- 6.1 recommend to the Board the:
 - 6.1.1 compensation discussion & analysis in the management proxy circular;
 - 6.1.2 appointment, employment or termination of the President & Chief Executive Officer (**CEO**), jointly with the Audit Committee (for Chief Financial Officer (**CFO**)) and jointly with the Risk Committee (for Chief Risk Officer (**CRO**)), and any other Executive Vice President (**EVP**);
 - 6.1.3 the succession plan for the CEO, CFO, CRO, any other Executive Vice President, the Chief Internal Auditor and the Chief Compliance Risk Officer; and
 - 6.1.4 position description and the annual Long-Term Incentive Program (**LTIP**) award, Short-Term Incentive Program (**STIP**) award and salary Increases for the CEO;
- 6.2 approve the:
 - 6.2.1 compensation materiality recommendation;
 - 6.2.2 Compensation Recoupment Policy;
 - 6.2.3 material incentive plans including the design considerations and plans for performance share units (**PSU**), restricted share units (**RSU**) and share incentives (stock options);
 - 6.2.4 stock option grant dates;
 - 6.2.5 annual LTIP award pool and individual Executive Vice President LTIP awards; and
 - 6.2.6 vesting PSU performance assessment;
- 6.3 for Named Executive Officers and Executive Vice Presidents, approve employment-related contracts, position descriptions, performance objectives, compensation plans and structures, STIP awards and salary increases and jointly with the Audit Committee (for CFO) and jointly with the Risk Committee (for CRO), position descriptions and performance objectives;
- 6.4 review the organizational structure of the Bank at the executive level and the assessment of human resource risks and effectiveness of related internal controls;
- 6.5 review the design, structure and current year results of material compensation programs, including senior management shareholding requirements 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;
- 6.6 review significant Human Resources policy changes and the annual employment equity report; and
- 6.7 recommend to the Board the Committee mandate.