

# Corporate Governance

## OUR CORPORATE GOVERNANCE PRACTICES

### INTRODUCTION

Everything we do at CWB, including our corporate governance practices, is driven by our core values:



#### PEOPLE FIRST

Caring people are the key to our success. We work as a team and support one another. We always treat each other with respect and have the courage to be candid.



#### RELATIONSHIPS GET RESULTS

Clients choose CWB for the best experience. We build relationships proactively, with intention and consistency. Our results depend on it.



#### EMBRACE THE NEW

Change is everywhere. We seek out new ideas and are committed to continuous learning. We know that better is always possible.



#### THE HOW MATTERS

How we do things is as important as what we do. We take ownership, and move with urgency and efficiency. We always act with integrity, and balance risk and reward.



#### INCLUSION HAS POWER

Diverse teams unleash new ideas and perspectives. We are aware of our own biases. We are proud of who we are, and we are allies for those around us.

These values are reflected in our strong corporate governance culture, founded on the principles of integrity and accountability. Our corporate policies and practices foster ethical conduct, promote responsible business practices, and build long-term shareholder and stakeholder value through diligent management.

Our corporate governance framework is supported by clearly defined roles for our Board and committees. The GCR Committee reviews corporate governance best practices, monitors compliance with governance policies, provides direction to the Board and management, and makes recommendations to the Board to enhance corporate governance and Board effectiveness. Our corporate governance framework forms part of our overall ESG approach, implementing practices that align with our environmental and social framework, which is described in more detail in our most recent Sustainability Report.

We design our governance policies to meet or exceed the requirements of our regulators, including OSFI, the Canadian Securities Administrators, and the TSX. In addition, we consider, and where appropriate will adopt, new corporate governance best practices put forward by governance institutions, academics, industry groups, and groups that represent the interests of our shareholders and other stakeholders.

## GOVERNANCE AT CWB: A SNAPSHOT

A summary of the key elements of our governance practices and where you can find them in this Circular follows:

Corporate Governance Snapshot		See Page
Appropriate Board size	9 director nominees	5, 18
Board independence	8 of 9 director nominees are independent <sup>(1)</sup>	21
Formal Mandate for Board, Board Committees and Board Chair	✓	19
Separate Chair and CEO positions	✓	21
Annually elect directors	✓	5, 7
Elect directors individually (not by slate)	✓	21
Majority voting policy for directors	✓	21
Board diversity, including targets	56% of director nominees are women 11% of director nominees identify as Black, Indigenous or racialized persons 75% of committee Chairs are women	22
Senior Executive diversity policy, including targets (as at October 31, 2023)	29% of executives are women 29% of executives identify as Black, Indigenous or racialized persons	23
Share ownership requirements for directors	✓	16
Share ownership requirements for executives	✓	36
Formal mandates for the independent Chair of the Board and committee Chairs, and position description for the CEO	✓	19, 34
Retirement age for directors	75	22
Code of business conduct and ethics rooted in our values	✓	21
Orientation and continuing education program for directors	✓	25
Annual advisory vote on executive compensation	✓	6, 32
Formal assessment process for the Board, Chair of the Board and committee Chairs	✓	26
Shareholder engagement program	✓	24

(1) Under the Bank Act, the CEO is required to serve as a director of CWB.

## OUR BOARD OF DIRECTORS

### NOMINATION OF DIRECTORS, BOARD COMPOSITION AND BOARD RENEWAL

The GCR Committee is our Nominating Committee and is responsible for board renewal, including identifying new director candidates for consideration and recommending candidates.

Our objective is for our Board to have a sufficient and diverse range of skills, expertise, and experience to see that its responsibilities are carried out effectively. The GCR Committee annually reviews the size, composition and diversity of the Board and Board committees. The GCR Committee uses the Director Skills and Experience table set out on page 13 to:

1. Assess the competencies and diversity of current directors;
2. Identify desirable skill sets to look for in new director candidates; and
3. Consider whether the Board's skills and experience need to be strengthened in any areas.

As part of the Board's renewal process, the GCR Committee regularly analyzes these factors when considering whether the Board has the appropriate Board composition and recommending potential nominees for consideration.

The GCR Committee solicits suggestions from other directors, and also identifies qualified candidates with support from professional search firms as needed.

The GCR Committee assesses candidate skills, expertise, and experience against the needs of the Board and its committees, and the current complement of directors. The GCR Committee is guided by the diversity criteria and targets in our Corporate Governance Policy, and will also take into account such matters as a candidate's geographic location and the key requirements of integrity and alignment with CWB's core values. Background checks are completed on all new director nominees.

## MANDATE AND ROLE OF THE BOARD

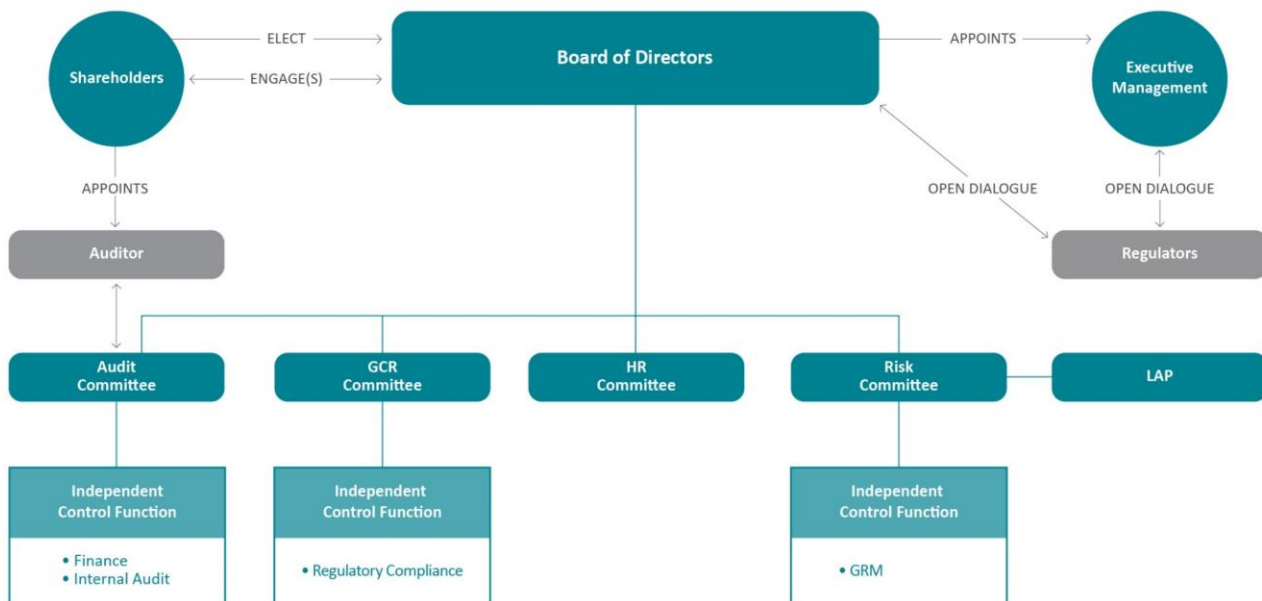
The Board's primary responsibilities are to approve and oversee items essential to the prudential oversight of CWB, such as strategy, risk appetite, capital plans, succession planning, and key policies, and to provide challenge, advice, and guidance to CWB's senior management. The Board has plenary power and exercises overall accountability for the management and supervision of CWB's affairs. The Board has responsibility to determine CWB's approach to governance issues, including ethical conduct, based on recommendations and reports from the GCR Committee. The Board is responsible for establishing appropriate mandates and procedures to ensure that the Board, Board committees and individual directors, function independently of management.

The Board has developed a mandate which is reviewed annually and sets out the Board's purpose, organization, duties, and responsibilities. Mandates for the Board, Chair of the Board, committee Chairs and each committee are available in the Corporate Governance section of CWB's website at [www.cwb.com/corporate-governance](http://www.cwb.com/corporate-governance), and the text of the Mandate of the Board is incorporated by reference into this Circular. In addition, a comprehensive list of directors' obligations under the *Bank Act*, OSFI Guidelines, and Canadian securities laws has been documented and cross-referenced against the Mandate of the Board and each of its committees to ensure that the Board fulfils all of its obligations.

The *Bank Act* requires the Board to perform certain functions, including approving financial statements, issuing shares, and declaring dividends, but the Board may delegate certain other matters and decisions to its Committees and management. As part of the delegation of authority to management, the Board establishes certain limits and thresholds which, if exceeded, require Board approval.

## STRUCTURE AND COMMITTEES

To help the Board fulfil its mandate, the Board delegates certain powers, duties, and responsibilities to its committees. The current committee structure of the Board includes the Audit, GCR, HR, and Risk Committees. Each Board committee has a mandate setting out its responsibilities as summarized in the reports starting on page 27.



## COMMITTEE STRUCTURE

The Board believes that individual directors should have exposure to different committees to develop a broad understanding of our operations. Each director is expected to serve on two committees (including one of the Audit or Risk Committees), and the GCR Committee regularly reviews and considers each committee's composition. The Chair of the Board serves on all of the Board committees. Mr. Fowler, as a management director, does not serve on any committees, with the exception of the Risk Committee's LAP in which he may participate.

The LAP is typically comprised of three Board members (who may vary from meeting to meeting) selected by the Chair of the LAP in consultation with the SVP, Credit Risk Management, and is overseen by the Risk Committee.

## CHAIR OF THE BOARD

The Chair of the Board is an independent director, responsible for ensuring that the Board functions effectively and independently of management, and that it meets the obligations and responsibilities as set out in its mandate.

## CHAIR MANDATES

The Board has developed written mandates for the Chair of the Board and for the Chairs of our Board committees, copies of which are available in the Corporate Governance section of our website at [www.cwb.com/corporate-governance](http://www.cwb.com/corporate-governance).

## KEY BOARD RESPONSIBILITIES AND PRIORITIES

Although significant work is carried out by the committees, the Board has ultimate responsibility to oversee the management of CWB's business, including overseeing the following functions, as these are cross-dimensional and embedded in all of the Board's key decisions.

What the Board Oversees	
Culture and Values	<ul style="list-style-type: none"> <li>The Board is a champion of our core values and oversees our commitments to our clients, our people, and our investors.</li> <li>The GCR Committee oversees our ethics program and monitors adherence to our Code.</li> <li>The Board, with the HR Committee's assistance, works with management to promote a culture of integrity, and a safe, respectful, diverse, and inclusive environment for our people and clients alike. The Board and the Risk Committee promote CWB's prudent risk culture.</li> </ul>
Strategic Direction	<ul style="list-style-type: none"> <li>One of the Board's key mandates and priorities is to oversee the development of our strategic direction and management's execution against our strategic goals.</li> <li>The Board conducts a minimum of one focused strategy session each year, and at each quarterly Board meeting receives updates on, and considers refinements to, our strategic direction.</li> </ul>
Responsible Governance	<ul style="list-style-type: none"> <li>The GCR Committee reviews current and developing corporate governance best practices and refines our policies, as appropriate.</li> <li>The GCR Committee continually monitors compliance with our governance policies and makes recommendations to the Board to enhance corporate governance and Board effectiveness and to ensure the Board's continued independence.</li> <li>The Chief Internal Auditor reports to the Board (through the Audit Committee) on the effectiveness of risk management and internal controls.</li> </ul>
Executive Compensation and Performance	<ul style="list-style-type: none"> <li>The HR Committee, on behalf of the Board, oversees our executive compensation program. For detailed information about our executive compensation program, please see the "Compensation Discussion and Analysis" section, beginning on page 33.</li> </ul>
ESG and Sustainability	<ul style="list-style-type: none"> <li>The Board, with the assistance of the Board committees, oversees our approach to ESG issues, considers our exposure to ESG risks, and provides oversight of our approach to climate change and sustainability.</li> <li>We have a cross-functional sustainability team that is responsible to identify and prioritize social and environmental issues, and to support our evolving approach to sustainability. The sustainability team provides regular updates and education on emerging trends related to social and environmental risks and market developments to our Board.</li> <li>With the support of the GCR Committee and HR Committee, the Board oversees the integration of our ESG approach into our strategic direction and culture, including aligning certain executive compensation metrics with our ESG objectives (as outlined in more detail on page 39).</li> <li>With the support of the Risk Committee, the Board oversees key risks, including a review of risk appetite limits and policies that are expected to evolve over time to incorporate direct consideration of climate risk.</li> <li>With the support of the Audit Committee the Board oversees climate change-related disclosure, which is included in the Social and Environmental Risk section of our 2023 MD&amp;A.</li> <li>Our approach to sustainability focuses on long-term value creation for all our stakeholders, and the Board works with management to continue to enhance our ESG disclosures to provide our stakeholders with timely and transparent information, including through our Sustainability Report. For detailed information about our sustainability approach, please see the Social and Environmental Risk section of our 2023 MD&amp;A and our most recent Sustainability Report.</li> </ul>
Leadership Development and Succession Planning	<ul style="list-style-type: none"> <li>Our succession planning strategy focuses on identifying and developing individuals, including senior management, to build leadership capability and strengthen overall succession.</li> <li>Our succession philosophy is based on promoting talented individuals within CWB, supported by selective external hiring to enhance critical skills and experience, and build a diversity of perspectives.</li> <li>With the HR Committee's assistance, the Board oversees our succession planning activities. This includes robust review and assessment of the succession slates for the CEO (including an emergency CEO replacement protocol), executive management, and other critical leadership positions across CWB, and monitoring development plans for those identified. Potential successors are identified on a short-, medium-, and longer-term planning horizon. Consideration is given to the strengths and development needs of potential successors, with a focus on expertise, leadership skills, strategic capability, and diversity. Third-party consultants are used, where appropriate, to assess leadership capability and development opportunities for potential successors.</li> <li>The Board also has direct insight on potential successors and individuals within CWB through a combination of Board presentations, education seminars, and meetings with such individuals.</li> </ul>
Public Financial Disclosure	<ul style="list-style-type: none"> <li>The Board, on the recommendation of the Audit Committee, approves the audited financial statements, MD&amp;A, Annual Information Form, and other public disclosure documents. Such disclosures are key channels through which we communicate our financial and operational results to our investors and stakeholders.</li> <li>The Audit Committee oversees our auditor's independence, and adherence with applicable auditing, accounting and financial reporting requirements and standards.</li> <li>The Board, with the Audit Committee's assistance, oversees and approves our internal control framework and management information systems, and reviews the effectiveness of these controls and systems.</li> </ul>
Risk Management	<ul style="list-style-type: none"> <li>The Board, with the Risk Committee's assistance, oversees risk management and our comprehensive approach to risk, including developing risk management policies, frameworks, standards, guidelines, and procedures aligned with the established risk appetite.</li> <li>Our Risk Management Framework encompasses risk culture, risk governance, risk appetite, and risk management policies, processes and tools. The framework also provides independent review and oversight across the organization.</li> </ul>

## GOVERNANCE PRACTICES

### MAJORITY VOTING POLICY

The Board believes that each of its members should carry the confidence and support of our shareholders. The proxy form used for voting at the shareholder meeting enables shareholders to vote in favour of, or to withhold from voting separately for, each director 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 their favour and the number of shares withheld from voting. If the number of shares withheld exceeds the number of shares voted in favour of a particular nominee, then, for the purpose of our Majority Voting Policy, the nominee shall be considered to not have received the shareholders' support, even though the nominee will have been duly elected as a matter of corporate law.

A director who is elected but does not receive a majority of votes cast in their favour must immediately submit their resignation to the Board. The GCR Committee will promptly consider the director's resignation and make a recommendation to the Board whether to accept it. In making its recommendation, the GCR Committee will consider the potential cause of the withheld votes, the director's skills and attributes, the overall Board composition, and whether accepting the resignation would cause CWB to fail to meet a regulatory requirement. The Board will accept the resignation, absent exceptional circumstances. Any director who tenders their 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 news 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 resulting vacancy unfilled until the next annual meeting, fill the vacancy by appointing a new director whom the Board considers to merit the confidence of the shareholders, or 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.

Our Majority Voting Policy does not apply to a contested election where the number of nominees exceeds the number of directors to be elected. Each nominee for election to the Board must agree to the policy before their name is recommended for election to shareholders. In the event any director fails to tender their resignation in accordance with the policy, the Board will not re-nominate the director.

### IN CAMERA MEETINGS

To facilitate an open and candid discussion among independent directors, a portion of every Board and committee meeting is reserved for independent directors to meet *in camera* without management or non-independent directors present.

### ETHICAL BUSINESS CONDUCT

We have a strong ethical culture based upon our core values: *People first, Relationships get results, Embrace the new, The how matters, and Inclusion has power*. These values are reflected in the Code, which sets standards of legal, ethical, and responsible behaviour. The GCR Committee annually reviews the Code to confirm it remains consistent with best practices and recommends it to the Board for approval. All directors, officers, and employees are required to comply with the Code and must annually acknowledge their commitment to abide by it. The Code is available on the Corporate Governance section of our website under the heading "Conflicts of interest and codes of conduct" at [www.cwb.com/corporate-governance](http://www.cwb.com/corporate-governance), and under our profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

The GCR Committee oversees our ethics program, managed by an internal Ethics Committee comprised of senior leadership and chaired by the Chief Ethics Officer. The Ethics Program's objective is to strengthen and reinforce our ethical culture. The Ethics Program's priorities are to promote, raise awareness and provide training in respect of our standards of conduct and core values, identify concerns with respect to acting in accordance with these expectations, and promptly, fairly, and decisively address these concerns. Employees are encouraged to raise issues or report ethical concerns through one of our communication channels, including an anonymous, third-party provided Ethics Hotline.

Our promotion of ethical conduct and honest dealings with the public is embedded in other internal policies and procedures, including a policy for 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 Board committee, 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 GCR Committee's responsibilities include establishing procedures to ensure related party transactions are disclosed and reviewed in accordance with *Bank Act* requirements.

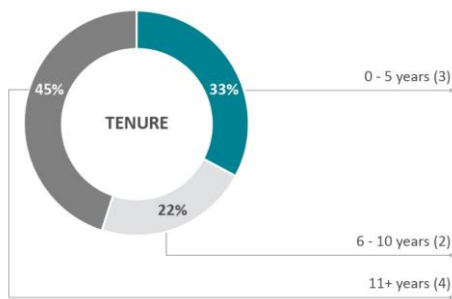
We are also committed to responding to and addressing the concerns of our clients. We have engaged an independent ombudsman to receive complaints from banking clients who are unable to obtain satisfaction from our internal complaint-handling process.

### INDEPENDENCE

The GCR Committee has reviewed each director's status to determine whether each director is "independent" as defined in National Instrument 58-101 *Disclosure of Corporate Governance Practices* (NI 58-101) or "affiliated" as defined by the regulations set forth in the *Bank Act* on an annual basis. Each director completes a self-assessment questionnaire and the GCR Committee is made aware of any notable responses. After considering all business, charitable, and family relationships among the directors and CWB, the GCR Committee has determined that each of the director nominees, except Mr. Fowler, (or 89% of the Board) are independent and not affiliated with CWB. Mr. Fowler is not independent and is affiliated with CWB as a result of his position as CEO of CWB. Under the *Bank Act*, the CEO is required to serve as a director of CWB. The Chair of the Board is an independent director. Separating the roles of CEO and Chair of the Board allows the Board to effectively oversee management, enhance accountability, and avoid potential conflicts of interest.

Our policies restrict CWB from granting credit to a director or any person, firm or corporation related to a director, unless the credit is granted on market terms and conditions, and requirements under the *Bank Act* are complied with.

## DIRECTOR TENURE



The average tenure of nominated directors is 8.7 years. The Board has not adopted a term limit for directors, but rather, maintains a robust director assessment process and has a mandated retirement age of 75, after which the director cannot stand for re-election. The notional objective of term limits is to encourage Board turnover, introduce new perspectives, and retain independence. However, the Board views director term limits on a board as implicitly discounting the value of experience and continuity amongst board members and runs the risk of excluding experienced and potentially valuable board members as a result of an arbitrary determination.

We believe the Board has struck the right balance between experience and institutional knowledge, continuity, and fresh perspectives without mandated term limits. The effectiveness of this approach is demonstrated by the fact that 55% of director nominees have served for ten years or less, with 33% serving for five years or less. The chart shows the tenure of director nominees standing for election at the 2023 meeting.

## OTHER PUBLIC COMPANY DIRECTORSHIPS AND INTERLOCKING DIRECTORSHIPS

We recognize that Board membership requires a significant dedication of time. All director nominees currently serve on, including CWB, two or fewer public company boards, with the exception of the Board Chair, who currently serves on, including CWB, three public company boards. There are currently no interlocking public company board memberships. The Board believes that its director assessment program (described in detail below) is the best method to establish Board member accountability and continues to effectively discharge their duties as a director of CWB.

While the Board has not established a policy to limit the number of public company directorships its directors can hold, the Board considers it a factor as part of director assessment and evaluation. The GCR Committee monitors the outside boards on which CWB's directors serve to determine if there are circumstances which may impact the director's ability to devote the necessary time and attention, or to discharge their duties and act effectively and in CWB's best interest. This determination is based on the director's understanding of our business and their contribution and attendance record at Board and committee meetings.

The Board has not implemented a policy on interlocking public board memberships. The Board reviews any interlocking public board memberships on a case-by-case basis to determine if these will impact the directors' ability to act in CWB's best interest or otherwise impair a director's independence.

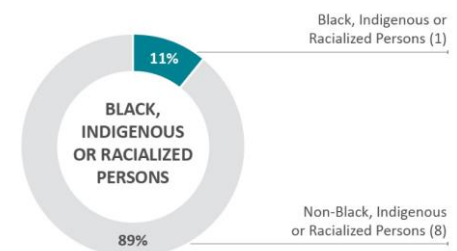
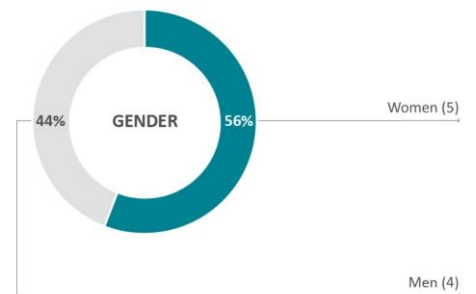
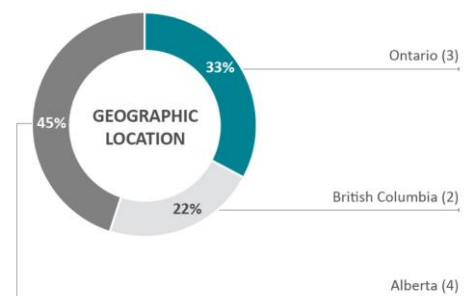
## POLICIES REGARDING BOARD DIVERSITY

In accordance with our Corporate Governance Policy, when identifying new candidates for nomination as directors, the GCR Committee will consider each candidate's skills, expertise, experience, integrity, independence, residency and geographic location and diversity criteria such as race, ethnicity, age, gender identity, sexual orientation, and abilities.

The Board recognizes the value and importance of diversity both at the Board level and within CWB. A board made up of highly qualified directors with diverse backgrounds enhances the corporate governance of CWB by bringing different viewpoints to the Board. Our commitment to seeking a diverse Board is incorporated into our Corporate Governance Policy, which sets out diversity criteria to be considered by the Board. The Board first adopted a gender diversity policy in 2014, setting a target that at least 25% of the Board be comprised of women by the end of 2018. That goal was met in 2017. The current diversity criteria includes a target of 40% women on the Board, and a target that Black, Indigenous and racialized directors comprise at least 5% of the Board by 2025. CWB has exceeded both of these goals since 2021. The GCR Committee annually reviews the Corporate Governance Policy (including the diversity policy) and considers its effectiveness.

On behalf of CWB, the Chair of the Board and the President and CEO have signed on as members of the 30% Club Canada, an organization that supports the goal of 30% of corporate board positions held by women. In 2020, the President and CEO signed the BlackNorth CEO Pledge committing CWB to specific actions and targets designed to end anti-Black systemic racism.

With current director nominees, if elected, 56% of the Board, and 63% of independent directors, will be comprised of women, surpassing the targets for women in both our Corporate Governance Policy and the 30% Club. Further, one director nominee identifies as a racialized person. This results in 11% of the Board identifying as Black, Indigenous or racialized persons, surpassing our target in our Corporate Governance Policy and our commitment in the BlackNorth CEO Pledge in 2021, well in advance of the 2025 commitment.



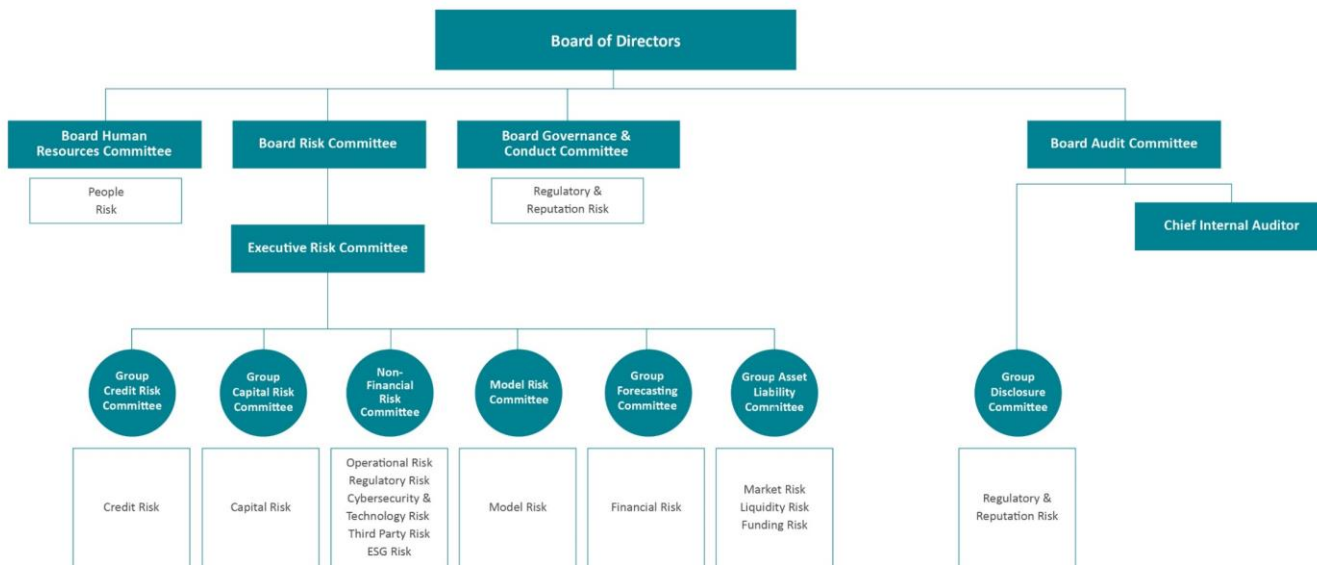
## POLICIES REGARDING DIVERSITY IN EXECUTIVE COMMITTEE POSITIONS

Our Corporate Governance Policy requires the Board, when appointing any member of the Executive Committee, to consider, among other things, diversity criteria such as race, ethnicity, age, gender identity, sexual orientation and abilities. Understanding that systemic biases exist broadly across society and our industry, the Board considers the impact of biases to obtain specific qualifications or experiences. The Board set a target to have women comprise at least 30% of the Executive Committee. The Board also set a target to have Black, Indigenous and racialized people comprise at least 5% of the Executive Committee by 2025. As at October 31, 2023, two of seven members (29%) of the Executive Committee were women, and two of seven members (29%) of the Executive Committee identified as Black, Indigenous or racialized persons.



## RISK MANAGEMENT

Risk management oversight is embedded in our Board and committee structures and governed through a hierarchy of Board and management committees and individual responsibilities as outlined in the diagram below.



The Board oversees all categories of risk faced by CWB. Various teams and internal committees monitor, manage, and report on credit risk, interest rate risk, liquidity risk, operational risk, model risk, regulatory risk, and other risks to the Board Risk Committee via the Executive Risk Committee. Our top emerged and emerging risks are those that could have negative implications for our operations and financial results as underlying operating conditions and external factors continue to evolve. We monitor emerged and emerging risks that may affect our future results and take action to mitigate potential impacts. Among these are continued economic uncertainty, strategic execution risk, outsourcing and third-party risk, people risk, regulatory risk, climate risk, and cybersecurity risk.

Cybersecurity risk is a subcategory of operational risk. With increasing reliance on technology, management of cyber risk and data protection continues to be an important part of the Board’s mandate. Our Board receives quarterly reports on cybersecurity and is immediately notified if any incident occurs. Additionally, CWB’s Executive Risk Committee has developed and implemented a CyberSecurity Risk Management Standard (CSRMS), which adopts the National Institute of Standards and Technology’s CyberSecurity Framework, to guide and establish strategic governance practices in managing cyber risk. The CSRMS creates alignment with our Enterprise Risk Management and Operational Risk Policies, which establish the principles that make up CWB’s enterprise-wide approach to cybersecurity. The CSRMS is structured around CWB’s Three Lines of Defence framework, with our lines of business and Chief Information Security Office acting as the first line of defence; Operational Risk Management acting as the second line of defence; and Internal Audit acting as the third line of defence. Through our approach to cybersecurity, we aim to balance the benefits of technology with the potential consequences of threat events to create an effective cybersecurity program.

For more details regarding CWB’s approach to risk management, including a report on principal risks that CWB’s operations are exposed to, please refer to the 2023 MD&A available in the Investor Relations section of CWB’s website at [www.cwb.com/investor-relations/financial-information/annual-report-and-annual-meeting](http://www.cwb.com/investor-relations/financial-information/annual-report-and-annual-meeting). It has also been filed, and is available, on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## SHAREHOLDER ENGAGEMENT

We are committed to continuous, transparent and effective communication with our shareholders, and have implemented a shareholder engagement policy.

We communicate with our shareholders and other stakeholders through various channels, including our Annual Report, Management Proxy Circular, Annual Information Form, quarterly reports, Sustainability Report, news releases, website, presentations at investor and industry conferences and shareholder and other meetings. In addition, our quarterly earnings conference calls and webcasts are open to all and are broadcast live online and archived on our website for 60 days.

CWB's senior management and investor relations team regularly meets with institutional investors, investment advisors, organizations representing groups of shareholders, and shareholders on an ongoing basis.

The Board encourages open dialogue with CWB's shareholders, and we facilitate the process of institutional investors meeting directly with members of the Board of Directors to provide feedback. During these meetings, our directors share our approach to executive compensation, environmental, social and governance matters, long-term strategy and other areas of interest that are core to the Board's mandate. We also address any shareholder proposals submitted before our annual meeting of shareholders and solicit feedback from our shareholders through our "say on pay" advisory resolution on executive compensation.

The following is a summary of shareholder engagement actions that senior management and the Board undertake throughout the year:

Type of Engagement	Frequency	Who Engages	Who We Engage With and What We Discuss
Financial Results conference calls	Quarterly	Senior Management	We review CWB's most recently released financial and operating results with analysts, shareholders, and other stakeholders on these public calls and webcasts.
Annual Meeting of Shareholders	Annually	Board of Directors and Senior Management	Common Shareholders are invited to attend, in-person or virtually, the annual meeting of shareholders. They are entitled to vote and discuss the business of the meeting with the Board and Senior Management.
News releases	As required	Senior Management	Released to the media and public throughout the year to disclose select issues.
Non-deal investor road shows	Continuous	Senior Management	Individual meetings with key shareholders to discuss CWB's operational and financial performance, answer questions and obtain feedback.
Conferences	Continuous	Senior Management	Speak at industry conferences and bank sponsored conferences about our business, and operations and key industry topics.
Meetings, calls and discussions	Continuous	Senior Management	We hold frequent meetings with analysts, institutional investors, investment advisors and non-institutional shareholders to address any shareholder-related concerns and to provide public information.
Meetings, calls and discussions as requested	As required	Senior Management	From time-to-time, we meet with shareholder advocacy groups and proxy advisory firms to discuss any issues, concerns or to obtain feedback on a particular subject matter.
Meetings, calls and discussions with shareholders, written or otherwise	As required	Board of Directors and Senior Management	Our Board of Directors encourages an open dialogue with shareholders and invites questions or feedback. We promptly respond to inquiries and requests for information from shareholders, investors and other stakeholders.
Investor Survey	Quarterly	External Consultant	Investor intelligence report – anonymized survey of shareholders met by senior management in the previous three months to obtain feedback on their perception of our performance (absolute and relative to our peers).

Our Investor Relations group is responsible for maintaining communications with the investing public and can be contacted at [InvestorRelations@cwbank.com](mailto:InvestorRelations@cwbank.com), or by telephone or mail. Investor Relations contact information and all significant disclosure documents and news releases are provided on our website at [www.cwb.com/investor-relations](http://www.cwb.com/investor-relations).

Stakeholders may communicate with the Chair of the Board at [ChairoftheBoard@cwbank.com](mailto:ChairoftheBoard@cwbank.com) or our Corporate Secretary at [CorporateSecretary@cwbank.com](mailto:CorporateSecretary@cwbank.com), or by writing to the Chair of the Board at: Chair of the Board, Canadian Western Bank, Suite 3000, 10303 Jasper Avenue NW, Canadian Western Bank Place, Edmonton, AB T5J 3X6.



## DIRECTOR DEVELOPMENT AND ASSESSMENT

### NEW DIRECTOR ORIENTATION

We provide each new director with multi-day orientation programming where the director meets with senior management. During these meetings, management provides the new director with an overview of our business, strategic direction, operations, initiatives, and risk management framework. New directors receive an orientation package, which includes all Board and committee mandates as well as key CWB policies and other reference material about us and the banking industry. We encourage each new director to attend at least one meeting of each Board committee during their first year as a director of CWB.

### ONGOING DIRECTOR EDUCATION

Our continuing education program assists directors to maintain and enhance their knowledge, skills, and abilities. In 2022, the GCR Committee approved the Director Education Policy. We provide directors an educational allowance of \$2,500 annually to support the cost of external educational opportunities. Expenses for one-time courses or designations are supported to a maximum of either one-third the total cost or \$7,500, whichever is less. Directors are encouraged to participate in external programs related to Board governance. To assist directors in such participation, we maintain a group membership with the ICD. We also make internal employee training available to our directors. Directors are provided opportunities to complete certain training modules on cybersecurity, the Code and ethical conduct, and unconscious bias and inclusion.

Directors are kept informed through reports and presentations at the quarterly Board meetings as to matters that impact or may impact our operations, and that are specific to the Board's oversight responsibilities, including cybersecurity developments, and economic and regulatory updates. The presentations provided to the Board and/or its committees during fiscal 2023 follow.

Date	Provided To	Topic	Presented By
November 30, 2022	Board	New Initiative Risk Assessment Process Deep Dive	Vice President, Enterprise Risk Management EVP, Banking
November 30, 2022	Board	AIRB Education Session: SME Risk Rating Tool	SVP, Risk Management Programs
December 1, 2022	Board	Deposits Deep Dive	Group Head, CS&SB SVP, Client Solutions
December 1, 2022	Board	CWB Trust Services Opportunities	President, CWB Trust Services
February 22, 2023	Board	Real Estate Industry Review Deep Dive	Vice President, Credit Risk Management SVP, Real Estate Lending
April 5, 2023	Board	Cyber Security Table Top Exercise	CIO SVP & Chief Information Security Officer Mandiant
April 5, 2023	Board	Liquidity and Funding	CFO SVP & Treasurer
April 5, 2023	Board	Greenhouse Gas Scope 3 Emissions	Head, Sustainability Strategy CFO
April 5, 2023	Board	Economic Outlook	Chief Economist & Strategist, National Bank of Canada
April 6, 2023	Board	CWB Strategic Direction Update	President & CEO CFO Vice President, Strategy & Investor Relations
May 24, 2023	Board	Focus on Driving AIRB Operating Model Adoption	CRO SVP & Chief Internal Auditor EVP, Banking
May 25, 2023	Board	Business Transformation & Operations Deep Dive	Group Head, CPW
August 30, 2023	Board	Institutional Custody Presentation	President, CWB Trust Services
August 30, 2023	Board	Digital & Payments Presentation	VP, Digital

## BOARD AND DIRECTOR ASSESSMENTS

The Board's commitment to effective corporate governance includes an internal evaluation process and a periodic independent assessment process. Effectiveness of the Board and Committees as well as the Directors and Chairs is assessed annually.

Assessment	Participants	Process
Feedback on Effectiveness of Board, Directors, Chair, and Chairs of the Committees	Directors Executive Committee	<ul style="list-style-type: none"> <li>In 2023, each participant completed a survey to assess the functioning of the Board, each director, the Chair of the Board, and the Chair of each committee (in their capacity as Chair).</li> <li>The survey included both quantitative and qualitative assessments related to core competencies, and the effectiveness of oversight of management, the audit function, strategy and risk. In addition, for directors and chairs, the survey included quantitative assessments related to leadership, communication, and knowledge.</li> <li>The Chair of the GCR Committee personally met with each director. Each director received a report reflecting their individual results.</li> <li>The GCR Committee reviewed the quantitative and qualitative assessments.</li> <li>The assessment confirmed that the Board is functioning effectively and that the Chairs and directors continue to perform at a high level. Comments and discussion included the value of continued focus on Board succession planning, and the importance of long-term strategy, strong oversight of risk, and keen focus on performance.</li> </ul>
Third Party Review of Board Effectiveness	Outside Consultant	<ul style="list-style-type: none"> <li>The GCR Committee may periodically engage an outside consultant to undertake a Board effectiveness study.</li> </ul>

The Chair of the GCR Committee discusses any lack of requisite skills or knowledge, unacceptable deterioration of performance (including attendance) or identified areas of improvement with the applicable director. If such deficiencies are not addressed, it is expected that the director will resign or be asked to resign.

## COMMITTEE REPORTS

Each committee has provided a report below that describes its responsibilities and key 2023 activities. The table on page 12 sets out the number of committee meetings attended by each director. For more information regarding the duties and responsibilities of each committee, please refer to the respective mandates available in the Corporate Governance section of CWB's website at [www.cwb.com/corporate-governance](http://www.cwb.com/corporate-governance). The Audit Committee's mandate is also included in the 2023 Annual Information Form that is available on CWB's website at [www.cwb.com/annual-information-form](http://www.cwb.com/annual-information-form) and has been filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### AUDIT COMMITTEE REPORT

<p><b>Maria Filippelli (Chair)</b>  <b>Marie Delorme</b>  <b>Sarah A. Morgan-Silvester</b>  <b>Margaret J. Mulligan</b>  <b>Ian M. Reid</b></p> <p>The Audit Committee consists of financial experts, including Ms. Filippelli and Ms. Mulligan, and each member meets the standard for independence and is "financially literate" within the meaning of the Canadian Securities Administrators' rules. A review of each Audit Committee member's education, experience, and other requirements under National Instrument 52-110 – <i>Audit Committees</i> may be found in the 2023 Annual Information Form that is available on CWB's website at <a href="http://www.cwb.com/annual-information-form">www.cwb.com/annual-information-form</a> and has been filed on SEDAR+ at <a href="http://www.sedarplus.ca">www.sedarplus.ca</a>.</p> <p>Meetings: Six</p> <p>At each meeting, the Audit Committee:</p> <ul style="list-style-type: none"> <li>• Met separately with KPMG;</li> <li>• Met separately with the CFO;</li> <li>• Met separately with the Chief Internal Auditor; and</li> <li>• Met <i>in camera</i> with management absent.</li> </ul>	<p>The Audit Committee oversees the quality and integrity of CWB's financial reporting. This includes oversight over the internal and external audit functions as well as the adequacy of CWB's internal controls. The Audit Committee also acts as the Audit Committee for each of CWB's federally regulated subsidiaries.</p> <p>The Audit Committee's mandate is available in the Corporate Governance section of CWB's website at <a href="http://www.cwb.com/corporate-governance">www.cwb.com/corporate-governance</a>.</p> <p><b>FISCAL 2023 HIGHLIGHTS</b></p> <ul style="list-style-type: none"> <li>• Reviewed and recommended for approval by the Board the annual and interim earnings releases, financial statements and MD&amp;A, and the Annual Information Form.</li> <li>• Received and reviewed quarterly reports from the CFO and the Chief Accountant, which included detailed discussion of CWB Financial Group financial results, significant external disclosure changes, and updates to accounting standards and practices.</li> <li>• Reviewed quarterly reports concerning the performing loan allowance and provision for credit losses.</li> <li>• Received and reviewed quarterly reporting from management's Disclosure Committee.</li> <li>• Reviewed management's planned approach to continue to enhance CWB's ESG disclosures and reporting.</li> <li>• Received and approved an assessment of CWB's Disclosure Controls and Procedures and recommended to the Board the Internal Controls Framework.</li> <li>• Assessed the effectiveness of the finance and internal audit functions, and the performance of the CFO and Chief Internal Auditor.</li> <li>• Reviewed and approved the budget, resourcing, and mandate for the Finance function.</li> <li>• Reviewed and approved the risk-based internal audit plan, internal audit charter, and budget and resourcing for the internal audit oversight function.</li> <li>• Received quarterly reports on internal audit activities including summaries of key audit results, updates on status of open and overdue audit issues and progress against audit plan.</li> <li>• Received an update from management on the Whistleblower Intake process for financial reporting and accounting concerns and received regular quarterly reporting on status of any whistleblower complaints relating to audit and accounting.</li> <li>• Reviewed and confirmed KPMG's independence as the external auditor for CWB and its federally regulated subsidiaries, and recommended the annual external audit plan to the Board for approval.</li> <li>• Received and discussed KPMG's reports on the annual and interim financial statements.</li> <li>• Approved the policy to engage the external auditor for non-audit services, and approved non-audit services provided by the external auditor.</li> <li>• Conducted an assessment of the quality of the external audit.</li> <li>• Reviewed and recommended the annual financial statements of each of CWB's federally regulated subsidiaries for approval to their respective boards.</li> <li>• Convened a joint meeting of the Risk and Audit Committees to review the model governance process and results for the performing loan allowance for credit losses.</li> </ul>
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## GCR COMMITTEE REPORT

**Ian M. Reid (Chair)**  
**Maria Filippelli**  
**E. Gay Mitchell**  
**Sarah A. Morgan-Silvester**

Each GCR Committee member is “independent” within the meaning of the Canadian Securities Administrators’ rules.

Meetings: Six

At each quarterly meeting, the GCR Committee:

- Met separately with the General Counsel;
- Met separately with the Chief Compliance Risk Officer; and
- Met *in camera* with management absent.

Annually, the GCR Committee meets separately with the Chief Anti-Money Laundering Officer.

The GCR Committee oversees CWB’s governance policies and practices, identifies and recommends candidates for election or appointment to the Board, develops the process and policies for assessing, compensating and orienting Board members, and reviews the composition and assesses the effectiveness of the Board and its committees. The GCR Committee also monitors CWB’s compliance with legal and regulatory requirements, and oversees our ethics program. The GCR Committee serves as the nominating committee of the Board, as well as the conduct review committee and the consumer matters committee for CWB and each of its federally regulated subsidiaries.

The mandate for the GCR Committee is available in the Corporate Governance section of CWB’s website at [www.cwb.com/corporate-governance](http://www.cwb.com/corporate-governance).

### FISCAL 2023 HIGHLIGHTS

- Reviewed our governance practices to oversee compliance with applicable legal and regulatory requirements, including the OSFI Corporate Governance Guideline.
- Reviewed Board composition, diversity, and director succession planning.
- Conducted the annual assessment of director and Board effectiveness, which did not identify any specific areas of concern.
- Revised and approved the updated Corporate Disclosure Policy, Share Trading Restrictions Policy, and Shareholder Engagement Policy.
- Received the Annual Report and Compliance Opinion of the Chief Compliance Risk Officer and reviewed the effectiveness of the key risk controls, objectives, and outcomes of the Regulatory Compliance Risk Management program.
- Received the Annual Report of the Chief Anti-Money Laundering Officer and reviewed the effectiveness of the key risk controls, objectives, and outcomes of the anti-money laundering program.
- Received the Annual Report on Client Protection Matters on the appropriateness of procedures to comply with applicable consumer provisions including handling of customer complaints, and consumer protection activities including implementation of the new federal Financial Consumer Protection Framework.
- Received the Annual Report on Privacy Compliance on the effectiveness of procedures to use and disclose confidential information and other privacy provisions.
- Periodically met with the Chief Ethics Officer and reviewed quarterly reports regarding the Ethics Program and conduct risk.
- Reviewed the mandate, performance and effectiveness of the Chief Compliance Risk Officer and the Chief Anti-Money Laundering Officer.
- Reviewed and approved the budget, resourcing, and mandate for the Regulatory Compliance function.
- Continued to act as Conduct Review Committee and the Consumer Matters Committee of CWB and each of its federally regulated subsidiaries.

## HR COMMITTEE REPORT

**Linda M.O. Hohol (Chair)**  
**Andrew J. Bibby**  
**Marie Delorme**  
**Sarah A. Morgan-Silvester**  
**Irfhan A. Rawji**

Each HR Committee member is “independent” as determined in accordance with Canadian Securities Administrators’ rules. No HR Committee member currently serves as the CEO of a public company.

Meetings: Six

At each meeting, the HR Committee:

- Met separately with the CPCO;
- Met separately with Meridian, the Board’s compensation consultant; and
- Met *in camera* with management absent.

The HR Committee assists the Board in overseeing CWB’s compensation practices and programs; the hiring, promotion and compensation of the Executive Committee; effective talent management, development and succession planning; employee engagement; and progress and plans with respect to culture risk and workplace culture, including employment equity, diversity and inclusion.

The mandate for the HR Committee is available in the Corporate Governance section of CWB’s website at [www.cwb.com/corporate-governance](http://www.cwb.com/corporate-governance).

### FISCAL 2023 HIGHLIGHTS

- Reviewed CWB’s fiscal 2023 Executive Committee compensation approach to oversee market alignment and best practice governance principles were maintained.
- Recommended to the Board the annual salary adjustment and short- and long-term incentives for the CEO and approved these for other Executive Committee members.
- Established the fiscal 2023 STIP performance objectives for the CEO and other Executive Committee members and reviewed the performance of each Executive Committee member.
- Approved the long-term incentive award pool, awarded grants under the SIP, and established performance criteria for grants under the PSU Plan.
- Reviewed progress on key PSU and STIP metrics on a quarterly basis and approved final payout factors for vesting PSUs.
- Engaged Meridian to complete a benchmarking review of CWB’s Executive Committee STIP design, approving changes for fiscal 2024 to improve alignment with industry practice while maintaining rigorous financial and non-financial performance requirements.
- Reviewed several compensation policies, approving changes to reflect evolving market and governance best practices.
- Reviewed and approved new sales incentive plans for implementation in fiscal 2023 and 2024.
- With the Board, reviewed the succession plan for the CEO. Engaged a third-party to support in-depth development plans and succession approaches for key senior executives. Oversaw appropriate programs in place for talent, leadership development and progress on designated group representation.
- Reviewed senior leadership changes, including strategic changes and reorganizations across CWB.
- Reviewed CWB’s Great Place to Work Canada® engagement and trust survey results and management’s action plan.
- Reviewed CWB’s updated hybrid work approach and requirements.
- Reviewed CWB’s transition to a new flexible benefits program for all employees.
- Reviewed progress and plans for people, benefits and pay approaches for CWB Wealth and Equipment Finance business integrations.
- Reviewed progress and plans with respect to employment equity, diversity and inclusion.
- Reviewed employment and workplace federal and provincial legislative developments and management’s compliance plans, including CWB’s plans and progress towards compliance with 2024 federal pay equity requirements.
- Reviewed regular reports on talent acquisition, attrition, key talent development, total rewards, learning and engagement initiatives in addition to other significant HR matters, including CWB’s approach to attracting and retaining talent in a highly competitive market.

## RISK COMMITTEE REPORT

<p><b>E. Gay Mitchell (Chair)</b>  <b>Andrew J. Bibby</b>  <b>Linda M.O. Hohol</b>  <b>Sarah A. Morgan-Silvester</b>  <b>Margaret J. Mulligan</b>  <b>Irfhan A. Rawji</b></p> <p>Meetings: Seven</p> <p>At each quarterly meeting, the Risk Committee:</p> <ul style="list-style-type: none"> <li>• Met separately with the CRO; and</li> <li>• Met <i>in camera</i> with management absent.</li> </ul> <p><b>LAP</b></p> <p><b>Andrew J. Bibby (Chair)</b></p> <p>Each LAP is comprised of three Board members as determined from time to time by the LAP Chair and the SVP, Credit Risk Management.</p> <p>Meetings: 14</p> <p>The LAP Chair may schedule a panel meeting at any time, as needed.</p>	<p>The Risk Committee assists the Board in overseeing risk management at CWB and balancing risks and opportunities while overseeing that management has policies, standards and guidelines in place to identify and effectively manage the significant risks to which CWB is exposed. The primary goal of risk management is to align the outcomes of risk-taking with our business activities, strategies, and risk appetite.</p> <p>The Risk Committee’s responsibilities include oversight of risk identification, measurement, and management by CWB’s Three Lines of Defence functions in accordance with CWB’s Enterprise Risk Management and Enterprise Risk Appetite Policies.</p> <p>The Risk Committee from time to time forms a LAP to deal with credit applications that are in excess of management’s delegated lending limit but within the limits of the LAP. The LAP also deals with loans to, or guaranteed by, a foreign country and approves credit applications in excess of the lending limits prescribed under the CWB Enterprise Risk Appetite Policy.</p> <p>The mandate for the Risk Committee is available in the Corporate Governance section of CWB’s website at <a href="http://www.cwb.com/corporate-governance">www.cwb.com/corporate-governance</a>.</p> <p><b>FISCAL 2023 HIGHLIGHTS</b></p> <ul style="list-style-type: none"> <li>• Reviewed and approved the following: <ul style="list-style-type: none"> <li>- Capital Risk Management Policy;</li> <li>- Credit Risk Management Policy;</li> <li>- Lending Limit Authority Policy; and</li> <li>- Recovery Plan.</li> </ul> </li> <li>• Recommended to the Board for approval, the following: <ul style="list-style-type: none"> <li>- Enterprise Risk Management Policy;</li> <li>- Enterprise Risk Appetite; and</li> <li>- Risk Appetite Metrics for Regulatory Capital Ratios.</li> </ul> </li> <li>• Reviewed the following quarterly reports on the following topics: <ul style="list-style-type: none"> <li>- CRO report, including performance against Risk Appetite Metrics;</li> <li>- First and Second Lines of Defence reports on credit risk, liquidity and funding risk, capital risk, model risk, operational risk, climate risk and data governance;</li> <li>- Risk-based expected credit losses;</li> <li>- Progress of CWB’s project for the redevelopment and implementation of advanced risk-rating and loss given default models; and</li> <li>- Chief Internal Auditor’s report on topics relevant to the Risk Committee.</li> </ul> </li> <li>• Recommended approval of internal capital ratio minimum and target levels and regulatory capital plan to the Board.</li> <li>• Recommend for approval the At-the-Market common share issuance program to the Board.</li> <li>• Recommended to the Board the declaration of dividends.</li> <li>• Review special reports on Real Estate Industry Deep Dive, Model Assurance Review, Focus on Driving Credit-risk Model Adoptions, Funding Concentration Framework, Contingency Funding Plan, Model Risk Management Framework and Macro Stress Test.</li> <li>• Provided input into the performance of the CRO.</li> <li>• Assessed the effectiveness of the GRM function.</li> <li>• Approved the budget, resourcing, and mandate for the GRM function.</li> <li>• Promoted and reinforced the importance of a strong risk culture throughout CWB.</li> <li>• Convened a joint meeting of the Risk and Audit Committees to review the model governance process and results for the performing loan allowance for credit losses.</li> </ul>
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