



# CANADIAN WESTERN BANK

## Mandate of the Human Resources Committee

Approved August 29, 2024

### 1.0 Purpose of the Committee

The purpose of the Committee is to assist the Board of Directors (the **Board**) of Canadian Western Bank (**CWB**) to fulfil its oversight responsibilities to:

- 1.1 establish CWB's compensation philosophy and satisfy itself that compensation structures and programs are consistent with CWB's philosophy, strategy and the prudent management of its operations and the risks to which it is exposed;
- 1.2 oversee the appointment, performance and compensation of the President & Chief Executive Officer (**CEO**) and any member of CWB's Executive Committee at the Chief, Group Head or Senior Executive Vice President level (**Senior Executive**);
- 1.3 ensure that effective succession planning and robust talent planning and leadership development processes are in place for CWB;
- 1.4 oversee CWB's human capital management strategy and aspects of organizational culture including engagement, diversity, equity and inclusion, employee health, safety and wellbeing and the integration of environmental, social and governance (ESG) factors.

### 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 a 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, 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 Chief People and Culture Officer 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 independent advisors and consultants the Committee 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 or consultants to the Committee.

## 6.0 Duties and Responsibilities of the Committee

The Committee is responsible to:

- 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 CEO and any Senior Executive, jointly with the Audit Committee for the Chief Financial Officer, and jointly with the Risk Committee for the Chief Risk Officer;
  - 6.1.3 succession and talent development plans for the CEO, Senior Executives, and other critical senior leadership roles; and
  - 6.1.4 position description, objectives, performance assessment, target compensation plans and payments, base salary adjustments, and employment related contracts for the CEO.
- 6.2 approve the:
  - 6.2.1 compensation materiality recommendation;
  - 6.2.2 Compensation Recoupment and People Risk policies;
  - 6.2.3 material incentive plans including the design considerations, targets and performance metrics for the corporate component of the STIP, and the design considerations, equity vehicles, targets and performance metrics for the LTIP, including 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 Senior Executive LTIP awards; and
  - 6.2.6 assessment of performance and payouts under the STIP for Senior Executives and performance and vesting of PSUs; and
  - 6.2.7 annual target compensation plans and structures, employment-related contracts and performance assessments for Senior Executives (other than the CEO), as recommended by the CEO;
- 6.3 review the organizational structure of CWB at the Senior Executive level;
- 6.4 review and assess CWB's human capital and organizational culture and behaviour risk appetite and results. and the effectiveness of related internal controls;
- 6.5 review the design, structure and current year results of material compensation programs, including Senior Executives' 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;
  - 6.7 periodically review reports respecting organizational culture and engagement, diversity, equity and inclusion, employee health, safety, and wellbeing, and other elements of CWB's human capital and culture risk strategies as appropriate;
  - 6.8 recommend the Committee mandate to the Board; and
  - 6.9 complete other duties the Board may assign.