

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 ensure CWB is managed to build long-term shareholder and stakeholder value.

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.

We ensure that our governance policies 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	11 director nominees	6, 15
Board independence	10 of 11 director nominees are independent	23
Formal Mandate for Board, Board Committees and Board Chair	✓	19, 20
Separate Chair and CEO positions	✓	23
Annually elect directors	✓	6, 8, 15
Elect directors individually (not by slate)	✓	23
Majority voting policy for directors	✓	23
Board diversity policy	✓	24
Share ownership requirements for directors	✓	17
Share ownership requirements for executives	✓	35, 36
Formal mandates for the independent Chair of the Board and committee Chairs, and position description for the CEO	✓	20, 33
Retirement age for directors	75	23
Code of business conduct and ethics rooted in our values	✓	23
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

OUR BOARD OF DIRECTORS

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 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.

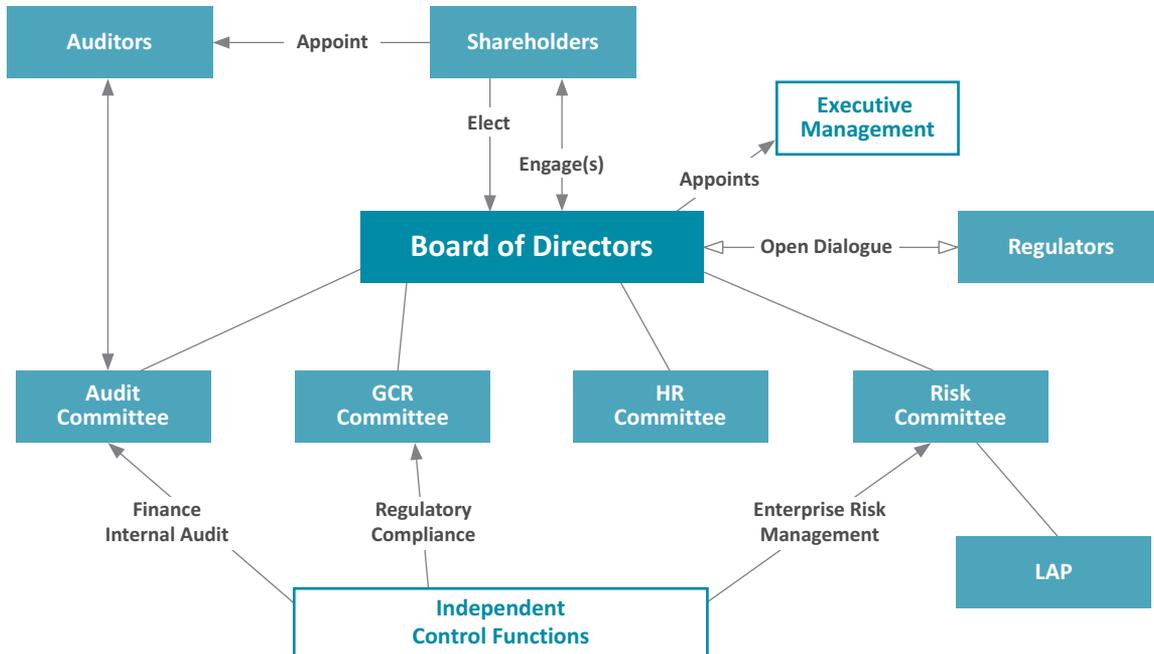
The Board has developed a mandate, which is reviewed annually, that sets out the Board's purpose, organization, duties, and responsibilities.

Mandates for the Board, Chair of the Board, committee Chairs and each committee, are incorporated by reference into this Circular and available in the Corporate Governance section of CWB's website at www.cwb.com/corporate-governance. 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.

Although the Board delegates certain matters and decisions to management, the *Bank Act* requires the Board to perform certain functions, including approving financial statements, issuing shares, and declaring dividends. 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 duties and responsibilities, 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 detailed in the reports starting on page 27.



Committee Structure

The Board believes that individual directors should have exposure to different committees to ensure they 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. The diagram above provides an overview of the current Board committees. Effective April 4, 2019, Mr. Reid succeeded Mr. Bellstedt as Chair of the GCR Committee and Mr. Bibby succeeded Mr. Reid as Chair of the LAP. 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.

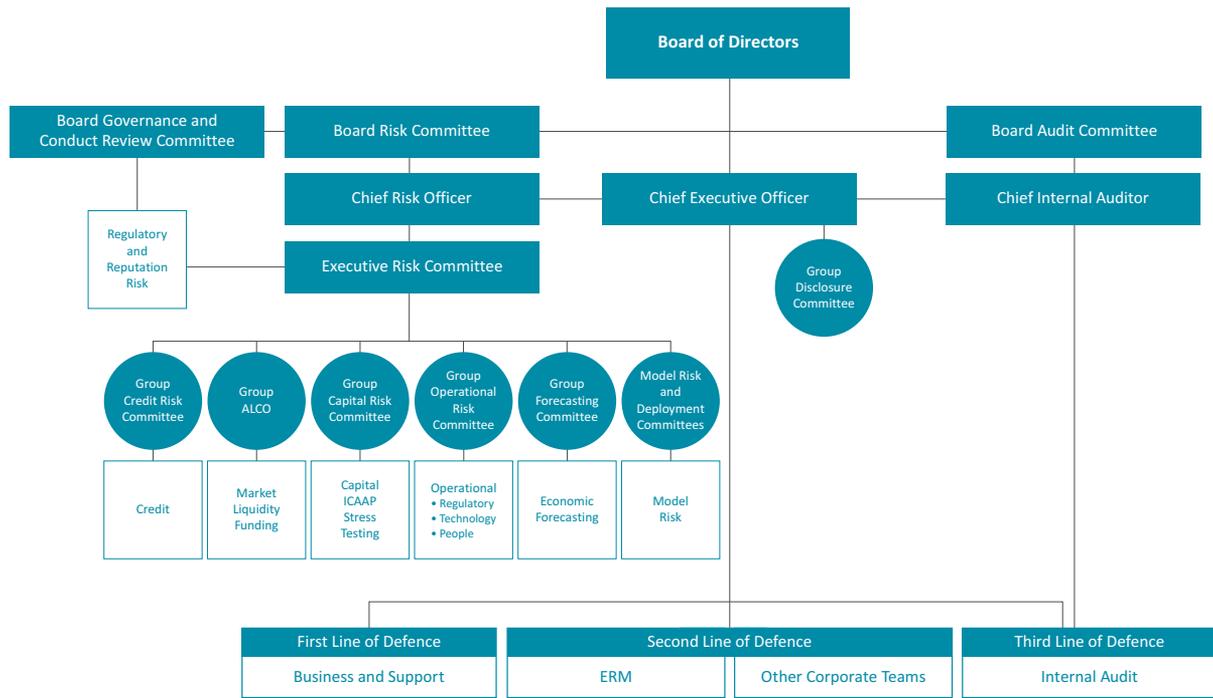
CHAIR MANDATES

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.

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"> The Board is a champion of our core values and ensures that we live up to our commitments to our clients, our people, and our investors. The GCR Committee oversees our ethics program and monitors adherence to our Code. The Board works with management to promote a culture of integrity, and a safe, respectful and inclusive environment for our people and clients alike.
Strategic Direction	<ul style="list-style-type: none"> One of the Board's key mandates and priorities is to oversee the development of our strategic direction and management's execution of our strategic goals. In fiscal 2019, the Board dedicated one and one-half days to a comprehensive review of our strategic direction. Quarterly, the Board receives strategy updates and considers refinements to our strategic direction.
Responsible Governance	<ul style="list-style-type: none"> The GCR Committee reviews best and developing corporate governance practices and refines our policies, as appropriate. 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. The Chief Internal Auditor reports to the Board (through the Audit Committee) on the effectiveness of risk management, governance, and internal controls.
Executive Compensation and Performance	<ul style="list-style-type: none"> 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.
Leadership Development and Succession Planning	<ul style="list-style-type: none"> Our succession planning strategy focuses on identifying and developing individuals, including senior management, to build leadership capability and strengthen overall succession. 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. With the HR Committee's assistance, the Board oversees our succession planning activities. This includes robust review and assessment, at least yearly, of the succession slates for the CEO (including an emergency CEO replacement protocol), executive management, and other CWB Financial Group critical leadership positions, 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. The Board also has direct insight on potential successors and individuals within CWB through a combination of Board presentations, education seminars, and Board dinners with such individuals.
Public Financial Disclosure	<ul style="list-style-type: none"> The Board, on the recommendation of the Audit Committee, approves the audited financial statements, MD&A, annual information form and other quarterly public disclosure documents. Such financial disclosures are key channels through which we communicate our financial and operational results to our investors and stakeholders. The Audit Committee oversees our auditors' independence, and adherence with applicable auditing, accounting and financial reporting requirements and standards. 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.
Risk Management	<ul style="list-style-type: none"> The foundation of our risk management framework includes a robust committee structure and a comprehensive set of corporate policies and limits approved by the Board or its committees, as well as supporting corporate standards and operating guidelines. 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, with the Risk Committee's assistance, oversees risk management to ensure a comprehensive approach to risk.



For more details regarding CWB’s approach to risk management, including a report on the principal risks that CWB’s operations are exposed to, please refer to the 2019 MD&A available in the Investor Relations section of CWB’s website at www.cwb.com/investor-relations under the heading “Annual Report and Annual Meeting”. It has also been filed, and is available, on SEDAR at www.sedar.com.

CORPORATE GOVERNANCE

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 separately, in favour of or to withhold from voting, for each 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 in their favour is expected to 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. 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 press 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 resultant vacancy unfilled until the next annual general 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. With Mr. Rowe's retirement effective April 2, 2020, the size of the Board will decrease to 11 directors.

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

In order 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 our Code, which sets standards of legal, ethical, and responsible behaviour. The GCR Committee annually reviews the Code to ensure 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 "Select Documents" at www.cwb.com/corporate-governance.

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 the *Bank Act's* 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*. Each director completes a self-assessment questionnaire and the GCR Committee reviews the responses. As a result of this review, and 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 91% of the Board) are both 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.

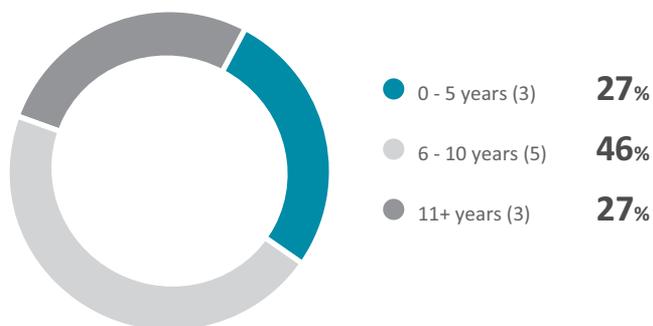
Our policies restrict CWB from granting credit to a director or any person, firm or corporation related to a director, unless the credit is granted on market terms and conditions.

DIRECTOR TENURE

The average tenure of nominated directors is 9.6 years. The Board has not adopted a term limit for directors, but 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 does not believe that term limits are in the best interest of CWB.

Imposing director term limits on a board implicitly discounts 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.

The Board has struck the right balance between experience, continuity, fresh perspectives and diversity of thought without mandated term limits. The effectiveness of this approach is demonstrated by the fact that 73% of director nominees have served for ten years or less. The chart below shows the tenure of director nominees standing for election at the 2020 meeting.



OTHER PUBLIC COMPANY DIRECTORSHIPS AND INTERLOCKING DIRECTORSHIPS

We recognize that Board membership requires a significant dedication of time. The Board has considered limiting the number of public company directorships its directors can hold, but decided not to implement such a policy at this time. The Board believes that its director assessment program (described in detail below) is the best method to ensure that each Board member remains accountable and continues to effectively discharge their duties as a director of CWB.

While all other directors currently serve on, in addition to CWB, two or fewer public company boards, Mr. Phillips serves on four additional public company boards; however, Mr. Phillips will retire from the board of Maxar Technologies Inc. in May 2020, at which time he will only serve on four public company boards (including CWB). 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. There are currently no interlocking public board memberships.

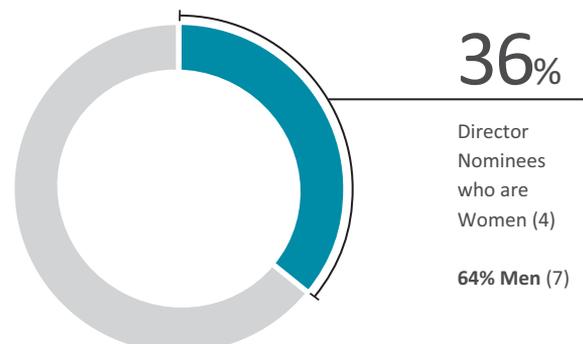
POLICIES REGARDING BOARD DIVERSITY

The Board recognizes the value and importance of diversity of thought both at the Board level and within CWB. In accordance with our Corporate Governance Policy, the GCR Committee considers a number of factors when seeking new directors for nomination, including age, gender, ethnic, and geographic diversity. The Board adopted a policy in 2014 with the goal of increasing the number of women who serve as

directors on the Board. The policy set a target that at least 25% of the Board be comprised of women by the end of 2018. The Chair of the Board and the President and CEO are members of the 30% Club Canada, an organization that supports the aspirational goal of 30% of corporate board positions held by women.

With current director nominees, 36% of the Board (4 of 11 directors) will be comprised of women, surpassing the targets in both our Corporate Governance Policy and the 30% Club.

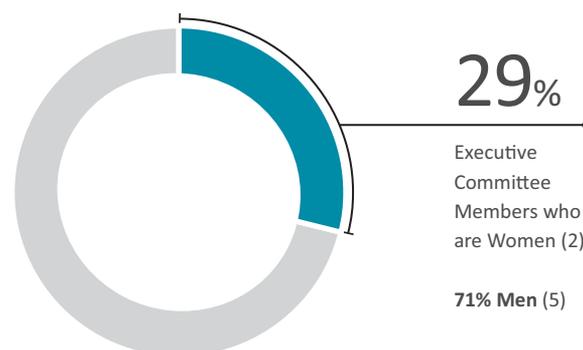
Director Nominees who are Women



POLICIES REGARDING REPRESENTATION OF WOMEN IN EXECUTIVE OFFICER POSITIONS

Our Corporate Governance Policy requires the Board, when appointing any member of the Executive Committee, to consider, among other things, the age, gender, ethnic, and geographic diversity of the Executive Committee, with a target that at least 25% of the Executive Committee be comprised of women. Currently, two of seven members of the Executive Committee (29%) are women.

Executive Committee Members who are Women



SHAREHOLDER ENGAGEMENT

We are committed to transparent and effective communication with our shareholders. In support of this commitment, the Board has developed practices to facilitate shareholder engagement.

We engage in regular communication with financial analysts and institutional investors. Our quarterly earnings conference calls with analysts and institutional investors are broadcast live online, and archived on our website for 60 days. The calls are accessible on a live and recorded basis via telephone to interested investors, the media, and members of the public.

We promptly respond to inquiries and requests for information from shareholders, investors and other stakeholders. Our Investor Relations group is responsible for maintaining communications with the investing public and can be contacted at 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. We encourage feedback

from our shareholders who may communicate with the Chair of the Board at ChairoftheBoard@cwbank.com or our Corporate Secretary at CorporateSecretary@cwbank.com, or in writing at the address provided in this Circular.

We also solicit feedback from our shareholders through our “say on pay” advisory resolution on executive compensation.

DIRECTOR DEVELOPMENT AND ASSESSMENT

NEW DIRECTOR ORIENTATION

We provide each new director with a two-day orientation where the director has the opportunity to meet 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. 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 economic and regulatory updates. The presentations provided to the Board during fiscal 2019 follow. All directors attended each session, other than the December 2018 session, which was held prior to Ms. Mitchell’s appointment to the Board.

Date	Provided to	Topic	Presented by
December 2018	Board	Information Security Program	EVP, Chief Information Officer Chief Information Security Officer
	Board	Branch Deposit Growth	EVP, Banking
March 2019	Board	CWB National Leasing	President and CEO, CWB National Leasing
	Board	Brand and Culture	SVP, Client Solutions VP, Marketing VP, Strategy and Corporate Development
April 2019	Board	Strategy Mid-Cycle Review	Executive Management
	Board	Shareholder Sentiment Analysis	External presenter
	Board	Canadian Financial Services Sector Analysis	External presenter
	Board	Three Lines of Defence: Demand Account Opening and Commercial Credit Process	VP and Chief Internal Auditor EVP, Business Transformation
	Board	AIRB: Risk Sensitivity, Economic Capital/Internal Capital Adequacy Assessment Processes (ICAAP) and Post AIRB Strategies	EVP and CRO
	Board	AIRB: Chief Risk Officer and Chief Internal Auditor Attestations	VP, Chief Internal Auditor
	Board	Liquidity and Funding	SVP and Treasurer
May 2019	Board	2019 Strategic Direction	Executive Management
August 2019	Board	OSFI Key Themes	Superintendent of Financial Institutions, OSFI
	Board	Digital Strategy	EVP, Banking
	Board	CWB Financial Group Recovery Plan	VP, Integrated Risk Management
	Board	Information Services Strategic Plan	EVP, Chief Information Officer
	Board	CWB Wealth Management Strategic Plan	EVP, Business Transformation
Each quarter	Board	Cyber Security	EVP, Chief Information Officer Chief Information Security Officer

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.

BOARD AND DIRECTOR ASSESSMENTS

In response to the Board’s commitment to effective corporate governance, we have implemented a two-pronged annual internal evaluation process and a periodic independent assessment process.

Assessment	Participants	Process
Board Feedback	Directors	<ul style="list-style-type: none"> In “even” years, participants assess the effectiveness of the Board as a whole. In 2018, each director completed a survey to assess the Board’s functioning. The survey included both quantitative and qualitative assessments related to the Board’s core competencies, and the effectiveness of the Board’s oversight of management, the audit function, strategy and risk, as well as the effectiveness of the Board’s committees. The Chair of the Board personally met with each director. The GCR Committee reviewed the quantitative assessments and the Chair of the Board’s report. The assessment confirmed that the Board is functioning very well while at the same time acknowledging opportunities for continuous improvement.
Individual Directors, Chair of the Board, Committee Chairs Feedback	Directors	<ul style="list-style-type: none"> In “odd” years, participants assess the effectiveness of their peers, the Chair of the Board, and the Chairs of the committees in regard to their performance as chairs. The peer evaluation process is intended to ensure that each director contributes to CWB’s ongoing stewardship. Directors provide each other with suggestions on how they can improve. The Chair of the GCR Committee discusses any identified areas of improvement with the applicable director. If areas of improvement are not addressed, it is expected that the director found by their peers to lack requisite skills or knowledge, whose performance as a director has deteriorated, or whose attendance is less than satisfactory, would be asked to resign. In 2019, each director completed an assessment survey for each director, the Chair of the Board, and the Chair of each committee (in their capacity as Chair). The survey included both quantitative and qualitative assessments related to leadership, communications and knowledge. The Chair of the GCR Committee personally met with each director. The quantitative assessments and the Chair of the GCR Committee’s report were reviewed by the GCR Committee. While the survey assessment results were very positive, the individual discussions with each director revealed some areas for incremental improvement.
Board Effectiveness	Outside Consultant	<ul style="list-style-type: none"> The GCR Committee may periodically engage an outside consultant to undertake a Board effectiveness study. An independent assessment was last undertaken in 2014.

COMMITTEE REPORTS

Each committee has provided a report below that describes its responsibilities and key 2019 activities. The table on page 13 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. The Audit Committee's mandate is also included in the 2019 Annual Information Form that is available on CWB's website at www.cwb.com/annual-information-form and has been filed on SEDAR at www.sedar.com.

AUDIT COMMITTEE REPORT

Robert A. Manning (Chair)

Margaret J. Mulligan

Robert L. Phillips

Raymond J. Protti

H. Sanford Riley

Alan M. Rowe

Each Audit Committee member meets the standard for independence and is "financially literate" within the meaning of the rules of the Canadian Securities Administrators. A review of each Audit Committee member's education and experience may be found in the 2019 Annual Information Form that is available on CWB's website at www.cwb.com/annual-information-form and has been filed on SEDAR at www.sedar.com.

Meetings: 6. Four quarterly plus two joint meetings with the Risk Committee.

At each quarterly meeting, the Audit Committee:

- met separately with KPMG;
- met separately with the CFO;
- met separately with the Chief Internal Auditor; and
- met *in camera* with management absent.

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 its federally regulated subsidiaries.

The Audit Committee's mandate is available in the Corporate Governance section of CWB's website at www.cwb.com/corporate-governance.

Fiscal 2019 Highlights

- Reviewed and recommended for approval by the Board the annual and interim earnings releases, financial statements and MD&A, and the Annual Information Form.
- Reviewed and recommended for approval to the boards of certain CWB subsidiaries, the annual financial statements of such entities.
- Updated and approved the Audit Committee mandate, and EVP and CFO Position Description.
- Received and reviewed quarterly reporting from management's Disclosure Committee.
- Reviewed management's Environmental, Social and Governance (ESG) disclosure strategy.
- Reviewed quarterly reports concerning the adequacy of allowances for credit losses established under IFRS 9.
- Received and reviewed quarterly reports from the CFO, which included detailed discussion of CWB Financial Group financial results, notice of significant disclosure changes, and analysis of updates to accounting standards and practices (including financial instruments and leases), as well as other relevant matters of interest to CWB Financial Group.
- Reviewed and approved the risk-based internal audit plan, internal audit charter, and budget and resourcing for the internal audit oversight function.
- Received quarterly reports on internal audit activities, including independent assurance work completed by the internal audit team regarding the AIRB program.
- Approved the budget, mandate, and resourcing for the finance function.
- Reviewed and confirmed KPMG's independence as the external auditors for CWB and certain subsidiaries, and approved the audit plan for fiscal 2019.
- Received and discussed KPMG's reports on the annual and interim financial results.
- Approved the policy to engage external auditors for non-audit services and procedures for receiving complaints or concerns regarding accounting, internal accounting controls or audit matters.
- Assessed the effectiveness of the finance and internal audit functions.
- Conducted both the annual and comprehensive assessments of the quality of the external audit.
- Receives reports from the anonymous whistleblower hotline and Ethics Program, if any, with respect to reports concerning accounting, internal controls, auditing matters or fraud.

GCR COMMITTEE REPORT

Ian M. Reid (Chair)

E. Gay Mitchell

Robert L. Phillips

Raymond J. Protti

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

Meetings: 4

At each meeting, the GCR Committee:

- met separately with the General Counsel;
- met separately with the CCRO (effective May 2019); 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 to the Board, develops the process and policies for compensating Board members, assesses Board and director effectiveness, and reviews the composition of the Board and its committees. The GCR Committee also monitors compliance with the self-dealing provisions of the *Bank Act*, serves 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.

Fiscal 2019 Highlights

- Reviewed CWB’s governance practices and Board and committee mandates to ensure compliance with applicable legal and regulatory requirements, including the OSFI Corporate Governance Guideline.
- Updated the mandates for the GCR Committee, the Board, the Board Chair and the committee Chairs.
- Considered emerging best governance practices to assess whether such practices are appropriate for CWB.
- Recommended continuing Board education presentations on current trends and challenges in the financial services sector.
- Conducted the biennial assessment of the directors, which did not identify any specific areas of concern.
- Reviewed Board composition, diversity, and effectiveness, and considered potential director candidates and director succession planning.
- Assumed oversight for the regulatory compliance function (effective May 2019) from the Risk Committee as well as litigation risk (effective May 2019) and the investigations function (effective August 2019) from the Audit Committee.
- Refreshed and approved the Self-dealing Policy, Corporate Disclosure Policy, Share Trading Restrictions Policy and Assessment of Responsible Persons Policy. Approved the Legal, Regulatory Compliance and Reputation Risk Policy.
- Received the report on the effectiveness of procedures to use and disclose confidential information, handle customer complaints and manage conflicts of interest and other consumer protection provisions.
- Approved the amended Code.
- Reviewed quarterly reports regarding the Ethics Program.

HR COMMITTEE REPORT

Alan M. Rowe (Chair)

Andrew J. Bibby

Linda M.O. Hohol

Robert A. Manning

Sarah A. Morgan-Silvester

Robert L. Phillips

H. Sanford Riley

No HR Committee member currently serves as the CEO of a public company.

Meetings: 5

At each meeting, the HR Committee:

- met separately with the EVP, HR and CC;
- 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 officers; effective talent management, development and succession planning; employee engagement; and progress and plans with respect to 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.

Fiscal 2019 Highlights

- Engaged Meridian to advise on an appropriate compensation group for benchmarking executive compensation and approved use of existing peer group for fiscal 2019.
- Engaged Meridian to conduct a comprehensive review of executive compensation to ensure market competitiveness and alignment with best governance practices.
- Engaged Meridian to review our PSU Plan design. Approved changes to the relative TSR peer group and certain other aspects of the fiscal 2020 PSU Plan design.
- Approved amendments to our Compensation Recoupment Policy and reviewed executive equity requirements against market best practices.
- Reviewed proposed legislative changes to the taxation of stock options and considered the impact of such changes on our long-term incentive strategies.
- Recommended to the Board the annual salary adjustment and short- and long-term incentives for the CEO and approved these for other executive officers.
- Established the fiscal 2019 STIP performance objectives for the CEO and other executive officers and reviewed an evaluation of the performance of each executive officer.
- Awarded grants under the SIP, RSU Plan and PSU Plan and established performance criteria for grants under the PSU Plan.
- Reviewed on a quarterly basis the interim achievement against objectives set for STIP and unvested PSU grants.
- Approved final payout factors for PSUs vesting in fiscal 2019 (covering the fiscal 2016 – 2018 performance period).
- Reviewed and approved new sales incentive plans for implementation in fiscal 2020.
- Reviewed updates on the implementation of CWB's salary and grading structure and the transition to the Workday human capital management system across all CWB Financial Group companies.
- Reviewed and approved position descriptions for the CEO and other executive officers.
- With the Board, reviewed the succession plans for the CEO, executive officers, and other key roles in CWB Financial Group, and ensured appropriate programs are in place for talent and leadership development.
- Reviewed senior leadership changes, including strategic changes and reorganizations in several key business units.
- Reviewed and discussed our employee engagement survey results and management's action plan.
- Received a report from management on our learning and development strategy and 2020 priorities.
- Reviewed CWB's progress and plans with respect to employment equity, diversity and inclusion.
- Received regular reports on talent acquisition, attrition, key talent development, total rewards, learning and engagement initiatives, in addition to other significant HR matters.

RISK COMMITTEE REPORT

<p>Sarah A. Morgan-Silvester (Chair)</p> <p>Andrew J. Bibby</p> <p>Linda M.O. Hohol</p> <p>E. Gay Mitchell</p> <p>Margaret J. Mulligan</p> <p>Robert L. Phillips</p> <p>Ian M. Reid</p> <p>Meetings: 6. Four quarterly meetings plus two joint meetings with the Audit Committee.</p> <p>At each quarterly meeting, the Risk Committee:</p> <ul style="list-style-type: none"> • met separately with the CRO; • met separately with the CCRO (until May 2019); and • met <i>in camera</i> with management absent. 	<p>The Risk Committee assists the Board in overseeing risk management at CWB and balancing risks and opportunities while ensuring 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 ensure that the outcomes of risk-taking are consistent 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 ERM Framework and Risk Appetite Framework 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 makes recommendations to the Board for credit applications in excess of the lending limits prescribed under the CWB Risk Appetite Policy.</p> <p>The mandate for the Risk Committee is available in the Corporate Governance section of CWB’s website at www.cwb.com/corporate-governance.</p>
<p>LAP</p> <p>Andrew J. Bibby (Chair)</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: 10</p> <p>The LAP Chair may schedule a panel meeting at any time, as needed.</p>	<p>Fiscal 2019 Highlights</p> <ul style="list-style-type: none"> • Reviewed and approved the Operational Risk Management Policy, Model Risk Management Policy, Lending Limits Policy, Market Risk Management Policy, Structural Market Risk Policy, Liquidity Risk Management Policy, and Liquidity and Funding Risk Management Policy for the CWB Financial Group. • Received from First and Second Lines of Defence and reviewed quarterly reports on credit risk, market risk, capital risk, operational risk, model governance, data risk management, data governance and, until May 2019, regulatory compliance risk. • Received and reviewed reports on the Three Lines of Defence Implementation, ERM development, and process improvements. • Received and reviewed quarterly reports on emerged and emerging risks. • Received quarterly reports on management’s implementation plan for, and progress on, IFRS 9, and reviewed watch and impaired loans, and the adequacy of provisions for risk-based expected credit losses. • Reviewed and approved target internal capital ratios and capital risk appetite, and recommended approval to the Board of the regulatory capital plan. • Reviewed and approved the Business Continuity Program and Policy. • Received quarterly updates on progress of CWB’s implementation of AIRB and enhancement of risk management processes required for the transition. • Reviewed and approved updated policies related to model and data governance risks. • Reviewed and approved quarterly migration stress test requirements. • Reviewed and recommended to the Board the declaration of dividends. • Received quarterly reports from the Chief Internal Auditor on topics relevant to the Risk Committee. • Received and discussed special reports on commercial real estate, residential mortgages and specialized finance, data governance, functional responsibilities between First and Second Lines of Defence for cyber and technology risk, and ERM framework development. • Assessed the effectiveness of the risk function. • Approved the budget, resourcing, and mandate for the ERM function.