

CANADIAN WESTERN BANK

ANNUAL INFORMATION FORM FOR THE YEAR ENDED OCTOBER 31, 2017

DECEMBER 6, 2017



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TABLE OF CONTENTS

FORWARD-LOOKING STATEMENTS	1
CORPORATE STRUCTURE	2
<i>Name, Address and Incorporation</i>	2
<i>Intercorporate Relationships</i>	2
GENERAL DEVELOPMENT OF THE BUSINESS	2
<i>Three-Year History</i>	2
DESCRIPTION OF THE BUSINESS	3
<i>General</i>	3
SUPERVISION AND REGULATION	5
RISK FACTORS	5
DIVIDENDS	5
DESCRIPTION OF CAPITAL STRUCTURE	6
<i>General Description</i>	6
<i>Constraints</i>	7
<i>Ratings</i>	8
MARKET FOR SECURITIES	9
<i>Trading Price and Volume</i>	9
DIRECTORS AND OFFICERS	9
<i>Director and Officer Information</i>	9
<i>Cease Trade Orders, Bankruptcies, Penalties or Sanctions</i>	12
<i>Conflicts of Interest</i>	12
LEGAL PROCEEDINGS	13
INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	13
TRANSFER AGENTS AND REGISTRAR	13
EXPERTS	13
AUDIT COMMITTEE INFORMATION	13
<i>Audit Committee’s Mandate</i>	13
<i>Composition of the Audit Committee</i>	13
<i>Relevant Education and Expertise</i>	13
<i>Pre-Approval Policies and Procedures Regarding External Auditors</i>	15
<i>Auditor Service Fees</i>	15
ADDITIONAL INFORMATION	16
SCHEDULE A: MANDATE OF THE AUDIT COMMITTEE	17

Note: Unless otherwise specified, all information presented is as at October 31, 2017. References to the 2017 MD&A and the 2017 Financial Statements are references to Management’s Discussion and Analysis and the annual consolidated financial statements of Canadian Western Bank (CWB) for the fiscal year ending October 31, 2017. References to Annual Reports are references to the Annual Reports of CWB. All documents referred to herein are available on CWB's profile on the System for Electronic Documents Analysis and Retrieval (www.sedar.com) and are incorporated herein by reference.

FORWARD-LOOKING STATEMENTS

From time to time, CWB makes written and verbal forward-looking statements. Statements of this type are included in the Annual Report and reports to shareholders and may be included in filings with Canadian securities regulators or in other communications such as press releases and corporate presentations. Forward-looking statements include, but are not limited to, statements about CWB's objectives and strategies, targeted and expected financial results and the outlook for CWB's businesses or for the Canadian economy. Forward-looking statements are typically identified by the words "believe", "expect", "anticipate", "intend", "estimate", "may increase", "may impact", "goal", "focus", "potential", "proposed" and other similar expressions, or future or conditional verbs such as "will", "should", "would" and "could".

By their very nature, forward-looking statements involve numerous assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that management's predictions, forecasts, projections, expectations and conclusions will not prove to be accurate, that its assumptions may not be correct and that its strategic goals will not be achieved.

A variety of factors, many of which are beyond CWB's control, may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, but are not limited to, general business and economic conditions in Canada, including the volatility and level of liquidity in financial markets, fluctuations in interest rates and currency values, the volatility and level of various commodity prices, changes in monetary policy, changes in economic and political conditions, legislative and regulatory developments, legal developments, the level of competition, the occurrence of natural catastrophes, changes in accounting standards and policies, the accuracy and completeness of information CWB receives about customers and counterparties, the ability to attract and retain key personnel, the ability to complete and integrate acquisitions, reliance on third parties to provide components of business infrastructure, changes in tax laws, technological developments, unexpected changes in consumer spending and saving habits, timely development and introduction of new products, and management's ability to anticipate and manage the risks associated with these factors. It is important to note that the preceding list is not exhaustive of possible factors.

Additional information about these factors can be found in the Risk Management section of CWB's 2017 MD&A. These and other factors should be considered carefully, and readers are cautioned not to place undue reliance on these forward-looking statements as a number of important factors could cause CWB's actual results to differ materially from the expectations expressed in such forward-looking statements. Unless required by securities law, CWB does not undertake to update any forward-looking statement, whether written or verbal, that may be made from time to time by it or on its behalf.

Assumptions about the performance of the Canadian economy over the forecast horizon and how it will affect CWB's businesses are material factors considered when setting organizational objectives and targets. In determining expectations for economic growth, CWB primarily considers economic data and forecasts provided by the Canadian government and its agencies, as well as an average of certain private sector forecasts. These forecasts are subject to inherent risks and uncertainties that may be general or specific.

CORPORATE STRUCTURE

Name, Address and Incorporation

CWB is a Schedule 1 chartered bank under the *Bank Act* (Canada) (the Bank Act) and was formed effective November 1, 1987 through the amalgamation of Bank of Alberta (incorporated on March 22, 1984) and Western & Pacific Bank of Canada (incorporated on March 25, 1982). CWB has also amalgamated with two other financial institutions since 1987: North West Trust Company (effective December 31, 1994) and B.C. Bancorp (effective November 1, 1996). The Bank Act is the charter of CWB and governs its operations.

CWB's head office is located at Suite 3000, Canadian Western Bank Place, 10303 Jasper Avenue, Edmonton, Alberta, T5J 3X6.

Intercorporate Relationships

Note 32 to the annual consolidated financial statements of CWB lists the intercorporate relationship between CWB and its subsidiaries and is incorporated herein by reference. CWB together with its direct and indirect subsidiaries is referred to as "CWB Financial Group".

GENERAL DEVELOPMENT OF THE BUSINESS

Three-Year History

CWB achieved loan growth over the last year of 6%, and averaged 10% loan growth over the past three fiscal years. For the year ended October 31, 2014 compared to the year ended October 31, 2017, CWB's net income available to common shareholders decreased slightly from \$219 million to \$214 million. From October 31, 2014 to October 31, 2017, total assets grew from \$20.6 billion to \$26.4 billion. Financial results for the past three fiscal years have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board.

On October 30, 2017, CWB entered into a definitive agreement with ECN Financial Inc. to purchase a portfolio of commercial and vendor finance loans and leases.

On September 30, 2017, Canadian Western Trust Company (CWT) appointed Computershare Trust Company of Canada as successor trustee to its self-directed, exempt market securities business.

On March 1, 2017, CWB Wealth Management Ltd. (CWB WM) amalgamated with Adroit Investment Management Ltd., with CWB WM continuing pursuant to an internal structural reorganization of CWB's wealth management division.

On July 1, 2016, CWB completed the acquisition of the loan portfolio and certain related business assets of GE Capital's Canadian franchise financing business.

On June 20, 2016, CWB expanded its services in Lloydminster, Saskatchewan, to offer full-service business and personal banking.

On May 2, 2016, CWB successfully launched its new core banking system.

On March 1, 2016, CWB completed the acquisition of CWB Maxium (as defined below).

On February 5, 2016, CWB WM launched the CWB Onyx Portfolio Series of mutual funds (the Onyx Funds).

On July 8, 2015, CWB expanded its services in Prince George, British Columbia, to offer full-service business and personal banking.

On May 1, 2015, CWB completed the sale of Canadian Direct Insurance Incorporated (CDI) to Intact Financial Corporation and the sale of the stock transfer, corporate trust and employee plans business lines of Valiant Trust Company (Valiant) to Computershare Trust Company of Canada.

On March 19, 2015, CWB incorporated CWB WM as a wholly owned subsidiary. CWB WM filed an application with the Alberta Securities Commission (ASC), as principal regulator, for registration as a portfolio manager, investment fund manager and an exempt market dealer (as such terms are defined in National Instrument 31-103 *Registration Requirements and Exemptions*). CWB WM's registration application was approved by the ASC on February 4, 2016.

DESCRIPTION OF THE BUSINESS

General

As at October 31, 2017, CWB was the seventh largest publicly traded Canadian Schedule 1 chartered bank in terms of market capitalization, and the only bank in Canada with a clear focus to meet the unique financial needs of business owners. It operates only in Canada. CWB's operating subsidiaries include National Leasing Group Inc. (National Leasing), CWB Maxium Financial Inc. (CWB Maxium), Canadian Western Trust Company (CWT), including the operating division of CWB Optimum Mortgage, and CWB WM, including McLean & Partners Wealth Management Ltd. (McLean & Partners) and Canadian Western Financial Ltd. (CWF). Together, CWB and its operating subsidiaries offer a comprehensive range of business and personal banking, trust and wealth management services uniquely suited to business owners.

CWB delivers core business and personal banking services in Western Canada through a network of 42 branches, and offers deposit products and services in all provinces other than Quebec through its Internet banking division, Motive Financial. National Leasing specializes in commercial equipment leasing for small and mid-sized transactions and is represented across Canada. CWB Maxium provides loans, leases and structured financing to clients primarily in Ontario. Through its CWB Optimum Mortgage division, CWT underwrites and administers residential mortgages. CWT also provides trustee and custody services to corporations, broker dealers and individuals, and supports CWB's branch-raised deposit gathering activity through its registered-plan trustee services to select broker dealers within Canada. CWB WM and McLean & Partners specialize in discretionary wealth management for individuals, corporations and institutional clients. CWB WM is also the manager and trustee of the CWB Core Funds and the Onyx Funds.

Summary

The CWB branch network consists of 18 branches in British Columbia, 17 branches in Alberta, five branches in Saskatchewan and two in Manitoba. CWB offers a variety of banking services and competitively priced deposit products. CWB's branch network also offers CWT deposit products. Customers have access to their accounts through CWB's membership in the Interac[®], Cirrus[®] and Exchange[®] automated banking machine networks, the Interac[®] Direct Payment system, and through CWBdirect[®] Online Banking and CWBdirect[®] Business Online Banking, both Internet computer banking platforms. Customers can also view their statements, account activity and cheque images over the Internet via online banking. CWB offers personal credit cards through an agreement with MBNA Canada Bank and business credit cards through an agreement with Peoples Trust Company. CWB also operates an Internet-based banking division under the name Motive Financial[®], which offers registered and non-registered deposit products.

Business lending services are divided into three major categories:

1. General Commercial;
2. Real Estate (which includes real estate project loans as well as commercial mortgages); and
3. Equipment Financing.

CWB also maintains a small portfolio of loans to oil and gas producers, which represents approximately 1% of outstanding loans. A portfolio of loans identified internally as corporate lending has also been developed through selective participation in syndications, the majority of which are structured and led by the major Canadian banks.

Competitively priced consumer loans and mortgages are offered to customers through bank branch locations. In addition, CWB Optimum Mortgage offers alternative, conventional and high-ratio residential mortgages and home equity lines of credit, primarily through third-party mortgage brokers.

National Leasing is headquartered in Winnipeg, Manitoba, and serves customers in all provinces via its cross-Canada sales network. National Leasing specializes in commercial equipment leasing for small to mid-sized transactions.

CWB Maxium is based in Richmond Hill, Ontario. CWB Maxium serves clients across the country, but is primarily focused on the Ontario market. CWB Maxium offers clients specialized financing solutions, with a focus on the areas of health care, golf, transportation, real estate, and general corporate financing.

Credit risk is managed through lending policies and procedures, the establishment of lending limits and a defined approval process. Risk diversification is addressed by establishing portfolio limits by geographic area, industry sector and loan product. It is CWB's policy to limit connected corporate borrowers' loan authorizations to not more than 10% of CWB's shareholders' equity. In general, CWB's lending limit is \$50 million for a single risk exposure. However, for certain quality connections that confirm debt service capacity and security from more than one source, the limit is generally \$100 million. Customers with larger borrowing requirements are accommodated through loan syndications with other financial institutions.

CWT maintains offices in Vancouver, British Columbia and Edmonton, Alberta. The head office of CWB Optimum Mortgage is located in Edmonton, with Mortgage Development Officers located in Western Canada, Ontario and Atlantic Canada. CWT's personal trust services include self-directed registered investment accounts, non-registered investment accounts and individual pension plans. CWT's corporate and group trust services include registered-plan trustee services to select broker dealers within Canada, registered pension plan custody, executive compensation plan services and employee-based savings plan services.

CWB WM serves clients from its Vancouver and Edmonton offices, and McLean & Partners serves clients from its Calgary office. CWB WM and McLean & Partners offer wealth management services primarily via discretionary management of client investment accounts. CWF clients may receive non-personalized investment management services by investing in the Onyx Funds, six mutual funds managed by CWB WM, or third-party mutual funds.

Substantially all revenues of CWB Financial Group in 2016 and 2017 were derived from transactions with external customers.

Competitive Conditions

Competition mainly comes from chartered banks, credit unions, trust companies, insurance companies, asset lenders, pension funds, investment management firms, government-owned entities operating in the financial services industry, commercial lessors and other regionally based financial institutions. CWB's businesses operate in very competitive markets, particularly with respect to the pricing, nature and extent of products and services offered. Key competitive differences are a commitment to highly personalized service and responsive decision-making.

Intangible Assets

Numerous trademarks and trade names associated with the businesses of CWB and its subsidiaries have been registered, or are in the process of registration. Further information about CWB's intangible assets can be found in the notes to the 2017 Financial Statements.

Environmental Protection

CWB is exposed to a degree of financial risk as a result of environmental laws. To manage this potential exposure, environmental risk is factored into credit evaluation procedures and property acquisitions to ensure CWB's interests are reasonably protected. To date, environmental risks have not had any material effect on operations.

Public Accountability

CWB is deeply committed to its employees and the communities in which it operates. CWB publishes a *Public Accountability Statement* outlining its activities related to community investment, small business financing and access to financial services. This report is available on CWB's website, www.cwb.com, under the tab "Investor Relations/Regulatory Disclosures/Public Accountability Statement."

Employees

At October 31, 2017, CWB Financial Group had 2,174 employees.

SUPERVISION AND REGULATION

CWB, CWT and Valiant are each federally regulated financial institutions. CWB is governed by the Bank Act and CWT and Valiant are governed by the *Trust and Loan Companies Act* (Canada). The Office of the Superintendent of Financial Institutions (OSFI) is responsible to the Minister of Finance (the Minister) for the supervision of federally regulated financial institutions, including CWB, CWT and Valiant. OSFI is required to examine the affairs and business of each institution for the purpose of determining whether statutory requirements are duly observed and the institution is in sound financial condition. OSFI performs an annual examination and submits its report to the Minister thereafter.

In addition to their governing legislation, CWB, CWT and Valiant are subject to regulation under the *Financial Consumer Agency of Canada Act*. The Financial Consumer Agency of Canada enforces consumer-related provisions of the federal statutes that govern financial institutions. The activities of CWB's trust subsidiaries are also regulated under provincial laws where they conduct activities in those provinces. As a result of a 2014 decision of the Supreme Court of Canada, certain activities of CWB may be subject to provincial laws, pending proposed revisions to the Bank Act. CWF, CWB WM and McLean & Partners are regulated by the provincial securities commissions in the provinces in which they operate. CWF is also regulated by the Mutual Fund Dealers Association of Canada (MFDA), the self-regulatory organization for mutual fund dealers. McLean & Partners is also regulated by the Investment Industry Regulatory Organization of Canada (IIROC), the self-regulatory organization for investment dealers.

CWB, CWT and Valiant are member institutions of the Canada Deposit Insurance Corporation (CDIC), which insures certain deposits held at the member institutions. CWF is a member of the MFDA Investor Protection Corporation, which provides certain protections to MFDA member customers in the event the MFDA member becomes insolvent. McLean & Partners is a member of the Canadian Investor Protection Fund, which provides investor protection for investment dealer bankruptcy.

RISK FACTORS

The principal and other risks faced by CWB are described in the Risk Management section of the 2017 Annual Report, and those pages are incorporated herein by reference.

DIVIDENDS

CWB has declared and paid the following dividends on its common shares and preferred shares over the past three completed financial years:

	2017	2016	2015
Common	\$0.93/share	\$0.92/share	\$0.86/share
Series 5	\$1.10/share	\$1.10/share	\$1.10/share
Series 7 ⁽¹⁾	\$1.56/share	\$0.91/share	N/A

⁽¹⁾ Series 7 Preferred Shares were issued March 22, 2016.

The Board of Directors has declared a cash dividend of \$0.24 per common share payable on January 4, 2018 to holders of record on December 15, 2017, a cash dividend of \$0.275 per Series 5 Preferred Share payable on January 31, 2018 to holders of record on January 19, 2018 and a cash dividend of \$0.390625 per Series 7 Preferred Share payable on January 31, 2018 to holders of record on January 19, 2018.

Dividends are payable on the common shares, Series 5 Preferred Shares and Series 7 Preferred Shares of CWB if, as and when declared by the Board of Directors. Series 5 Preferred Shares and Series 7 Preferred Shares rank on parity with each other and are entitled to preference over the common shares with respect to the payment of dividends.

CWB is prohibited from paying or declaring a dividend if there are reasonable grounds to believe that CWB is, or that payment would cause CWB to be, in contravention of any regulation made under the Bank Act with respect to the maintenance of adequate capital and adequate and appropriate forms of liquidity, or with any direction given with respect to such matters by OSFI.

DESCRIPTION OF CAPITAL STRUCTURE

General Description

The authorized share capital of CWB consists of (i) an unlimited number of common shares; (ii) an unlimited number of First Preferred Shares without nominal or par value, provided that the maximum aggregate consideration of all outstanding First Preferred Shares at any time does not exceed \$1,000,000,000; and (iii) 33,964,324 Class A Shares, all without nominal or par value.

Common Shares

The common shares are entitled to one vote per share at all meetings of holders of common shares. The common shares are entitled to dividends if, as and when declared by the Board of Directors and to the distribution of assets of CWB in the event of the liquidation, dissolution or winding up of CWB. As of October 31, 2017, there were 88,494,353 common shares outstanding.

First Preferred Shares

The First Preferred Shares are issuable in series. The First Preferred Shares of each series rank on parity with the First Preferred Shares of every other series and are entitled to preference over the common shares and any other shares ranking junior to the First Preferred Shares with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding up of CWB. CWB's Board of Directors is empowered to fix the number of shares and the rights to be attached to the First Preferred Shares of each series, including the amount of dividends and any conversion, voting and redemption rights. Subject to the foregoing and applicable law, the holders of the First Preferred Shares are not entitled to receive notice of, attend or vote at meetings of the common shareholders of CWB. As of October 31, 2017, Series 5 and Series 7 are the only series of First Preferred Shares that are issued and outstanding.

Series 5 Preferred Shares

Holders of the Series 5 Preferred Shares are entitled to receive non-cumulative fixed dividends for the five-year period ending April 30, 2019 at an annual rate of \$1.10 per Series 5 Preferred Share, payable quarterly, as and when declared by the Board of Directors. The dividend rate on Series 5 Preferred Shares will reset May 1, 2019 and every five years thereafter at a level of 276 basis points over the then current five-year Government of Canada bond yield. The Series 5 Preferred Shares are not redeemable prior to April 30, 2019. Subject to the provisions of the Bank Act, the prior consent of OSFI and the provisions described in the prospectus for the public offering, on April 30, 2019 and on April 30 every five years thereafter, CWB may redeem all or any part of the then outstanding Series 5 Preferred Shares for \$25.00 per Series 5 Preferred Share together with all declared and unpaid dividends to the date fixed for redemption. As of October 31, 2017, there were 5,000,000 Series 5 Preferred Shares outstanding.

Should CWB choose not to redeem the outstanding Series 5 Preferred Shares on April 30, 2019, on that date and every five years thereafter, holders of Series 5 Preferred Shares will, subject to certain conditions, have the option to convert their Series 5 Preferred Shares to Non-Cumulative Floating Rate Preferred Shares, Series 6 (the Series 6 Preferred Shares). Holders of Series 6 Preferred Shares will be entitled to non-cumulative floating quarterly dividends equal to the 90-day Canadian treasury bill rate plus 276 basis points, as and when declared by the Board of Directors. Subject to the provisions of the Bank Act, the prior consent of OSFI and the provisions described in the prospectus for the public offering, CWB may redeem, with notice, all or any part of the then outstanding Series 6 Preferred Shares at (i) a price of \$25.00 per Series 6 Preferred Share together with all declared and unpaid dividends to the date fixed for redemption on April 30, 2024 and

every five years thereafter; or (ii) a price of \$25.50 together with all declared and unpaid dividends to the date fixed for redemption in the case of redemptions on any other date on or after April 30, 2019. Subject to certain conditions, holders of Series 6 Preferred Shares may also have the option to convert their Series 6 Preferred Shares into Series 5 Preferred Shares on April 30, 2024 and every five years thereafter. There are currently no Series 6 Preferred Shares outstanding.

Series 7 Preferred Shares

Holders of the Series 7 Preferred Shares are entitled to receive non-cumulative fixed dividends for the five-year period ending July 31, 2021 at an annual rate of \$1.5625 per Series 7 Preferred Share, payable quarterly, as and when declared by the Board of Directors. The dividend rate on Series 7 Preferred Shares will reset August 1, 2021 and every five years thereafter at a level of 547 basis points over the then current five-year Government of Canada bond yield. The Series 7 Preferred Shares are not redeemable prior to July 31, 2021. Subject to the provisions of the Bank Act, the prior consent of OSFI and the provisions described in the prospectus for the public offering, on July 31, 2021 and on July 31 every five years thereafter, CWB may redeem all or any part of the then outstanding Series 7 Preferred Shares for \$25.00 per Series 7 Preferred Share together with all declared and unpaid dividends to the date fixed for redemption. As of October 31, 2017, there were 5,600,000 Series 7 Preferred Shares outstanding.

Should CWB choose not to redeem the outstanding Series 7 Preferred Shares on July 31, 2021, on that date and every five years thereafter, holders of Series 7 Preferred Shares will, subject to certain conditions, have the option to convert their Series 7 Preferred Shares to Non-Cumulative Floating Rate Preferred Shares, Series 8 (the Series 8 Preferred Shares). Holders of Series 8 Preferred Shares will be entitled to non-cumulative floating quarterly dividends equal to the 90-day Canadian treasury bill rate plus 547 basis points, as and when declared by the Board of Directors. Subject to the provisions of the Bank Act, the prior consent of OSFI and the provisions described in the prospectus for the public offering, CWB may redeem, with notice, all or any part of the then outstanding Series 8 Preferred Shares at (i) a price of \$25.00 per Series 8 Preferred Share together with all declared and unpaid dividends to the date fixed for redemption on July 31, 2026 and every five years thereafter; or (ii) a price of \$25.50 together with all declared and unpaid dividends to the date fixed for redemption in the case of redemptions on any other date on or after July 31, 2021. Subject to certain conditions, holders of Series 8 Preferred Shares may also have the option to convert their Series 8 Preferred Shares into Series 7 Preferred Shares on July 31, 2026 and every five years thereafter. There are currently no Series 8 Preferred Shares outstanding.

Class A Shares

The Class A Shares were created and issued in connection with CWB's amalgamation with B.C. Bancorp in 1996. Pursuant to the conditions applicable to the Class A Shares, all of the issued and outstanding Class A Shares were automatically converted into common shares 20 business days after the effective date of the amalgamation with B.C. Bancorp. There are currently no Class A Shares issued or outstanding.

Subordinated Debentures

As of October 31, 2017, CWB had \$250 million of conventional subordinated debentures outstanding. The material details of these subordinated debentures may be found in the notes to the 2017 Financial Statements.

Constraints

Any person wishing to obtain, or increase, a significant interest in a bank must make an application to the Minister of Finance. Ownership, directly or indirectly, of more than 10% of any class of shares of a bank constitutes a significant interest. A bank with equity of \$12.0 billion or more (a Large Bank) may not have a shareholder which owns, directly or indirectly, more than 20% of its outstanding voting shares of any class or more than 30% of its outstanding non-voting shares of any class. Although CWB does not meet this equity threshold, CWB was grandfathered and deemed to be a Large Bank under this section of the Bank Act. The Minister has the power to change CWB's status if it is demonstrated that the change in status is in the public interest and it will foster opportunities for CWB to grow and better serve its customers. If the Minister were to change the status of CWB, the Minister could approve the acquisition of all of CWB's common shares by a single entity.

CWB monitors the above constraints on shareholdings through various means, including completion of Declaration of Ownership Forms for shareholder certificate transfer requests and a shareholder identification program managed by CWB's Investor Relations function.

Ratings

The following credit ratings have been assigned to CWB by DBRS and are current to the date of this document. DBRS last confirmed these ratings on November 29, 2017. CWB pays DBRS a fee for providing a credit rating for CWB.

Debt	DBRS Rating ⁽¹⁾	Trend	DBRS Rating Description
Long-Term Issuer Rating	A (low)	Stable	<ul style="list-style-type: none"> The issuer rating addresses the overall credit strength of the issuer based on the DBRS long-term obligations rating scale. The DBRS long-term rating scale provides an opinion on the risk of default; that is, the risk that an issuer will fail to satisfy its financial obligations in accordance with the terms under which an obligation has been issued. The “A” rating is ranked third of DBRS’s 10 long-term rating categories. The “low” designation means the securities should be considered as belonging in the lower subcategory of the rating category. An obligation rated “A” is of good credit quality. The capacity for the payment of financial obligations is substantial. The issuer may be vulnerable to future events, but qualifying negative factors are considered manageable.
Long-Term Deposit and Long-Term Senior Debt Rating	A (low)	Stable	<ul style="list-style-type: none"> The “A” rating is ranked third of DBRS’s 10 long-term rating categories. The “low” designation means the securities should be considered as belonging in the lower subcategory of the category. An obligation rated “A” is of good credit quality. The capacity for the payment of financial obligations is substantial. The obligor may be vulnerable to future events, but qualifying negative factors are considered manageable.
Short-Term Issuer and Short-Term Instruments Rating	R-1 (low)	Stable	<ul style="list-style-type: none"> The DBRS short-term debt rating scale provides an opinion on the risk that an issuer will not meet its short-term financial obligations in a timely manner. The “R-1” rating is the first of DBRS’s six short-term rating categories. An obligation rated “R-1 (low)” is of good credit quality. The obligor’s capacity for the payment of short-term financial obligations as they fall due is substantial. Overall strength is not as favourable as higher rating categories. The obligor may be vulnerable to future events, but qualifying negative factors are considered manageable.
Subordinated Debt Rating	BBB (high)	Stable	<ul style="list-style-type: none"> The “BBB” rating is ranked fourth of DBRS’s 10 long-term rating categories. The “high” designation means the securities should be considered as belonging in the higher subcategory of the rating category. An obligation rated “BBB” is of adequate credit quality. The capacity for the payment of financial obligations is considered acceptable. The obligor may be vulnerable to future events.
NVCC Preferred Shares Rating (Non-Cumulative Preferred Shares Series 5 and Series 7)	Pfd-3	Stable	<ul style="list-style-type: none"> The DBRS preferred share rating scale is used in the Canadian securities market and is meant to give an indication of the risk that an issuer will not fulfil its full obligations in a timely manner, with respect to both dividend and principal commitments. The “Pfd-3” rating is the third of DBRS’s six rating categories for preferred shares. A security rated “Pfd-3” is of adequate credit quality. While protection of dividends and principal is considered acceptable, the issuing entity is more susceptible to adverse changes in financial and economic conditions, and there may be other adverse conditions present which detract from debt protection.

⁽¹⁾ A more detailed explanation of each rating above may be obtained directly from DBRS.

In general terms, ratings are opinions that reflect the creditworthiness of an issuer, a security, or an obligation. They are opinions based on forward-looking measurements that assess an issuer's ability and willingness to make timely payments on outstanding obligations (whether principal, interest, dividend, or distributions) with respect to the terms of an obligation. Ratings do not address the market price of a security.

Credit ratings are intended to provide investors with an independent assessment of the credit quality of an issuer or a security and do not speak to the suitability of particular securities for any particular investor. A credit rating is, therefore, not a recommendation to purchase, sell or hold a security. Ratings are subject to revision and withdrawal at any time by the rating organization.

Each DBRS rating category is appended with one of three rating trends: “Positive”, “Stable”, or “Negative”. The rating trend indicates the direction in which DBRS considers the rating is headed should present tendencies continue or, in some cases, unless challenges are addressed. However, the investor must not assume that a positive or negative trend necessarily indicates that a rating change is imminent.

MARKET FOR SECURITIES

Trading Price and Volume

CWB’s common shares, Series 5 Preferred Shares and Series 7 Preferred Shares are listed and traded on the Toronto Stock Exchange (TSX) under the symbols CWB, CWB.PR.B and CWB.PR.C, respectively. The following table shows the price ranges and volumes traded for these securities for each month of the most recent fiscal year (November 2016 through October 2017).

Period	Common Shares		Series 5 Preferred Shares		Series 7 Preferred Shares	
	Price Range (\$)	Volume	Price Range (\$)	Volume	Price Range (\$)	Volume
November 2016	29.68 - 24.91	7,996,334	19.65 - 18.50	95,230	26.83 - 25.80	76,885
December 2016	32.29 - 28.62	12,413,593	19.78 - 18.60	161,282	27.23 - 26.44	62,924
January 2017	31.59 - 29.30	6,951,858	20.88 - 19.01	101,384	27.49 - 26.41	142,103
February 2017	30.95 - 28.75	5,191,844	21.45 - 20.30	135,524	27.56 - 26.84	94,966
March 2017	31.57 - 28.36	7,421,797	23.13 - 21.20	145,142	27.50 - 27.08	47,839
April 2017	29.61 - 26.65	9,412,351	23.01 - 21.85	113,952	27.81 - 26.80	74,872
May 2017	27.05 - 23.68	12,292,599	22.25 - 21.07	52,031	26.81 - 26.23	103,058
June 2017	27.60 - 24.76	10,352,111	22.75 - 21.00	69,877	27.12 - 26.42	140,376
July 2017	28.13 - 27.14	5,319,092	23.15 - 22.50	34,564	27.36 - 26.64	53,335
August 2017	29.87 - 27.72	7,069,039	22.73 - 22.25	35,452	26.90 - 26.56	33,296
September 2017	34.01 - 29.13	11,891,819	23.28 - 22.50	38,948	27.29 - 26.53	44,189
October 2017	37.36 - 33.08	6,293,972	24.04 - 23.19	91,515	27.39 - 26.72	263,375

DIRECTORS AND OFFICERS

Director and Officer Information

The following table lists the name, municipality of residence and principal occupation of each director of CWB, the period that each director has served as a director, and the committees on which the director served as at October 31, 2017. Directors may be elected annually by the shareholders or, subject to the by-laws of CWB, may be appointed by the Board of Directors. Directors hold office until the next annual meeting of shareholders.

Name and Municipality of Residence	Principal Occupation	Director Since	Board Committee Membership
ALBRECHT W.A. BELLSTEDT, Q.C. Canmore, Alberta, Canada	President, A.W.A. Bellstedt Professional Corporation (consulting services firm)	March 9, 1995	Governance (Chair) Risk
ANDREW J. BIBBY Vancouver, British Columbia, Canada	Chief Executive Officer and Director, Grosvenor Americas Partners	December 3, 2012	Human Resources Risk
CHRISTOPHER H. FOWLER Edmonton, Alberta, Canada	President and Chief Executive Officer, CWB	March 7, 2013	-
LINDA M.O. HOHOL Calgary, Alberta, Canada	Corporate Director	June 1, 2011	Audit Risk
ROBERT A. MANNING Edmonton, Alberta, Canada	President, Cathton Investments Ltd. (general investment holding company)	January 31, 1986	Audit (Chair) Human Resources
MARGARET J. MULLIGAN, FCA Mississauga, Ontario, Canada	Corporate Director	March 2, 2017	Audit Governance
SARAH A. MORGAN-SILVESTER Vancouver, British Columbia, Canada	Corporate Director	March 6, 2014	Human Resources Risk (Chair)
ROBERT L. PHILLIPS, Q.C., F.ICD ⁽¹⁾ Vancouver, British Columbia, Canada	President, R.L. Phillips Investments Inc. (private investment firm)	March 8, 2001	Audit Governance Human Resources Risk
RAYMOND J. PROTTI, ICD.D Victoria, British Columbia, Canada	Corporate Director	March 5, 2009	Audit Governance
IAN M. REID Edmonton, Alberta, Canada	Corporate Director	March 3, 2011	Governance Risk ⁽²⁾
H. SANFORD RILEY, C.M. Winnipeg, Manitoba, Canada	President and Chief Executive Officer, Richardson Financial Group Limited (financial services company)	March 3, 2011	Audit Human Resources
ALAN M. ROWE, CPA, CA Toronto, Ontario, Canada	Partner, Crown Realty Partners (investment management company)	July 1, 1996	Audit Human Resources (Chair)

⁽¹⁾ Mr. Phillips also serves as the Chair of the Board of Directors.

⁽²⁾ Mr. Reid also serves as the Chair of the Loan Adjudication Panel.

Each of the directors listed have held their respective positions and offices with the same, predecessor or associated firms or organizations for the past five years except Ms. Morgan-Silvester, who, prior to July 2014, was Chancellor of the University of British Columbia (a *pro bono* position).

The following table lists the name, municipality of residence and principal occupation of each executive officer of CWB. Executive Officer is defined as a chair, vice-chair, president, a vice president in charge of a principal business unit, division or function (including sales, finance or production), an officer of CWB or any of its subsidiaries who performed a policy-making function in respect of CWB, or any other individual who performed a policy-making function in respect of CWB.

Name and Municipality of Residence	Principal Occupation and Position with CWB	Employed Since
VLADIMIR AHMAD Edmonton, Alberta, Canada	Senior Vice President, Operations and Business Transformation	2017
KELLY S. BLACKETT Edmonton, Alberta, Canada	Executive Vice President, Human Resources and Corporate Communications	2013
NIALL P. BOLES Edmonton, Alberta, Canada	Senior Vice President and Treasurer	2014
J. JEFFREY BOWLING Calgary, Alberta, Canada	Senior Vice President and Regional General Manager, Prairies	2009
LARS K. CHRISTENSEN, CPA, CMA Edmonton, Alberta, Canada	Vice President and Chief Internal Auditor	1988
M. GLEN EASTWOOD Edmonton, Alberta, Canada	Executive Vice President, Business Transformation	2001
BLAINE M. FORER Delta, British Columbia, Canada	Senior Vice President and Regional General Manager, BC	2015
CHRISTOPHER H. FOWLER Edmonton, Alberta, Canada	President and Chief Executive Officer	1991
MARIO V. FURLAN Vancouver, British Columbia, Canada	Senior Vice President, Real Estate and Specialized Lending	1990
CAROLYN J. GRAHAM, FCPA, FCA Edmonton, Alberta, Canada	Executive Vice President and Chief Financial Officer	2000
GAIL L. HARDING, Q.C. Calgary, Alberta, Canada	Senior Vice President, Chief Legal Officer and Corporate Secretary	2004
KEITH D. HUGHES Spruce Grove, Alberta, Canada	Senior Vice President, Sales and Marketing	2015
DARRELL R. JONES, FCPA, FCMA Edmonton, Alberta, Canada	Executive Vice President and Chief Information Officer	2008
STEPHEN H.E. MURPHY North Vancouver, British Columbia, Canada	Executive Vice President, Banking	2016
H. BOGAC (BOGIE) OZDEMIR Edmonton, Alberta, Canada	Executive Vice President and Chief Risk Officer	2014
LESTER W. SHORE St. Albert, Alberta, Canada	Senior Vice President and Regional General Manager, Northern Alberta	2001
ALLEN D. STEPHEN, CPA, CA Sherwood Park, Alberta, Canada	Vice President and Chief Accountant	2008
DAVID L. J. THOMSON St. Albert, Alberta, Canada	Senior Vice President, Credit Risk Management	2004

All of the executive officers listed above have held their current positions or other senior positions with CWB or its subsidiaries during the past five years, with the exception of Mr. Ahmad, Ms. Blackett, Mr. Boles, Mr. Forer, Mr. Hughes, Mr. Murphy and Mr. Ozdemir.

Mr. Ahmad joined CWB in 2017, prior to which he held the following positions: Chief Operating Officer, Alberta Pension Services Corporation (2014 – 2017); President & Chief Executive Officer, Mirabank (Serbia) (2013 – 2014); Head of HSBC Hong Kong Office, HSBC and Chief Executive Officer, HSBC Bank International (2011 – 2013).

Ms. Blackett joined CWB in 2013, prior to which she held the position of Leader, Learning Organizational Development & HR Strategy (2012 – 2013) with General Electric or its affiliated companies.

Mr. Boles joined CWB in 2014, prior to which he held the following position with Canadian Imperial Bank of Commerce: Vice President – Liquidity, Funding, and Cash Management (2010 – 2014).

Mr. Forer joined CWB in 2015, prior to which he held the position of Director with Fulcrum Capital Partners (2012 – 2015).

Mr. Hughes joined CWB in 2015, prior to which he held the following positions with Servus Credit Union: Senior Vice President Business Banking (2014 – 2015), Senior Vice President Business & Retail Banking (2012 – 2014).

Mr. Murphy joined CWB in 2016, prior to which he held the following position with TD Bank: Senior Vice President, Business Banking, BC Region (2011 – 2016).

Mr. Ozdemir joined CWB in 2014, prior to which he held the position of Vice President, Risk Models and Governance (2011 – 2014) with Sun Life Financial Inc.

As at October 31, 2017, CWB directors and executive officers, as a group, beneficially owned or exercised direction over 2,393,011 common shares, or approximately 2.7% of the issued and outstanding common shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of CWB has, within the 10 years prior to the date of this Annual Information Form, been a director or executive officer of any company that (i) was the subject of a cease trade order or similar order, or an order that denied the company access to any exemption under securities legislation for more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity of director, chief executive officer or chief financial officer; (ii) was subject to an event that occurred while the person was acting in the capacity of director, chief executive officer or chief financial officer that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade order or similar order, or an order that denied the company access to any exemption under securities legislation for more than 30 days; or (iii) within one year of the director or executive officer ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, except as follows:

- Mr. Bellstedt served from August 2007 to June 2008 as a director of Sun Times Media Group, Inc. (formerly Hollinger International Inc.). Sun Times Media Group, Inc. filed for Chapter 11 bankruptcy protection under the U.S. Bankruptcy Code in 2009.
- Mr. Rowe served as a director of Big Sky Farms Inc. from October 8, 2004 to April 12, 2010 and which, on March 23, 2010, implemented a plan of compromise and arrangement as approved by the Saskatchewan Court of Queen's Bench pursuant to the *Companies' Creditors Arrangement Act* (Canada).

No director or executive officer has, within 10 years prior to the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer.

Conflicts of Interest

There are no existing or potential material conflicts of interest between the directors and officers of CWB or its subsidiaries.

LEGAL PROCEEDINGS

In the ordinary course of business, CWB and its subsidiaries are parties to legal proceedings. Based on current knowledge, CWB does not expect the outcome of any of these proceedings to have a material effect on its consolidated financial position or operations. However, there is a possibility that the resolution of such proceedings may be material to the consolidated results of operations for a particular period.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or executive officer of CWB or its subsidiaries, or an associate thereof, had any material interest, direct or indirect, in any transaction within the three most recently completed fiscal years that has materially affected or will materially affect CWB.

TRANSFER AGENTS AND REGISTRAR

Computershare Trust Company of Canada acts as registrar and transfer agent for CWB's common shares, Series 5 Preferred Shares and Series 7 Preferred Shares at its principal office in Toronto, Ontario, and its other offices in Vancouver, British Columbia, Calgary, Alberta, Montreal, Quebec, and Halifax, Nova Scotia.

EXPERTS

KPMG LLP were the external auditors of CWB for the year ended October 31, 2017 and prepared and executed the audit report accompanying the annual consolidated financial statements. KPMG LLP have confirmed that they are independent with respect to CWB and within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

AUDIT COMMITTEE INFORMATION

Audit Committee's Mandate

CWB's Audit Committee Mandate sets out the Committee's purpose, organization, reporting, duties and responsibilities. A copy of the Mandate is attached hereto as Schedule A.

Composition of the Audit Committee

As of October 31, 2017, the Audit Committee was comprised of seven directors, all of whom are independent directors and financially literate: Robert A. Manning (Chair), Linda M.O. Hohol, Margaret J. Mulligan, Robert L. Phillips, Raymond J. Protti, H. Sanford Riley and Alan M. Rowe.

Relevant Education and Expertise

The following section lists the relevant education and expertise for each Audit Committee member.

Robert A. Manning, MBA (Chair of the Audit Committee)

Robert Manning acquired significant experience and exposure to accounting and financial reporting issues as the current President and a director of privately held Cathton Investments Ltd. and several subsidiary and affiliated companies, and as Executive Vice President and a director of North West Trust Company from 1979-1980. Mr. Manning completed his Masters of Business Administration at Cranfield School of Management and his Bachelor of Science (Hons) at the University of Manchester Institute of Science and Technology. Mr. Manning has been a director of CWB for 31 years.

Linda M.O. Hohol, FICB

Linda Hohol acquired significant experience and exposure to accounting and financial reporting issues as the former President of TSX Venture Exchange Inc. at the TMX Group Inc. in addition to her prior role as the Executive Vice President, Wealth Management and Senior Vice President, Alberta and NWT for Canadian Imperial Bank of Commerce, where she spent 26 years. Ms. Hohol currently serves on the Board of Directors of NAV Canada (Chair of its Audit Committee) and the Institute of Corporate Directors (Chair of its Governance Committee). She has previously served on many boards, including EllisDon Construction Ltd., Export Development Canada (Vice Chair), ATB Financial (Chair of its Risk Committee), and the Calgary Airport Authority (Chair of its Audit and Finance Committee). She is a graduate of the Executive Development Program of the Kellogg Business School. Ms. Hohol is a Fellow of the Institute of Canadian Bankers. Ms. Hohol has been a director of CWB for six years.

Margaret J. Mulligan, FCA

Margaret Mulligan acquired significant experience and exposure to accounting and financial reporting issues as the former Executive Vice President and Chief Financial Officer of Valeant Pharmaceuticals International Inc. (previously Biovail Corporation), in addition to her prior roles as Executive Vice President, Chief Financial Officer and Treasurer of Linamar Corporation and the Executive Vice President, Systems & Operations of Bank of Nova Scotia. Ms. Mulligan is currently a director of Clear Stream Energy Services Inc. (member of its Audit Committee) and Ontario Power Generation Inc. (previous member of its Audit Committee), and formerly served as a director of Capital Power Corporation (member of its Audit Committee). Ms. Mulligan is a Chartered Professional Accountant. She received a Bachelor of Mathematics (Hons) from the University of Waterloo and is a Fellow of the Chartered Professional Accountants of Ontario. She has been a director of CWB for less than one year.

Robert L. Phillips, Q.C., F.I.C.D

Robert Phillips acquired significant experience and exposure to accounting and financial reporting issues as the current President of R.L. Phillips Investments Inc., a private investment firm, as President and Chief Executive Officer of the BCR Group of Companies from 2001-2004, as Executive Vice President of MacMillan Bloedel Limited from 1999-2000, as President and Chief Executive Officer of PTI Group Inc. from 1998-1999 and as President and Chief Executive Officer of Dreco Energy Services Ltd. from 1994-1998. Mr. Phillips is Chairman of Maxar Technologies Ltd. (formerly MacDonald Dettwiler & Associates Ltd.) (member of its Audit Committee), a director of Canadian National Railway Company (member of its Audit Committee), a director of West Fraser Timber Co. Ltd., and former director and Chairman of Precision Drilling Corporation (member of its Audit Committee). Mr. Phillips received his Bachelor of Laws (Gold Medalist) and Bachelor of Science, Chemical Engineering (Hons) degrees from the University of Alberta. He has been a director of CWB for 16 years.

Raymond J. Protti, ICD.D

Raymond Protti acquired significant experience and exposure to accounting and financial reporting issues during a distinguished career spanning more than 25 years in the Canadian public service, where he held several senior positions at the Deputy Minister level. Mr. Protti also served as President and Chief Executive Officer of the Canadian Bankers Association from 1996-2007. Mr. Protti is a member of the Board of the Royal British Columbia Museum. He received his Bachelor of Arts (Hons, Gold Medalist) and Master of Arts, both in Economics, from the University of Alberta. He holds the ICD.D designation from the Institute of Corporate Directors. Mr. Protti has been a director of CWB for eight years.

H. Sanford Riley, C.M.

Sanford Riley acquired significant experience and exposure to accounting and financial reporting issues as the current President and Chief Executive Officer of Richardson Financial Group Limited, a financial services affiliate of James Richardson & Sons, Limited and in his past role as Chair, President and Chief Executive Officer of Investors Group Inc., a personal financial services organization. In addition, Mr. Riley is the Chairman of the Northwest Company, a director of Molson Coors Brewing Company, and a former director of GMP Capital Inc. and Manitoba Telecom Services Inc. (member of its Audit Committee). Mr. Riley received a Bachelor of Political Science from Queen's University and a Juris Doctor from Osgoode Hall Law School. Mr. Riley has been a director of CWB for six years.

Alan M. Rowe, CPA, CA

Alan Rowe acquired significant experience and exposure to accounting and financial reporting issues in his current position as a Partner of Crown Realty Partners, as well as previous positions with Crown Capital Partners Inc. and with Crown Life Insurance Company, which included positions as Senior Vice President, Chief Financial Officer and Corporate Secretary, Vice President Finance, and Vice President and Treasurer. In addition, Mr. Rowe is currently a director of Crown Capital Partners Inc. (member of its Audit & Risk Committee). Mr. Rowe received his Bachelor of Commerce (Hons, Gold Medalist) from Memorial University of Newfoundland, has been a Chartered Accountant since 1980 (Newfoundland Gold Medalist) and is a member of Financial Executives International. Mr. Rowe has been a director of CWB for 21 years.

Pre-Approval Policies and Procedures Regarding External Auditors

As part of CWB's corporate governance structure, the Audit Committee annually reviews and approves the terms and scope of the external auditors' engagement. To further ensure that the independence of the auditors is not compromised, CWB's policy requires that the Audit Committee also pre-approve all significant engagements of the auditors for non-audit services and monitor all other engagements.

Under the policy, the significance threshold for non-audit engagements is defined as any engagement for which the cost estimate exceeds 5% of the annual audit fee, as outlined in the auditors' scope memorandum. Receiver/manager services provided by the auditors to borrowers of CWB are not included in the definition of non-audit services under this policy but are reviewed by the Audit Committee on an annual basis.

All non-audit service engagements, regardless of the cost estimate, are required to be co-ordinated and approved by CWB's Chief Financial Officer, or designate, to further ensure that adherence to this policy is monitored. All non-audit service engagements are reported to the Audit Committee on a quarterly basis.

Auditor Service Fees

The following table lists the fees paid to KPMG LLP by CWB and its affiliates, by category, during fiscal 2017 and 2016.

	Year Ended October 31, 2017 (\$)	Year Ended October 31, 2016 (\$)
Audit fees	770,910	1,291,130
Audit-related fees	170,888	113,500
Tax-related fees	161,406	198,023
All other fees	-	-
Total fees	1,103,204	1,602,653

Audit Fees

Audit fees are paid for professional services rendered for the audit of CWB's annual financial statements, for services provided in connection with statutory and regulatory filings, the review of CWB's interim financial statements, audits of the financial statements of the Onyx Funds, and audits of pooled investment funds managed by McLean & Partners. In 2017, audit fees included fees in respect of audit work for securitization arrangements. In 2016, audit fees included fees in respect of Service Organization Controls 1 (SOC 1) readiness work and audit report for CWT, assurance work related to the implementation of the new banking system, assurance work related to National Leasing's new computer systems, and the filing of a shelf prospectus. Audit fees paid to KPMG were lower in 2017 compared to 2016 predominantly due to the timing of receipt of invoices from KPMG.

Audit-Related Fees

Audit-related fees are paid for assurance and related services that are reasonably related to the performance of the audit or review of the financial statements and are not reported under the audit fees item above, including fees for translation of CWB's interim and annual financial statements into the French language. In 2017, audit-related fees included fees in respect of compliance work for the Onyx Funds.

Tax-Related Fees

Tax-related fees are paid for professional services relating to tax compliance, tax planning and tax advisory services. Tax compliance services include the review of corporate tax returns and preparation of senior management tax returns. Tax planning and advisory services include advice related to common forms of taxation, including income tax, capital tax, and goods and services tax. In 2017, tax-related fees included tax advice in respect of the reorganization of CWB WM and in respect of securitization arrangements. In 2016, tax-related fees included tax advice in respect of the acquisition of CWB Maxium.

All Other Fees

All other fees are fees paid for products or services other than the audit fees, audit-related fees and tax-related fees described above. No such fees were paid in 2017 or 2016.

ADDITIONAL INFORMATION

Additional information relating to CWB may be found on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of securities and securities authorized under equity compensation plans, is contained in CWB's Management Proxy Circular for its most recent annual meeting of shareholders.

Additional financial information is provided in CWB's annual consolidated financial statements and Management's Discussion and Analysis for the year ended October 31, 2017, which is available at www.sedar.com and in the 2017 Annual Report. Copies of the information referred to in this section may be obtained by writing to the Corporate Secretary, Canadian Western Bank, Suite 3000, Canadian Western Bank Place, 10303 Jasper Avenue, Edmonton, Alberta, T5J 3X6 or via CWB's website at www.cwb.com.

SCHEDULE A

MANDATE OF THE AUDIT COMMITTEE

1.0 Purpose of the Audit Committee

The purpose of the Audit Committee is to assist the Board of Directors (the “Board”) in fulfilling its oversight responsibilities with respect to the:

- 1.1 integrity of the financial statements, other financial information and certain disclosure documents provided by Canadian Western Bank to its shareholders, the public and others;
- 1.2 qualifications and independence of the external auditors;
- 1.3 performance of the Bank’s internal and external auditors; and
- 1.4 adequacy of the CWB Financial Group's internal controls.

For the purposes of this mandate, “Bank” means Canadian Western Bank and “CWB Financial Group” means the Bank, its federally regulated subsidiaries and such other subsidiaries designated from time to time by the Board.

Although the Audit Committee has the powers and responsibilities set forth in this mandate, the role of the Audit Committee is oversight. It is not the duty of the Audit Committee to conduct audits or to determine that the CWB Financial Group's financial statements are complete, accurate and in accordance with International Financial Reporting Standards (“IFRS”). The external auditor is responsible for planning and carrying out, in accordance with professional standards, an audit of the CWB Financial Group's annual financial statements and reviewing the Bank’s quarterly financial information. Management of CWB Financial Group is responsible for the preparation, presentation and integrity of the financial statements and for maintaining appropriate accounting and financial reporting principles, policies and internal controls and procedures designed to ensure compliance with accounting standards and applicable laws and regulations.

2.0 Organization of the Audit Committee

The Audit Committee shall be comprised of not less than three directors, one of whom shall serve as the Chair of the Audit Committee, as determined and appointed by the Board. Each Audit Committee member shall satisfy the independence, financial literacy and experience requirements of all applicable regulatory requirements (including Multilateral Instrument 52-110 *Audit Committees*) and one Audit Committee member shall be considered a financial expert, as such qualifications are interpreted by the Board in the exercise of its sound business judgment.

3.0 Meetings of the Audit Committee

In order for the Audit Committee to transact business, three members of the Audit Committee must be present and a majority of those present must be resident Canadians. The Audit Committee shall meet on a regular basis and shall schedule a sufficient number of meetings (whether in person or by teleconference) to carry out its mandate, which shall occur at least once each quarter. Any member of the Audit Committee or the external auditors may call a meeting. At least quarterly, the Audit Committee shall have separate private meetings with the external auditors, Chief Internal Auditor, Chief Financial Officer and management to consider any relevant matters. The Chair, or in his or her absence another member of the Audit Committee, will preside at each meeting of the Audit Committee.

4.0 Reporting to the Board

The Audit Committee shall present a verbal report at each regularly scheduled Board meeting with respect to its activities with such recommendations as are deemed desirable in the circumstances.

5.0 Outside Advisors

The Audit Committee shall have the authority to retain, at the Bank's expense, independent advisors and consultants to advise the Audit Committee as it determines necessary to carry out its duties and to fix the remuneration of such advisors and consultants. The Audit 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 Audit Committee or to meet with any members of, or consultants to, the Audit Committee.

6.0 Duties and Responsibilities of the Audit Committee

The Audit Committee shall have the following specific duties and responsibilities:

- 6.1 prior to approval by the Board, review the Bank's annual filings, including annual audited financial statements, annual Management's Discussion and Analysis ("MD&A"), the Annual Information Form ("AIF") and any other documents and information that are incorporated by reference in the AIF of the Bank, and report and make a recommendation thereon to the Board;
- 6.2 prior to approval by the Board, review the interim reports to shareholders, including the interim quarterly financial statements and the interim MD&A, and report and make a recommendation thereon to the Board;
- 6.3 periodically review management's procedures for the review of financial information extracted or derived from the financial statements that is to be publicly disclosed and has not otherwise been reviewed by the Audit Committee;
- 6.4 prior to approval by the Board, review the Bank's earnings press releases;
- 6.5 discuss major issues regarding accounting principles and financial statement presentations, including significant changes in the selection or application of accounting principles, analyses prepared by management or the external auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements of CWB Financial Group;
- 6.6 meet with the external auditors, including without management present, to discuss the annual and interim financial results and the returns referred to within this mandate and receive and review any reports of the external auditors thereon;
- 6.7 recommend to the Board the appointment of the external auditors for CWB Financial Group, who shall report directly to the Committee. Review the terms of the external auditors' engagement, their level of remuneration, the qualifications of the engagement team, the audit plan, the materiality threshold for the audit, any proposed changes in accounting policies, their presentation and input concerning significant risks and key estimates and judgments of management;
- 6.8 oversee the resolution of disagreements between management and the external auditors regarding financial reporting;
- 6.9 review the independence of the external auditors, including obtaining from the auditors a statement describing all relationships between the auditors and CWB Financial Group and discussing such relationships with the auditors;
- 6.10 review the quality of the external audit and the engagement team and report to the Board on the effectiveness of the external audit, including any quality issues raised by the Canadian Public Accountability Board;

- 6.11 review and approve the policy for non-audit services to be completed by the external auditors, which includes an established definition of what constitutes non-audit services and a requirement for pre-approval for all but de minimus engagements;
- 6.12 review and approve all services, not already addressed, to be completed by the external auditors for any entity within CWB Financial Group, including non-federally regulated subsidiaries. The Audit Committee may delegate to one or more Audit Committee members the authority to grant approval of such services, provided the decision of such members is reported to the full Audit Committee at its next meeting;
- 6.13 review and approve hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of CWB Financial Group;
- 6.14 require the management of CWB Financial Group to establish and maintain disclosure controls and procedures (“DC&P”) and internal control over financial reporting (“ICFR”) to support the CEO/CFO certification on the design and effectiveness of the DC&P and ICFR, including procedures designed to identify, monitor and manage audit-related risks. Review, evaluate and approve those procedures;
- 6.15 oversee the finance and internal audit functions, and, in particular:

Finance function

- (a) recommend to the Board, jointly with the Human Resources Committee, the appointment or removal of the Chief Financial Officer of the Bank;
- (b) review the appointment of each Chief Financial Officer of an entity within CWB Financial Group;
- (c) meet with the Chief Financial Officer of the Bank at least quarterly without management present;
- (d) review and approve on a regular basis the mandate and annual plan of the finance function;
- (e) review the effectiveness of the finance function;
- (f) annually review and approve the function’s budget and resources; and
- (g) periodically require an independent review of the finance function.

Internal Audit function

- (a) recommend to the Board the appointment or removal of the Chief Internal Auditor;
 - (b) meet with the Chief Internal Auditor of the Bank at least quarterly without management present;
 - (c) annually review and approve the internal audit department charter and audit plan;
 - (d) review the effectiveness of the internal audit function;
 - (e) meet with the Chief Internal Auditor of the Bank and with management of the Bank to discuss reports on internal audit activities and findings and the effectiveness of the internal control procedures established for CWB Financial Group;
 - (f) annually review and approve the function’s budget and resources; and
 - (g) periodically require an independent review of the internal audit function.
- 6.16 review correspondence received from regulators and external auditors, together with management’s responses thereto, concerning the effectiveness of internal controls and other matters that fall within the responsibility of the Committee;
 - 6.17 review such returns of CWB Financial Group as the Office of the Superintendent of Financial Institutions may specify;
 - 6.18 review such investments and transactions that could adversely affect the well-being of CWB Financial Group as the external auditors or any officer of the Bank may bring to the attention of the Audit Committee;

- 6.19 receive quarterly reports on any litigation matters which could significantly affect the financial statements of CWB Financial Group;
- 6.20 receive a quarterly report from management on significant estimates or judgments, including the allowance for credit losses;
- 6.21 receive a quarterly report from the Bank's Disclosure Committee;
- 6.22 act as the audit committee for CWB Financial Group, including the review of the annual audited financial statements and report thereon to each respective board before approval is given;
- 6.23 establish procedures for the receipt and handling of complaints, including confidential, anonymous submissions regarding accounting, internal accounting controls, auditing matters or fraud and receive reports of all such complaints;
- 6.24 review and assess annually the adequacy of its mandate; and
- 6.25 prepare any report from the Audit Committee that may be required to be included in the Bank's management proxy circular or that the Board elects to include on a voluntary basis.

This mandate was last reviewed and approved by the Board on June 1, 2017.