

CANADIAN WESTERN BANK

Dividend Reinvestment Plan

1. PURPOSE

The Canadian Western Bank (the “**Bank**”) Dividend Reinvestment Plan (the “**Plan**”) provides holders of the Bank’s common shares (“**Common Shares**”), holders of each series of First Preferred shares and holders of any other class of shares deemed eligible by the Bank’s Board of Directors (collectively, “**Eligible Shares**”), with the opportunity to direct cash dividends paid on any class of their Eligible Shares toward the purchase of Common Shares.

Common Shares are purchased by a Plan Agent who acts on behalf of holders who have elected to participate in the Plan (“**Participants**”). The Plan Agent purchases Common Shares, as directed by the Bank, directly from the Bank or on the open market through the facilities of the Toronto Stock Exchange. Common Shares purchased by the Plan Agent from the Bank are purchased at the Average Market Price (as defined in Section 7(a)). Common Shares purchased by the Plan Agent in the open market are purchased at the Average Purchase Price (as defined in Section 7(b)). Common Shares purchased from the Bank may be eligible to receive up to a 5% discount on the Average Market Price.

Currently, enrolment in the Plan is limited to Canadian residents.

The Plan is also subject to certain other restrictions on eligibility as further described below.

2. ADVANTAGES

A Participant may purchase Common Shares with all the cash dividends paid on any class of Eligible Shares registered in his/her name. Should the Plan Agent purchase Common Shares directly from the Bank, dividends will be reinvested at the Average Market Price. The Bank may choose to issue such Common Shares at a discount of up to 5%. Should the Bank direct the Plan Agent to purchase Common Shares on the open market, dividends will be reinvested at the Average Purchase Price. No discount applies to Common Shares purchased by the Plan Agent on the open market.

No brokerage commissions, fees or service charges are payable by registered holders participating in the purchase of Common Shares under the Plan.

Full investment of funds is possible under the Plan because the Plan permits whole Common Shares as well as fractions of Common Shares (to four decimal places) to be held by the Plan Agent in Participant accounts. All Common Shares (including fractions) purchased under the Plan are also automatically enrolled in the Plan. As such, future dividends paid on Common Shares purchased by the Plan Agent for Participants will also be reinvested in additional Common Shares.

3. ELIGIBILITY

a. Shareholders Resident in Canada

A beneficial holder, being a holder whose Eligible Shares are not held in his/her name but rather held in the name of a nominee such as a broker, investment dealer, financial institution, or other nominee (“**Nominee**”), may enrol in the Plan indirectly by instructing his/her Nominee to enrol on his/her behalf. A beneficial holder

should consult his/her Nominee to determine how to enrol in the Plan and what fees, if any, the Nominee may charge.

Alternatively, a registered holder of at least one Eligible Share may be able to enrol in the Plan directly. A beneficial holder, wishing to enrol directly, will be required to transfer such Eligible Shares into his/her name in order to participate directly in the Plan (note: direct enrolment may not be possible for certain classes of Eligible Shares where Canadian Depository for Securities Limited (“CDS”) acts as the only registered holder).

b. Shareholders Outside of Canada

Currently, only Canadian residents are eligible to participate in the Plan.

Registered and beneficial holders of Eligible Shares who are resident in the United States or any of its territories or possessions may not participate in the Plan as Common Shares issued pursuant to the Plan are not registered under the *Securities Act of 1933 (United States)*, as amended. Residents of any jurisdiction outside Canada or the United States are also, at this time, not eligible to participate in the Plan.

c. Bank Act Restrictions

The *Bank Act (Canada)* contains provisions which prohibit or constrain the issue or transfer of any shares of any class of shares of the Bank to certain persons or groups of persons, depending upon their accumulated beneficial share ownership. The *Bank Act* further contains provisions which restrict the right of certain persons or groups of persons to exercise voting rights attached to any class of shares of the Bank. The Bank at all times retains the right to terminate a holder’s participation in the Plan where it becomes aware that such holder’s continued participation may contradict regulatory requirements of the *Bank Act*.

In addition, the Bank may, subject to TSX approval, determine from time to time that any shareholder or group of shareholders may not participate or continue to participate in the Plan.

4. ENROLMENT

a. Registered Holders

A registered holder may enrol all of his/her shares of any class of Eligible Shares in the Plan by completing and delivering to the Plan Agent a duly completed and signed Enrolment Form in the form approved by the Bank for this purpose.

An Enrolment Form must be received by the Plan Agent no later than 5:00 p.m. (Eastern Time) five business days immediately preceding the dividend record date for the class of Eligible Shares being enrolled in order for such shares to be enrolled as of the next Investment Period. If an Enrolment Form is received by the Plan Agent after this time, the Enrolment Form will take effect as of the following Investment Period.

An Enrolment Form may be obtained from the Plan Agent upon request, or from the Bank’s website at www.cwbankgroup.com or www.investorcentre.com/cwb.

Enrolment Forms may be delivered to the Plan Agent personally, by courier, by mail, by facsimile or any other electronic method acceptable to the Plan Agent.

b. Beneficial Holders

Many holders do not hold Eligible Shares in their own name but rather in the name of a Nominee. In such cases, the Plan Agent can only take instructions from the registered holder—the holder’s Nominee. Additionally, most Nominees do not hold Eligible Shares held on behalf of beneficial holders in their name but rather through CDS, a securities intermediary which acts as a registered holder of Eligible Shares for those Nominees.

Beneficial holders of Eligible Shares registered in the name of CDS may only participate in the Plan if they:

1. Arrange for their Nominee to enrol in the Plan on their behalf through CDS’s facilities; or
2. Transfer their Eligible Shares into their own name and enrol in the Plan directly (note: this may not be possible for certain classes of Eligible Shares where CDS acts as the only registered holder).

Beneficial holders of Eligible Shares registered in the name of a Nominee may only participate in the Plan if they:

1. Instruct their Nominee to enrol their shares in the Plan on their behalf; or
2. Transfer their Eligible Shares into their own name and enrol in the Plan directly.

Beneficial holders of Eligible Shares wishing to enrol in the Plan are encouraged to consult with their Nominees to determine how their Eligible Shares are registered, as well as to the process, fees (if any), and deadlines for enrolment.

5. PRORATION IN CERTAIN EVENTS

Prior to any Investment Period in which the Bank will issue Common Shares from treasury, the Bank may limit the maximum number of Common Shares that will be issued.

If, in respect of any Investment Period, fulfilling the elections of all Participants would result in the Bank exceeding the limit on new Common Shares (whether such limit is set by the Bank, applicable law or regulatory policies), then participation and purchases of Common Shares for the applicable Investment Period will be prorated among all Participants according to the value of a Participant’s Eligible Share dividends as a percentage of the value of all Participants’ Eligible Share dividends.

If the Bank determines not to issue any Common Shares for the Plan on a particular Investment Period, or to the extent that the availability of Common Shares issued by the Bank is prorated in accordance with the terms described above, then Participants will receive from the Bank, for Eligible Shares not reinvested, the regular cash dividends which they would otherwise be entitled to receive on such Investment Period. The Bank is under no obligation to facilitate market purchases for any dividends not reinvested due to a limit imposed on the issuance of Common Shares.

6. SHARE PURCHASE DATE

Common Shares will be purchased by the Plan Agent during the Investment Period. The Investment Period for dividends paid on any class of Eligible Shares:

1. when Common Shares are to be issued by the Bank, will be the day on which the dividend payment date falls; and

2. when Common Shares are to be purchased on the open market through the facilities of the Toronto Stock Exchange, purchases will commence during the three (3) Business Days beginning on the relevant dividend payment date.

7. SHARE PURCHASE PRICE

The Plan Agent, as directed by the Bank, will either purchase Common Shares from the Bank or on the open market. The Bank has the sole discretion to instruct the Plan Agent as to how Common Shares are to be purchased.

a. Average Market Price – Common Shares Purchased by the Plan Agent from the Bank

Common Shares issued by the Bank will be purchased during an Investment Period by the Plan Agent on behalf of Participants at the “**Average Market Price**”, which is the average of the closing prices for a board lot of the Common Shares on the Toronto Stock Exchange on the five trading days on which at least one board lot of the Common Shares was traded immediately preceding an Investment Period.

Common Shares purchased by the Plan Agent directly from the Bank may be eligible to receive a discount of up to 5% of the Average Market Price.

b. Average Purchase Price – Common Shares Purchased by the Plan Agent on the Open Market

Common Shares purchased by the Plan Agent on the open market through the facilities of a stock exchange will be purchased at the “**Average Purchase Price**”, which is the average of the actual cost (excluding brokerage commissions, fees, and all transaction costs) incurred by the Plan Agent to purchase such Common Shares during such Investment Period.

Common Shares purchased by the Plan Agent on the open market are not eligible for a discount.

8. ADMINISTRATION

Computershare Trust Company of Canada currently acts as plan agent (the “**Plan Agent**”) under the Plan for and on behalf of Participants. If Computershare Trust Company of Canada ceases to act as Plan Agent for any reason, another qualified trust company will be designated by the Bank to act as Plan Agent and Participants will be promptly notified of the change.

All dividends received by the Plan Agent under the Plan will be applied to the purchase of Common Shares, subject to proration in certain events. In no event will interest be paid to Participants on any funds held on their behalf.

Common Shares purchased by the Plan Agent on behalf of Participants will be registered in the name of the Plan Agent and recorded in a separate account for each Participant. No share certificates will be issued to Participants.

All fees and expenses of the Plan Agent will be borne by the Bank.

9. STATEMENTS OF ACCOUNT

The Plan Agent will maintain an account for each Participant with respect to purchases of Common Shares under the Plan. On a quarterly basis, the Plan Agent will send each Participant a statement of account regarding purchases under the Plan setting out:

1. The number of Common Shares acquired under the Plan, and
2. The price of such Common Shares

These statements are an essential record for income tax purposes and should be retained.

Beneficial holders of Common Shares enrolled in the Plan through a Nominee should consult their Nominee for requisite tax records.

10. DIRECT REGISTRATION STATEMENT ADVICE

Common Shares purchased and held under the Plan by the Plan Agent for a Participant will be registered in the name of such Participant in an account created for such Participant. A Direct Registration Advice form (“**DRS Advice**”) for such Common Shares will only be issued to a Participant if the Bank terminates the Plan, the Participant or the Bank terminates the Participant’s enrolment in the Plan, or the Participant withdraws Common Shares from its account. A DRS Advice will only be issued in the name of the applicable Participant.

A Participant may, upon written request to the Plan Agent and without terminating its participation in the Plan, have a DRS Advice issued in such Participant’s name for any number of whole Common Shares held by the Plan Agent under the Plan for the account of such Participant. Any Common Shares (including any fraction of a Share) remaining in a Participant’s account will continue to be held by the Plan Agent under the Plan for the account of such Participant and will continue to be enrolled in the Plan. A Participant may request a DRS Advice representing whole Common Shares held in the Plan twice a year at no cost.

Common Shares held by the Plan Agent under the Plan for the account of a Participant may not be sold, pledged or otherwise disposed of by the Participant while so held. A Participant who wishes to sell, pledge or otherwise dispose of any Common Shares held by the Plan Agent under the Plan for his/her account will be required to request that a DRS Advice representing such Common Shares be issued in his/her name.

11. SHAREHOLDER VOTING

Whole Common Shares held under the Plan by the Plan Agent in a Participant’s account on the record date for a vote of Shareholders will be voted in accordance with the instructions of the Participant given on a form to be furnished to the Participant. Common Shares for which voting instructions are not received will not be voted. No voting rights will attach to any fraction of a Share held in a Participant’s account under the Plan.

12. TERMINATION OF PARTICIPATION

A Participant may voluntarily terminate participation in the Plan by delivering to the Plan Agent a notice of termination not less than five business days prior to a dividend record date in order for the termination to take effect as of the Investment Period to which such dividend record date corresponds. In such event, the Participant will receive a DRS Advice for the number of whole Common Shares held by the Plan Agent in such Participant’s account and a cash payment for any fraction of a Share so held. Any fractional Share cash payment will be paid based on the closing market price of a Share on the Toronto Stock Exchange on the date

the Plan Agent receives notice of termination. A notice of termination received less than five days prior to a dividend record date will take effect after the Investment Period to which such dividend record date relates.

Participation in the Plan will be terminated automatically following receipt by the Plan Agent of evidence of the death of a Participant and written instructions to terminate from any person acting in a representative or fiduciary capacity. Such request must be accompanied by satisfactory evidence of such person's appointment and authority to act. A DRS Advice for the number of whole Common Shares held for the account of a deceased Participant under the Plan will be issued by the Plan Agent in the name of the estate of the deceased. The Plan Agent will send to the legal representative of the deceased Participant such DRS Advice and a cheque in payment for any remaining fraction of a Share in the deceased Participant's account. If a written termination notice or notice of a Participant's death is received by the Plan Agent less than five business days prior to a dividend record date, then the Participant's account will not be closed, and participation in the Plan will not be terminated, until after the Investment Period to which such dividend record date relates.

Termination requests may be delivered to the Plan Agent personally, by courier, by mail, by facsimile or any other electronic method acceptable to the Plan Agent.

Beneficial holders of Eligible Shares enrolled in the Plan are encouraged to contact their Nominee for instructions on how to terminate their enrolment in the Plan.

13. RIGHTS OFFERING

In the event that the Bank makes available to its Shareholders rights to subscribe for additional Common Shares or other securities, rights certificates will be issued by the Bank to each Participant in respect of Common Shares held in such Participant's account under the Plan on the record date for such rights issue.

Rights issuable on a fraction of a Share held in a Participant's account will be sold for such Participant by the Plan Agent and the net proceeds of such sale will be credited to the Participant and will be reinvested in additional Common Shares as of the next Investment Period.

14. SUBDIVISIONS

If Common Shares of the Bank are distributed pursuant to a subdivision of Common Shares, any Common Shares resulting from a subdivision of Plan Common Shares will be credited to Participant accounts. Any Common Shares distributed pursuant to a subdivision of Common Shares will automatically be enrolled in the Plan.

15. RESPONSIBILITIES OF THE BANK AND THE PLAN AGENT

Neither the Bank nor the Plan Agent shall be liable for any act or for any omission to act undertaken or omitted in good faith, or have any duties, responsibilities or liabilities except as required by law or in connection with the operation of the Plan including, without limitation, any claims for liability:

1. arising out of the failure to terminate a Participant's account upon such Participant's death prior to receipt of notice in writing of such death;
2. with respect to the prices and times at which Common Shares are purchased for the account of or on behalf of a Participant;
3. with respect to decisions by the Bank to issue or not to issue Common Shares under the Plan in any given month, or the number of Common Shares issued, if any; and

4. arising out of a prorating, for any reason, of the number of Common Shares available in the circumstances described herein.

Participants should recognize that neither the Bank nor the Plan Agent can assure a profit or protect Participants against a loss on the Common Shares purchased under the Plan.

16. AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN

The Bank reserves the right to amend, suspend or terminate the Plan at any time, but such action shall have no retroactive effect that would prejudice the interests of Participants. Where required, amendments to the Plan will be subject to the prior approval of the Toronto Stock Exchange. In the event the Bank terminates the Plan, the Plan Agent will send to each Participant (or to his/her Nominees, as applicable) a DRS Advice for whole Common Shares held for such Participant's account under the Plan (which may contain a legend indicating restrictions on the resale of the Common Shares represented by the DRS Advice) and a cheque in payment for any remaining fractions of Common Shares in such Participant's account. In the event the Bank suspends the Plan, no investment will be made by the Plan Agent on the Investment Period immediately following the effective date of such suspension. Any dividends subject to the Plan paid after the effective date of such suspension will be remitted by the Plan Agent to the Participants.

17. INTERPRETATION

Any issues of interpretation arising in connection with the Plan or its application shall be conclusively determined by the Bank.

18. NOTICES

All notices or other documents required to be given to Participants, including the DRS Advice for Common Shares or cheques, shall be mailed to Participants at the addresses shown on the records of the Plan Agent.

Notices to the Plan Agent shall be sent to:

Computershare Trust Company of Canada
600, 530 - 8th Avenue SW
Calgary, AB T2P 3S8

Attention: General Manager, Client Services
Fax: (403) 267-6529

19. EFFECTIVE DATE OF THE PLAN

The effective date of the Plan is June 4, 2009, as revised March 6, 2019.

20. TAX EFFECT

This summary is based on the current provisions of the *Income Tax Act*. It is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular Participant. This summary is not exhaustive of all Canadian federal income tax considerations and does not take into account Canadian provincial or territorial income tax laws. Accordingly, prospective Participants should consult their own tax advisers having regard to their own particular circumstances.

All cash dividends paid on Eligible Shares of the Bank that are reinvested on behalf of a Participant will generally be subject to the tax treatment normally applicable to taxable dividends (including eligible dividends) from taxable Canadian corporations. For example, in the case of a Participant who is an individual, such dividends will be subject to the normal gross-up and credit rules or, in the case of a Participant who is a private corporation or one of certain other corporations, a refundable tax will apply to the amount of the dividend. Other taxes could apply depending on the circumstances of the Participant.

The Plan allows that Common Shares purchased by the Plan Agent directly from the Bank may be issued by the Bank at a discount of up to 5% of the Average Market Price. The Bank's discretion to issue such Common Shares at a discount should not give rise to a taxable benefit under the Tax Act.

A Participant will not realize any taxable income when the Participant receives a DRS Advice for whole Common Shares credited to the Participant's account, either upon the Participant's request, upon termination of participation or upon termination of the Plan.

The cost to a Participant of Common Shares acquired under the Plan will be the price paid for the Common Shares by the Participant. For the purpose of computing the adjusted cost base of such Common Shares to the Participant, the cost of the Common Shares will be averaged with the adjusted cost base of all Common Shares of the Bank held by the Participant as capital property.

A Participant may realize a capital gain or loss on the disposition of Common Shares acquired through the Plan, including in the case of a fraction of a Share.

Currently, only Canadian residents are entitled to participate in the Plan. Accordingly, the Bank will provide no guidance of the tax consequences applicable to non-residents.

21. SHAREHOLDER INFORMATION

Participants and prospective Participants may obtain more information about the Bank and its Eligible Shares by accessing the Bank's website at www.cwbankgroup.com and clicking the Investor Relations link. Participants and prospective Participants may also access the Bank's regulatory filings at www.sedar.com.