



Concentra[®]

Notice of Meeting and Management Proxy Circular

2021



IMPORTANT NOTICE ABOUT CONCENTRA'S ANNUAL GENERAL AND SPECIAL MEETING

In light of the COVID-19 virus, Concentra Bank is taking special precautions with respect to its upcoming Annual General and Special Meeting scheduled for April 13, 2021.

The Annual General and Special Meeting will proceed by videoconference. Due to travel restrictions and protocol with Concentra's Pandemic Plan, virtual attendance is strongly encouraged. However, the Corporate Secretary will be at the Concentra Bank office located at 333 3rd Ave N. Saskatoon, Saskatchewan at the time of the Meeting should you wish to attend in person.

March 22, 2021

Dear Shareholder,

The Concentra Bank Annual General and Special Meeting of Shareholders will take place at 11:00 a.m. (Central Standard Time in Saskatchewan) and 1:00 p.m. (Eastern Time in Ontario) on April 13, 2021, via videoconference.

Attached is the formal notice of the meeting and the Management Proxy Circular, which explains the items of business to be covered at the meeting. This document also provides information about Concentra's governance practices, executive compensation, and other matters designed to inform your decision on how to vote your shares.

The meeting is an opportunity to hear from Concentra's executives about our 2020 performance and our plans for the future, and to ask any questions you may have.

If you are unable to participate, a recorded version of the meeting will be available at concentra.ca following the meeting.

Your participation is important to us. If you are unable to attend by videoconference, **we encourage you to vote by proxy so your views can be represented.**

Thank you for your continued interest in and support of Concentra.

Sincerely,



LISE DE MOISSAC

CHAIR OF THE BOARD

P: 306-385-4402

E: lise.demoissac@concentra.ca



DON COULTER

PRESIDENT AND CHIEF EXECUTIVE OFFICER

P: 306-956-1831

E: don.coulter@concentra.ca

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

You are invited to the **2021 Annual General and Special Meeting of Shareholders of Concentra Bank** (“Concentra”).

In consideration of the COVID-19 pandemic and taking into account our commitment to the health and safety of our management team, directors, employees, advisors, and guests, we kindly request that your attendance at the Concentra Annual General and Special Meeting be via videoconference. Concentra’s CEO, Board Chair, External Auditors and others will participate by videoconference only.

Date: Tuesday, April 13, 2021

Time: 11:00 a.m. (Central Standard Time – Saskatchewan) and
1:00 pm (Eastern Time – Ontario)

Place: 333 3rd Ave N
Saskatoon, Saskatchewan

Video Conference Link:
<https://events.concentra.ca/AGM2021>

BUSINESS OF THE MEETING

The purpose of the meeting is to consider and take action on the following matters:

1. To receive the consolidated financial statements of Concentra for the year ended December 31, 2020, and the auditors’ report on those statements;
2. To appoint the auditors of Concentra who will serve until the next annual meeting, and to authorize the directors to fix the remuneration to be paid to the auditors;
3. To elect directors of Concentra who will serve until the next annual meeting;
4. To consider, and if deemed advisable, approve by special resolution amendments to Concentra Bank By-Law No. 2 respecting share ownership; and
5. To consider any other business that may properly come before the meeting.

RECOMMENDATION OF THE BOARD



The Board unanimously recommends you vote your shares “FOR” the election of the directors, and “FOR” each of the other resolutions.

Please address any questions in relation to this Notice and these materials to Tanya Postlewaite at corporate.secretary@concentra.ca or 306-956-1814.

The Circular and accompanying consolidated financial statements and management’s discussion and analysis (“MD&A”) are available to Shareholders at concentra.ca.

By order of the Board of Directors,

TANYA POSTLEWAITE
VICE-PRESIDENT, GOVERNANCE
CORPORATE SECRETARY

Saskatoon, Saskatchewan
March 22, 2021

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Part 1: Voting and Proxy Information

VOTING INFORMATION

This Management Proxy Circular (“Circular”) is being provided to holders of Common Shares of Concentra Bank (“Concentra”) in connection with the Annual General and Special Meeting of the Shareholders (the “Meeting”) to be held on April 13, 2021 at 11:00 a.m. CST via videoconference and at 333 3rd Ave N, Saskatoon, Saskatchewan.

The information provided in the Circular is furnished to the Common Shareholders so you may exercise your right to vote at the meeting. The information provided is current as of March 22, 2021 unless otherwise indicated.

Each matter you are being asked to vote on requires the approval of a majority (more than 50%) of the votes cast in person or by proxy at the meeting, except the special resolution to amend By-Law No. 2.

The special resolution to amend By-Law No. 2 requires approval of at least two-thirds of the votes cast by Common Shareholders in person or by proxy at the meeting. Due to the restriction contained in section 3(b) (ii) of By-Law No. 2, Credit Union Central of Saskatchewan (“SaskCentral”), as majority shareholder, may only exercise up to 50% of the total votes cast on the special resolution. To clarify, SaskCentral cannot pass a special resolution on By-Law No. 2 on its own without support from additional Common Shareholders.

QUORUM

Quorum for the transaction of business at the Meeting is the holders of a majority of the Common Shares entitled to vote at the Meeting, present in person (which includes attendance via videoconference), or represented by proxy.

WHO CAN VOTE?

The Directors have fixed March 22, 2021 as the record date for determining Shareholders entitled to receive notice of the Meeting. A person shown as a Shareholder of record on March 22, 2021 shall be entitled to vote the shares of Concentra registered in his or her name on that date. You are entitled to one vote for each share you own as of March 22, 2021.

As of March 22, 2021, there were 9,621,113.618 Common Shares of Concentra issued and outstanding. Each Common Share carries the right to one vote in respect of each of the matters properly coming before the Meeting, except for the election of directors, for which cumulative voting is used (for additional details with respect to cumulative voting, please refer to the information set out under the heading “Election of Directors”).

As of the date of this Circular, to the best of the knowledge of Concentra, the following companies beneficially owned, or controlled or directed, directly or indirectly, voting securities of Concentra carrying 10% or more of the voting rights attached to any class of voting securities of Concentra:

Company	Number of Common Shares Beneficially Owned, Controlled or Directed	Percentage of Voting Securities
Credit Union Central of Saskatchewan ("SaskCentral")	8,083,519.177	Approximately 84%
Conexus Credit Union	This entity holds greater than 10% of the voting rights in SaskCentral.	
Affinity Credit Union	This entity holds greater than 10% of the voting rights in SaskCentral.	
Innovation Credit Union	This entity holds greater than 10% of the voting rights in SaskCentral.	

WHAT AM I VOTING ON?

Resolution	Who Votes	You Can Vote	Board Recommendation
Appointment of the External Auditor	Common Shareholders	FOR or WITHHOLD	FOR the resolution
Election of the Directors	Common Shareholders	FOR or WITHHOLD	FOR the resolution
By-Law No. 2 Amendments	Common Shareholders	FOR or AGAINST	FOR the special resolution

See the provisions on cumulative voting on page 9 of this Circular.

HOW DO I VOTE?

A Shareholder may:

- vote during the meeting; or
- vote by proxy by signing the form of proxy included with this Circular appointing the named persons or some other person you choose to represent you as proxyholder and vote your shares at the meeting.

Voting during the meeting—If you will attend and vote during the meeting, you will need to complete the top portion of the proxy form included with this Circular indicating who from your organization is authorized to vote. Do not complete the voting section because your vote will be taken during the meeting.

Voting by proxy—If you prefer to vote by proxy, you may vote by completing the proxy form. You can mark your voting instructions on the proxy form or appoint another person as proxyholder to attend the meeting and vote your shares for you.

WHAT DO I DO WITH MY COMPLETED PROXY?

Return your completed proxy by 11:00 a.m. (Central Standard Time) on April 9, 2021, which is two business days before the day of the meeting as set out below.

Email: Scan both sides of your proxy form and email it to corporate.secretary@concentra.ca

Fax both sides of your proxy form to Corporate Secretary, Concentra Bank at 306-652-7614.

CAN I APPOINT SOMEONE OTHER THAN THE NAMED DIRECTORS TO VOTE MY SHARES?

Yes, you may appoint another person or company other than the Concentra Directors named on the form of proxy to be your proxyholder. Write the name of this person (or company) in the blank space on the form of proxy. The person you appoint does not need to be a Shareholder.

Please make sure any other person you appoint is attending the meeting and knows he or she has been appointed to vote your shares. For their vote to be counted, proxyholders must check in when they arrive at the meeting.

HOW WILL MY SHARES BE VOTED IF I GIVE MY PROXY?

The person named on the form of proxy must vote your shares for or withhold from voting, in accordance with your directions, or you can let your proxyholder decide for you. The person you choose does not have to be a Concentra Shareholder. You should be sure this person is attending the meeting and is aware he or she has been appointed to vote your shares. If you do not insert a name in the blank space, Lise de Moissac (Board Chair) or Eric Dillon (Governance Committee Chair), each a Director of Concentra, will be designated as your proxyholder. Your proxyholder is authorized to vote and act for you at the meeting or continuation or adjournment of the meeting.

You can indicate on your proxy form or voting instruction form how you want your proxyholder to vote your shares, and your proxyholder must follow your instructions. In the absence of voting directions, proxies received by management will be voted in favour of all resolutions put before shareholders of the meeting. See "Business of the Meeting" in Part 2 of this Circular for further information.

WHAT IF AMENDMENTS ARE MADE TO THESE MATTERS OR IF OTHER MATTERS ARE BROUGHT BEFORE THE MEETING?

The persons named on the proxy will have discretionary authority with respect to amendments or variations to matters identified in the Notice, and with respect to other matters that may properly come before the meeting.

As of the date of this Circular, management of Concentra is not aware of any amendment, variation or other matter expected to come before the meeting. If any other matters properly come before the meeting, the person named on the form of proxy will vote on them in accordance with their best judgment.

CAN I REVOKE MY PROXY?

If you change your mind and want to revoke your proxy, you can do so by signing and sending a written statement of your request to Concentra Bank, Corporate Secretary via email or fax any time before the start of the meeting on April 13, 2021.

SOLICITATION OF PROXIES

We are soliciting proxies by mail or by email (if you have consented to electronic delivery of Shareholder notices) but Concentra management may contact you by phone or in writing. Concentra pays the cost of proxy solicitation.

Part 2: Business of the Meeting

A) CONSOLIDATED FINANCIAL STATEMENTS, AUDITORS' REPORT, AND MD&A

Concentra's consolidated financial statements and management's discussion and analysis ("MD&A") for the year ended December 31, 2020, together with the auditors' report on those statements, will be presented to Concentra's Shareholders at the meeting.

These documents are included in this Circular as Schedule B, and are available at concentra.ca.

B) APPOINTMENT OF AUDITORS

As part of Concentra's corporate governance structure, the Audit and Conduct Review Committee conducts an annual assessment of the external auditor, focusing on independence, objectivity, professional skepticism, quality of the engagement team, communication and interaction, and overall quality of service. A more comprehensive assessment is conducted every five years, with the next such assessment scheduled for 2021.

Based on the Committee's satisfactory assessment of KPMG's service, conducted during 2020, the Board recommends KPMG be reappointed as external auditor of Concentra until the close of the next Annual Meeting of Shareholders.

A representative of KPMG will be in attendance at the Meeting and available to answer your questions.

RECOMMENDATION OF THE BOARD

The Board recommends that Common Shareholders vote **FOR** the appointment of KPMG LLP as external auditor for the 2021 fiscal year.



In the absence of contrary instructions, the persons named in the enclosed form of proxy intend to vote **FOR** the appointment of KPMG LLP as external auditor for the 2021 fiscal year.

Pre-Approval Policies and Procedures

As part of Concentra's corporate governance structure, the Audit and Conduct Review Committee annually reviews and approves the terms and scope of the external auditors' engagement. To further ensure the independence of the auditors is not compromised, Concentra's Audit and Conduct Review Committee maintains a policy requiring the Committee to pre-approve all non-audit service engagements performed by the external auditor. Engagements less than \$100,000 can be pre-approved by the Chair of the Audit and Conduct Review Committee, while engagements in excess of the amount require pre-approval by the full Committee. All approvals and status updates of non-audit service engagements are reported to the Audit and Conduct Review Committee on a quarterly basis.

The table below presents the fees paid or payable to KPMG for fiscal years 2018, 2019 and 2020.

Fees Paid to External Auditors			
For the Year Ended December 31 (Canadian Dollars)	2020	2019	2018
Concentra Bank			
Audit ¹	\$ 268,525	\$ 231,750	\$ 225,000
Review	72,000	72,000	90,000
Audit-Related Fees ²	-	-	110,896
Other Fees	12,840	-	-
	353,365	303,750	425,896
Concentra Trust			
Audit	36,000	35,000	34,000
Audit-Related Fees	-	-	-
Other Fees	-	-	-
	36,000	35,000	34,000
Total	\$ 389,365	\$ 338,750	\$ 459,896

⁽¹⁾ 2020 audit fees included \$29,825 of fees for additional audit work completed on significant estimates in relation to changes in requirements of Canadian Auditing Standards.

⁽²⁾ 2018 audit-related fees include fees for additional audit work completed in relation to the adoption of IFRS 9.

Audit Fees

Audit fees are fees for professional services in connection with the audit of Concentra's annual financial statements and other services that are normally provided by the auditor in connection with statutory and regulatory filings or engagements. Fees reported only include approved amounts as per the annual engagement letter as approved by the Audit and Conduct Review Committee.

Audit-Related Fees

Audit-related fees include services by an external auditor that are reasonably related to the performance of the audit of Concentra's financial statements and are not reported as Audit Services. This includes fees paid for the auditor's review of quarterly financial statements, new business transactions, and accounting standard changes.

Other Fees

All other fees include fees paid for all services other than those posted in audit fees and audit-related fees.

C) ELECTION OF DIRECTORS

The Board comprises 12 members, all of whom are to be elected at the meeting. Holders of Common Shares will be asked to elect 12 nominees as Directors of Concentra by cumulative voting, to hold office until the close of the next Annual Meeting, or until his or her successor is duly elected, unless his or her office is vacated in accordance with the by-laws.

Cumulative Voting for Directors

As required under the *Bank Act* (Canada), where directors are to be elected by cumulative voting, each Shareholder entitled to vote at an election of directors has the right to cast a number of votes equal to the number of votes attached to the shares held by the Shareholder, multiplied by the number of directors to be elected. The Shareholder may cast all such votes in favour of one candidate, or distribute them among the candidates in any manner. If a Shareholder has voted for more than one candidate without specifying the distribution of the votes among the candidates, the Shareholder is deemed to have distributed the votes equally among the candidates for whom the Shareholder voted.

Voting by Proxy

The management representatives designated on the proxy intend to cast the votes represented by such proxy FOR and equally among the proposed nominees for election as set forth on pages 11-17 of this Circular, unless the Shareholder who has given such proxy has directed such shares be otherwise voted, or withheld from voting in the election of directors.

Director Nominees

The Board recommends the 12 director nominees be elected at the Meeting to serve as Directors of Concentra until the next Annual Meeting of Shareholders, or until their successors are elected or appointed. The Board believes the diversity and relevancy of the qualifications, skills and experiences of the director nominees allow for Concentra to continue to maintain a well-functioning Board. The Board's view is that, individually and as a whole, the director nominees have the necessary qualifications to be effective at overseeing the business and affairs of Concentra.

Of the Director nominees, 11 are currently Directors of Concentra and are therefore standing for re-election. The Shareholders of Concentra Bank elected these 11 director nominees at last year's Annual Meeting of Concentra Bank. Pursuant to the requirements of the *Bank Act*, the Chief Executive Officer of a bank must be a Director of the bank, and he is therefore one of the 11 directors standing for re-election. There is one new nominee recommended for election. All nominees for election are recommended by Concentra's Nominating Committee, based on the robust nominations process that took place in 2020, which was developed in accordance with the *Bank Act*, Concentra's By-Laws, the OSFI Corporate Governance Guideline, governance best practices, and with a view to Board continuity and stability during Concentra's transformative journey.

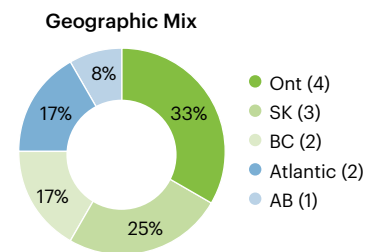
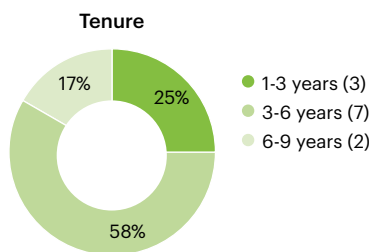
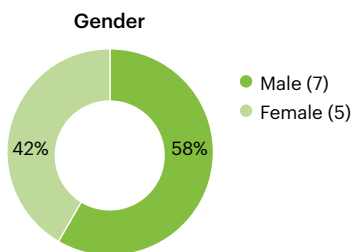
A detailed description of the 2020 nomination and election process has been incorporated in the Statement of Corporate Governance Practices in this Circular.

Director Information

The Director biographies below provide detailed information about each nominee for election to the Board, including their education, expertise, other Board memberships, and Committee memberships. The charts below provide summary information about the competencies and skills, gender diversity, tenure and geographic mix of our director nominees. Meeting attendance for Directors who are currently serving on the Concentra Board has been outlined within the Directors Meeting Attendance and Remuneration table on page 31 of this Circular.

	Coulter	de Moissac	Dillon	Dyrda	Fraser	Gillespie	Leonard	Losier	Poulsen	Ransome	Smart	Williams
Strategic Planning	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Financial Industry	✓	✓	✓			✓	✓	✓	✓	✓	✓	
Financial /Accounting	✓	✓	✓	✓		✓		✓		✓	✓	✓
Talent Management & Executive Compensation					✓	✓		✓				✓
Risk Oversight Literacy	✓	✓	✓	✓		✓	✓	✓	✓		✓	✓
Financial Industry Risk Oversight	✓	✓	✓					✓			✓	
Information Technology	✓								✓			
Direct-to-Consumer Retailing	✓		✓						✓	✓	✓	
Business & Commerce	✓		✓	✓	✓		✓			✓	✓	✓
Financial Literacy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Governance & Boards	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Stakeholder Engagement & Communication	✓				✓		✓					
Mergers & Acquisitions	✓	✓	✓						✓	✓	✓	✓
Regulatory Environment	✓	✓	✓				✓	✓	✓	✓	✓	✓

COMPETENCIES AND SKILLS



RECOMMENDATION OF THE BOARD

The Board recommends that Common Shareholders vote **FOR** the following Director nominees.



In the absence of contrary instructions, the persons named in the enclosed form of proxy intend to vote **FOR** and equally among the following Director nominees.



Don Coulter, BSc, MSc, CPA, CA, ICD.D

LANGLEY, BC, CANADA | NON-INDEPENDENT | PRESIDENT & CEO OF CONCENTRA | AGE: 53 | DIRECTOR SINCE: 2018

Don Coulter has held senior executive and board of director roles in Canada and internationally with leading organizations including financial institutions in the banking, co-operative, insurance, pension fund and asset management sectors. Don has a record of leading high-performing teams in the development and implementation of successful strategies.

BOARD DIRECTORSHIPS & POSITIONS HELD DURING TENURE

- **Concentra Bank (2018 – current)** | Director
- **Concentra Trust (2018 – current)** | Director
- **National Commercial Bank of Anguilla (2019 – current)** | Vice-Chair of the Board | Chair of Human Resources and Governance Committee
- **Kwantlen Polytechnic University (past)** | Vice-Chair of the Board
- **Chartered Accountants of British Columbia (past)** | Board Member
- **Business Council of British Columbia (past)** | Member of the Board of Governors
- **Canada Credit Union Association (past)** | Board Member
- **FirstCaribbean International Bank (past)** | Board Member, FCIB Barbados | Chair, ALCO Committee | Group Pension Committee

SKILLS AND EXPERIENCE

- Strategic Planning
- Financial Industry
- Financial/Accounting Expertise
- Risk Oversight Literacy
- Financial Industry Risk Oversight
- Direct-to-Consumer Retailing
- Information Technology
- Business and Commerce
- Financial Literacy
- Governance and Boards
- Stakeholder Engagement and Communication
- Mergers and Acquisitions
- Regulatory Environment



Lise de Moissac, B. Mgmt., CPA, CA, ICD.D

SASKATOON, SK, CANADA | NON-INDEPENDENT | MAJORITY SHAREHOLDER NOMINEE | AGE: 57 | DIRECTOR SINCE: 2014

Lise is Executive Vice President and Chief Financial Officer at Affinity Credit Union and is responsible for Finance, Accounting, Insurance and Facilities. Lise has been in the CFO role since 2006. She has been part of the senior leadership team responsible for growing the balance sheet from \$800 million to \$6 billion through many credit union mergers and arrangements. Lise has been a Chartered Accountant since 1994 and has held positions in public practice accounting and within the credit union system. She sits as the Chair of Concentra Bank and as a Director for Saskatchewan Blue Cross and APEX and APEX II Venture Capital Funds. Lise was one of Saskatchewan's Top 10 Women of Influence in 2014.

BOARD DIRECTORSHIPS & POSITIONS HELD DURING TENURE

- **Concentra Bank (Financial) (2014 – present)** | Chair of the Board (current) | Risk Committee (past) | Governance Committee (past) | Audit and Conduct Review Committee (past) | Ad Hoc Capital Committee (past)
- **Concentra Trust (2014 – 2016, 2020 – present)** | Chair of the Board (current)
- **Saskatchewan Blue Cross (present)** | Investment Committee | Audit and Risk Committee
- **Apex I and II (present)** | Director
- **St. Paul's Hospital (past)** | Chair and Vice Chair | Joint ARCO Member | Executive Committee Member

SKILLS AND EXPERIENCE

- Strategic Planning
- Financial Industry
- Financial/Accounting Expertise
- Risk Oversight Literacy
- Financial Industry Risk Oversight
- Financial Literacy
- Governance and Boards
- Mergers and Acquisitions
- Regulatory Environment



Eric Dillon, MBA, ICD.D

SASKATOON, SK, CANADA | NON-INDEPENDENT | MAJORITY SHAREHOLDER NOMINEE | AGE: 52 | DIRECTOR SINCE: 2018

Eric is a leader within the co-operative finance movement in Canada and has worked extensively to shape the credit union business model. Eric is a serial innovator, having been involved in some of the credit union system's recent innovations such as mobile payments, venture capital, social impact financing and measuring financial wellness.

Eric is a lifelong learner having graduate degrees in business coupled with industry education in governance, risk management and innovation. Eric has been recognized nationally and internationally for his work in social media, innovation and leadership and was most recently a recipient of the 2019 Governor General of Canada Innovation Award.

Eric is an active mentor to many within the business community and a frequent commentator and presenter to business audiences across Canada. He serves on the board of the Saskatchewan Roughriders Football Club, Concentra Bank, and Economic Development Regina.

BOARD DIRECTORSHIPS & POSITIONS HELD DURING TENURE

- **Concentra Bank (2018 – present)** | Risk Committee (current) | Chair, Governance Committee (current) | Ad Hoc Capital Committee (current) | Audit and Conduct Review Committee (past)
- **Concentra Trust (2018 – present)** | Director
- **Economic Development Regina (present)** | Director, Governance & HR Committee
- **Saskatchewan Roughriders Football Club (2019 – present)** | Governance & Human Resources Committee (current) | Chair, Audit & Finance Committee (current)
- **Filene Research Institute (past)** | Director
- **Credit Union Central of Saskatchewan (past)** | Director, Governance & Conduct Review Committee
- **Credential Financial Inc. (past)** | Chair of Governance Committee | Director, Human Resource Committee | Director, Audit & Risk Committee
- **The Hospitals of Regina Foundation (past)** | Director
- **Credit Union Central of Alberta (past)** | Director
- **Apex Investment Fund General Partnership (past)** | Director

SKILLS AND EXPERIENCE

- Strategic Planning
- Financial Industry
- Financial/Accounting Expertise
- Risk Oversight Literacy
- Financial Industry Risk Oversight
- Direct-to-Consumer Retailing
- Business and Commerce
- Financial Literacy
- Governance and Boards
- Mergers and Acquisitions
- Regulatory Environment



Glen Dyrda, FCPA, FCA, ICD.D

PETERSBURG, ON, CANADA | INDEPENDENT | AGE: 64 | DIRECTOR SINCE: 2017

Glen is a Chartered Professional Accountant and retired senior Audit Partner with PricewaterhouseCoopers (PwC) with 37 years' experience serving co-operative, public and private company clients and interacting with Boards, Committees, and C-suite executives. He is the past Chair of the Partnership Board for PwC Canada and was the Managing Partner for both the Southwest Ontario and Winnipeg offices. He has also served on the boards of the Kitchener-Waterloo Symphony Orchestra, Royal Manitoba Theatre Centre, and the Associates of the Asper School of Business, University of Manitoba.

BOARD DIRECTORSHIPS & POSITIONS HELD DURING TENURE

- **Concentra Bank (2017 – present)** | Chair, Audit and Conduct Review Committee (current) | Governance Committee (current) | Ad Hoc Capital Committee (current)
- **Concentra Trust (2017 – present)** | Director (current)
- **Princess Auto Ltd. (2017 – present)** | Member, Board of Advisors
- **Kitchener-Waterloo Symphony Orchestra (past)** | Vice-Chair | Chair, Finance Committee | Governance Committee Member
- **Royal Manitoba Theatre Centre (past)** | Chair, Board | Chair, Finance Committee
- **Associates of the Asper School of Business, University of Manitoba (past)** | Chair, Finance Committee

SKILLS AND EXPERIENCE

- Strategic Planning
- Financial/Accounting Expertise
- Risk Oversight Literacy
- Business and Commerce
- Financial Literacy
- Governance and Boards



Cheryl Fraser, ICD.D

OTTAWA, ON, CANADA | INDEPENDENT | AGE: 63 | DIRECTOR SINCE: 2019

Cheryl Fraser is a Board Director and Corporate Executive with 35+ years of experience in the public and private sectors. She is the Chief Talent Officer & Vice President Communications at Crombie REIT. Prior to Crombie, Cheryl held senior executive roles with the federal government for more than 25 years, including Assistant Commissioner and CHRO at the Canada Revenue Agency, Assistant Commissioner at the Correctional Service of Canada, Assistant Secretary at the Treasury Board of Canada, and Assistant Deputy Minister at Fisheries and Oceans Canada. Cheryl is also Vice-Chair and Chair of the HRC at the Atlantic Provinces Economic Council, Director on the Board of Governors for Dalhousie University, Director and Chair of the HRC of the Board of the Mental Health Commission of Canada and Director and Co-Chair of the Governance Committee at the Aberdeen Health Foundation. Cheryl was previously Chair of the Board for the Pictou County YMCA and the John Howard Society of NS. She holds a BSc (Mathematics) and an MES (Resource Economics) from Dalhousie University, and an ICD.D from the University of Toronto (Rotman). She received the Queen's Jubilee Medal for her commitment to public service.

BOARD DIRECTORSHIPS & POSITIONS HELD DURING TENURE

- **Concentra Bank (2019 – present)** | Human Resource and Compensation Committee (current) | Governance Committee (current)
- **Aberdeen Health Foundation (2018 – present)** | Member of the Community Relations Committee | Chair of the Governance Relations Committee
- **Mental Health Commission of Canada (2016 – present)** | Chair of the HR Committee
- **Atlantic Provinces Economic Council (2019 – present)** | Member of the HR Committee
- **YMCA of Pictou County (past)** | Chair of the Board | Member of the HR Committee | Member of the Governance and Nominating Committee

SKILLS AND EXPERIENCE

- Strategic Planning
- Talent Management and Executive Compensation
- Business and Commerce
- Financial Literacy
- Governance and Boards
- Stakeholder Engagement and Communication



Anne Gillespie, CPA, CA, ICD.D

CALGARY, AB, CANADA | INDEPENDENT | AGE: 58 | DIRECTOR SINCE: 2014

Anne has more than 15 years' experience in the credit union system and is Chief Financial & Governance Officer and Corporate Secretary at Alberta Central. She oversees the governance portfolio, including Board relationship and support and legal services, along with accounting, budgeting and financial reporting for Alberta Central and its payments joint venture. Anne serves as a member of Alberta Central's Asset Liability Management Committee, Management Credit Committee, Management Risk Committee, Compensation Committee and Group Clearing Joint Venture Liquidity Subcommittee. Anne holds a Bachelor of Commerce degree from the University of Alberta, is a Chartered Professional Accountant and holds the Institute of Corporate Directors designation.

BOARD DIRECTORSHIPS & POSITIONS HELD DURING TENURE

- **Concentra Bank (Financial) (2014 – present)** | Audit and Conduct Review Committee (current) | Human Resource and Compensation Committee (current) | Governance and Nominating Committee (past) | Risk Committee (past) | Ad Hoc Consolidation Committee (past) | Chair, Ad Hoc Corporate Structure (Bank Continuance) Committee (past)
- **Concentra Trust (past)** | Director
- **Institute of Chartered Accountants of Alberta (past)** | Member of the Complaints Inquiry Committee

SKILLS AND EXPERIENCE

- Strategic Planning
- Financial Industry
- Financial/Accounting Expertise
- Talent Management and Exec Compensation
- Risk Oversight Literacy
- Financial Literacy
- Governance and Boards



Michael Leonard, ICD.D

DARTMOUTH, NS, CANADA | INDEPENDENT | AGE: 54 | DIRECTOR SINCE: 2017

As President and CEO of Atlantic Central and League Savings and Mortgage Company, Michael is responsible for the development and implementation of long- and short-term strategies and plans for both companies, as well as regional strategies within the Atlantic credit union system, representing 47 credit unions with 300,000 members and more than \$6 Billion in assets. Michael is also responsible for government and regulator relations in the four Atlantic Provinces and brings 30 years' experience in various positions in the credit union system to his role at Concentra. He also acts as Chair of the Board of CUCC, which holds the credit union system interest in Interac.

BOARD DIRECTORSHIPS & POSITIONS HELD DURING TENURE

- **Concentra Bank (2017 – present)** | Human Resources & Compensation Committee (current) | Risk Committee (current) | Ad Hoc Capital Committee (current)
- **CUCC (2013 – present)** | Chair of the Board
- **Canadian Credit Union Association (past)** | Audit and Risk Committee | Hall of Fame Awards Committee
- **League Data (past)** | Chair of the Governance Committee
- **Connecting People for Health Cooperative (past)** | Director

SKILLS AND EXPERIENCE

- Strategic Planning
- Financial Industry
- Risk Oversight Literacy
- Business and Commerce
- Financial Literacy
- Governance and Boards
- Stakeholder Engagement and Communication
- Regulatory Environment



David Losier, CPA, CGA, ICD.D

CARAQUET, NB, CANADA | INDEPENDENT | AGE: 52 | DIRECTOR SINCE: 2017

David is the President of DOL Consulting Inc, and a corporate director. Prior to starting his consulting practice, he served as an executive in the credit union industry for 19 years and worked in the public sector before that. David's executive experience includes banking, insurance, pension and investment industries. In 2016, he led the transition of UNI Financial Cooperation to the first-ever federally regulated Credit Union under the Bank Act. David has served on numerous boards over the past 20 years and he is the Vice-Chair of Vestcor Inc., a company that provides investment management and employee benefit administration services to 90,000 individuals and more than 130 employer groups in New Brunswick.

BOARD DIRECTORSHIPS & POSITIONS HELD DURING TENURE

- **Concentra Bank (2017 – present)** | Vice-Chair (current) | Governance Committee (current) | Risk Committee (current) | Ad Hoc Capital Committee (current) | Human Resources & Compensation Committee (past) | Audit & Conduct Review Committee (past)
- **Vestcor Inc. (2016 – present)** | Vice-Chair (current) | Chair, Human Resources & Compensation | Audit Committee | Governance Committee
- **Mutual Fund Dealers Association of Canada (past)** | Regulatory Affairs Committee
- **L'Acadie Nouvelle (past)** | Director
- **Canadian Life and Health Insurance Association of Canada (past)** | Director | Audit Committee
- **Prix littéraire Antonine-Maillet-Acadie Vie (past)** | Chair
- **UNI affiliates (past)** | Director
- **CGA Association of New Brunswick (past)** | Board of Governors

SKILLS AND EXPERIENCE

- Strategic Planning
- Financial Industry
- Financial/Accounting Expertise
- Talent Management and Executive Compensation
- Risk Oversight Literacy
- Financial Industry Risk Oversight
- Financial Literacy
- Governance and Boards
- Regulatory Environment



Carol Poulsen, ICD.D

BURLINGTON, ON, CANADA | INDEPENDENT | AGE: 61 | DIRECTOR SINCE: 2019

Carol has more than 25 years' experience in the information technology industry, and is Executive Vice President and Chief Information Officer at the Co-operators Group Ltd. She has extensive knowledge of financial systems, both legacy platforms and current technologies across the breadth of financial services. Carol serves on the Board of Addenda Capital, and is Chair of the Pensions Committee and a member of the Audit and Risk Committee on the University of Guelph Board. In 2018, Carol was awarded the Gartner/Evanta Global CIO Top 5 Breakaway Leaders Award. She holds a Bachelor of Arts degree, with honours from York University, and holds the Institute of Corporate Directors designation.

BOARD DIRECTORSHIPS & POSITIONS HELD DURING TENURE

- **Concentra Bank (2019 - present)** | Audit and Conduct Review Committee (current) | Risk Committee (current)
- **Addenda Capital (present)** | Director
- **University of Guelph (present)** | Chair of Pension Committee | Audit and Risk Committee
- **Cancer Care Ontario (past)** | Chair Information Management/Information Technology Committee | Chair Board Gating Committee | Human Resources Committee | Corporate Governance and Nominating Committee
- **AZGA Canada – Allianz Global Assistance Canada (past)** | Director
- **Echelon Insurance (past)** | Investment Committee | Governance Committee
- **HB Group Insurance Management (past)** | Director
- **COSECO Insurance Company (past)** | Director

SKILLS AND EXPERIENCE

- Strategic Planning
- Financial Industry (Banking and Insurance)
- Risk Oversight Literacy
- Information Technology
- Direct to Consumer Retailing
- Financial Literacy
- Governance and Boards
- Mergers and Acquisitions
- Regulatory Environment



Cary Ransome, MBA, PFP, ICD.D

SASKATOON, SK, CANADA | NON-INDEPENDENT | MAJORITY SHAREHOLDER NOMINEE | AGE: 54 | DIRECTOR SINCE: NEW

Cary is the Chief Retail and Operating Officer at Innovation Credit Union and has previously held executive and senior management positions at Conexus Credit Union, Servus Credit Union, and TD Bank Financial Group. Throughout his career in the financial services industry, Cary has obtained significant experience in strategy development, change management, innovation and project management, succession and talent management, financial literacy, and wealth planning. Cary is currently working towards receiving his MIT Emeritus – Digital Transformation Diploma.

BOARD DIRECTORSHIPS & POSITIONS HELD DURING TENURE

- Concentra Bank (2016 – 2018) | Director
- Apex Investments GP Inc. (past) | Director
- Thrive Wealth Management Corp. (past) | Director, Chair
- Conexus Insurance (past) | Director
- Regina Food Bank (past) | Director, Vice Chair
- Edmonton Food Bank (past) | Director
- GRIT (Get Ready for Inclusion) (past) | Director
- Sherwood Park Minor Hockey Association (past) | Director
- Jasper Parks and Recreation (past) | Director, Chair
- Jasper Chamber of Commerce (past) | Elected Director

SKILLS AND EXPERIENCE

- Strategic Planning
- Financial Industry
- Financial/Accounting Expertise
- Direct-to-Consumer Retailing
- Business and Commerce
- Financial Literacy
- Governance and Boards
- Mergers & Acquisitions
- Regulatory Environment



Tim Smart, CPA, CA, ICD.D, MBA

PICKERING, ON, CANADA | INDEPENDENT | AGE: 57 | DIRECTOR SINCE: 2016

Tim brings more than 25 years' cross-industry experience to the Concentra Board. He holds an MBA from McMaster University and is working as an independent consultant supporting a number of technology companies to transition through ownership change. Previously, as Chief Financial Officer of Meridian, he was responsible for overseeing the financial strength of the credit union, including risk mitigation, financial performance, strategy and building strong relationships with Meridian's key financial partners. Prior to joining Meridian, Tim worked as the Chief Financial Officer for a number of financial services and technology-related companies including OANDA Corporation, Audatex Canada, Q9 Networks Inc. and First Asset Management Inc.

BOARD DIRECTORSHIPS & POSITIONS HELD DURING TENURE

- Concentra Bank (2016 – present) | Chair, Risk Committee (current) | Audit and Conduct Review Committee (current) | Chair, Ad Hoc Capital Committee (current) | Ad Hoc Corporate Structure Committee (Bank Continuance) (past)
- Concentra Trust (2016 – present) | Director
- Meridian OneCap Credit Corporation (past) | Director
- Horizons for Youth (past) | Director
- Durham Children's Aid Society (past) | Director

SKILLS AND EXPERIENCE

- Strategic Planning
- Financial Industry
- Financial/Accounting Expertise
- Risk Oversight Literacy
- Financial Industry Risk Oversight
- Direct-to-Consumer Retailing
- Business and Commerce
- Financial Literacy
- Governance and Boards
- Mergers and Acquisitions
- Regulatory Environment



Shelley Williams, CPA, CA, ICD.D

LANGLEY, BC, CANADA | INDEPENDENT | AGE: 51 | DIRECTOR SINCE: 2017

Shelley is a Chartered Accountant with an extensive corporate finance and capital markets background. She has held senior positions at some of BC's largest multinational public companies, including Vice President Treasurer at Finning International, and Corporate Treasurer at Fletcher Challenge Canada. Shelley has significant governance experience in both private and public sector organizations, as well as unique ownership and multi-stakeholder environments. She serves on the Board of BC Life and Casualty Company (Pacific Blue Cross) as well as the Sources Community Resources Foundation. Previously, she served as Chair of the Douglas College Board, Vice-Chair of HFN LNG Development Corporation, and as an Independent Commissioner at the BC Securities Commission.

BOARD DIRECTORSHIPS & POSITIONS HELD DURING TENURE

- **Concentra Bank (2017 – present)** | Chair, Human Resources and Compensation Committee (current) | Governance Committee (current)
- **Concentra Trust (2019 – present)** | Director
- **B.C. Life & Casualty Company (present)** | Chair, Audit Committee | Investment & Loan Committee | Chair, Risk Committee | Chair, Conduct Review Committee | Pacific Blue Cross Foundation Board Member (past)
- **Sources Community Resources Foundation (present)** | Board Member and Treasurer
- **Douglas College (past)** | Chair, Board | Chair, Governance and Executive Committee | Chair, Audit and Finance Committee
- **HFN LNG Development Corporation (past)** | Vice-Chair, Board | Chair, Finance, Audit and Risk Management Committee
- **B.C. Securities Commission (past)** | Independent Commissioner and Board Member | Audit Committee | Human Resources Committee | Ad-hoc Governance Committee

SKILLS AND EXPERIENCE

- Strategic Planning
- Financial/Accounting Expertise
- Talent Management and Executive Compensation
- Risk Oversight Literacy
- Business and Commerce
- Financial Literacy
- Governance and Boards
- Mergers and Acquisitions
- Regulatory Environment

RECOMMENDATION OF THE BOARD

The Board recommends that Common Shareholders vote **FOR** the amendments to By-Law No. 2.



In the absence of contrary instructions, the persons named in the enclosed form of proxy intend to vote **FOR** the amendments to By-Law No. 2.

D) BY-LAW NO. 2 AMENDMENTS

YOUR YES VOTE TO AMEND OUR BY-LAW NO. 2 WILL HELP STRENGTHEN CONCENTRA SO WE CAN GROW AND SERVE CREDIT UNIONS BETTER.

In 2018, Concentra embarked on a bold new strategy to become Canada's leading mid-market bank, serving credit unions, medium-sized businesses and select consumer markets. Achieving this ambitious 10-year vision requires change throughout our organization. We're committed to creating a differentiated experience for customers, developing innovative products and services, maturing our business intelligence, investing in our employees and establishing a digital banking platform.

We've already made significant progress, but to maintain our momentum it's critical that we have access to the equity necessary to invest in our ongoing transformation and growth. However, Concentra's By-Laws place restrictions on share ownership, limiting our ability to raise capital and attract investors who believe in our purpose of creating the future of banking to enable your success.

Therefore, Concentra and our majority shareholder SaskCentral believe it is in the best interest of both organizations, our shareholders and their members, and the credit union sector to amend Concentra's By-Laws to remove the share ownership restriction to allow non-cooperatives to own common shares on certain terms subject to the approval of our majority shareholder and the Board.

On March 3, 2021, the Concentra Board of Directors approved amendments to By-Law No. 2 to remove the share ownership restriction. To be effective, the proposed amendments to By-Law No. 2 require approval by special resolution of Concentra's common shareholders, approved by at least two-thirds of the votes cast in person or by proxy at the meeting. SaskCentral holds only 50% voting rights for special resolutions, so additional shareholder support for the By-Law amendments is necessary. See page 4 for additional voting information. The particulars of the proposed amendments are set forth in Schedule A along with the text of the Special Resolution.

Below, you will find more information about this important change so you can make an informed vote. We hope you'll support us in achieving our purpose by voting yes.

YES VOTE BENEFITS

Capital to fund Concentra's growth	✓
Better products and services	✓
New digital banking technology	✓
Improved customer experience	✓
Reduced shareholder risk	✓

Ownership By-Laws Limit Growth

Our By-Laws restrict ownership of our common shares to credit unions, centrals, cooperatives and related entities. While this limitation was put in place with good intentions, it has become clear that our By-Laws have curtailed the ability for Concentra to deliver on our long-term strategy and have increased risk for both Concentra and SaskCentral.

Our By-Laws make it difficult to issue new shares and significantly limit the pool of potential organizations that are eligible to invest in Concentra. This in turn restricts our ability to raise equity to fund our growth and invest in new products and services for our credit union partners.

At the same time, SaskCentral has determined their 84% majority ownership share in Concentra represents a concentration risk and they would like to reduce a portion of their shareholdings.

To clear a path forward, the Boards of both Concentra and SaskCentral are recommending that the Concentra By-Laws be amended to allow the issuance and ownership of common shares outside the cooperative sector.

Positioning Concentra for Success

Since our founding in 2005, Concentra has carved out a unique identity focused on serving the credit union sector in innovative and different ways so that the five million credit union members across Canada can choose competitive financial services from their local credit union.

Innovative thinking has been integral to our success. From our beginning as Canada's only federally regulated financial cooperative retail association that introduced wholesale finance as a competitive advantage for credit unions, to becoming a chartered bank in 2017, we've always been willing to break new ground to help credit unions and their members prosper.

The proposed By-Law amendments will enable investment in Concentra from outside the cooperative sector. This will strengthen Concentra so we can continue to grow and serve credit unions better. It will also support our business growth, the development of innovative products, and new online and mobile banking technology. In addition, a diversified share ownership will reduce risk for both Concentra and SaskCentral.

With deep roots in the cooperative system, Concentra understands and shares, the values and principles of the credit unions that we work with every day. Concentra has historically brought national connections to local credit unions, delivering expertise and financial clout to the credit union system. We currently support 85% of Canadian credit unions, and we strive to enable all credit unions in Canada to succeed.

The Acknowledgment and Undertaking Agreement between Concentra and SaskCentral

Concentra has the support of SaskCentral, our majority shareholder, to approve the By-Law amendment and we are working collaboratively to find mutual synergies in moving forward with our respective strategies. Concentra and SaskCentral have entered into an Acknowledgment and Undertaking Agreement that provides SaskCentral with a veto on the issuance of new common equity shares to entities that are not cooperatives. However, the Agreement is temporary in nature and according to its terms, the Agreement "shall terminate on the earlier of (i) SaskCentral no longer being the largest shareholder of Concentra, or (ii) SaskCentral ceasing to own more than 30% of the issued and outstanding common shares of Concentra." This Agreement provides SaskCentral the opportunity to continue to play a role in collaborating on the future of Concentra while it retains a significant portion of common shares in Concentra.

Learn More – Attend our Pre-AGM Webinar

We recognize this is an important vote, so we want to ensure that you have all the information you need to cast your ballot. We will be holding a shareholder webinar on April 1, 2021 to provide more details about the proposed By-Law amendment and our vision for the future. The webinar will be hosted by Concentra, along with our majority shareholder SaskCentral. We hope you can join us.

Date: April 1, 2021

Time: 11:00 a.m. CST

Webinar link:

<https://events.concentra.ca/Shareholder-Webinar>

Part 3: Statement of Corporate Governance Practices

THE BOARD OF DIRECTORS (THE BOARD) OF CONCENTRA BANK AND ITS WHOLLY OWNED SUBSIDIARY CONCENTRA TRUST COMMITS TO UPHOLDING HIGH STANDARDS OF CORPORATE GOVERNANCE AND A CULTURE OF CONTINUOUS IMPROVEMENT.

The primary role of Concentra's Board is to supervise the management of Concentra Bank's business and affairs, oversee strategy and risk management, and provide challenge, advice and guidance to Concentra's senior management. Concentra's Board continues to be firmly committed to fulfilling its role through best practices in governance. Management of the business and affairs of Concentra is supervised by the Board directly, and through various Board Committees, to which certain responsibilities are delegated. The Board's Mandate and the Terms of Reference for each of its Committees outline the Board's purpose, duties and allocation of responsibilities. A copy of these documents is available at concentra.ca.

Consistent with a federally regulated financial institution, Concentra's governance reflects alignment with applicable legal and regulatory requirements and evolving best practices for corporate governance, including the Office of the Superintendent of Financial Institution's (OSFI) Corporate Governance Guideline.

Concentra operates under the *Bank Act* with a 12-person Board, elected in accordance with its By-laws and its legislative and regulatory framework as a Schedule 1 Chartered Bank.

Consequently, this Statement of Corporate Governance Practices reflects the Board and Committee membership under that governance framework, as at December 31, 2020.

BOARD INDEPENDENCE

Concentra, as required under the Concentra Bank By-Laws, has established an Independence Standard that aligns with emerging best practice and OSFI Guidelines in relation to Director Independence, and incorporates provisions in relation to affiliated directors, as required by the *Bank Act*. A copy of Concentra's Independence Standard is available at concentra.ca. In 2020, Concentra's Board of Directors comprised a majority of independent directors.

Under Concentra's By-laws, a majority shareholder who owns 50% or more of the Common Shares of the Bank is entitled to nominate up to four Directors for appointment to the Board. The Concentra Bank Board of Directors monitors interlocking directorships to ensure Directors are independent of each other. None of Concentra's Directors serve together on another board.

In addition, all members of the Concentra Bank Board of Directors are independent from management, with the exception of the CEO, who is required to be a Director under the *Bank Act*. To ensure transparency, and to assist them in fulfilling their obligations to Concentra, the non-executive directors of the Board and its Committees regularly meet in camera, without management present.

STRATEGY

Concentra's Board and Executive Leadership Team establish our corporate direction. The Board regularly engages management in constructive dialogue, providing both challenge and guidance for significant strategic initiatives.

Annually, Concentra reviews its strategic and business plans, facilitated through a rigorous strategic planning process. The plan sets out short- and long-term strategic directions, and generates financial targets aligned with specific objectives on an annual basis.

RISK OVERSIGHT

The Board is accountable to the Shareholders for Concentra's strategy and performance. The Board provides risk oversight, approves the Risk Appetite for Concentra, and establishes the tone at the top for the risk culture to preserve the viability of enterprise and shareholder value. The detailed oversight of risk is undertaken at the Committee level, as delegated through the Risk Committee Terms of Reference.

ETHICAL BUSINESS CONDUCT

The Board upholds the values of integrity and ethical behaviour. Through its Code of Conduct, the Board establishes standards of legal, ethical, and responsible behaviour and a commitment for Concentra to adhere to the highest ethical standards. A commitment to ethical conduct is embedded in other Corporate Policies, including a policy governing related party transactions.

Employees and stakeholders are encouraged to raise or report ethical concerns through one of several reporting channels communicated through the Concentra's Whistleblower Policy, including an anonymous, third-party Ethics Hotline.

Concentra maintains a Complaints Policy and process and is committed to responding to and resolving customer concerns. Concentra has engaged an independent Ombudsman to receive escalated complaints from customers who feel they are unable to receive a timely and satisfactory resolution through Concentra's internal complaints process.

BOARD SUCCESSION PLANNING

Board succession and renewal is an important mandate of the Board of Directors. During 2020, the Board continued to refine its director recruitment processes to confirm that the skills and experience prioritized at the Board align with Concentra's strategic direction, which ensures effective oversight and governance.

Concentra uses a measured approach to Board succession planning and renewal that places responsibility on the Governance Committee to assess annually the overall Board composition, to ensure the right balance between experience, continuity and fresh perspective, and to seek out new candidates as necessary.

The Governance Committee annually reviews both the size and composition of the Board and Board committees. The Governance Committee uses a Competency Matrix to assist in assessing the expertise and skills of the current

directors, identifying any gaps in Board skills that may exist, identifying desirable skill sets in director candidates, and considering whether the Board's skills and experience need to be strengthened in any areas. As part of the Board's renewal process, the Governance Committee annually analyzes these factors when considering whether an appropriate number of directors sit on the Board and when recommending potential nominees for consideration. Concentra's objective is for its Board to have a sufficient range of skills, expertise and experience to ensure it can carry out its responsibilities effectively.

If the Governance Committee determines Board renewal is desirable, it will seek out suitable candidates and assess each candidate's skills, expertise and experience against the needs of the Board and each of the Board committees. The Governance Committee will also take into account such matters as a candidate's integrity, independence, diversity and geographic background.

Recommendation for 2021 Board Composition

In 2020, the Governance Committee applied the Board Succession Planning approach described above, and the results of that process did not demonstrate any significant gaps in skills on the current Board against the skills outlined in the Matrix. The results of the Competency Assessment are found on page 10.

However, due to the need to replace a retiring Director, the Governance Committee conducted an open call to recruit a single director from Saskatchewan for inclusion with its recommended candidates for 2021.

BOARD AND MANAGEMENT GENDER DIVERSITY

Board Gender Diversity

Concentra's Board is committed to achieving a diversity of perspective and demographics as part of its Board Succession Planning process. Specifically, the Board is committed to achieving a full Board composition in which both genders comprise at least one-third of the Directors. The candidates recommended by the Board include five female directors, representing 42% of the candidates and exceeding the commitment to gender diversity made by the Board.

Management Gender Diversity

Concentra has both a Diversity and Inclusion policy and a Respectful Workplace policy. Diversity and inclusion are supported by identifying and removing barriers that might adversely affect employees from Concentra's processes, policies, practices and services. Concentra offers respectful workplace and bias awareness training and fosters opportunities for a wide range of employees to contribute their perspectives on projects and programs.

In 2020, the organization continued to develop learning in this space with a Diversity and Inclusion employee panel as well as welcoming a speaker to share information about First Nations history in Canada and the impact of Residential Schools as part of an Orange Shirt Day initiative. Into 2021, Concentra will continue to develop Diversity and Inclusion strategies as well as targeted plans for becoming a more inclusive workplace that breaks down barriers for all our employees, customers and partners.

While Concentra does not have a specific diversity target for its senior leadership team members, it considers all dimensions of diversity when identifying potential candidates.

BOARD CONTINUING EDUCATION

Concentra supports a robust professional development program for its Directors, both as individuals and as a composite Board. The program supports Directors to fulfill their roles and responsibilities on the Board within Concentra's evolving regulatory and operating environment.

Through 2020, Concentra's Board of Directors received education on Culture, Capital, and COVID-19 Scenario Planning.

Further, individual Directors participated in educational opportunities that covered such topics as Audit Function and Audit Committee Effectiveness, Board Culture, Board Oversight of Strategy, Business Payments, Crisis Management, Cyber Risk, Cybersecurity, Derivatives, Digital Business, Economics, ESG, Fintechs, Human Resources Compensation Committee Effectiveness, Indigenous Awareness, Leadership, Negotiating, Science of Wellbeing, Special Investments, and Stakeholder Engagement.

SHAREHOLDER ENGAGEMENT

In 2020, Concentra continued to provide quarterly investor relations presentations to its shareholders. Additionally, the Board and senior management enhanced direct engagement with SaskCentral, Concentra's majority shareholder, with multiple touchpoints and enhanced information-sharing principles.

BOARD OF DIRECTORS: KEY INITIATIVES IN 2020

To fulfil its mandate and enhance the Board's ability to ensure effective governance at Concentra, the Board spent 2020 focusing on the following primary initiatives:

a) COVID-19 Pandemic Response

The Board's primary objective in 2020 was stewarding Concentra's response to the COVID-19 pandemic and overseeing the execution of Concentra's Business Continuity Management and Pandemic Plan.

Through an additional cadence of reporting, the Board received frequent and enhanced communications from management to help monitor liquidity and capital, loan payment deferrals, employee safety and well-being, the transition to working from home, increased cybersecurity and credit risks, and implications to business and strategy.

As a result, Concentra remained strong throughout the year and regained momentum with a sound plan for growth and increased profitability into 2021.

b) Strategic Oversight

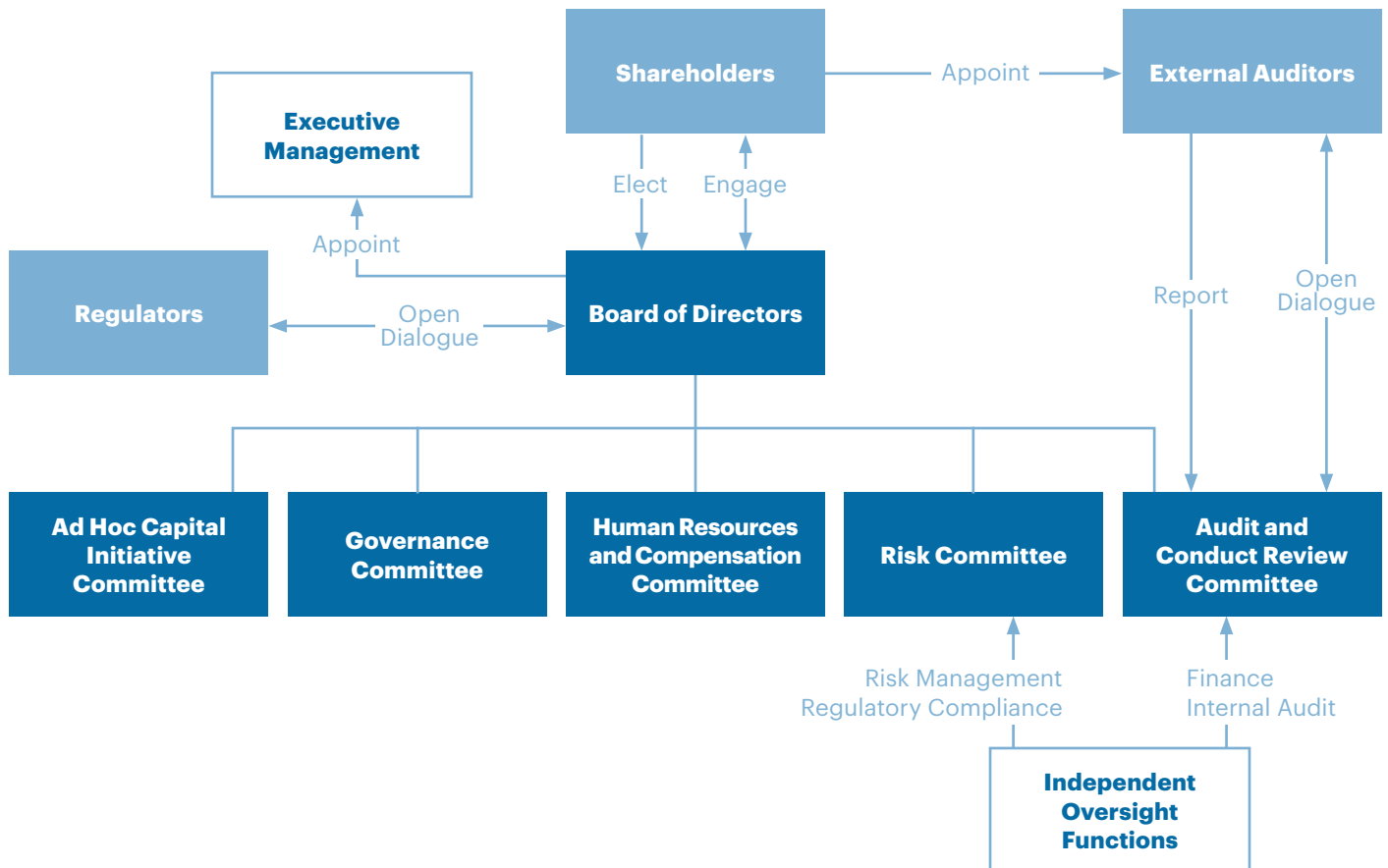
Every year, Concentra undertakes a robust strategic planning session, bringing the Board together with the senior management team to review and assess strategy and shape the strategic direction of the company.

This year, the Board and senior management undertook a critical assessment of strategic adjustments required in response to the pandemic and the evolving economic environment. While the overall strategic direction did not change, priorities were adjusted and the strategy was focused and refined.

One such adjustment involves focusing the scope, timing, and approach of Concentra's digital transformation to enable Concentra to become a successful player in the digital market space.

STANDING COMMITTEES

In fulfilling its roles and responsibilities, the Board delegates certain responsibilities to its Standing and Ad Hoc Committees. Each Standing Committee's Terms of Reference can be found on concentra.ca.



Risk Committee

Tim Smart (Committee Chair)

Eric Dillon | Teresa Lee (Concentra Trust) | Michael Leonard | David Losier | Carol Poulsen

The role of the Risk Committee is to assist the Board in fulfilling its oversight responsibilities for risk management. The Committee oversees the Risk Management and Compliance Functions and the establishment of risk management frameworks, corporate policies, and strategic controls. The Committee is responsible to oversee the identification and management of significant and emerging risks and to review and monitor Concentra's risk profile and compliance with risk appetite, corporate policy, and legal and regulatory requirements.

Legal and regulatory guidelines require the majority of Committee members to be independent, and every Committee member must also satisfy risk management expertise and experience requirements set out in the Committee Terms of Reference.

The Committee meets regularly with and without members of management present, and has the opportunity to meet separately with the Chief Risk Officer, Chief Compliance Officer, and Chief Anti-Money Laundering Officer. The Committee held six meetings in 2020 and is satisfied it has fulfilled its responsibilities.

Risk Committee Oversight Activities in 2020

In addition to carrying out its general responsibilities, the Committee focused on the following initiatives in 2020.

2020 Highlights	
Risk Oversight	<ul style="list-style-type: none"> • Closely monitored pandemic-related credit and operational risks through heightened reporting on financials, specific business portfolios, and oversight of the Business Continuity Management Plan and Pandemic Plan. • Reviewed the results of a third-party survey on risk culture and approved an associated action plan. • Reviewed the results of two Internal Capital Adequacy Assessment Processes. • Received quarterly reporting on operational, credit and market risks; capital adequacy; emerging risks and significant risk events; regulatory and AML compliance, and cybersecurity.
Risk Governance	<ul style="list-style-type: none"> • Reviewed and recommended for Board approval Concentra's 24 Corporate Policies and four Risk Frameworks within its purview. • Reviewed and approved the mandate, resourcing, and effectiveness of the Risk Management and Compliance Functions.

For details regarding Concentra's approach to risk management, please refer to the 2020 Management's Discussion and Analysis.

Audit and Conduct Review Committee

Glen Dyrda (Committee Chair)

Anne Gillespie | Daniel Johnson | Carol Poulsen | Tim Smart

The Audit and Conduct Review Committee oversees the quality and integrity of Concentra’s financial reporting, including the effectiveness of the Finance Function, the integrity of Concentra’s financial controls, and the effectiveness of the Internal and External Audit Functions. The Committee also oversees Concentra’s Code of Conduct, related-party transactions, and conflicts of interest.

Legal and regulatory guidelines require the majority of Committee members to be independent, and every Committee member must also satisfy financial literacy and experience requirements set out in the Committee Terms of Reference.

The Committee meets regularly with and without members of management present, and has the opportunity to meet separately with the external auditors, the Chief Financial Officer and the Chief Internal Auditor. The Committee held four meetings in 2020 and is satisfied it has fulfilled its responsibilities.

Audit and Conduct Review Committee Oversight Activities in 2020

In addition to carrying out its general responsibilities, the Committee focused on the following initiatives in 2020.

2020 Highlights	
Audit and Conduct Oversight	<ul style="list-style-type: none"> • Oversaw the transition from an outsourced to an in-house Internal Audit Function. • Closely monitored pandemic-related adjustments to material estimates, judgments, and financial disclosures. • Reviewed Concentra’s quarterly and year-end financial performance. • Reviewed and approved Concentra’s Dividend Strategy and Declarations. • Reviewed and recommended for Board approval Concentra’s 2021 Capital Plan.
Audit and Conduct Governance	<ul style="list-style-type: none"> • Reviewed and approved the mandate, resourcing, and effectiveness of the Finance and Internal Audit Functions. • Completed an effectiveness assessment of the External Auditors. • Reviewed and recommended for Board approval the Corporate Policies within its purview.

Governance Committee

Eric Dillon (Committee Chair)

Glen Dyrda | Cheryl Fraser | David Losier | Shelley Williams

The Governance Committee is responsible for developing and overseeing Concentra's corporate governance framework, through which the Committee ensures the appropriate structure and composition of the Board and its Committees.

The Committee oversees the evaluation of the Board's performance and effectiveness and ensures the continuing education of directors through Board education and individual development activities. The Committee oversees the nominations and elections process and the orientation of new directors.

The Committee is also responsible to oversee shareholder communications.

Legal and regulatory guidelines require the majority of Committee members to be independent and satisfy corporate governance expertise and experience requirements set out in the Committee Terms of Reference.

The Committee meets regularly with and without members of management present. The Committee held six meetings in 2020 and is satisfied it has fulfilled its responsibilities.

Governance Committee Oversight Activities in 2020

In addition to carrying out its general responsibilities, the committee focused on the following initiatives in 2020.

2020 Highlights	
Governance Oversight	<ul style="list-style-type: none"> • Oversaw a performance evaluation process for the Board and individual directors. • Completed a competency gap assessment against the Board's Competency Matrix. • Oversaw the creation of individual director Development and Leadership Plans with a focus on succession planning for key Board leadership roles. • Reviewed all governance documents and policies within its purview. • Developed and executed a Governance Roadmap that led to the maturity and enhancement of a number of governance practices and methodologies. • Enhanced engagement with Concentra's shareholders.

Human Resources and Compensation Committee

Shelley Williams (Committee Chair)

Cheryl Fraser | Anne Gillespie | Daniel Johnson | Michael Leonard

The Human Resources and Compensation Committee is responsible for overseeing the design and operation of the Bank's compensation system to ensure alignment with strategy, risk appetite and regulatory requirements. It is also responsible for overseeing all matters relating to the proper utilization of human resources within the Bank, with special focus on CEO and executive management succession, development, performance and compensation.

The majority of Committee members are independent and satisfy human resources, compensation, leadership, and related risk management experience requirements, as set out in the Committee Terms of Reference.

The Committee meets regularly with and without members of management present, and meets in-camera with independent consultants and advisors, as needed. The Committee held six meetings in 2020 and is satisfied it has fulfilled its responsibilities.

Human Resources and Compensation Committee Oversight Activities in 2020

In addition to carrying out its general responsibilities, the Committee focused on the following initiatives in 2020.

2020 Highlights	
Compensation Oversight	<ul style="list-style-type: none"> Reviewed and enhanced compensation governance practices, including development of a new compensation framework and related policies. Reviewed and approved the design of all major compensation programs, including an additional compensation plan for sales-focused employees. Reviewed and approved short- and long-term incentive plan documents. Reviewed total compensation elements for non-executive Vice-President roles and approved changes to pay structure and incentive eligibility. Reviewed and approved standardized employment and change in control agreements for executives.
Talent Management, Succession Planning	<ul style="list-style-type: none"> Updated the CEO profile to align with Concentra's new strategy and enhanced the succession planning and leadership development process for the CEO and executive positions.
COVID-19/Pandemic	<ul style="list-style-type: none"> Defined objectives to ensure employee wellbeing throughout the pandemic and monitored human resource implications of the pandemic, including the work-from-home environment, incentive plan implications and return-to-work plans.
People Strategy	<ul style="list-style-type: none"> Engaged with management on the People Strategy to review the progress of leadership development initiatives, employee engagement, talent acquisition and development, and diversity and inclusion. Monitored culture transformation and change management planning with a focus on building a workforce culture to align with a digital, agile, and customer-centric mindset to deliver on Concentra's business strategy.

Ad Hoc Capital Initiative Committee

Tim Smart (Committee Chair)

Eric Dillon | Glen Dyrda | Michael Leonard | David Losier

The Ad Hoc Capital Initiative Committee oversees the evaluation of potential solutions to capital requirements of the Bank, including any proposed amendments to corporate by-laws in respect of capital matters, the implementation of Board-approved capital solutions and engagement with the majority shareholder.

Every Committee member must satisfy the financial literacy requirement and must have demonstrated expertise in one or more of the following areas: risk oversight, financial/accounting, regulatory environment, stakeholder engagement and communications, and mergers and acquisitions.

The Committee meets as required, with and without members of management present, and has engaged in joint meetings with SaskCentral's Transaction Oversight Committee. The Committee held three meetings in 2020 and is satisfied it has fulfilled its responsibilities.

Ad Hoc Capital Initiative Committee Oversight Activities in 2020

In addition to carrying out its general responsibilities, the Committee focused on the following initiatives in 2020.

2020 Highlights	
Capital Initiative Oversight	<ul style="list-style-type: none"> • Monitored pandemic-related issues with regard to the impact they may have on capital issues and capital raising. • Considered preliminary modelling and scenario planning in the context of potential capital-related activities and initiatives. • Reviewed and considered preliminary proposals set out by its majority shareholder with respect to the divestiture of a portion of its shareholding. • Participated in a capital raising education session with the Concentra Board hosted by an external subject matter expert.
Stakeholder Relations	<ul style="list-style-type: none"> • Participated in multiple joint meetings with SaskCentral's Transaction Oversight Committee. • Discussed the OSFI Deep Recovery Plan Request and liaised with its majority shareholder in respect of capital commitments available to Concentra. • Collaborated with SaskCentral's Transaction Oversight Committee and presented a summary of Concentra's strategic plan and 2021 business plan. • Undertook preliminary planning for 2021 capital initiatives.

DIRECTOR COMPENSATION

Compensation Governance

The Governance Committee has responsibility for recommending to the Board the amount and structure of director compensation. Director compensation is designed to attract and retain highly qualified directors with a sufficient range of skills, expertise and experience. It is also designed to align with the market and shareholder interests.

In making its recommendations, the Governance Committee compares Concentra's director compensation and structure to those of other similarly sized Canadian financial institutions and credit unions, taking into account the principles and values of the co-operative sector in which it operates.

The Governance Committee also considers the risks, responsibilities, time commitment, workload, complexity of issues, and the skills and experience required when reviewing director compensation. The Governance Committee has the authority to retain consultants, including compensation consultants or advisors, as the committee may deem necessary or advisable to carry out its responsibilities.

Aggregate director compensation is limited by Concentra's By-Laws, which are approved by Shareholders. Any increase to this amount requires Shareholder approval.

Retainers and Fees

Directors are compensated for their services as Directors through a combination of annual retainers and meeting attendance fees, in accordance with Board-approved policy. The following table provides an outline of the different elements of director compensation for non-management directors, which became effective April 9, 2018. The CEO does not receive a retainer or meeting fees for acting as a Director.

Role	Retainer Amount
CONCENTRA BANK	
Bank Director Retainer (includes membership on one Standing Committee)	\$23,500
Additional Retainers per Role	
Chair of the Board	\$36,500
Vice Chair of the Board	\$7,500
Chair of Audit & Conduct Review Committee	\$10,000
Chair of the Risk Committee	\$10,000
Other Committee Chair	\$7,500
Additional Committee* Membership (per Committee)	\$3,500
CONCENTRA TRUST	
Independent Trust Director Retainer (includes membership on one Standing Committee)	\$15,000
Note: <i>There is no additional retainer paid to a director of the Concentra Trust Board who acts as a director of the Concentra Bank Board.</i>	
Meeting Fees	
Meeting Fees	Amount
Full Day (over four hours)	\$1,000
Half Day (up to four hours)	\$500
Travel Per Diem	\$500

Directors are also reimbursed for travel and other expenses when they attend meetings or conduct business on behalf of Concentra or its subsidiaries.

The following table summarizes compensation and attendance for each Director in 2020, including attendance at meetings of the Concentra Trust Board.

Directors Meeting Attendance and Remuneration						
For the Year Ended December 31, 2020						
Director	Board Meetings	Committee Meetings	Meeting Fees	Retainers	Total	
de Moissac, Lise	7/7	8/8	\$ 12,600	\$ 51,396	\$ 63,996	
Dillon, Eric	7/7	19/20	18,100	38,000	56,100	
Dyrda, Glen	7/7	17/17	19,600	40,500	60,100	
Fraser, Cheryl	7/7	12/12	19,800	27,000	46,800	
Gillespie, Anne	7/7	10/10	17,300	27,000	44,300	
Johnson, Dan	7/7	8/9	15,800	36,625	52,425	
Leonard, Mike	7/7	12/12	19,300	30,500	49,800	
Losier, David	7/7	14/14	18,100	38,000	56,100	
Poulsen, Carol	7/7	9/10	15,800	27,000	42,800	
Smart, Tim	7/7	16/17	18,100	40,500	58,600	
Williams, Shelley	7/7	16/16	20,300	34,500	54,800	
Total			\$ 194,800	\$ 391,021	\$ 585,821	

* These totals do not include WCB or CPP.

CONCENTRA TRUST

As a wholly owned subsidiary, Concentra Trust is incorporated under the federal Trust and Loan Companies Act and is a separate and distinct legal entity from Concentra Bank. As such, it requires and maintains a separate Board of Directors to comply with regulatory and legislative requirements of a federally regulated trust company and fulfill its fiduciary obligations and oversight of its operations.

The subsidiary governance of Concentra Trust complies with OSFI's Corporate Governance Guideline. The current Trust Board consists of the CEO of Concentra Bank, the Chair of the Concentra Bank Board, the Chairs of each of Concentra's four Standing Committees (Audit and Conduct Review, Risk, Human Resources and Compensation, and Governance), together with an independent Director with specific technical skills and experience in the areas of business in which Concentra Trust operates.

Part 4: Executive Compensation

THE CONCENTRA APPROACH TO EXECUTIVE COMPENSATION

Concentra's executive compensation is designed to attract, retain and reward experienced executive leaders who develop and execute on Concentra's business strategy and deliver positive results for our shareholders, customers and employees.

Concentra offers competitive compensation for all employees up to and including executive-level positions. The Executive Leadership Team (ELT) includes the following positions:

- President and Chief Executive Officer (CEO)
- Chief Digital Officer (CDO)
- Chief Financial Officer (CFO)
- Chief Banking Officer (CBO)
- Chief Risk Officer (CRO)
- Chief People Officer (CPO)
- Chief Operating Officer (COO)

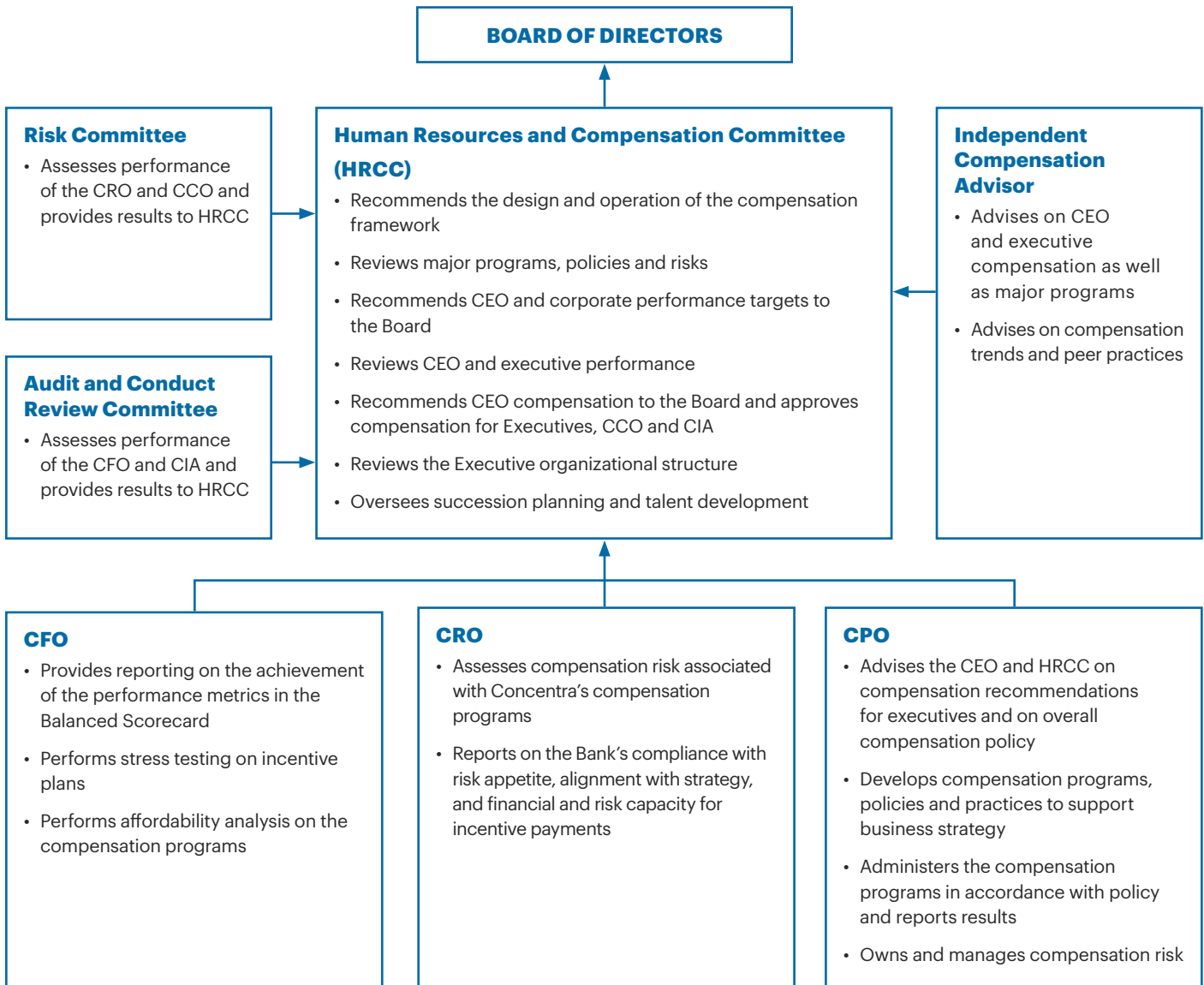
OVERVIEW OF KEY COMPENSATION PRACTICES

Concentra's compensation programs contain a number of key features and best practices to ensure strong alignment with regulatory and market expectations:

Pay for Performance	Executive compensation is clearly linked to individual and corporate performance over the short and long term, as well as risk culture and outcomes.
Pay At Risk	Variable pay represents a significant portion of executive compensation (over 50% of CEO compensation, over 40% of other NEO compensation).
Appropriate Peer Groups	Compensation peer group is composed primarily of similarly sized organizations and Concentra is close to the median of its peer group in revenue and assets.
Median Target Positioning	Compensation is competitive but not excessive, targeting the 50 th percentile.
No Guaranteed Incentives	Incentive payouts are zero if minimum funding hurdles and performance thresholds are not met.
Capped Incentives	STI and LTI awards are capped at 130% and 150% of target, respectively.
Board and Committee Oversight	The Board and HRCC oversee performance and compensation, and may apply discretion in determining incentive payments based on informed judgement.
Regulatory Compliance	Concentra's approach to compensation risk management aligns with OSFI governance guidelines and the Financial Stability Board's (FSB) Principles for Sound Compensation Practices.
Risk Controls	The clawback provisions, funding hurdles, incentive caps, and Board discretion mitigate variable compensation risk.
Independent Review	An independent consultant with no ties to the Board of Directors or Management is used to provide guidance on compensation design and governance.

COMPENSATION GOVERNANCE

The Board retains the responsibility for oversight of certain human resource matters including Concentra's compensation systems. The Human Resources and Compensation Committee (HRCC) has been mandated by the Board to act as the main body assisting the Board in discharging these responsibilities. The following chart provides a summary of Concentra's compensation governance structure:



Independent Advice

The HRCC/Board may engage independent external consultants or legal counsel in order to assist it in fulfilling its responsibilities for compensation oversight. Advice provided by independent consultants may include ad-hoc information on compensation trends and best practices or it may extend to comprehensive reviews of compensation programs, including the comparator group, pay mix, and any component of executive total compensation.

In 2020, the HRCC engaged Mercer to complete a benchmark review of Concentra's Vice-President total compensation, including base salary and incentives, and recommend changes to pay structure and incentive eligibility. The Committee also engaged Torys LLP to review and update the short- and long-term incentive plan documents and standardized executive employment agreements.

COMPENSATION PRINCIPLES

Attracting and retaining strong and experienced leadership and talent is critical to Concentra's success. Concentra's programs, policies and practices are based on a "pay for performance" culture wherein pay and rewards are aligned with the achievement of the business strategy. Concentra's compensation is designed on the following key principles:

Support Business Strategy	Support the achievement of Concentra's short- and long-term corporate objectives, and be consistent with Concentra's vision, mission and core values.
Market Competitive	Facilitate attraction of new talent and foster retention of existing employees by offering compensation that is competitive with other peer companies.
Performance Focus	Reflect Concentra's pay-for-performance philosophy and meet the expectation of stakeholders by delivering a meaningful proportion of total compensation using variable pay tied to company and individual performance.
Stakeholder Alignment	Focus on specific performance objectives that contribute to the enhancement of stakeholder value in the long term.
Fair and Equitable	Systematically free of bias. Balancing internal equity with market pay practices.
Simple to Understand	Design and manage compensation programs in a manner that can be readily communicated and understood by employees and other stakeholders.

COMPENSATION RISK MANAGEMENT

Concentra's compensation risk management processes and programs, as further outlined in this section, seek to ensure that compensation aligns with the short- and long-term interests of shareholders while keeping regulatory guidance and industry best practices top of mind. In conjunction with the Chief Risk Officer and members of Concentra management, the HRCC reviews the compensation framework annually and makes changes and revisions as necessary.

Compensation is one of the key influencers on the risk culture and the individual motivation to own and manage risks. The Chief Risk Officer (CRO) meets regularly with the HRCC, Risk Committee, and Board to review key risks associated with Concentra's compensation programs. The CRO plays an integral role in:

- Formulating and recommending the compensation risk appetite statement and the risk components of the incentive plans;
- Reviewing compensation program design to ensure it does not encourage excessive risk taking;
- Overseeing the compensation governance, programs and aggregate payouts;
- Attesting to compliance with the Risk Appetite Framework; and
- Reviewing regulatory expectations.

The CRO is not directly involved in revenue generation or the management and financial performance of any business line or product of the Bank. In addition, the CRO's compensation is independent of the performance of any specific business line or product of the Bank. The compensation for all key oversight roles, including the CRO, is tied to both Concentra's overall performance as well as individual performance.

Compensation outcomes are symmetric with risk outcomes and aligned to the Risk Appetite Framework, as outlined in the table below:

Alignment	Characteristics
Overall Risk Appetite Framework Metrics	Reflect the Concentra's capacity to bear risk as a function of its financial and operational capacity, ability to manage risk, and strength of its reputation and standing with regulators. As such, compensation risk appetite statements are directly linked to all other statements in the Risk Appetite Framework.
Corporate Strategy	Sets the business direction and objectives for the organization and as such, impacts the compensation risk appetite statements and metrics.
Financial Capacity	Frames the compensation affordability, budgeted in alignment with targeted financial performance.
Risk Capacity	Shapes the compensation program design to discourage behaviours not aligned with Concentra's values and ensure that such behaviours are not rewarded.

Use of Informed Judgement

The use of informed judgement by the HRCC and the Board of Directors is important when determining final compensation. The HRCC and Board of Directors may use discretion to ensure payments appropriately reflect risk performance as well as other unexpected circumstances that may arise during the year, and to eliminate the possibility of unintended outcomes determined solely by formulas.

Clawback Policy

A clawback policy is in place to enable Concentra to recoup incentive payments that have already been paid and/or to cancel incentive payments in situations such as restated financial results that would have resulted in payment lower than the amount paid, discovery of a risk outcome that was outside Concentra's risk appetite, or misconduct bringing material harm or reputation to Concentra.

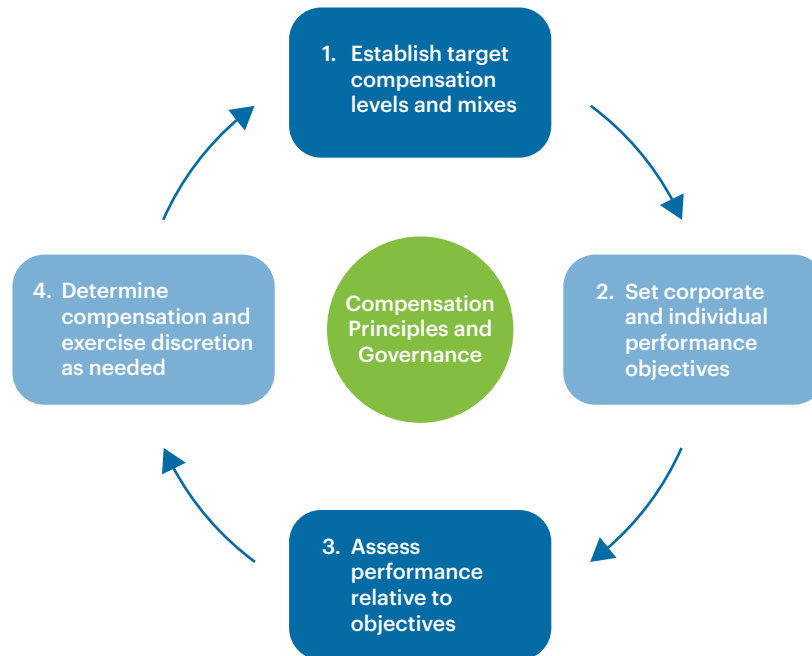
Alignment with FSB Principles

Concentra's compensation risk management is guided by the Principles and Standards put forward by the Financial Stability Board (FSB) to ensure effective governance of compensation and alignment of compensation with prudent risk-taking. Here are the FSB Principles and how Concentra adheres to or follows them:

FSB Principles	Concentra Practice
The firm's board of directors must actively oversee the compensation system's design and operation.	The Board/HRCC oversees the design and operation of Concentra's compensation programs to ensure alignment with strategy, risk appetite and regulatory requirements.
The firm's board of directors must monitor and review the compensation system to ensure the system operates as intended.	The Board/HRCC reviews all compensation policies and programs on an annual basis and has final approval on all new designs and material modifications. This review includes incentive plan payouts and may result in adjustments to programs to meet risk appetite.
Staff engaged in financial and risk control must be independent, have appropriate authority, and be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the firm.	The Board/HRCC reviews and approves compensation for all executives. The Risk and Audit and Conduct Review Committees have input into performance assessments for the heads of Concentra's oversight function, including risk management, compliance, finance, and internal audit. Compensation for these roles is determined independently from the performance of the segments they oversee. See page 40 for details on Concentra's incentive plans and how they are measured.
Compensation must be adjusted for all types of risk.	Compensation programs are measured for risk at the design stage (through modelling and affordability assessments), the target-setting stage (through an annual review and update of objectives), and at the payment stage (through Board approval of compensation and exercise of board discretion in adjusting individual payments). The Chief Risk Officer provides input to the HRCC on its incentive payment recommendations to the Board through an annual attestation on Concentra's compliance with the Risk Appetite Framework, alignment with corporate strategy, and Concentra's financial and risk capacity.
Compensation outcomes must be symmetric with risk outcomes.	Concentra's "pay for performance" compensation philosophy ensures that compensation aligns with risk exposure and operating results. Concentra's short-term incentives have funding hurdles tied to a minimum Tier 1 Capital ratio (CET1) and a minimum return on equity (ROE), while Concentra's long-term incentives have a funding hurdle tied to a minimum CET1 ratio. If funding hurdles are not met, the plans do not pay out. Concentra's clawback policy allows Concentra to recoup previously paid incentives in the event of restated financial statements, risk outcomes outside Concentra's risk appetite, or misconduct.
Compensation payout schedules must be sensitive to the time horizon of risks.	Concentra aligns executive compensation with the long-term interests of shareholders, by having a significant portion of compensation comprising long-term incentives with a performance period of three years.
The mix of cash, equity and other forms of compensation must be consistent with risk alignment.	While Concentra does not offer equity-based compensation, half of at-risk pay for executives is deferred in order to align with the risk time horizon. The total value of pay that is at risk may vary by executive but the mix of short- and long-term incentives is consistent, with each incentive comprising 50% of total incentives.

COMPENSATION DECISION-MAKING

Concentra's compensation decisions are shaped through the compensation principles outlined above and the governance systems outlined throughout this proxy. The diagram below illustrates the process of determining compensation for Concentra's executives:



1. **Establish target compensation levels and mixes:** Based on market data from external consultants specific to Concentra's comparator group, compensation programs, targets and pay mixes are set for the CEO and other executives. Payout and affordability analyses are completed prior to the approval of any new compensation plan design or re-design of an existing plan.
2. **Set corporate and individual objectives for compensation purposes:** Corporate objectives are set based on financial and non-financial metrics and approved by the HRCC/Board. These goals align with the strategic priorities and include financial metrics including Return on Equity and operational efficiency measures, as well as non-financial metrics related to client experience and leadership. Individual objectives for the CEO and each executive are derived from the strategic objectives and the approved corporate business plan.
3. **Assess performance relative to objectives:** At the end of the fiscal year, the HRCC evaluates the corporate performance against the objectives. As part of this evaluation, the HRCC considers performance against the Risk Appetite Framework and seeks input from the Risk Committee, the Audit and Conduct Review Committee and the CRO prior to the recommendation of any payout for Board approval. The CEO completes a self-assessment against individual goals, and this assessment along with corporate performance measures, and HRCC and Board input is used to determine the final year-end assessment. The HRCC also receives individual performance assessments for each executive based on CEO review and achievement of individual objectives.
4. **Determine compensation and exercise discretion as needed:** Final year-end performance assessments are used to determine and make recommendations on the incentive payments for the CEO and executives. The HRCC approves executive incentive payments, and makes a recommendation for any CEO incentive payment to the Board for approval. The HRCC and Board may use discretion to ensure payments appropriately reflect risk performance as well as other unexpected circumstances that may arise during the year.

Comparator Group & Benchmarking

Concentra must be competitive in the market from which it draws talent to attract, retain and motivate highly qualified executives. With the assistance of an independent consultant, the HRCC selects a comparator group for the purposes of benchmarking executive compensation. The comparator group typically reflects Concentra’s “market for talent”—which qualified candidates are sourced from or lost to. In determining this comparator group, the following factors were considered: industry, ownership type, geography, scope of business and size.

The peer group selected reflects a mix of small to mid-sized financial institutions and large credit unions within the broader financial services sector that are 1/3 to 3x the size of Concentra in categories of assets, revenue, net income and/or number of employees. All comparators have operations focused on the Canadian market. Although some of the comparators are publicly traded companies, they are highly relevant to Concentra as a national bank competing in similar markets.

As of the most recent compensation market review, when compared to the credit unions in the comparator group, Concentra ranks near the median based on assets and revenue and slightly below median based on net income. Compared to the broader financials, Concentra ranks near the median based on revenue and slightly below median based on assets and net income.

Given the uniqueness of Concentra’s business and ownership structure, there are few direct comparators. In benchmarking executive compensation, the HRCC applies considerable judgement and considers the comparator group data in conjunction with other relevant data sources, including the expert advice of an independent consultant.

Competitive Positioning

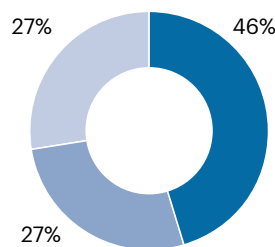
Concentra targets the 50th percentile of the market as the desired competitive position. Flexibility is maintained to compensate above market when warranted by unique circumstances. Conversely, new executives may be below market while developing in their role.

Target Pay Mix

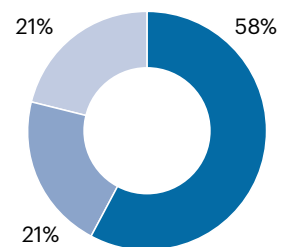
The target pay mix for the CEO and executive leadership team reflects Concentra’s unique position within the financial services industry. A significant portion of executive pay is “at risk” to incent performance and align executive interests with the achievement of ambitious strategic goals. At the same time, the target pay mix considers Concentra’s ownership structure within the credit union system. As a result, Concentra’s pay mix is more heavily weighted to long-term incentive pay than its credit union peers, but less than its broader financial industry peers.

Below is the target pay mix for the President & CEO and the other Executive Leadership Team members:

President & CEO Pay Mix



Other ELT Pay Mix



● Salary ● STIP ● LTIP

COMPENSATION DESIGN

Components of Total Compensation

Total compensation for Concentra's executives includes the following:

1. Base Salary
2. Incentive (Short-Term and Long-Term)
3. Benefits and perquisites

1. Base Salary

Base salaries comprise the fixed component of total compensation and provide a level of income certainty throughout the year. Factors considered in determining

base salary include: level of executive responsibility, individual capabilities and experience, performance, market competitiveness, and internal equity. Base salaries are reviewed annually by the HRCC, with adjustments if appropriate. A more fulsome market review is conducted every two to three years to benchmark against comparators.

2. Short- and Long-Term Incentive Plans

Concentra's incentive plans are designed to provide a strong linkage between pay and performance. A significant portion of executive compensation is tied to individual performance and the achievement of corporate results over the short and longer term. The following table summarizes the key features of the variable compensation plans.

Incentive Plans	STIP	LTIP
Purpose	Designed to motivate and reward employees for their contribution toward achieving the annual business plan.	Designed to drive successful execution of the long-term business strategy. Important tool for attraction and retention of leadership talent.
Form of Award	Cash Payment	Cash Payment
Performance Period	12 months	3 years
Vesting/Payment	End of performance period	End of performance period
Target Awards	CEO: 60% of Base Salary Executives: 35-40% of Base Salary	CEO: 60% of Base Salary Executives: 35-40% of Base Salary
Performance Components	75% Corporate Results 25% Individual Objectives	100% Corporate Results

Short-Term Incentive Plan (STIP)

Concentra's Short-Term Incentive Plan (STIP) is intended to reward employees for their contributions toward the achievement of the annual business plan and related corporate goals. Payment under this program is based on the level of achievement of corporate performance metrics, determined annually through a balanced scorecard, which is reviewed and approved by the HRCC and Board. In addition to these performance metrics, performance hurdles must be met in order for any payout to occur.

At the end of the year, the HRCC reviews the corporate performance against the established targets and makes a recommendation to the Board regarding the aggregate STIP payout. The HRCC also reviews the CEO's individual performance against his goals and determines the appropriate incentive payment for Board approval. In addition, the HRCC reviews the CEO's assessment of the executive team performance, and approves the executive incentive payments.

The table below outlines the corporate performance metrics and design for the 2020 STIP:


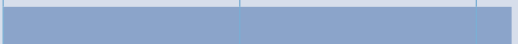


STIP		
Funding Hurdles	Minimum CET1/ROE	
Corporate Performance Measures	45% Financial	ROE Efficiency Ratio
	20% Customers/Stakeholder	Customer Advocacy Index Direct-to-Customer Initiatives
	15% Employee	Agile Culture Transformation Leadership Index ⁽¹⁾
	20% Foundational/Execution	Digital Transformation Non-Performing Loans
Payment	Cash payment reflecting performance against the corporate measures and individual performance; weighted 75% corporate and 25% individual for executives. The payout range is between 50% to 130% of target for each performance measure. Regardless of the performance achievement for each measure, if the funding hurdle has not been achieved, no payment is made from the plan.	
Clawback	Subject to the clawback policy, payments made under this plan can be recouped in certain circumstances.	

(1) The leadership measures apply only to the executive team.

The overall 2021 STIP design is similar to 2020, but incorporates changes to the corporate performance measures in order to align with the approved corporate strategy. Performance metrics for 2021 reflect the continued importance of achieving financial measures in addition to the digital transformation, ongoing automation, and the importance of leadership metrics.

The table below outlines the corporate performance achievement for the 2020 STIP:

STIP Plan Hurdles	Target	Actual	Result
CET1	>= 10%	12.8%	Achieved
ROE	> 5.0%	5.2%	Achieved

Corporate Performance Measure	Weighting	Threshold (50%)	Target (100%)	Maximum (130%)	Result (% score)	Weighted Result (%)
Financial (ROE, Efficiency Ratio)	45%				73.9%	33.3%
Customer/Stakeholder (Customer Advocacy Index, Direct-to-Customer Initiatives)	20%				105.0%	21.0%
Employee (Agile Culture Transformation, Leadership Index)	15%				106.6%	16.0%
Foundational/Execution (Digital Transformation, Non-Performing Loans)	20%				54.5%	10.9%
Overall Corporate Performance						81.2%

Long-Term Incentive Plan (LTIP)

Concentra's Long-Term Incentive Plan (LTIP) is designed to drive the achievement of strategic plans by focusing participants on the longer-term success of the company. The LTIP incentivizes participants to achieve long-term goals that result in the sustainable growth of Concentra and the creation of long-term shareholder value. The LTIP is a component of Concentra's total compensation package and serves as an effective tool for supporting the attraction and retention of individuals with the experience and skills to contribute in key roles at Concentra.

Performance metrics are determined at the onset of each three-year performance period and approved by the Board. In addition to defined performance metrics for each three-year performance period, minimum performance hurdles must be met for any payment to be made under the plan. At the end of the period, HRCC evaluates the performance against the established targets and recommends incentive payments for Board approval.

The following table highlights the performance metrics associated with all active LTIPs in 2020:

LTIP	2018-2020	2019-2021	2020-2022
Funding Hurdles	Minimum CET1	Minimum CET1	Minimum CET1
Corporate Performance Measures	50% ROE 25% Revenue Diversification 25% Funding Diversification	50% ROE 25% Growth in Direct-to-Customer Loans 25% Growth in Direct-to-Customer Funding	50% ROE 25% Growth in Direct-to-Customer Loans 25% Growth in Direct-to-Customer Funding
Payout Range	80% to 125% of Target	50% to 150% of Target, except ROE 70% to 150%	50% to 150% of Target
Clawback	Subject to the clawback policy, payments made under these plans can be recouped in certain circumstances.		

The table below outlines the performance achievement for the 2018-2020 LTIP:

LTIP Plan Hurdles	Target	Actual	Result
CET1	>= 9%	12.8%	Achieved

Corporate Performance Measure	Weighting	Threshold (80%)	Target (100%)	Maximum (125%)	Result (% score)	Weighted Result (%)
ROE	50%				97.7%	48.8%
Revenue Diversification	25%				80.9%	20.2%
Funding Diversification	25%				85.5%	21.4%
Overall Corporate Performance						90.4%

Benefits

Concentra offers a comprehensive benefits package for all permanent employees, including executives. The standard employee benefits package is comprised of: eligibility for a defined contribution pension plan; group insured benefits, including health, dental, life insurance, accidental death and dismemberment, short- and long-term disability, a healthcare spending account and access to an Employee and Family Assistance program; and paid time off.

In addition to the standard employee benefits package, executives receive a cash allowance for perquisites, intended to cover items such as vehicle costs, car allowance, parking, home office equipment, provisional spending, extended core benefits coverage, financial consulting or tax preparation services, memberships in social or athletic clubs, charitable donations and spousal travel.

Retirement Benefits—Defined Contribution Pension Plan and SERP

All employees, including executives, participate in the Defined Contribution Pension Plan administered by the Cooperative Superannuation Society. Executive contributions of 6% of base salary are made to the plan with a corresponding company match of 6%, up to the CRA maximum contribution limit. Concentra does not assume any further obligation or liability with regard to the CSS Pension Plan outside of the contributions made to the Plan. The HRCC meets annually with representatives from the CSS Pension Plan to review governance and investment performance.

In the event that contributions to the pension plan reach the CRA maximum contribution limit, Concentra contributes 12% of any further pensionable earnings to a Supplementary Executive Retirement Plan (SERP) to ensure adequate overall retirement income for executives. Pensionable earnings are defined as base salary and any exceptions are approved by the HRCC.

EXECUTIVE COMPENSATION DISCLOSURE

Aggregate total compensation is disclosed below for the ELT. The disclosure represents total compensation, inclusive of accruals, whether or not they have been paid.

Summary Executive Compensation			
For the Year Ended	2020	2019	2018
Salaries	\$ 2,800,599	\$ 2,991,975	\$ 2,227,629
Retirement allowance and termination benefits	0	227,899	760,341
Performance Incentives			
Current	943,350	896,000	1,246,772
Deferred	804,787	336,875	470,342
Other Benefits	522,361	549,694	530,568
Total	\$ 5,071,097	\$ 5,002,443	\$ 5,235,652

COST OF MANAGEMENT

As part of its compensation testing, Concentra tracks the relationship between net income and executive compensation.

In 2018, Concentra embarked on a bold new strategy with a focus on digital transformation and core competencies of specialization, partnering and innovation. To support this shift in strategy and culture, significant investments were required in technology and human capital to ensure the necessary talent, skills, capabilities and resources of the organization were available to build new lines of business, execute on strategic priorities, and meet increased regulatory requirements. This shift required both a larger leadership team, as well as the attraction of talent who had deep expertise with other financial institutions and had previously been involved in transformative strategies and cultures. The result was an increase in costs in order to expand the team and attract these resources. It is expected that the positive increases in revenue in coming years will result in net income surpassing this initial growth in executive compensation expense.

EMPLOYMENT CONTRACTS, TERMINATION AND CHANGE OF CONTROL

Concentra has employment contracts in place with each member of the ELT. These contracts govern the terms of employment for each executive, including duties of the position, compensation, benefits, termination and other obligations of the employee.

The termination provisions included in executive contracts are designed to reflect current market practices while complying with all relevant legal requirements. The total amount and obligation to pay severance will vary depending on the reason for termination, the position, and length of service. The relevant severance provision is defined in the employment contract or change in control agreement, and ranges between one to two years.

In general, each executive would be contractually entitled to severance in the event of a termination without cause or resignation for good reason equal to one to two times (1 to 2 x) the following:

1. Current base salary
2. The greater of: most recent STI payment, or average STI payment over the last 3 years
3. Annual perquisite amount

Change in control agreements are also in place to recognize the importance of stabilizing key management roles in connection with potential or actual change in control activities. The underlying premise is that no additional benefits are provided to executives; however, vesting provisions may differ to address these unique circumstances. The change in control agreements include a double trigger where a severance payment occurs only if both: 1) a change in control occurs; and 2) the executive's employment is terminated.

TALENT MANAGEMENT AND SUCCESSION PLANNING

Concentra recognizes the importance of succession planning in ensuring business continuity and minimizing people risk. Concentra has developed a succession plan that covers all executives while also addressing business continuity needs. The HRCC and Board have oversight over these plans.

Concentra's purpose is "Creating the future of banking to enable your success". With this purpose in mind, six Leadership Principles guide employee behaviour at Concentra: Accountability, Bold, Customer Obsessed, Agile, Inspiring, and One Team. Driven by the strategy, these six leadership principles guide employee conduct, are embedded into the culture, and are the forefront of all Talent programs.

Talent Management

The key to Concentra's success is its people. The people strategy is aligned with to the corporate strategy to ensure employees are engaged and empowered to execute on their objectives.

Individual development is a key component of Concentra's people strategy. In collaboration with the Board, the CEO has an annual performance management program including a development plan to ensure ongoing individual development throughout the year. The CEO and executives participate in a 360° Feedback process to not only support their individual development, but also gain insight into opportunities to enhance their performance as a team.

Concentra aspires to be an employer of choice, attracting and retaining the best employees, providing solid learning and development opportunities for every employee, and encouraging life-long learners. The leadership pipeline is balanced between the development of talent from within

and the attraction of new talent, skills and capabilities. Employee training includes individual and targeted group training to enhance employee satisfaction and productivity, build confidence and consistency, and support ongoing learning and development. Concentra focused on driving an agile culture in 2020 with training and new ways of working to support a more nimble culture and drive collaboration and speed in achieving our goals. Concentra continues to focus on innovation as a core competency and encourages employees through annual Hackathons and continuous improvement.

Succession Planning

Concentra approaches CEO Succession Planning as an ongoing process that allows the Board to think critically about the CEO skillset required for success in the future; to identify, develop, and get to know the top internal candidates, while providing opportunities for senior executive development.

CEO Succession Planning is an annual process that includes a review and update of the CEO role profile. This profile is used to benchmark internal successors and identify any gaps in qualifications, experiences, skillsets, and behavioural competencies, which can then be used to form part of the ongoing Individual Development Plan (IDP). Feedback from external assessment tools, 360° feedback and CEO performance assessments are all used to support the development of the IDP. With the support of the CEO, successor candidates are accountable for the development, monitoring, and progress of their IDP.

At least once a year, the HRCC and Board review succession plans for the CEO, executives, and key oversight roles to monitor the risk and ensure a robust talent pipeline exists for all critical leadership positions within Concentra.

Schedule A

SPECIAL RESOLUTION – BY-LAW NO. 2 AMENDMENTS

BE IT RESOLVED BY SPECIAL RESOLUTION:

1. **THAT** the Common Shareholders of Concentra Bank hereby confirm the amendments to By-Law No. 2 of Concentra Bank made by resolution of the Concentra Bank Board of Directors on March 3, 2021, which amendments are highlighted in bold attached hereto as Appendix 1 and set out as follows:

- a) delete the definition of “Cooperative Corporation” in Section 1;
- b) delete the definition of “Permitted Cooperative Shareholder” in Section 1;
- c) delete section 3 in its entirety and replace it with the following:

“3. Common Share Attributes

The Common Shares of the Bank shall be non-redeemable and the rights of the holders there of shall be equal in all respects and shall be as follows:

- a) the right to vote at all meetings of shareholders except where only holders of a specified class of shares are entitled to vote;
- b) the right to receive dividends by the Board on those shares; and
- c) the right to receive the remaining property of the Bank on dissolution.

The transfer of Common Shares of the Bank shall be restricted in that no Shareholder shall be entitled to transfer any Common Share to an entity without the prior approval of the Board.”

2. **AND THAT** any officer or director of the Bank be authorized and directed for and on behalf of the Bank to execute or cause to be executed all such documents and to perform or cause to be performed all such acts as may be necessary or desirable to give effect to the foregoing resolutions.

Schedule B

