

Concentra[®]

Notice of Meeting and Management Proxy Circular

2020

IMPORTANT NOTICE ABOUT CONCENTRA'S ANNUAL GENERAL MEETING

In light of the COVID-19 virus, which has been declared a Pandemic by the World Health Organization, Concentra Bank is taking special precautions with respect to its upcoming Annual General Meeting scheduled for April 7, 2020.

The Annual General Meeting will proceed by a teleconference⁽¹⁾. Due to travel restrictions and protocol with Concentra's Pandemic Plan, no individuals will be attending in person. 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 Concentra Bank on the date of the Meeting to participate via teleconference from that location, you may do so.

March 17, 2020

Dear Shareholder,

The Concentra Bank Annual Meeting of Shareholders will take place at 11:00 a.m. (Central Standard Time in Saskatchewan) and 1:00 pm (Eastern Time in Ontario) on April 7, 2020, to be held at 333 3rd Ave N. in Saskatoon, Saskatchewan, although we recommend all individuals attend by **teleconference**.

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.

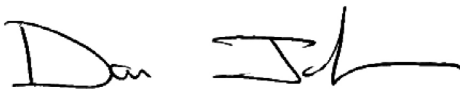
The meeting is an opportunity to hear from Concentra's executives about our 2019 performance and our plans for the future, and to ask any questions you may have.

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

Your participation is important to us. If you are unable to attend by teleconference or in person, and given the current environment **we encourage you to vote by proxy so your views can be represented**.

Thank you for your continued interest and support of Concentra.

Sincerely,



DAN JOHNSON

CHAIRMAN OF THE BOARD

P: 306-741-0708

E: daniel.johnson@innovationcu.ca



DON COULTER

PRESIDENT AND CHIEF EXECUTIVE OFFICER

P: 306-956-1831

E: don.coulter@concentra.ca

⁽¹⁾ Teleconference to take place in Canada.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

You are invited to the **2020 Annual Meeting of Shareholders of Concentra Bank** ("Concentra").

In consideration of the COVID-19 virus 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 Meeting be via teleconference. Concentra's CEO, Board Chair, External Auditors and others will participate by teleconference only.

Date: Tuesday, April 7, 2020

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

**Place: 333 3rd Ave N
Saskatoon, Saskatchewan**

**Teleconference: 1-647-556-5305
Conference ID: 10683459#**

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, 2019, 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; and
4. 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.

Any questions in relation to this Notice and these materials should be addressed 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 on the Concentra website at concentra.ca

By order of the Board of Directors,

TANYA POSTLEWAITE
VICE-PRESIDENT, COMPLIANCE AND GOVERNANCE
CORPORATE SECRETARY

Saskatoon, Saskatchewan
March 17, 2020

Table of Contents

4	PART 1	VOTING AND PROXY INFORMATION
7	PART 2	BUSINESS OF THE MEETING
		a) Consolidated Financial Statements, MD&A and Auditor's Report
		b) Appointment of Auditors
		c) Election of Directors
17	PART 3	STATEMENT OF CORPORATE GOVERNANCE PRACTICES
26	PART 4	EXECUTIVE COMPENSATION
34	APPENDIX A	Consolidated Financial Statements and MD&A, with Auditors' Report

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 Meeting of the Shareholders (the “Meeting”) to be held on April 7, 2020 at 11:00 a.m. 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 14, 2020 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.

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 or represented by proxy.

WHO CAN VOTE?

The Directors have fixed March 14, 2020 as the record date for determining Shareholders entitled to receive notice of the Meeting. A person shown as a Shareholder of record on March 14, 2020 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 14, 2020.

As of March 14, 2020, there were 9,621,113.62 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 indirectly owns greater than 10% by virtue of its ownership (22.71%) in SaskCentral.	
Affinity Credit Union	This entity indirectly owns greater than 10% by virtue of its ownership (21.01%) in SaskCentral.	

WHAT AM I VOTING ON?

Resolution	Who Votes	You Can Vote	Board Recommendation
Appointment of the External Auditor	Common Shareholders	FOR or WITHOLD	FOR the resolution
Election of the Directors	Common Shareholders	FOR or WITHOLD	FOR the resolution

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

HOW DO I VOTE?

A Shareholder may:

- vote in person at 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 in person – If you will attend the meeting and vote in person, 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 at the meeting. When you arrive at the meeting, please check in at the registration table located outside the meeting room to pick up your Voting Card, which is required for you to vote. The registration table will be open one hour prior to the commencement of the Annual Meeting.

Voting by proxy – If you prefer to vote by proxy, you may vote by completing the proxy form. You can either mark your voting instructions on the proxy form or you can 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 3, 2020, 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 at the registration table 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, Daniel Johnson (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 any time before 4:30 p.m. (Central Standard Time) on Monday, April 6, 2020, or by delivering it to the registration table before the start of our meeting on April 7, 2020.

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, 2019, 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 Appendix A, and are also available at concentra.ca

B) APPOINTMENT OF AUDITORS

As part of Concentra's corporate governance structure, the Audit and Conduct Review Committee conducts a comprehensive review of the external audit services, normally every five years, which may include a full "request for proposals" to support the evaluation. In addition, the Audit and Conduct Review Committee's oversight responsibilities with respect to our external auditors include conducting an annual assessment of the auditor's performance and service quality.

The Audit and Conduct Review Committee has completed an annual assessment of performance and service quality provided by KPMG since their appointment as external auditor following their proposal for services in 2013. Based on the Committee's satisfactory assessment of KPMG's performance, as well as other factors, the Board determined that a full request for proposal for external auditor services is not necessary at this time.

Accordingly, the Board recommends KPMG be reappointed as 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 2020 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 2020 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.

Consistent with the previous year, there were no non-audit services provided by KPMG for fiscal year 2019.

The table below presents the fees paid or payable to KPMG for fiscal years 2017, 2018 and 2019.

Fees Paid to External Auditors			
For the Year Ended December 31 (Canadian Dollars)	2019	2018	2017
Concentra Bank			
Audit	\$ 231,750	\$ 225,000	\$ 205,000
Audit-Related Fees ¹	72,000	200,896	4,500
Other Fees	-	-	6,500
	303,750	425,896	216,000
Concentra Trust			
Audit	35,000	34,000	33,000
Audit-Related Fees	-	-	-
Other Fees	-	-	-
	35,000	34,000	33,000
Total	\$ 338,750	\$ 459,896	\$ 249,000

⁽¹⁾ 2018 audit-related fees include \$106,871 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 10 to 16 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.

All of the Director nominees are currently Directors of Concentra and are therefore standing for re-election. The Shareholders of Concentra Bank elected these 12 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 12 directors standing for re-election. All nominees for election are recommended by Concentra's Nominating Committee, based on the robust nominations process that took place in 2019, 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 2019 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. 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 25 of this Circular.

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

Concentra's President and Chief Executive Officer, Don Coulter, has held senior executive roles and board of director roles both 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 track 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
- **Kwantlen Polytechnic University (past)** | Vice-Chair of the Board
- **National Commercial Bank of Anguilla** | Vice-Chair of the Board | Chair of HRCC | Chair of Governance
- **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 Risk Oversight Expertise
- Direct-to-Consumer Retailing
- Business and Commerce
- Financial Literacy
- Governance and Boards
- Stakeholder Engagement & Communication
- Mergers & Acquisitions
- Regulatory Environment



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

SASKATOON, SK, CANADA | NON-INDEPENDENT | MAJORITY SHAREHOLDER NOMINEE

Lise is Executive Vice President and Chief Financial Officer at Affinity Credit Union and is currently 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 currently sits as the Vice Chair of Concentra Bank (and is a member of the Governance and Risk Committees), 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)** | Vice-Chair (current) | Risk Committee (current) | Governance Committee (current) | Audit and Conduct Review Committee (past)
- **Concentra Trust (past)** | Director
- **Saskatchewan Blue Cross (present)** | Investment Committee | CSR 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 Risk Oversight Expertise
- Financial Literacy
- Governance and Boards
- Mergers & Acquisitions
- Regulatory Environment



Eric Dillon, MBA, ICD.D

SASKATOON, SK, CANADA | NON-INDEPENDENT | MAJORITY SHAREHOLDER NOMINEE

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 currently 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)** | Audit and Conduct Review Committee (current) | Chair, Governance Committee (current)
- **Concentra Trust (2018 – present)** | Director
- **Economic Development Regina (present)** | Director, Governance & HR Committee
- **Saskatchewan Roughriders Football Club (present)** | Director
- **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 Risk Oversight Expertise
- Direct-to-Consumer Retailing
- Business and Commerce
- Financial Literacy
- Governance and Boards
- Regulatory Environment



Glen Dyrda, FCPA, FCA, ICD.D

KITCHENER, ON, CANADA | INDEPENDENT

Glen is a Chartered Professional Accountant and retired senior Audit Partner with PricewaterhouseCoopers (PwC) with 37 years of 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)
- **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

NEW GLASGOW, NS, CANADA | INDEPENDENT

Cheryl Fraser is Chief Talent Officer and Vice President Communications for Crombie REIT. She is also a Director on the Board of Mental Health Commissions Canada, the Board of the Atlantic Provinces Economic Council and the Board of the Aberdeen Hospital Foundation where she chairs the Governance & Nominating Committee. She is past Chair of the Board of the Pictou County YMCA. Prior to joining Crombie REIT, Cheryl held Assistant Deputy Minister positions in the federal public service including the Canada Revenue Agency, Correctional Service of Canada, Treasury Board of Canada Secretariat and the department of Fisheries and Oceans. Cheryl is a graduate of ICD-Rotman Directors Education Program and holds a Masters of Environmental Studies and a Bachelor of Science (Mathematics) from Dalhousie University. To celebrate her career accomplishments, Cheryl received the Queen's Diamond Jubilee Medal in 2012.

BOARD DIRECTORSHIPS & POSITIONS HELD DURING TENURE

- **Concentra Bank (present)** | Director
- **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 & Executive Compensation
- Business and Commerce
- Financial Literacy
- Governance and Boards
- Stakeholder Engagement & Communication



Anne Gillespie, CPA, CA, ICD.D

CALGARY, AB, CANADA | INDEPENDENT

Anne has over 15 years of experience in the credit union system and is currently 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 CUPS joint venture. Anne currently 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 Sub-Committee. 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 (current) | 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
- Risk Oversight Literacy
- Financial Literacy
- Governance and Boards
- Regulatory Environment



Daniel Johnson, C. Dir., B.Comm., FCUIC

SWIFT CURRENT, SK, CANADA | NON-INDEPENDENT | MAJORITY SHAREHOLDER NOMINEE

Daniel Johnson is the Chief Executive Officer of Innovation Credit Union and has over 25 years of experience in the credit union system. His prior positions include Chief Executive and Senior Executive position in the Alberta credit union system; senior leadership position in the Corporate Banking Division of Concentra Financial; and various managerial positions at SaskCentral and in the Saskatchewan credit union system. Daniel's professional development includes Bachelor of Commerce, Chartered Director, and Negotiations (Ivey). Daniel believes in community volunteerism, which is a reflection of his personal values and priorities. Daniel's dedication to community is evident by his involvement in CurePSP, coaching youth sports.

BOARD DIRECTORSHIPS & POSITIONS HELD DURING TENURE

- **Concentra Bank (Financial) (2015 – present)** | Board Chair (current) | Chair, Ad Hoc Consolidation Committee (past) | Risk Committee (past) | Stakeholder Relations Committee (past)
- **Concentra Trust (2015 – present)** | Board Chair (current)
- **Westcap MBO - Investment Committee (current)** | Member
- **Credit Union Executive Society (CUES) – Canada Council (past)** | Director
- **Cure PSP – Foundation for PSP/CBD and Related Diseases (past)** | Vice-Chair
- **Celero Solutions (past)** | Governance Committee
- **Apex Investment Fund (past)** | Director
- **Credit Union Electronic Account Management Services (CEAMS) (past)** | Director
- **Rotary Club of Rocky Mountain House/Babybiz (past)** | President
- **Ace Credit Union Limited (past)** | Vice-President
- **Treasury Management Association of Canada (TMAC) – Regina (past)** | President
- **Saskatchewan Science Centre (past)** | Board Member

SKILLS AND EXPERIENCE:

- Strategic Planning
- Financial Industry
- Financial/Accounting Expertise
- Direct-to-Consumer Retailing
- Financial Literacy
- Governance and Boards
- Regulatory Environment



Michael Leonard, ICD.D

DARTMOUTH, NS, CANADA | INDEPENDENT

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. 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, and is a director with the Canadian Credit Union Association, the credit union systems' trade association.

BOARD DIRECTORSHIPS & POSITIONS HELD DURING TENURE

- **Concentra Bank (2017 – present)** | [Human Resources & Compensation Committee \(current\)](#) | [Risk Committee \(current\)](#)
- **CUCC (2013 – present)** | [Chair of the Board](#)
- **Canadian Credit Union Association (2015 - present)** | [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
- Regulatory Environment



David Losier, CPA, CGA, ICD.D

CARAQUET, NB, CANADA | INDEPENDENT

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 other than Concentra, he is currently 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)** | [Risk Committee \(current\)](#) | [Human Resources & Compensation Committee \(current\)](#) | [Audit & Conduct Review Committee \(past\)](#)
- **Vestcor Inc. (present)** | [Vice-Chair](#) | [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
- Risk Oversight Literacy
- Financial Risk Oversight Expertise
- Financial Literacy
- Governance and Boards
- Regulatory Environment



Carol Poulsen, ICD.D

BURLINGTON, ON, CANADA | INDEPENDENT

Carol has over 25 years of experience in the information technology industry, and is currently 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 currently serves on the Board of Addenda Capital, and holds several roles on the Cancer Care Ontario non-profit Board. In 2018, Carol was awarded the Gartner/Evanta Global CIO Top 5 Breakaway Leaders Award. Carol 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 (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
- Risk Oversight Literacy
- Direct-to-Consumer Retailing
- Information Technology
- Financial Literacy
- Governance and Boards
- Mergers & Acquisitions
- Regulatory Environment



Tim Smart, CPA, CA, MBA

PICKERING, ON, CANADA | INDEPENDENT

Tim brings more than 25 years of cross-industry experience to the Concentra Board. He holds an MBA from McMaster University and is currently 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 (Financial) (2016 – present)** | Chair, Risk Committee (current) | Audit and Conduct Review 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 Risk Oversight Expertise
- Direct to Consumer Retailing
- Business and Commerce
- Financial Literacy
- Governance and Boards
- Mergers & Acquisitions
- Regulatory Environment



Shelley Williams, CPA, CA, ICD.D

LANGLEY, BC, CANADA | INDEPENDENT

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 currently 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)** | 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 & Executive Compensation
- Risk Oversight Literacy
- Business and Commerce
- Financial Literacy
- Governance and Boards
- Mergers & Acquisitions
- Regulatory Environment

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.

Concentra's Board continues to be firmly committed to fulfilling its role and responsibilities to Concentra's Shareholders and stakeholders 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 provides oversight to ensure Concentra's resources and capacities are deployed in a manner consistent with advancing and protecting the interests of those on whose behalf it holds a fiduciary responsibility.

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. Our Board upholds the values of integrity and ethical behaviour, expecting the highest level of personal and professional conduct from its CEO and the leadership team.

Concentra operates under the *Bank Act* with a 12-person Board, elected in accordance with its legislative, regulatory and by-law 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, 2019.

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, as well as incorporates provisions in relation to affiliated directors, as required by the *Bank Act*. A copy of Concentra's Independence Standard is available on at concentra.ca. In 2019, Concentra's Board of Directors comprised a majority of independent directors. Currently under the By-Laws, a majority of shareholders who own up to 50% or more of the Common Shares of

the Bank shall be entitled to nominate up to four Directors for appointment to the 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 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 Board Committee level, as delegated through Board and Committee mandates.

BOARD SUCCESSION PLANNING

Board succession and renewal is an important mandate of the Board of Directors. During 2019, the Board continued to refine its director recruitment processes to confirm the skills and experience prioritized at the Board are aligned to 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 annually assess 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 it in assessing the expertise and skills of the current directors, identifying any gaps in Board skills that may exist, identifying desirable skill sets to look for in new 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 that it can carry out its responsibilities effectively.

Once it is determined that adding a director to the Board is desirable, the Governance Committee then seeks out suitable candidates and assesses each potential 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, gender, and geographic background.

Recommendation for 2020 Board Composition

In Q4 2019, 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.

As such, the Board of Directors approved the Governance's Committee's recommendation to maintain consistent Board composition from last year. No new director candidates were sought leading up to this Annual Meeting.

	Coulter	de Moissac	Dillon	Dyrda	Fraser	Gillespie	Johnson	Leonard	Loiser	Poulsen	Smart	Williams
Strategic Planning	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Financial Industry	✓	✓	✓			✓	✓	✓	✓	✓	✓	
Financial /Accounting	✓	✓	✓	✓		✓	✓		✓		✓	✓
Talent Management & Executive Compensation					✓							✓
Risk Oversight Literacy	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓
Financial Risk Oversight	✓	✓	✓						✓		✓	
Information Technology										✓		
Direct to Consumer Retailing	✓		✓				✓			✓	✓	
Trust¹												
Business & Commerce	✓		✓	✓	✓			✓			✓	✓
Financial Literacy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Governance & Boards	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Stakeholder Engagement & Communication	✓				✓							
Mergers & Acquisitions	✓	✓								✓	✓	✓
Regulatory Environment	✓	✓	✓				✓	✓	✓	✓	✓	✓

¹ This expertise is required for the wholly owned subsidiary, and is achieved through the specific appointment of a director with trust expertise to the subsidiary Board.

BOARD GENDER DIVERSITY

As part of its Board Succession Planning commitment, Concentra's Board is committed to achieving a diversity of perspective and demographics at a full Board composite level, and specifically, the Board is committed to achieving a full Board composition in which both genders comprise at least one-third of the Directors. The Board has undertaken to report to its stakeholders on results against this objective, as part of the annual reporting process.

Specifically with reference to gender diversification, the candidates recommended reflect a better than one-third representation of female candidates, exceeding the commitment to gender diversity made by the Board.

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 legislative and operating environment.

Through 2019, Concentra's Board of Directors received full Board education on topics such as Executive Compensation, Strategy Oversight, Cybersecurity, and the Agile Methodology. Further, individual Directors participated in educational opportunities that covered topics such as Audit Committee Effectiveness and Human Resources & Compensation Committee Effectiveness.

BOARD OF DIRECTORS: KEY INITIATIVES IN 2019

To fulfil its mandate and enhance the Board's ability to ensure effective governance at Concentra, the Board spent 2019 focusing on the following initiatives:

a) Strategy

Every year, Concentra undertakes a robust strategic planning session, bringing the senior management team and the Board together for several days to shape the

direction of the company. In June 2019, Concentra's leaders attended in Vancouver to define the bold three-year and five-year vision for Concentra.

b) Compensation Oversight

Under the leadership of the Human Resources and Compensation Committee, the Board spent considerable time in 2019 reviewing its compensation framework and enhancing its human resources and compensation oversight processes. In July 2019, a new Chief People Officer was hired. In addition, the Human Resources and Compensation Committee worked with an external consultant to review and benchmark the Bank's executive compensation programs.

c) Risk Oversight

The Board approved Concentra's Risk Appetite Framework, and an enhanced Internal Capital Adequacy Assessment Process. The Board also approved Concentra's Risk Governance Framework, Corporate Policy Framework and Regulatory Compliance Management Framework.

d) Digital Transformation

As Concentra develops its direct-to-customer strategy, the Board spent considerable time in 2019 overseeing Concentra's digital transformation project and monitoring Concentra's progress with its cybersecurity initiatives.

STANDING COMMITTEES

In fulfilling its roles and responsibilities, the Board delegates certain responsibilities to its Standing Committees.

Risk Committee

The role of the Risk Committee is to assist the Board in fulfilling its oversight responsibilities for risk management. This role encompasses oversight to the establishment of risk management frameworks, including but not limited to the Risk Governance Framework, Risk Appetite Framework, Corporate Policy Framework and Regulatory Compliance Management Framework. The Committee reviews and monitors Concentra's risk profile, including compliance with risk appetite, policy, and legal and regulatory requirements; and oversight of the identification and management of significant and emerging risks.

The Committee oversees compliance with legal and regulatory requirements, including ensuring compliance in relation to Anti-Money Laundering/Anti-Terrorist Financing. The Committee receives reports and updates on the *Foreign Account Tax Compliance Act*, Canada's Anti-Spam Legislation, and any other law or regulation applicable to Concentra's operations falling within the jurisdiction of the Committee's stated mandate.

The Committee meets regularly with and without members of management present, and has the opportunity to meet separately with the Chief Risk Officer.

Risk Committee Oversight Activities in 2019

In addition to carrying out its general responsibilities, above, the committee particularly focused on the following initiatives:

- Recommending Risk Committee Terms of Reference to the Board
- Overseeing and recommending risk frameworks, policies and the annual ICAAP report to the Board
- Reviewing risk dashboard reports, regulatory communications, significant initiatives/acquisitions, outsourcing programs and business continuity plans

- Reviewing and approving the mandate and resourcing of the Chief Risk Officer and Risk Management Group Function
- Completing performance assessments of the Chief Risk Officer and Chief Compliance Officer

The Committee is satisfied it has fulfilled its responsibilities and, as at the date of this Circular, the following individuals served as members of the Risk Committee:

Tim Smart (Committee Chair)	Mike Leonard
Lise de Moissac	David Losier
Teresa Lee (Concentra Trust)	Carol Poulsen

For further details regarding Concentra's approach to risk management, please refer to the 2019 Management's Discussion and Analysis.

Audit and Conduct Review Committee

The Audit and Conduct Review Committee oversees the quality and integrity of Concentra's financial reporting, including overseeing the integrity of Concentra's financial controls, and effectiveness of the internal and external audit functions.

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 also oversees Concentra's Code of Conduct and related-party transactions.

The Committee meets regularly with and without members of management present, and has the opportunity to meet separately with the internal and external auditors.

Audit and Conduct Review Committee Oversight Activities in 2019

In addition to carrying out its general responsibilities, above, the committee focused on the following initiatives:

- Reviewing and recommending for Board approval the 2020 Capital Plan

- Recommending Audit and Conduct Committee Terms of Reference to the Board
- Reviewing and approving the mandates and resourcing of key oversight functions within its purview, specifically that of the Chief Financial Officer and the Chief Internal Auditor
- Completing performance assessments of the Chief Financial Officer and the Chief Internal Auditor
- Reviewing reports from Management on Concentra's quarterly and year-end financial performance

The Committee is satisfied it has fulfilled its responsibilities and, as at the date of this Circular, the following individuals served as members of the Audit and Conduct Review Committee:

Glen Dyrda (Committee Chair)	Anne Gillespie
Eric Dillon	Carol Poulsen
	Tim Smart

Governance Committee

The Governance Committee is responsible for developing Concentra's corporate governance principles, as well as ensuring the appropriate structure and composition of the Board and its Committees. The Committee is responsible for the orientation of new directors and oversees the continuing education of directors through individual development activities and in-house education.

The Committee is responsible for the Board's policy and process for regular assessment and evaluation of its own performance, and oversees shareholder communications.

In 2019, the Committee continued to fulfill its mandate in developing and recommending to the Board Concentra's approach to governance issues, corporate governance principles and policies with respect to Board membership, operations and processes.

Governance Committee Oversight Activities in 2019

In addition to carrying out its general responsibilities, above, the committee focused on the following initiatives:

- Overseeing the nominations and elections process, and the orientation of two new directors
- Completing the Board performance evaluation process, focusing on full Board performance, Board Chair performance, committee performance, and Committee Chair performance
- Reviewing a gap assessment report completed by a third-party demonstrating Concentra's alignment with OSFI's Corporate Governance Guideline
- Developing a Governance Road Map to articulate and map out the ideal state of governance at Concentra
- Reviewing and recommending to the Board revisions to key governance documents such as the Board Mandate, Director Position Description and the Standing Committee Terms of Reference

The Committee is satisfied it has fulfilled its responsibilities and, as at the date of this Circular, the following individuals served as members of the Governance Committee:

Eric Dillon (Committee Chair)	Glen Dyrda
Lise de Moissac	Cheryl Fraser
	Shelley Williams

Human Resources and Compensation Committee

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.

Human Resources and Compensation Committee Oversight Activities in 2019

In addition to carrying out its general responsibilities, the Committee focused on the following initiatives in 2019:

2019 Highlights	
Compensation Oversight	<ul style="list-style-type: none"> Reviewed the Bank's approach to compensation to ensure alignment with Concentra's new vision and strategy Reviewed and enhanced compensation governance practices, including development of a compensation risk management framework Reviewed and approved the design of all major compensation programs, including a new compensation plan for sales-focused employees Reviewed management's implementation of a new non-executive performance-based compensation structure
Executive Compensation	<ul style="list-style-type: none"> Worked with an independent compensation consultant to review the executive compensation program and comparator group, and benchmark total compensation
Talent Management, Succession Planning	<ul style="list-style-type: none"> Approved the appointment of a new Chief People Officer and reviewed other senior leadership changes Reviewed a comprehensive work plan to develop a talent management and resourcing strategy in support of the Bank's strategic objectives

The Committee consists of independent members who have an understanding of issues related to human resources, compensation, leadership, and related human resource risk management experience. The Committee held 11 meetings in 2019 and is satisfied it has fulfilled its responsibilities. The following individuals served as members of the Human Resources and Compensation Committee:

Shelley Williams (Committee Chair)

Cheryl Fraser

Anne Gillespie

Mike Leonard

David Losier

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 be aligned 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 determine 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	
Basic Director Retainers	
Bank Director Retainer (includes membership on one (1) 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 (1) 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>	

Description	Per Diem Amount
Per Diems	
Full Day (over four hours)	\$1,000
Half Day (up to four hours)	\$500
Travel Per Diem	\$500
Conference Calls	
Less than one hour	N/A
More than one hour	\$300

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

The table on the following page summarizes compensation and attendance for each Director in 2019, including attendance at meetings of the Concentra Trust Board.

Directors Meeting Attendance and Remuneration

For the Year Ended December 31, 2019

Director	Board Meetings	Committee Meetings	Per Diems	Retainers	Total
de Moissac, Lise	8/8	12/13	\$ 20,200	\$ 36,250	\$ 56,450
Dillon, Eric	7/8	17/19	22,900	33,750	56,650
Dyrda, Glen	7/8	17/19	26,300	38,750	65,050
Fraser, Cheryl ²	6/6	11/12	24,000	20,250	44,250
Gillespie, Anne ³	7/8	16/16	27,100	27,000	54,100
Hague, Bob ¹	2/4	4/5	5,600	7,750	13,350
Johnson, Dan ³	8/8	n/a	20,500	60,000	80,500
Leonard, Mike	7/8	11/12	24,000	27,000	51,000
Losier, David	8/8	12/12	29,400	28,750	58,150
Poulsen, Carol ²	4/6	5/7	12,300	20,250	32,550
Siemens, Russ ¹	4/4	4/4	6,000	7,750	13,750
Smart, Tim	8/8	17/17	25,400	38,750	64,150
Williams, Shelley	8/8	22/22	30,600	32,500	62,600
Total			\$ 287,300	\$ 393,250	\$ 680,550

¹ Director Retired February 2019

² Director Elected April 2019

³ \$1,000 paid from 2018

* Retainers are based off of Director terms (April - April), not fiscal year end. These totals do not include WCB or CPP.

Part 4: Executive Compensation

THE CONCENTRA APPROACH TO EXECUTIVE COMPENSATION

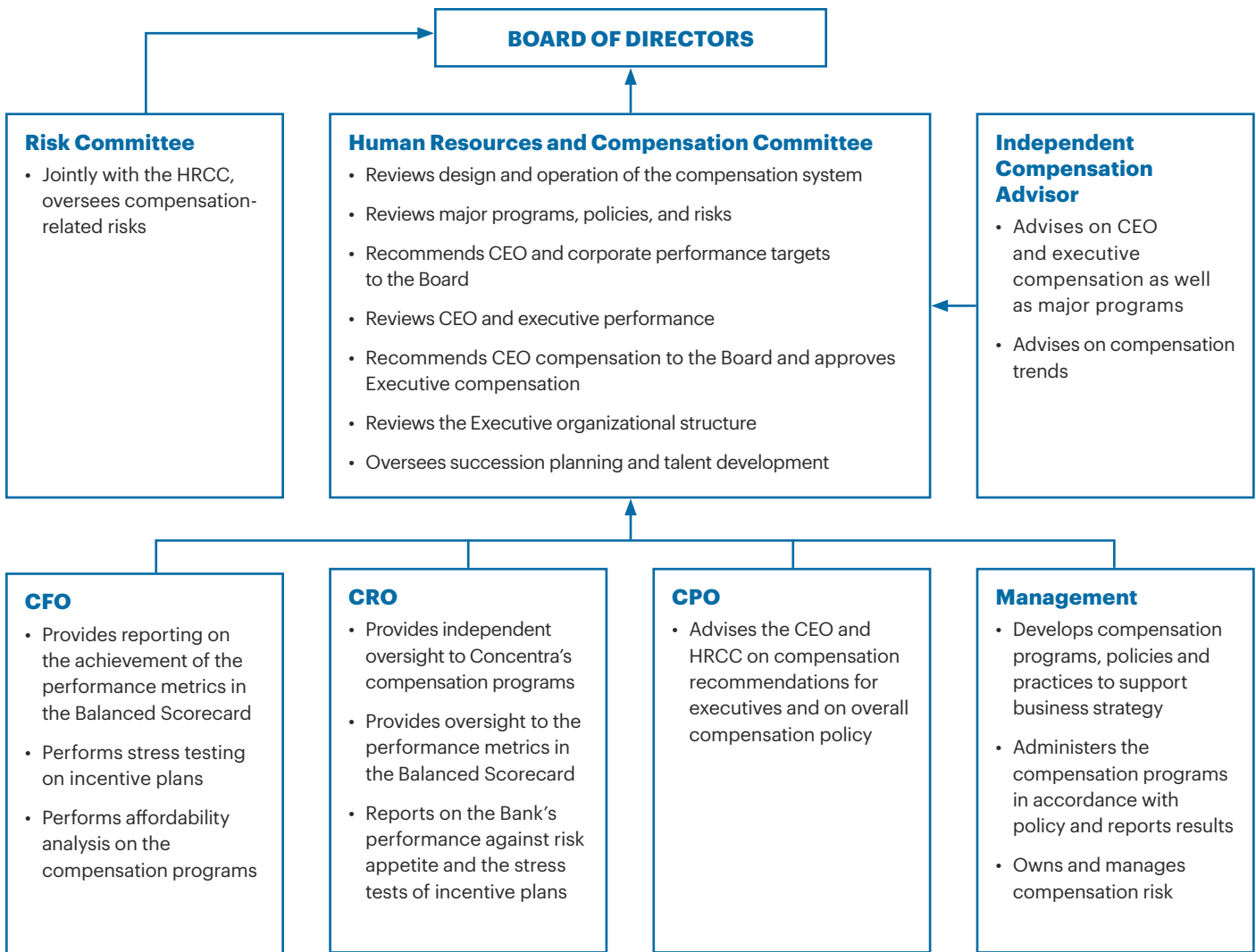
Concentra's executive compensation is designed to attract, retain and reward experienced executive leaders who develop and execute on Concentra's business strategy and deliver positive results for our shareholders, customers and employees.

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)

COMPENSATION GOVERNANCE

The Board of Directors (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:



COMPENSATION PRINCIPLES

Attracting and retaining strong and experienced leadership and talent is critical to Concentra's success. Our programs, policies and practices are based on a "pay for performance" culture wherein we believe pay and rewards should be 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	Systemically 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 DESIGN

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 large credit unions and small to mid-sized financial institutions within the broader financial services sector. 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. In terms of size Concentra ranks near the median (based on assets and revenue) and slightly below median (based on 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.

In 2019, the HRCC engaged Mercer to conduct a comprehensive review of executive compensation, including the comparator group, pay mix, and components of total compensation. The review concluded that Concentra's executive compensation program was generally well aligned with its peers and market practice, as well as with regulatory expectations. A few changes were made to plan design and individual compensation, based on Mercer's recommendations.

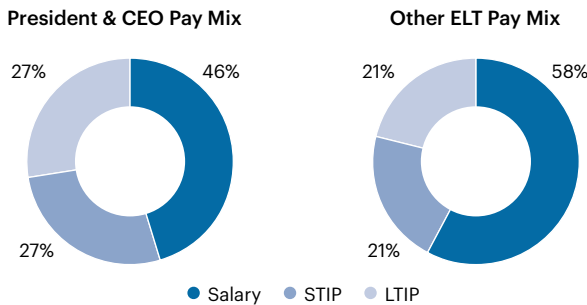
Competitive Positioning

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:



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

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.

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 all 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	<ul style="list-style-type: none"> • CEO • Executives 	<ul style="list-style-type: none"> • 60% of Base Salary • 35-40% of Base Salary
Performance Components	75% Corporate Results 25% Individual Goals	100% Corporate Results

Short-Term Incentive Plan (STIP)

The STIP consists of an annual bonus, paid in cash. It is designed to motivate employees to achieve individual and corporate performance objectives aligned with the annual business plan. Corporate objectives are set out in a balanced scorecard that is reviewed by the HRCC and approved by the Board at the beginning of every year. Individual objectives are also established for the CEO that are tied to strategic initiatives and leadership goals. 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 following table summarizes the corporate performance measures for the STIP. In 2019, the corporate performance resulted in a payout factor of 82.1%. For 2020, several changes have been made to the performance measures to strengthen alignment with Concentra's strategic objectives.

STIP	2019	2020
Funding Hurdles	Minimum CET1/ROE	Minimum CET1/ROE
Corporate Performance Measures	50% Financial <ul style="list-style-type: none"> • ROE, Efficiency Ratio 20% Customer/Stakeholder <ul style="list-style-type: none"> • Net Promoter Score • Direct-to-Customer Initiatives 10% Employee <ul style="list-style-type: none"> • Engagement Scores ⁽¹⁾ • Leadership Index⁽¹⁾ 20% Foundational/Execution <ul style="list-style-type: none"> • Revenue Diversification • Non-Performing Loans 	45% Financial <ul style="list-style-type: none"> • ROE, Efficiency Ratio 20% Customer/Stakeholder <ul style="list-style-type: none"> • Customer Advocacy Index • Direct-to-Customer Initiatives 15% Employee <ul style="list-style-type: none"> • Agile Culture Transformation • Leadership Index⁽¹⁾ 20% Foundational/Execution <ul style="list-style-type: none"> • Digital Transformation • Non-Performing Loans
Payout Range	50% to 130% of Target	50% to 130% of Target
Achievement Factor	82.1% of Target ⁽²⁾	

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

⁽²⁾ Non-executive achievement factor was 82.1% due to the exclusion of certain measures

Long-Term Incentive Plan (LTIP)

The LTIP is a cash-based plan that rewards corporate performance achieved over a three-year period. It is designed to motivate Concentra's most senior leaders to focus on strategic goals that create long-term shareholder value. The LTIP also encourages executive retention, which is key to achievement of the long-term business strategy.

LTIP performance measures are established at the beginning of the performance period and approved by the Board. At the end of the period, HRCC evaluates the performance against the established targets and recommends incentive payments for Board approval.

Concentra's LTIP was introduced in 2016. The performance measures for the first two performance periods were established prior to the development of Concentra's new transformative business strategy. This includes performance measures for the most recently completed period (2017-2019). Significant changes have been made to the LTIP for subsequent performance periods commencing in 2018 or later. The changes reflect a greater focus on business diversification as well as a shift toward a Direct-to-Customer strategy.

The table below highlights the performance metrics associated with the LTIP before and after the development of the new corporate strategy.

LTIP	2017-2019	2018-2020	2019-2021 & 2020-2022
Funding Hurdles	Minimum CET1 Risk Culture Objectives	Minimum CET1	Minimum CET1
Corporate Performance Measures	100% Cumulative Book Value Growth	50% ROE 25% Revenue Diversification 25% Funding Diversification	50% ROE 25% Growth in Direct-to-Customer Loans 25% Growth in Direct-to-Customer Funding
Payout Range	50% to 150% of Target	80% to 125% of Target	50% to 150% of Target
Achievement Factor	67.1% of Target		

Benefits

Concentra offers a comprehensive benefits package for all permanent employees, including executives, who also receive an allowance for perquisites.

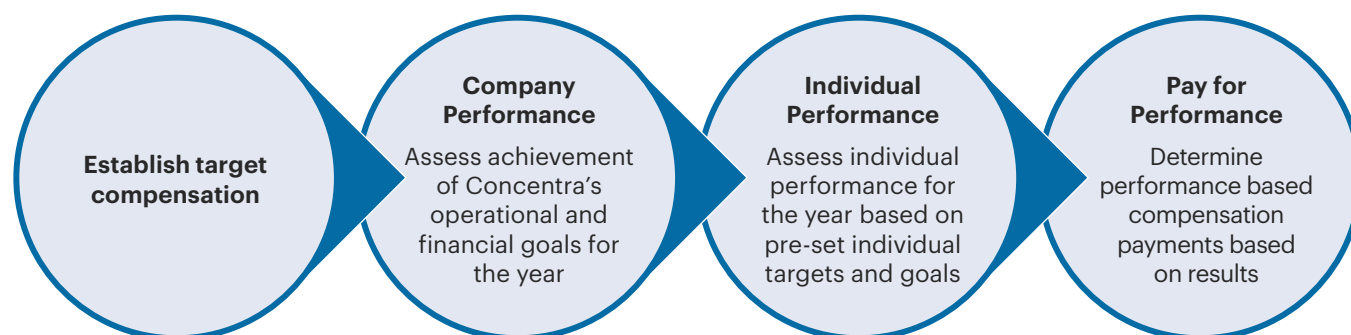
Retirement Benefits - Defined Contribution Pension Plan and SERP

Executives are eligible to participate in the Defined Contribution Pension Plan administered by the Cooperative Superannuation Society. Executives

contribute 6% of earnings to the plan and Concentra matches this contribution to the annual CRA maximum limit. For earnings in excess of the CRA maximum limit, an additional 12% of earnings is contributed to the Supplemental Executive Retirement Plan (SERP) to ensure adequate overall retirement income. Pensionable earnings are defined as base salary for all executives except for the CEO, whose pensionable earnings are defined as base salary plus short-term incentives.

COMPENSATION REVIEW PROCESS

The HRCC review and decision making includes the following processes:



1. Establishing target compensation: Based on market data from external consultants, compensation targets are set for the CEO and other executives.
2. Setting corporate objectives for compensation purposes: Objectives are set based on financial and non-financial metrics. Financial metrics include Return on Equity and operational efficiency measures, while non-financial metrics are aligned with the strategic, customer and leadership objectives.
3. Evaluating performance against objectives: Both a self-assessment and an assessment of each executive are provided to the HRCC from the CEO following completion of the fiscal year. From this, recommendations are made on incentive payments for executives.
4. Determining performance-based compensation payments: Payments to executives are based on the achievement of corporate results, individual results and long-term results (for the LTIP plan). Based on the achievement of the objectives, the HRCC will approve incentive payments to executives.

As part of Concentra's Compensation Risk Governance Framework, the CRO attests to the compensation risks posed by the compensation awarded and ensures that it is aligned with the Bank's risk appetite.

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	2019	2018	2017
Salaries	\$ 2,991,975	\$ 2,227,629	\$ 1,521,773
Retirement allowance and termination benefits	227,899	760,341	434,850
Performance Incentives			
Current	896,000	1,246,772	688,515
Deferred	336,875	470,342	348,138
Other Benefits	549,694	530,568	440,196
Total	\$ 5,002,443	\$ 5,235,652	\$ 3,433,472

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, and includes an independent Director with a vast scope of estate and trust expertise on the Concentra Trust Board of Directors. In addition, to enhance accountability between Concentra and its Trust subsidiary, a restructuring of the Trust Board took place to facilitate focus and responsiveness. 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 Committees), together with an external independent Director with specific technical skills and experience in the areas of business in which Concentra Trust operates.

Appendix A

Concentra®