

TERMS OF REFERENCE

A. PURPOSE

The Risk Committee (the "Committee") is responsible for performing the duties set out in this Terms of Reference to enable the Board of Directors (the "Board") of Concentra Bank (the "Bank") to fulfill its oversight responsibilities in relation to:

- ensuring the establishment of the Bank's risk management frameworks, including the Risk Appetite Framework, the Risk Governance Framework, Regulatory Compliance Management Framework and the Corporate Policy Framework;
- ensuring the establishment of risk management policies and strategies which are aligned with the Risk Appetite established by the Board of Directors;
- reviewing and monitoring the Bank's risk profile, including compliance with Risk Appetite and Corporate Policy, to ensure understanding of the types of risks to which the Bank may be exposed, and the techniques and systems used to identify, measure, monitor, report on, and mitigate those risks;
- receiving timely and accurate reports on the significant risks of the Bank and exposures related to the Bank's Risk Appetite;
- seeking assurances from the Chief Risk Officer (CRO) that the risk management function of the Bank is independent from operational management, is adequately resourced, and has appropriate status and visibility throughout the organization;
- ensuring the Bank's compliance with legal and regulatory requirements; and
- oversight of the Bank's subsidiary, by acting as the Risk Committee for Concentra Trust.

B. COMMITTEE COMPOSITION AND PROCEDURES

1. Composition

The Committee shall consist of not less than three directors appointed annually by and from the Board, none of whom shall be an employee of the Bank or an affiliate of the Bank. Each Committee member shall be unaffiliated, as determined in accordance with the regulations made under the Bank Act (Canada). The majority of the Committee's members shall be independent, as determined by the Independence Standard approved by the Board.

2. Appointment and Removal of Committee Members

Each Committee member and Chair of the Committee shall be appointed or re-appointed by the non-executive members of the Board, on the recommendation of the Governance Committee, following the Annual Meeting of shareholders and shall remain a member until a successor is appointed, unless the member resigns, is

removed, or ceases to be a Director. The Board may fill a vacancy in the membership of the Committee.

3. Competencies

Every Committee member shall have an understanding of issues related to risk management, specifically in the financial industry, with prior experience assessing and managing risks and engaging in strategic thinking relative to the types and complexities of risk in a relevant financial organization. At least two Committee members shall have Risk Oversight expertise, specifically as it relates to direct financial risk oversight expertise pertinent to a regulated financial institution, as defined in the Board's approved Competency Matrix, at a level four or five.

4. Quorum

A quorum for conducting business shall be a majority of the Committee's members.

5. Voting

All resolutions coming before the Committee for decision at a duly constituted meeting shall be decided by a majority vote of the members present in the meeting. In the case of a tie vote, the Committee Chair shall cast a second vote, causing the motion to succeed or fail.

6. Meetings

The members of the Committee shall hold meetings as required to carry out this Terms of Reference and, in any case, not less than once quarterly. The Chair of the Committee, any two members of the Committee, the Chair of the Board, or the President and Chief Executive Officer may call a meeting of the Committee. Meetings may be conducted in accordance with the provisions contained in the Bank's Bylaws. The Committee shall dedicate a portion of each regular quarterly meeting, or at such other times as required, to meet separately with the Chief Risk Officer, Chief Compliance Officer, and Chief Anti-Money Laundering Officer and to meet on its own without members of management.

7. Notices of Meetings

Notice of the time and place of each meeting will be given in accordance with legal and regulatory requirements, Board policy, and the Bank's Bylaws.

8. Secretary and Minutes

The Corporate Secretary, his or her designate or any other person the Committee requests shall act as recording secretary at Committee meetings. Minutes of Committee meetings shall be maintained.

9. Access to Management and Outside Advisors

The Committee shall have unrestrictive access to management and employees of the Bank. The Committee shall have the authority to retain and terminate external legal counsel, consultants, or other advisors to assist it in fulfilling its responsibilities and to set and pay the compensation for these advisors without obtaining the prior approval of the Board or any officer of the Bank. The Committee shall ensure its expenditures are reasonable and shall report such expenditures to the Board. The Bank shall provide appropriate funding, as determined by the Committee, for the services of these advisors.

10. Review of Committee Functioning

The Committee shall regularly review and assess the adequacy of its Terms of Reference, evaluate its effectiveness in fulfilling its mandate under this Terms of Reference, and report on the results of its assessment to the Governance Committee.

11. Interface with Other Committees

Audit and Conduct Review Committee:

To facilitate open communication between this Committee and the Audit and Conduct Review Committee, and where the Chair of the Audit and Conduct Review Committee is not a member of this Committee, he or she may receive notice of and attend by invitation, as a non-voting observer, each meeting of the Committee. In addition, the Committee may meet jointly with the Audit and Conduct Review Committee, as required at the discretion of the Chairs of this Committee and the Audit and Conduct Review Committee, to discuss topics relevant to both Committees.

Human Resources and Compensation Committee:

The Committee may meet jointly with the Human Resources and Compensation Committee, at the discretion of the Chairs of this Committee and the Human Resource and Compensation Committee, to discuss the alignment of the Bank's compensation programs with the Board's approved Risk Appetite Framework and to review associated risks.

12. Reporting

The Committee shall report to the Board following each meeting with respect to its activities and recommendations.

C. DUTIES AND RESPONSIBILITIES

The Committee shall have the duties and responsibilities set out below, as well as any other matters that are specifically delegated to the Committee from time to time by the Board.

1. Establishment of Risk Management Frameworks

The Committee shall oversee the establishment of Risk Management Frameworks, and shall specifically:

- a) review and recommend for approval by the Board on a regular basis the Bank's Risk Governance Framework;
- b) review and recommend for approval by the Board on a regular basis the Bank's Regulatory Compliance Management Framework;
- c) review and recommend for approval by the Board on an annual basis the Bank's Risk Appetite Framework, appetite metrics, and related risk limits;
- d) review and recommend for approval by the Board on an annual basis the Bank's Corporate Policy Framework;

- e) approve, in advance, any exceptions to Corporate Policies or Risk Appetite, including management action plans; and
- f) review reporting of any breach of Corporate Policy or Risk Appetite, including remedial action plans, upon management's discovery of any breach, and report to the Board directly thereafter.

2. Establishment of Risk Management Corporate Policies and Strategies

The Committee shall oversee the establishment of Risk Management Corporate Policies and strategies, and shall specifically:

- a) review and recommend to the Board for approval on a regular basis the Corporate Policies within the jurisdiction of the Committee to manage, including:
 - i) Delegation of Authority;
 - ii) Credit Risk;
 - iii) Residential Mortgage Underwriting Policy;
 - iv) Liquidity and Funding Risk;
 - v) Market Risk;
 - vi) Capital Management;
 - vii) Investment Management;
 - viii) Stress Testing;
 - ix) Enterprise-Wide Model Risk Management;
 - x) Reputation Risk Management;
 - xi) Operational Risk Management;
 - xii) Enterprise Fraud Management;
 - xiii) Cyber Security;
 - xiv) Information Technology;
 - xv) Data Governance;
 - xvi) Outsourcing;
 - xvii) Third Party Management;
 - xviii) Business Interruption and Recovery;
 - xix) Insurance;
 - xx) Acceptable Use;
 - xxi) Regulatory Compliance Management;
 - xxii) Anti-Money Laundering;
 - xxiii) Consumer Protection; and
 - xxiv) Concentra Trust.
- b) review and recommend to the Board for approval on a regular basis the Bank's risk-based capital requirements and management's evaluation of the effectiveness of the Company's Internal Capital Adequacy Assessment Process (ICAAP) for determining these requirements;
- c) review and recommend to the Board for approval on a regular basis the annual corporate insurance program summary, including the amount, breadth, and depth of directors' and officers' insurance; and
- d) review and recommend to the Board for approval proposals for:

- i) significant strategic initiatives;
- ii) purchases/disposals of yield portfolio investments, strategic portfolio investments, and common equity holdings;
- iii) new credit facilities; and
- iv) issuance of a deposit instrument greater than 75% of total deposits.

3. Review and Monitor Risk Profile

The Committee shall monitor the Bank's Risk Profile, and shall specifically:

- a) review quarterly risk reporting from management, including independent reporting by the Chief Risk Officer on the following:
 - i) significant and emerging risks to which the Company is exposed, including relevant stress testing results;
 - ii) the Bank's risk profile as measured against its approved Risk Appetite; and
 - iii) the Bank's adherence to Corporate Policies for material risks;
- b) oversee management's mitigation of significant risks within the Committee's mandate; and
- c) review the following on a regular basis:
 - i) the Bank's risk assessment process relative to new strategies, products, or services;
 - ii) reporting on material outsourcing arrangements, including consideration of enterprise wide risk and related risk management programs that are in place; and
 - iii) the Bank's business continuity management program and testing results.

4. Legal and Regulatory Compliance

The Committee shall oversee the establishment and maintenance of processes and policies that ensure the Bank is in compliance with the laws and regulations that apply to it, as well as its own policies, and shall specifically:

- a) review reports from the Chief Compliance Officer on the Bank's compliance with legal and regulatory requirements and the adequacy and effectiveness of the Bank's compliance controls and legal/regulatory reporting obligations, including overseeing the Bank's Anti-Money Laundering/Anti-Terrorist Financing (AML/ATF) program.

5. Oversight Functions:

The Committee shall oversee the Risk Management Group functions, including but not limited to the Compliance function, and shall specifically:

- a) review and approve, jointly with the Human Resources and Compensation Committee, the appointment or removal of each of the Chief Risk Officer

("CRO"), the Chief Compliance Officer (the "CCO"), and the Chief Anti-Money Laundering Officer (the "CAMLO");

- b) annually review the CRO's, CCO's, and CAMLO's respective mandates and the mandates or terms of reference of their respective functional areas;
- c) ensure that the CRO, CCO, and CAMLO remain independent from operational management, are adequately resourced, have appropriate status and visibility throughout the organization, have unfettered access to the Committee, and have a functional reporting line to the Committee and the Board;
- d) annually approve the CRO's, CCO's and CAMLO's organizational structures, budgets, and resources;
- e) annually review and assess the effectiveness of the Risk Management Group Function; and
- f) annually assess the performance of each of the CRO, CCO, and CAMLO in fulfilling their respective roles and convey the Committee's assessment to the Human Resources and Compensation Committee and the Chief Executive Officer for their use as input into the compensation approval process.

D. RESOURCES

The President/Chief Executive Officer shall appoint internal resources as required to the Committee.