
CONCENTRA BANK

Notice of Meeting & Management Proxy Circular

Concentra®

March 15, 2019

Dear Shareholder,

On behalf of the Board of Directors of Concentra Bank ("Concentra"), we invite you to attend our Annual Meeting of Shareholders at 11:00 a.m. (Central Standard Time) on April 9, 2019, to be held at the Sheraton Cavalier Hotel in Saskatoon, Saskatchewan.

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 Bank'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 meet our management team and directors, hear from Concentra Bank's executives about our 2018 performance and our plans for the future, and to ask any questions you may have.

If you are unable to attend or participate in person, there are other ways that you can watch the meeting and ask questions.

Live Webcast

We will provide live coverage of the meeting from our website at concentra.ca

Replay

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 in person, we encourage you to vote by proxy so your views can be represented. Thank you for your continued interest and support of Concentra. We look forward to your participation in the meeting.

Sincerely,



Daniel Johnson
Chairman of the Board
P 306.741.0708
E daniel.johnson@innovationcu.ca



Don Coulter
President & Chief Executive Officer
P 306.956.1831
E don.coulter@concentra.ca

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.

Saskatoon, Saskatchewan
By order of the Board of Directors,



Corina Farbacher
Executive Vice-President, Governance,
Marketing and Communications
Corporate Secretary

Dated March 15, 2019

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Notice of Annual Meeting of Shareholders

You are invited to the 2019 Annual Meeting of Shareholders of Concentra Bank ("Concentra").

Tuesday, April 9, 2019

11:00 am (Central Standard Time | Saskatchewan)
Sheraton Cavalier Hotel | Top of the Inn | 8th Floor
612 Spadina Crescent East, Saskatoon, SK
Live webcast from concentra.ca

Business of the Meeting

A Management Proxy Circular (the "Circular") setting forth the particulars related to the Annual Meeting is included.

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, 2018, 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.

Any questions in relation to this Notice and these materials should be addressed to:

Corina Farbacher
P 306.956.1829
E corporate.secretary@concentra.ca

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.

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 9, 2019 at 11:00 am at the Sheraton Cavalier Hotel, 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 8, 2019 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 8, 2019 as the record date for determining Shareholders entitled to receive notice of the Meeting. A person shown as a Shareholder of record on March 8, 2019 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 8, 2019.

As of March 8, 2019, 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 (22.41%) in SaskCentral.	
Affinity Credit Union	This entity indirectly owns greater than 10% by virtue of its ownership (21.34%) 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

See the provisions on cumulative voting on page 8 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 9:30 am (Central Standard Time) on April 5, 2019 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. In order 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 persons 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 Bob Hague (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" on page 6 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 which 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 persons 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 pm (Central Standard Time) on Monday, April 8, 2019, or by delivering it to the registration table before the start of our meeting on April 9, 2019.

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, 2018, 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.

As a result of the 2013 request for proposal, KPMG LLP ("KPMG") was awarded the external audit services contract for Concentra Financial Services Association (now Concentra Bank) and Concentra Trust (collectively, "Concentra") for the five year period 2014 through 2018, subject to the Audit and Conduct Review Committee's annual assessment of performance and service quality. Although KPMG's initial appointment as external auditor will expire upon completion of the 2018 audit, in consideration of the recent changes to the executive and senior management teams of Concentra, and the satisfactory performance of KPMG over the initial appointment period, the Board has determined that a full request for proposal to appoint an external auditor for an extended period is not prudent 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 2019 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 2019 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 (2017 - \$25,000) 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 2016, 2017 and 2018.

Fees paid to external auditors (For the year ended December 31) Canadian Dollars	2017	2016	2015
Concentra Bank			
Audit	\$225,000	\$205,000	\$191,000
Audit Related Fees ¹	200,896	4,500	19,300
Other Fees	0	6,500	28,450
	425,896	216,000	238,750
Concentra Trust			
Audit	34,000	33,000	31,800
Audit Related Fees	-	-	-
Other Fees	-	-	-
	34,000	33,000	31,800
Total	\$459,896	\$249,000	\$270,550

¹2018 audit related fees includes \$106,871 for additional audit work completed in relation to the adoption of IFRS 9, as well as \$90,000 related to the KPMG review of the Bank's quarterly financial statements.

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 is comprised of 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 nine to 14 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.

Ten of the Director nominees are currently Directors of Concentra and are therefore standing for re-election. The Shareholders of Concentra Bank elected these ten 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 ten directors standing for re-election. There are two new nominees recommended for election. All nominees for election are recommended by Concentra's Nominating Committee, based on the robust nominations process that took place over the last several months, which was developed in accordance with the *Bank Act*, Concentra's By-Laws, the OSFI Corporate Governance Guideline, and governance best practices.

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 22 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

Langley, BC, Canada | Non-Independent President & CEO of Concentra

Concentra's President and Chief Executive Officer, Don Coulter, has held senior executive roles both in Canada and internationally with financial institutions in the cooperative, banking, insurance, pension fund, and asset management sectors. Organizations he has worked for include CIBC, FirstCaribbean International Bank, Coast Capital Savings and the Ontario Teachers' Pension Plan. He has been the CFO of a publicly traded bank. Don has a track record of building and leading high performing teams. Don was selected as CFO of the Year by Business in Vancouver magazine in 2013.

Board Directorships & Positions Held During Tenure

- Concentra Bank | 2018 to Present
Director
- Concentra Trust | 2018 to Present
Director
- Business Council of British Columbia | 2014 to Present
Member of the Board of Governors
- Kwantlen Polytechnic University | Past
Vice-Chair of the Board
- Chartered Accountants of British Columbia | Past
Board Member
- Canada Credit Union Association | Past
Board Member
- FirstCaribbean International Bank | Past
Board member, FCIB Barbados
Chair, ALCO Committee
Member, Group Pension Committee

Skills & Expertise

- Governance
- Risk Management
- Financial
- Retail & Commercial
- Human Resources & Compensation
- Credit
- Business Development
- Strategic Orientation
- Leadership
- Treasury



Lise de Moissac, CPA, CA, ICD.D

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 \$5.2 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 a Board Member of Concentra Bank, 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 to Present
Vice-Chair (current)
Risk Committee (current)
Audit & Conduct Review Committee (past)
- Saskatchewan Blue Cross | 2015 to Present
Investment Committee
CSR Committee
- Apex I and II | Present
Director
- Concentra Trust | Past
Director
- St. Paul's Hospital | Past
Chair & Vice Chair
Joint ARCo Member
Executive Committee Member

Skills & Expertise

- Financial & Accounting
- Financial Intermediation
- Legal & Regulatory Compliance
- Risk Management & Governance



Eric Dillon, MBA, ICD.D

Regina, SK, Canada | Non-Independent, Majority Shareholder Nominee

Eric is a leader within the cooperative finance movement in Canada and has worked extensively to shape the credit union business model, having worked in both large and small cooperatives. Eric is a serial innovator having been involved in some of the credit union systems recent innovations such as mobile payments, social impact financing, financial literacy and developing a proprietary approach to measuring the financial wellness of member owners. Eric is a lifelong learner having graduate degrees in finance 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 is an active mentor to many within the business community.

Board Directorships & Positions Held During Tenure

- [Concentra Bank | 2018 to Present](#)
Audit & Conduct Review Committee (current)
Governance Committee (current)
- [Economic Development Regina | 2017 to Present](#)
Director, Governance & HR Committee (current)
- [Filene Research Institute | 2017 to Present](#)
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 & Expertise

- Leadership
- Board & Performance Management
- Central Operations
- Strategic Planning
- Regulatory Environment
- Governance & Ethics
- Risk Management



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 cooperative, 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 to Present](#)
Chair, Audit & Conduct Review Committee (current)
Governance Committee (current)
- [Concentra Trust | 2017 to Present](#)
Director (current)
- [Princess Auto Ltd. | 2017 to 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 & Expertise

- Financial & Accounting
- Corporate Governance
- Risk Management
- Strategy



Cheryl Fraser, ICD.D

New Glasgow, NS, Canada | Independent

Cheryl has over 30 years of executive leadership in large national organizations in the public and private sectors and is currently Chief Talent Officer and Vice President of Communications at Crombie REIT. She oversees the human resources portfolio, as well as internal and external communications and marketing. Cheryl holds a Masters of Environmental Studies and a Bachelor of Science from Dalhousie University, and holds the Institute of Corporate Directors designation.

Board Directorships & Positions Held During Tenure

- **Concentra Bank | Present**
Director
- **Aberdeen Health Foundation | 2018 to Present**
Chair of the Governance & Nominating Committee
Member of the HR Committee
- **Mental Health Commission of Canada | 2016 to Present**
Chair of the HR Committee
- **YMCA of Pictou County | 2012 to 2019**
Chair of the Board
Member of the HR Committee
Member of the Governance and Nominating Committee
- **John Howard Society of NS | Past**
Chair of the Board
Member of the Executive Committee
Member of the HR and Compensation Committee
Member of the Governance and Nominating Committee

Skills & Expertise

- Stakeholder Engagement & Communications
- Strategic Thinking
- Board Governance
- Risk Management
- Communications & Crisis Management
- Compensation, Talent Management & Succession Planning



Anne Gillespie, CPA, CA, ICD.D

Calgary, AB, Canada | Independent

Anne has 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 and is the designated Privacy Officer for Alberta Central. 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 to Present**
Audit & Conduct Review Committee (current)
Governance & Nominating Committee (current)
Risk Committee (past)
Ad Hoc Consolidation Committee (past)
Chair, Ad Hoc Corporate Structure (Bank Continuation) Committee (past)
- **Concentra Trust | Past**
Director

Skills & Expertise

- Leadership
- Strategic Thinking
- Corporate Governance
- Risk Management
- Legal, Regulatory & Compliance
- Financial Accounting
- Financial Intermediation
- Asset Liability & Portfolio Management
- Commercial Credit



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

Swift Current, SK, Canada | 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 to Present**
Board Chair (current)
Chair, Ad Hoc Consolidation Committee (past)
Risk Committee (past)
Stakeholder Relations Committee (past)
- **Concentra Trust | 2015 to Present**
Board Chair (current)
- **Westcap MBO - Investment Committee | Present**
Member
- **Credit Union Executive Society (CUES) – Canada Council | Past**
Director
- **Cure PSP – Foundation for PSP/CBD & 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 & Expertise

- Financial Industry
- Direct to Consumer Retailing
- Finance/Accounting
- Strategic Thinking & Planning
- Corporate Governance & Boards
- Financial Literacy
- 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 to Present
Risk Committee
- CUCC | 2013 to Present
Chair of the Board
- Canadian Credit Union Association | 2015 to Present
Audit & Risk Committee
Hall of Fame Awards Committee
- Connecting People for Health Cooperative | Past
Director
- League Data | Past
Chair of Governance Committee

Skills & Expertise

- Strategy Development
- Financial Intermediation
- Risk Management & Governance
- Commercial Credit Management
- Asset Liability & Portfolio Management



David Losier, CPA, CGA, ICD.D

Caraquet, NB, Canada | Independent

David is an independent consultant and interim executive. Previously, he served as the Executive Vice-President and Chief Financial Officer for UNI financial Cooperation from 2009 - 2017. In the role, David provided strategic recommendations and advice for organizational operations and growth and was responsible for overseeing financial management of UNI Financial and its subsidiaries, as well as evaluating impacts of regulatory changes and ensuring sound financial management. Ensuring positive stakeholder relations with the Office of the Superintendent of Financial Institutions and Audit Committee, were also key responsibilities. In 2016, David led the transition to the first ever federally regulated Credit Union under the *Bank Act*.

Board Directorships & Positions Held During Tenure

- Concentra Bank | 2017 to Present
Risk Committee (current)
Human Resources & Compensation Committee (current)
Audit & Conduct Review Committee (past)
- Vescor Inc. | 2016 to 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 & Expertise

- Strategic Leadership
- Stakeholder Engagement
- Risk Management & Governance
- New Business Development
- Value Optimization
- Bilingual French & English
- Corporate Governance
- Capital Markets & Treasury
- Financial Management & Accounting



Carol Poulsen, ICD.D

Burlington, ON, Canada | Independent

Carol has over 25 years of experience in the Banking, Insurance and Information Technology industries. She 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, University of Guelph 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 honors, from York University and holds the Institute of Corporate Directors designation.

Board Directorships & Positions Held During Tenure

- **Concentra Bank | Present**
Director
- **Addenda Capital**
Director
- **Cancer Care Ontario | 2014 to Present**
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 & Expertise

- Leadership
- Corporate Strategy
- Corporate Governance
- Operational Risk Management
- Shareholder Activism
- Cyber Security
- M&A



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 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 to Present**
Chair, Risk Committee (current)
Audit and Conduct Review Committee (current)
Ad Hoc Corporate Structure Committee (Bank Continuance) (past)
- **Meridian OneCap Credit Corporation | Past**
Director
- **Horizons for Youth | Past**
Director
- **Durham Children's Aid Society | Past**
Director

Skills & Expertise

- Risk Management & Governance
- Material Transactions, Strategy, Capital Markets & Treasury
- Legal & Regulatory Compliance
- Financial & Accounting



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 to Present](#)
Human Resources & Compensation Committee (current)
Governance Committee (current)
- [B.C. Life & Casualty Company | 2015 to Present](#)
Audit Committee
Investment & Loan Committee
Chair, Conduct Review Committee
Pacific Blue Cross Foundation Board Member (past)
- [Sources Community Resources Foundation | Present](#)
Board Member
- [Douglas College | Past](#)
Chair, Board
Chair, Governance & Executive Committee
Chair, Audit & Finance Committee
- [HFN LNG Development Corporation | Past](#)
Vice-Chair, Board
Chair, Finance, Audit & Risk Management Committee
- [B.C. Securities Commission | Past](#)
Independent Commissioner & Board Member
Audit Committee
Human Resources Committee
Ad-hoc Governance Committee

Skills & Expertise

- Corporate Governance
- Strategy
- Financial & Accounting
- Business & Commerce
- Risk Management
- Capital Markets & Treasury
- Mergers & Acquisitions
- Leadership

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 Board 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 Guidelines. Our Board sets the tone for Concentra's culture of integrity, expecting the highest level of personal and professional conduct from its CEO and executive officers.

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, 2018.

Board Independence

Concentra, as required under the Concentra Bank By-Laws, has established an Independence Standard which 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 Concentra's website. In 2018, Concentra's Board of Directors was comprised of a majority of independent directors. 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 one to three-year 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 to 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 2018, the Board further matured its Board Succession Planning Policy, and its implementation as a means to continue to align director recruitment with the strategy and the skills and experience required in the Board for 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 sits 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.

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 each gender comprises 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 of Directors: Key Initiatives in 2018

In order to fulfil its mandate and enhance the Board's ability to ensure effective governance at Concentra, the Board spent 2018 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 2018, Concentra's leaders attended in Toronto and began writing the bold next chapter in Concentra's story. The Board approved this new strategy in November.

B) Succession Planning

The Board implemented its CEO Succession Plan upon the retirement announcement of Ken Kosolofski, and spent the end of 2017 and early months of 2018 actively recruiting for a successor.

The Board, through the Human Resources and Compensation Committee, with the assistance of Spencer Stuart, conducted an extensive and comprehensive search, carefully considering the desired attributes, characteristics and experiences required in a new CEO.

In March 2018, the Board approved the appointment of a new Chief Executive Officer, Don Coulter. The Board also oversaw appointments of a Chief Operating Officer, a new Chief Risk Officer, as well as changes to the senior executive team.

C) Risk Oversight

The Board approved Concentra's Risk Governance Framework, Risk Appetite Framework and Corporate Policy Framework.

D) Governance Initiatives

Under the leadership of the Governance Committee, the Board spent considerable time in 2018 maturing its governance processes, as they relate to board competencies, succession planning, and director development.

The Governance Committee hired an external consultant, Governance Solutions Inc. (GSI) from Ontario, to assist with the above initiatives. A key aspect of the engagement was the development and implementation of a new Competency Matrix based on Concentra's evolving strategy. The Board approved the new Matrix, and the gap assessment results in late 2018, with that work facilitating a well thought-out and targeted director nominations and elections process leading into the 2019 Annual Meeting.

Another key component of the engagement was the completion of the board evaluation process, targeting director self- and peer assessments. The assessments allowed directors to receive feedback from their peers on areas of strength, and areas for improvement, which will feed into the 2019 director development planning process.

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 the Risk Governance Framework, Risk Appetite Framework, Corporate Policy Framework, policies and strategies; review and monitoring of Concentra's risk profile, including compliance with risk appetite, policy, and legal and regulatory requirements; and oversight to the identification and management of significant and emerging risks. 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 2018

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 of the Chief Risk Officer and Risk Management Group Function, and the Chief Risk Officer performance assessment
- Approving the appointment of the Chief Risk 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)
Lise de Moissac
Teresa Lee (Concentra Trust)
Mike Leonard
David Losier

For further details regarding Concentra's approach to risk management, please refer to the 2018 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 therein. At least one Committee member must be a financial expert, and one member must have the legal and regulatory compliance expertise, as defined in Concentra's Competency Matrix.

The Committee also oversees Concentra's code of conduct, related party transactions, and 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 Executive Officer, Chief Financial Officer, Chief Internal Auditor, Chief Compliance Officer, and Chief Anti-Money Laundering Officer. As November 2018, the Chief Compliance Officer and Chief Anti-Money Laundering Officer began reporting to the Risk Committee.

Audit and Conduct Review Committee Oversight Activities in 2018

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

- Reviewing and recommending for Board approval the 2019-2021 Business Plan, Budget, and Capital Plan
- Overseeing the implementation and approval of quarterly interim financial statements
- Reviewing and approving the mandates of key oversight functions within its purview, specifically that of the Chief Financial Officer and the Chief Internal Auditor
- Completing performance assessments of the individuals holding key oversight functions within its purview including the Chief Financial Officer, Chief Compliance Officer, and the Chief Internal Auditor
- Monitored Management's implementation of a risk control self-assessment program as means to mature Concentra's internal controls
- Reviewing reports from Management on the impacts of IFRS 9 implementation

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)
Eric Dillon
Anne Gillespie
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 onboarding 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 2018, 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 2018

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

- Oversight of the nominations and elections process, and the onboarding of a new director
- Oversight of the creation and implementation of a new Competency Matrix based on Concentra's new strategic direction
- Engaging an external consultant to complete a board performance evaluation, focusing on director self and peer assessments
- Reviewing an external report regarding boardroom culture at Concentra, and hearing a presentation on how culture impacts strategy and operational execution.
- Collaborating with the Governance Committee of the majority shareholder to build and implement information sharing principles, including enhancements to the nominations and elections process
- Leading the development and implementation of individual director development plans

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:

Bob Hague (Committee Chair)
Eric Dillon
Anne Gillespie
Shelley Williams

Human Resources and Compensation Committee

The Human Resources and Compensation Committee provides oversight for Concentra's overall compensation structure and incentive plan, compensation and performance management of the Chief Executive Officer (CEO), and reviews compensation and succession planning for the Executive Leadership Team.

In executing its responsibilities, the Committee retains an independent compensation advisor to assist in developing compensation recommendations for the CEO and senior management.

The appointment of the CEO of the Bank is a critical part of the board's responsibility to oversee the effective operation of the Bank. In 2018, the Committee, on behalf of the Board, finalized the recruitment process for a new CEO, recommending the appointment of Don Coulter, who was appointed in March 2018.

Human Resources and Compensation Committee Oversight Activities in 2018

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

- Oversaw the onboarding process for Don Coulter, Concentra's new CEO, following the intensive recruitment process
- Reviewed and provided feedback on the human capital strategy during this time of transition
- Oversaw CEO performance, including goal setting, creation of metrics, and regular reviews against those metrics
- Recommending corporate compensation programs to the Board, including short term and long-term incentive programs.

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 Human Resources and Compensation Committee:

Russ Siemens (Committee Chair)

Glen Dyrda

David Losier

Shelley Williams

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 Corporate Governance Guidelines, 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 Chairs of each of Concentra's four Standing Committees (Audit and Conduct Review, Risk, Human Resources and Compensation, and Governance Committees), together with one to two external independent Directors with specific technical skills and experience in the areas of business in which Concentra Trust operates.

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.

Directors Compensation	
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
*No additional retainer applies to membership on ad hoc Committees.	
Concentra Trust	
Independent Trust Director Retainer (includes membership on one (1) Standing Committee)	\$15,000
Note: There is no additional retainer paid to a director of the Concentra Trust Board who acts as a director of the Concentra Bank Board.	
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 2018, including the Concentra Trust Board.

Directors Meeting Attendance and Remuneration

For the Year Ended December 31, 2018 (Canadian Dollars)

Director	Board Meetings	Committee Meetings	Retainers	Per Diems	Total
de Moissac, Lise ³	6/8	6/6	\$23,677	\$12,800	\$36,477
Dillon, Eric ²	4/5	8/11	18,692	10,100	28,792
Dyrda, Glen ³	8/8	16/16	30,046	22,300	52,346
Gillespie, Anne	7/8	13/13	20,908	14,500	35,408
Hague, Bob	7/8	12/13	25,892	14,700	40,592
Johnson, Dan ³	8/8	5/5	50,400	14,900	65,300
Leonard, Mike	8/8	6/6	18,485	15,800	34,285
Losier, David	8/8	11/11	20,908	20,400	41,308
Ransome, Cary ¹	2/2	0/1	0	0	0
Siemens, Russ	8/8	11/11	25,892	14,100	39,992
Smart, Tim ³	8/8	15/15	30,046	22,900	52,946
Williams, Shelley	8/8	14/14	20,908	19,300	40,208
Total			\$298,454	\$192,900	\$491,354

¹ Director Retired February 2018

² Director Elected April 2018

³ Additional meetings attended outside of regular meetings

Part 4

Executive Compensation

Total Rewards: Concentra Approach to Compensation

To attract and retain high-caliber employees, Concentra offers a comprehensive rewards program for all staff up to and including executive level positions, being: the President and Chief Executive Officer (CEO); the Executive Vice-President and Chief Financial Officer (CFO); the Executive Vice-President and Chief Risk Officer (CRO); the Executive Vice-President and Chief Operating Officer (COO); the Executive Vice-President, Digital Solutions; the Executive Vice-President, Trust; the Executive Vice-President, Wholesale Banking; the Executive Vice-President, Governance, Marketing and Communications; and, the Executive Vice-President, Chief People Officer (together, the "Named Executive Officers").

Concentra's approach to total rewards hinges on a balanced view of all aspects that make a work environment appealing to new or existing employees. Through its total rewards offering, Concentra focuses not only on the monetary components such as base pay or incentive compensation, but also on less tangible, but critical, aspects such as work environment, opportunities for personal growth, benefits, and community involvement.

Compensation Governance

The Board of Directors (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. On an annual basis, management procures and reviews compensation market data from a number of reliable sources to support any compensation structure adjustments.

Compensation Design

Compensation for Named Executive Officers falls within the strategic parameters established by the corporate compensation strategy approved by the Board. Concentra views compensation as a core mechanism for rewarding Named Executive Officers for the work they do, and is key to attracting and retaining high quality talent. Compensation levels are designed to reflect a balance between:

- The size and scope of the role of each Named Executive Officer relative to other roles within Concentra,
- Compensation offered in the external market for similar positions, and
- The incumbent's performance in the role.

Salary rates for each Named Executive Officer position are determined annually based on an established comparator peer group for Concentra. The peer group of companies is comprised of larger credit unions and the broader financial industry. The peer group represents the market in which Concentra competes for talent.

Incentive Compensation

Short-Term Incentive Compensation

The Team Success Program (TSP) is the corporate short-term incentive compensation program. The intent of the program is to motivate and reward employees for their efforts in achieving the annual business plan through the provision of an 'at-risk' compensation program.

Concentra employees are able to share in Concentra's business success through this program, provided Concentra meets two key performance hurdles: first, Concentra must meet a minimum threshold return on equity for its shareholders; second, Concentra must maintain a minimum threshold of common equity tier one regulatory capital (CET1). If either of these thresholds are not met, then no payment occurs under this program. The target level of TSP rewards for Named Executive Officers, excluding the CEO, is 35-40% of base salary. The specific payment under this program is based on the level of achievement on a variety of corporate and divisional measures, determined annually using a mix of financial and non-financial measures, and which are aligned to the annual business plan, as well as individual performance. The payout under this program is annual, subsequent to review of approved financial statements for the performance year in question, and the parameters for TSP approved by the Board.

Incentive compensation for the CEO is subject to measures derived from the Board approved business plan, and related payment under this program is also approved by the Board on an annual basis, subject to a target level of 60% of base salary.

Long-Term Incentive Compensation

In 2016 Concentra introduced a Long-Term Incentive (LTI) plan as a compensation tool to help reinforce behaviors that lead to a high performing organization including personal responsibility, teamwork, good governance, and risk management in making decisions in consideration of a longer-term time horizon, thereby helping protect the organization from undue risk taking.

Participation in the LTI plan is limited to senior leaders, including Named Executive Officers, who are most responsible for, and best positioned to guide Concentra in meeting its long term strategic goals in a sustainable fashion. Individual reward targets under the LTI plan are set at a similar level as those in the short-term incentive compensation program (60% of base salary for the CEO, and 35-40% of base salary for other Named Executive Officers), thus signaling to participants equal priority of long-term goals as the shorter-term annual business plan.

The LTI plan is a rolling, three-year plan, launched on January 1 each year. Under the rolling cycle method, payment is accrued annually, based on achievement to date, and if goals are achieved, paid out upon conclusion of the three-year cycle.

Participants who leave the LTI plan during the plan term are not entitled to receive LTI payments if they leave as a result of: 1) termination for cause; 2) resignation; or, 3) unilateral retirement without prior agreement with Concentra. Participants that leave the LTI plan during the plan term are entitled to pro-rata payment based on the proportion of the plan term they have participated in if they leave as a result of: 1) termination without cause;

2) planned retirement with the prior agreement of Concentra; 3) long-term disability; or 4) death of the participant. Entitlements of LTI plan participants may also be pro-rated in the event of leaves of absence (e.g., maternity, or extended medical).

The Concentra LTI plans are funded by net income over the plan period, and will only generate a payment if certain hurdles are met. These hurdles are based on long term, strategic priorities of Concentra. Accruals for anticipated payouts are made in each year of the plan, and reported as deferred compensation. In the event that plan hurdles are not met and no payment is made at the conclusion of the plan cycle, deferred compensation is lost to the participant.

Benefits

Concentra offers a comprehensive benefits package for all permanent employees, including Named Executive Officers, providing them value and supporting their overall wellbeing both on and off the job. The standard Concentra employee benefits package is comprised of: provisions for retirement; group insured benefits, including health, dental, life insurance, accidental death and disability insurance, long-term disability, a healthcare spending account, and access to an Employee and Family Assistance program; paid time off; and, other Concentra administered benefits such as subsidized parking, wellness reimbursement, preferred loan program, education and service awards, and employee recognition.

Executive Benefits

In addition to the standard Concentra employee benefits package, Concentra offers additional executive benefits that are unique to Named Executive Officers, as is customary market practice. The executive benefits program is intended to provide flexibility, to promote activities and actions that contribute to the positive and professional image of the organization, and to promote personal health and wellbeing, and includes parking, vehicle allowance, club membership, home office equipment, financial counseling and tax preparation services, and spousal travel.

Retirement Benefits

Defined Contribution Pension Plan

Concentra supports and enables employees' retirement savings through the provision of a registered pension plan administered by the Cooperative Superannuation Society. All permanent employees are required to participate in the plan. Concentra matches employee contributions at a rate of 6% of eligible earnings. Employees have the opportunity to make additional voluntary contributions to their pension of up to 6% of eligible earnings.

Supplemental Employee Retirement Plan

The Concentra Supplemental Employee Retirement Plan (SERP) is a voluntary program offered to eligible employees to enable top-up of registered pension plan contributions over and above the annual limit that is stipulated by Canada Revenue Agency. SERP is triggered when an employee's annual pension contribution limit is reached. This benefit is funded by Concentra and provides a registered vehicle for eligible, high income employees to save the same percentage of their income (i.e. 12%) for retirement as the broader employee population.

Named Executive Officer Compensation Disclosure

For purposes of this section, Concentra is disclosing quantitative compensation information herein on Named Executive Officers, being: the CEO; the CFO; the CRO; the COO1; the Executive Vice-President, Digital Solutions; the Executive Vice-President, Trust; the Executive Vice President, Wholesale Banking; the Executive Vice-President, Governance, Marketing and Communications2; and, the Executive Vice-President and Chief People Officer3. In 2018 the Bank restructured its executive leadership team to include additional positions. As these positions were not previously classified as key management, the associated compensation is not included in the prior year comparative. The disclosure in respect of other benefits represents the total value to Concentra, inclusive of accruals whether or not they have been paid to the named executive officers.

Summary Executive Compensation

For the year ended December 31 (Canadian Dollars)

	2018	2017
Salaries	\$2,227,629	\$1,521,773
Retirement allowance and termination benefits	760,341	434,850
Performance Incentives		
Current	1,246,772	688,515
Deferred	470,342	348,138
Other Benefits	530,568	440,196
Total	5,235,652	3,433,472

¹The Executive Vice-President and Chief Operating Officer is a new Named Executive Officer role that commenced August 6, 2018.

²The Executive Vice-President, Governance, Marketing and Communications is a new Named Executive Officer role that commenced August 6, 2018.

³The Executive Vice-President and Chief People Officer a new Named Executive Officer role that commenced August 6, 2018.

Appendix A

Concentra[®]