VersaBank

Notice of Annual and Special Meeting of Shareholders

and

Management Proxy Circular

Wednesday, April 26, 2017

London, Ontario

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
APRIL 26, 2017

TAKE NOTICE that the Annual and Special Meeting of Shareholders (the "Meeting") of VersaBank (the "Bank") will be held at the London International Airport, VersaBank's Innovation Centre of Excellence, 1979 Otter Place, London, Ontario on Wednesday, April 26, 2017, at 11:00 a.m. for the following purposes:

1. to receive the financial statements for the fiscal year ended October 31, 2016 and the report of the auditors thereon;
2. to appoint auditors for the ensuing year and to authorize the directors of the Bank to fix their remuneration;
3. to consider, and if deemed advisable, to confirm a special resolution approving an amendment to section 4.1 of By-Law No. 1 of the Bank relating to fixing the number of directors of the Bank (the "Number of Directors Resolution");
4. to elect directors for the ensuing year;
5. to consider, and if deemed advisable, to confirm a special resolution approving an amendment to section 9.6 of By-law No. 1 of the Bank relating to director remuneration (the "Director Remuneration Resolution"); and
6. to transact such further other business as may properly come before the Meeting or any adjournment thereof.

Particulars of the matters above are set forth in the accompanying Management Proxy Circular.

NOTICE: Registered Shareholders are encouraged to complete the form of proxy and return it to Computershare Investor Services Inc. in accordance with the instructions provided in the proxy, whether or not you plan to attend the Meeting.

If you have received this Notice of Meeting and the Management Proxy Circular from your broker or another intermediary, we encourage you to complete and return the voting instruction form provided to you by your broker or other intermediary in accordance with the instructions provided with such form.

Failure to submit your forms by 11:00 a.m. (EDT) on April 24, 2017 may result in your shares being ineligible to be voted at the Meeting. Your vote is important!

DATED at the City of London, in the Province of Ontario, this 2nd day of March, 2017.

By order of the Board of Directors

Cameron Mitchell
Vice President, General Counsel & Corporate Secretary

MANAGEMENT PROXY CIRCULAR

All information is as of March 2, 2017 unless otherwise indicated.

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MANAGEMENT PROXY CIRCULAR
FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
to be held on WEDNESDAY, APRIL 26, 2017

PART I – VOTING AND PROXY INFORMATION

SOLICITATION OF PROXIES BY MANAGEMENT

This Circular is furnished to holders of common shares of VersaBank (the "Bank") in connection with the solicitation of proxies by or on behalf of the management of the Bank for use at the Annual and Special Meeting of Shareholders (the "Meeting"). The information contained herein is current as of March 2, 2017, unless otherwise indicated. The Meeting will be held at the London International Airport, VersaBank Innovation Centre of Excellence, 1979 Otter Place, London, Ontario, on Wednesday, April 26, 2017 at 11:00 a.m. for the purposes set forth in the accompanying Notice of Annual and Special Meeting of Shareholders (the "Notice"). It is expected that the solicitation of proxies will be primarily by mail. Proxies may also be solicited personally or by telephone by officers and directors and other representatives of the Bank, as the case may be. The cost of solicitation by or on behalf of management will be borne by the Bank.

It is not intended to use the accompanying form of proxy for the purpose of voting on the consolidated financial statements of the Bank and its subsidiaries for the year ended October 31, 2016, and the reports of the directors and auditors on them.

APPOINTMENT OF PROXIES

The persons named in the enclosed form of proxy are directors and officers of the Bank. **AS A SHAREHOLDER, YOU HAVE THE RIGHT TO APPOINT A PERSON, WHO NEED NOT BE A SHAREHOLDER, AS YOUR NOMINEE TO ATTEND AND ACT FOR YOU ON YOUR BEHALF AT THE MEETING OTHER THAN THE PERSONS DESIGNATED IN THE ENCLOSED FORM OF PROXY.** This right may be exercised by inserting such person's name in the blank space provided in the form of proxy. Proxies are to be returned to Computershare Investor Services Inc. in accordance with the instructions provided on the form of proxy.

Registered Shareholders who plan to attend the Meeting and wish to vote their shares in person should not complete or return the form of proxy. Their votes will be taken and counted at the Meeting. Such Registered Shareholders are to register with the transfer agent, Computershare Investor Services Inc., upon their arrival at the Meeting.

ADVICE TO NON-REGISTERED HOLDERS – Voting of common shares

The information in this section is of significant importance to a substantial number of shareholders who do not hold their shares in their own name, but who hold their shares through a bank, trust company, securities broker, trustee or other entity (an "intermediary"). Shareholders that do not hold their shares in their own name are referred to in this document as **Non-Registered Holders**.

If your shares are not registered in your name, then such shares will likely be registered in the name of your intermediary. Shares held by intermediaries can only be voted for or against resolutions upon the instructions of the Non-Registered Holder, therefore, your intermediary is required to seek your instructions as to how to vote your shares. For that reason, if you are a Non-Registered Holder, you will have received this Management Proxy Circular from your intermediary along with a voting instruction form.

Every intermediary has its own mailing procedures and provides its own return instructions, which Non-Registered Holders should follow closely in order to ensure that their shares are voted at the Meeting. A Non-Registered Holder may have received from the intermediary either a request for voting instructions or a form of proxy that is identical to the form of proxy provided to Registered Shareholders; however, the purpose of the proxy is limited to instructing the intermediary how to vote on behalf of the Non-Registered Holder. **A NON-REGISTERED HOLDER THAT RECEIVES A PROXY FROM AN INTERMEDIARY CANNOT USE THAT PROXY TO VOTE SHARES DIRECTLY AT THE MEETING. The proxy must be returned to the intermediary well in advance of the Meeting in order to have the shares voted.**

A Non-Registered Holder who wishes to vote in person at the Meeting or have its nominee vote in person at the Meeting must provide the intermediary with the appropriate documentation in order to be appointed as proxyholder. A Non-Registered Holder should contact the intermediary to determine which documentation the intermediary requires in order for it or its nominee to be appointed proxyholder. ONLY AFTER THE INTERMEDIARY APPOINTS THE NON-REGISTERED HOLDER OR ITS NOMINEE AS A PROXYHOLDER CAN THAT NON-REGISTERED HOLDER OR ITS NOMINEE VOTE SHARES DIRECTLY AT THE MEETING.

REVOCATION OF PROXIES

A proxy is only valid at the Meeting in respect of which it is given or any adjournment thereof. A shareholder may revoke a proxy:

(a) by an instrument in writing executed by the shareholder or by an attorney in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and deposited:
  i) at the registered office of the Bank at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof; or
  ii) with the chair of the Meeting on April 26, 2017 or any adjournment of the Meeting; or

(b) in any other manner permitted by law.

EXERCISE OF DISCRETION WITH RESPECT TO PROXIES

The shares represented by proxies will be voted or withheld from voting by the persons designated in the proxies in accordance with the direction of the shareholders appointing them. Other than with respect to the election of directors which is addressed below, in the event that no specifications are made in the proxies, the shares represented by the proxies will be voted by the proxy nominees designated by management FOR the matters set out in this circular and to be voted upon at the Meeting.

As described elsewhere in this Circular, voting for the election of directors must be done by cumulative voting. Unless a shareholder giving a proxy specifies that the proxy be withheld from voting on the election of all or any of the directors, or specifies how the shareholder wishes to distribute the votes represented by the proxy among the candidates, the persons named in the enclosed form of proxy intend to cast the votes represented by such proxy FOR the election of the nominees listed herein (or any replacements thereof) and to distribute votes among such nominees in such manner as in their discretion is most likely to cause such nominees to be duly elected as the directors of the Bank at the Meeting.

The enclosed form of proxy confers a discretionary authority upon the named persons with respect to amendments and variations to matters identified in the Notice, and with respect to other matters that may properly come before the Meeting. At the time of the preparation of this Management Proxy Circular, management of the Bank knows of no such amendments, variations or other matters to come before the Meeting. If, however, amendments, variations or other matters which are not now known to management of the Bank should properly come before the Meeting, the shares represented by proxy will be voted by the persons named in the form of proxy in accordance with their best judgment.

PART II - VOTING SHARES AND PRINCIPAL HOLDERS OF VOTING SHARES

As of March 2, 2017 there were 21,123,559 common shares of the Bank issued and outstanding. Each common share carries the right to one vote. 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”).

The directors have fixed March 2, 2017 as the record date for determining shareholders entitled to receive notice of the Meeting. A person shown as a shareholder of record on March 2, 2017 shall be entitled to vote the shares of the Bank registered in his or her name on that date, except to the extent that the person has transferred the ownership of any of his or her shares after March 2, 2017 and the transferee of those shares produces properly endorsed share certificates or otherwise establishes that he or she owns such shares and demands, not later than ten (10) days before the Meeting, that his or her name be included in the list of shareholders entitled to receive a Notice of Meeting, in which event the transferee shall be entitled to vote such shares at the Meeting.

To the best of the knowledge of the Bank, as at March 2, 2017, no person or company beneficially owned, or exercised control or direction, directly or indirectly, over more than 10% of the common shares of the Bank, other than 340268 Ontario Limited, which owns 6,671,992 common shares of the Bank, being approximately 31.6% of the issued and outstanding common shares of the Bank.

PART III - BUSINESS TO BE TRANSACTED AT THE MEETING

1. FINANCIAL STATEMENTS

The Consolidated Financial Statements for the fiscal years ended October 31, 2016 and 2015 have been mailed to shareholders with this Management Proxy Circular. Shareholders and proxyholders will have an opportunity to review and discuss the 2016 fiscal year end results with management at the Meeting.

2. APPOINTMENT OF AUDITORS

The directors propose KPMG LLP for reappointment as auditors of the Bank to hold office until the close of the next annual meeting of shareholders. This proposal is supported by the Annual Reviews of the External Auditor that were carried out in Fiscal 2015 and 2016 by the Audit Committee following the guidance issued by Chartered Professional Accountants Canada, Canadian Public Accountability Board and the Institute of Corporate Directors. KPMG LLP has acted as auditors of the Bank since 1989.

In the past, the Board of Directors has fixed the remuneration of the auditors of the Bank. Such remuneration has been based upon the complexity of the matters dealt with and time spent in providing services to the Bank. The Board is satisfied that the remuneration negotiated in the past with the auditors of the Bank has been reasonable under the circumstances and would be comparable to fees charged by other auditors providing similar services.

3. AMENDMENTS TO BY-LAW NO. 1 TO INCREASE NUMBER OF DIRECTORS

The *Bank Act* provides that where there exists a shareholder of the Bank that beneficially owns more than 10% of the voting rights attached to all of the outstanding voting shares of the Bank cumulative voting applies and there must be a stated number of directors fixed by by-law, as opposed to a minimum and maximum number of directors. The Bank fixed the number of directors in section 4.1 of By-Law No. 1 at ten (10) via a special resolution of the shareholders of the Bank on April 27, 2016.

On February 27, 2017, the Board of Directors approved an amendment to section 4.1 of By-Law No. 1 of the Bank to increase the fixed number of directors to eleven (11), pending confirmation by special resolution of the shareholders of the Bank.

At the Meeting, the shareholders will be asked to consider and, if deemed advisable, approve a special resolution (the "Number of Directors Resolution"), in the form attached hereto as Exhibit A, subject to such amendments, variations or additions as may be approved at the Meeting, to amend section 4.1 of By-Law No. 1 of the Bank to increase the fixed number of directors to eleven (11). In order to be effective, the special resolution must be passed by a majority of not less than two thirds of the votes cast by shareholders thereon in person and by proxy.

It is recommended that shareholders vote FOR the Number of Directors Resolution as set out in Exhibit A. In the absence of contrary instructions, the persons named in the enclosed form of proxy intend to vote FOR the Number of Directors Resolution.

4. ELECTION OF DIRECTORS

Shareholders of the Bank will be asked to elect eleven (11) nominees as directors of the Bank by cumulative voting to hold office until the close of the next annual general meeting or until his or her successor is duly elected, unless his or her office is vacated in accordance with the by-laws. 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, and 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. If the number of candidates nominated for director exceeds the number of positions to be filled, the candidates who receive the least number of votes will be eliminated until the number of candidates remaining equals the number of positions to be filled.

Ten of the eleven nominated individuals are currently directors of the Bank and were elected by the shareholders at the previous annual meeting for a term expiring at the close of the first annual meeting following their election, and the final (i.e., eleventh) director is being proposed for election at the annual meeting.

Unless a shareholder giving a proxy specifies that the proxy be withheld from voting on the election of all or any of the directors, or specifies how the shareholder wishes to distribute the votes represented by the proxy among the candidates, the persons named in the enclosed form of proxy intend to cast the votes represented by such proxy FOR the election of the eleven nominees named herein (or any replacements thereof) and to distribute votes among such nominees in such manner as in their discretion is most likely to cause such nominees to be duly elected as the directors of the Bank at the Meeting.

The Board of Directors recommends that shareholders vote FOR the following director nominees.

The Honourable Thomas A. Hockin	R. W. (Dick) Carter	Susan T. McGovern
The Honourable Maurizio Bevilacqua	Arnold E. Hillier	Paul G. Oliver
David A. Bratton	Colin E. Litton	David R. Taylor
Robbert-Jan Brabander	Avery Pennarun	

The following is the Attendance Record for the current Board of the Bank for the fiscal year ended October 31, 2016. Additional information on the Bank's current Board and its Committees is contained in the Bank's Annual Information Form for the year ended October 31, 2016.

Summary of Attendance of Directors

Director	Number of meetings attended				
	Board	Audit Committee	Conduct Review, Governance & HR Committee	Risk Oversight Committee	Special Committee
R. J. Brabander	9 of 9	n/a	n/a	10 of 10	14 of 14
D. Bratton	9 of 9	n/a	7 of 7	n/a	n/a
A. Hillier	9 of 9	n/a	7 of 7	10 of 10	14 of 14
T. Hockin	9 of 9	n/a	n/a	n/a	n/a
C. Litton	9 of 9	6 of 6	n/a	10 of 10	14 of 14
S. McGovern	9 of 9	n/a	7 of 7	n/a	n/a
P. Oliver	9 of 9	6 of 6	n/a	n/a	n/a
D. Taylor	9 of 9	n/a	n/a	n/a	n/a
R. Carter	8 of 9	6 of 6	n/a	n/a	14 of 14
A. Pennarun (1)	5 of 5	n/a	n/a	n/a	n/a

Notes
(1) Joined the Board on April 27, 2016.

The information as to voting shares beneficially owned, directly or indirectly, or over which control or direction was exercised as set forth in the table below, not being within the knowledge of the Bank, has been furnished by the respective nominees individually.

Name	Office held and date first became a director	Principal occupation
The Honourable Thomas A. Hockin (1) Rancho Mirage, California, USA *Common shareholdings – 8,475*	Chairman Director since August 21, 2014	Retired, former Executive Director of the International Monetary Fund
Robbert-Jan Brabander (2) Richmond Hill, Ontario *Common shareholdings – 20,995*	Director since November 4, 2009	Managing Director of Bells & Whistles Communications, Inc.
David A. Bratton (3) London, Ontario *Common shareholdings – 20,266*	Director since September 23, 1993.	Retired, President of Bratton Consulting Inc.
R. W. (Dick) Carter (4) Regina, Saskatchewan *Common shareholdings – 11,000*	Director since December 1, 2014	Retired, former Chief Executive Officer of the Crown Investments Corporation of Saskatchewan
Arnold E. Hillier (2)(3)(5) Crossmount, Saskatchewan *Common shareholdings – 67,434*	Director since December 3, 2002	Retired, former Chairman, Chief Executive Officer and Chief Financial Officer, Claude Resources Inc.

Colin E. Litton (2) (4) Oakville, Ontario *Common shareholdings – 25,376*	Director since June 1, 2010	Retired, former senior partner of KPMG LLP
Susan T. McGovern(3) Gormley, Ontario *Common shareholdings – 15,897*	Director since May 6, 2011	Vice President, External Relations and Advancement, University of Ontario Institute of Technology
Paul G. Oliver (4) (6) Markham, Ontario *Common shareholdings – 18,616*	Director since June 2, 2005	Retired, former senior partner of PricewaterhouseCoopers LLP
Avery Pennarun New York, New York, USA *Common shareholdings – 35*	Director since April 27, 2016	Senior Staff Software Engineer, Google Fiber Inc.
David R. Taylor Ilderton, Ontario *Common shareholdings – 458,150* *Bank Stock Options – 40,000* *PWC Replacement Options* (7)*- 4,757*	President & CEO Director since January 18, 1993	President & CEO of the Bank
The Honourable Maurizio Bevilacqua Vaughan, Ontario *No shareholdings*	Proposed Director	Mayor of the City of Vaughan, Ontario

Notes

(1) Current and proposed Chairman of the Board.
(2) Current and proposed member of the Risk Oversight Committee.
(3) Current and proposed member of the Conduct Review, Governance & HR Committee.
(4) Current and proposed member of the Audit Committee.
(5) Mr. Hillier is also a director of Shore Gold Inc.
(6) Mr. Oliver is also a director of Mackenzie Financial Corporation, Mackenzie Financial Capital Corporation, Multi-Class Investment Corp., Counsel Portfolio Corporation and Counsel Portfolio Services Inc.
(7) A description of PWC Replacement Options, which occurred as a result of the Amalgamation (as defined below), can be found under the heading "*Stock Option Incentive Plan*" below.

Majority Voting

The Bank has a majority voting policy for the election of directors, which is applicable at any meeting of the Corporation's Bank's shareholders where an uncontested election of directors is held. A director nominee in an uncontested election who receives more "withheld" votes than votes in his or her favour is expected to promptly tender his or her resignation to the Chair of the Board for consideration, however, such resignation is not effective until it is accepted by the Board. The Board will submit the nominee's resignation to the Bank's Conduct Review, Governance & HR Committee (the "HR Committee") for consideration. The HR Committee will then recommend to the Board whether to accept the resignation. A director who tenders his or her resignation will not participate in any meetings to consider whether the resignation shall be accepted. Within 90 days of receiving the final voting results, the Board will issue a press release announcing whether it has accepted the director nominee's resignation or explaining its reasons for not accepting the resignation; absent extenuating circumstances, the Board expects that such resignations will be accepted.

5. AMENDMENTS TO BY-LAW NO. 1 REGARDING DIRECTOR REMUNERATION

The *Bank Act* requires that the aggregate compensation of directors during a fiscal year be set by way of a by-law. The Bank has set this amount in section 9.6 of By-Law No. 1, which provides that the total amount that may be paid by the Bank in a financial year to all directors of the Bank as remuneration for their services as directors is $850,000. This amount was last approved on April 27, 2016 by special resolution of the shareholders of the Bank.

On January 27, 2017, on the recommendation of the HR Committee, and in order to appropriately compensate directors for their services as directors and factoring in a proposed addition of a new Board committee and the proposed addition of an eleventh director, the Board approved the amendment and restatement of section 9.6 of By-Law No. 1 of the Bank to increase the total remuneration that may be paid to all directors as remuneration to $1,500,000, pending confirmation by special resolution of the shareholders of the Bank.

The Bank has been operating in a progressively challenging industry and dealing with an increasing number of and more complex regulatory issues. This has contributed to a heavier workload for directors of the Bank, with an increase in the preparation time for meetings as well as an increase in the number and duration of meetings. The proposed increase to the director remuneration takes into consideration the complexity of the issues that the directors are dealing with, the frequency of meetings held and the compensation package of directors at comparable companies. In addition, and as noted above, the proposed increase also factors in a proposed addition of a new Board committee and the proposed increase to eleven directors from ten. Finally, it is anticipated that this increase will preclude the need for additional changes to director compensation in the foreseeable future.

At the Meeting, the shareholders will be asked to consider and, if deemed advisable, approve a special resolution (the "Director Remuneration Resolution"), in the form attached hereto as Exhibit B, subject to such amendments, variations or additions as may be approved at the Meeting, to amend and restate section 9.6 of By-Law No. 1 of the Bank to increase the total remuneration that may be paid to all directors as remuneration to $1,500,000. In order to be effective, the special resolution must be passed by a majority of not less than two thirds of the votes cast by shareholders thereon in person and by proxy.

It is recommended that shareholders vote FOR the Director Remuneration Resolution as set out in Exhibit B. In the absence of contrary instructions, the persons named in the enclosed form of proxy intend to vote FOR the Director Remuneration Resolution.

PART IV – STATEMENT OF EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION & ANALYSIS (CD&A)

The following CD&A provides a description of the strategy, processes and decisions made pertaining to the oversight, design and payout of the Bank's compensation for its Named Executive Officers ("NEOs") for Fiscal 2016. The NEOs as of October 31, 2016 are David Taylor, President & Chief Executive Officer (President & CEO); Barry Walter, Senior Vice President & Chief Financial Officer (SVP & CFO); and each of the next three most highly compensated executive officers of the Bank, being Jonathan Taylor, Senior Vice President, Deposit Services & Human Resources (SVP, Deposit Services & Human Resources); Shawn Clarke, Senior Vice President & Chief Operating Officer (SVP & COO); and, Nick Kristo, Senior Vice President, Credit & Chief Risk Officer (SVP, Credit & CRO). Barry Walter resigned from the Bank effective January 31, 2017 and Shawn Clarke was appointed as CFO effective the same date. As of January 31, 2017 Mr. Clarke's full title is Senior Vice President, Chief Operating Officer and Chief Financial Officer.

Prior to the Bank's initial public offering in August, 2013, PWC Capital Inc. ("PWC") was the sole shareholder of the Bank. Compensation for employees was in respect of their service to both the Bank and PWC, and as a result, disclosure with respect to PWC is included herein, where necessary, in order to provide complete disclosure of compensation for services to the Bank. As of October 31, 2016 David Taylor was the President & CEO and Barry Walter was the SVP & CFO of both the Bank and PWC (David

Taylor remains the President & CEO of the Bank, as of March 2, 2017). The other three NEOs, Messrs. J. Taylor, Clarke and Kristo were and are officers of the Bank only.

Compensation Governance

The Board has delegated the responsibility for oversight of the Bank's compensation program to the Conduct Review, Governance & HR Committee (the "HR Committee"), which reports regularly to the Board of Directors.

The HR Committee is comprised of independent directors. They are David A. Bratton (Chair), Arnold E. Hillier and Susan T. McGovern. No member of the HR Committee has ever been an officer or employee of the Bank or any of its affiliates, and no member is an active chief executive officer with a publicly traded company.

Mr. Bratton has been a member of the Board since 1993. Mr. Bratton has over 30 years of human resource management experience. He holds MBA, FCMC and CHRP designations. Mr. Bratton was an affiliate professor at the Rotman School of Business for 18 years. He is President of Bratton Consulting Inc., a human resource management consulting firm.

Mr. Hillier has been a member of the Board since 2002. He is also a member of the Risk Oversight Committee and up to March 25, 2015 Mr. Hillier was a member of the Audit Committee. Mr. Hillier holds a Bachelor of Commerce degree and a CPA and CA designation. He has experience in executive compensation matters as he was formerly a CEO, Chief Financial Officer and Vice President of Finance with other publicly traded corporations.

Ms. McGovern has been a member of the Board since 2011. She has 30 years of experience in the federal government, the Ontario Public Service, and private and not-for-profit sectors. She is Vice President, External Relations and Advancement at the University of Ontario Institute of Technology. As a senior leader, her strengths include corporate development and governance, human resource management, strategic communications, stakeholder engagement, and philanthropic development.

The Board believes that the members of the HR Committee have the qualifications and experience in human resource matters, and in particular executive compensation, to fulfill their responsibilities.

The HR Committee held seven meetings during Fiscal 2016. The President & CEO and the SVP, Deposit Services & Human Resources attend meetings but do not have the right to vote. The HR Committee may hold in-camera sessions without management present and may engage the services of an independent compensation consultant at their discretion.

Currently, the HR Committee's responsibilities with respect to human resources matters include the following:

a) Annually review the Bank's overall compensation plan and the policies pertaining thereto to ensure that they are consistent with the Bank's goals of attracting and retaining the best people, aligning executive interests with those of the Bank, and paying for performance. Survey information is obtained from compensation consulting companies and other external independent sources to ensure that compensation paid is competitive.
b) Consider the implications of risks associated with the Bank's compensation policies and practices.
c) Approve, at the beginning of each fiscal year, performance measurements for calculating the annual incentive award of the President & CEO.
d) Review the compensation of the President & CEO, and recommend same to the Board of Directors for approval.

e) Report to the full Board on a timely basis as to the actual calculations of total compensation of the President & CEO.
f) Review staff compensation, including ranges and benefit programs.
g) Review staff incentive awards.
h) Recommend to the Board of Directors for approval the annual incentive award pool for executives.
i) Review a report from the Internal Auditor on the alignment of the Bank's compensation policies with the Financial Stability Board's Principles for Sound Compensation Practices.

The Board and the HR Committee consider the implications of risks associated with the Bank's compensation policies and practices. The Board, currently through the HR Committee, monitors and manages any such risks by taking actions that include the following:

a) Actively overseeing the Bank's compensation systems, and monitoring and reviewing compensation policies and procedures to ensure they are operating as intended.
b) Establishing appropriate performance measures for the President & CEO at the beginning of the fiscal year and assessing overall performance and recommending compensation decisions to the Board at the end of the fiscal year.
c) Ensuring that the performance measures assigned to the President & CEO, which are derived from the Bank's Business Plan, are within the Bank's tolerance for risk.
d) Ensuring the compensation decisions for employees in control functions (finance, risk, compliance, and internal audit) are based on enterprise and individual performance, and is not based on the performance of the specific businesses supported by the control function.
e) Ensuring a member of the HR Committee is also a member of the Risk Oversight Committee.

Executive Compensation Philosophy

The key components of the Bank's compensation plan for NEO's are base salary, short-term (annual) incentive awards, and long-term incentives.

The aggregate of these components, along with the employee benefits provided, including a pension supplement payment, constitute the key components of the total compensation package. The compensation package is designed to attract and retain highly qualified individuals, while creating an incentive to align efforts with shareholder interests and motivate NEO's to deliver company performance that will create real long-term shareholder value.

The Bank's overall objective is to set total compensation at approximately the seventy-fifth percentile of the total compensation paid for comparable positions at comparable companies ("Comparable Companies"), being Home Capital Group Inc., Equitable Group Inc., and Canadian Western Bank. The Bank considers compensation information of these entities as a frame of reference in determining NEO compensation due to management's belief that the Comparable Companies are the Canadian financial institutions that are the most similar to the Bank. In particular, the Comparable Companies represent mid-sized, federally regulated financial institutions that raise deposits solely or partly through a brokerage network. However, since these companies vary from the Bank in terms of business model, asset size, and organization structure, compensation data from Comparable Companies is used as a frame of reference only, and not a definitive target for NEO compensation. Other elements which are considered when determining total compensation are set forth below.

More detail on each component and its purpose within total compensation is described in the table below titled "Type of Compensation", and in subsequent sections of this circular.

Decision Making Process

The Board, through the HR Committee, actively oversees the Bank's overall compensation program and monitors and reviews compensation practices to ensure they operate as intended.

The SVP, Deposit Services & Human Resources provides the HR Committee with market data, including information concerning compensation paid at Comparable Companies, to assist the Committee in its deliberations.

In conjunction with the President & CEO, the HR Committee establishes performance measurements for the President & CEO at the beginning of the fiscal year, and the Board of Directors monitors progress against the performance measures throughout the year. At the end of the year, the HR Committee receives a report from the Chairman of the Board on the results of the President & CEO's performance appraisal.

The President & CEO's Executive Employment Agreement is recommended by the HR Committee to the Board for approval, and the HR Committee recommends to the Board for approval any incentive award payable to the President & CEO.

The President & CEO has final approval for all compensation decisions concerning NEOs and other staff, other than himself, and other than the total amount of the annual incentive award pool for executives, which is reviewed and recommended by the HR Committee to the Board for approval. The HR Committee reviews the balance of the compensation decisions after the fact and provides comment and advice for consideration with regard to future compensation decisions.

Type of Compensation

Description	**Form**	**Eligibility**	**Performance Period**
Base Salary	Cash	All employees	Reviewed annually
Short-term (Annual) Incentive Awards	Cash	All employees	One year
Long-term Incentives	Stock Options	All employees	Up to 10 year option term
	Long-term Incentive Award	President & CEO	5 years
	Employee Share Purchase Plan	All employees (excluding CEO)	One year
	Senior Executive Share Purchase Plan	All employees at the position of senior vice president or above	5 years
Other - Pension Supplement	Cash	All employees	Not applicable

Base Salary

NEOs are paid a base salary that is commensurate with the NEO's position and level of responsibility within the Bank. The actual base salary paid is determined with consideration to past and current performance, internal equity, salaries paid at Comparable Companies, salary surveys including Mercer's Executive, Management and Professional Survey, and the potential impact of the position on the Bank's performance. Base salaries for executives who report directly to the President & CEO are approved by the President & CEO, upon recommendation of the SVP, Deposit Services & Human Resources, and are reviewed after the fact by the HR Committee.

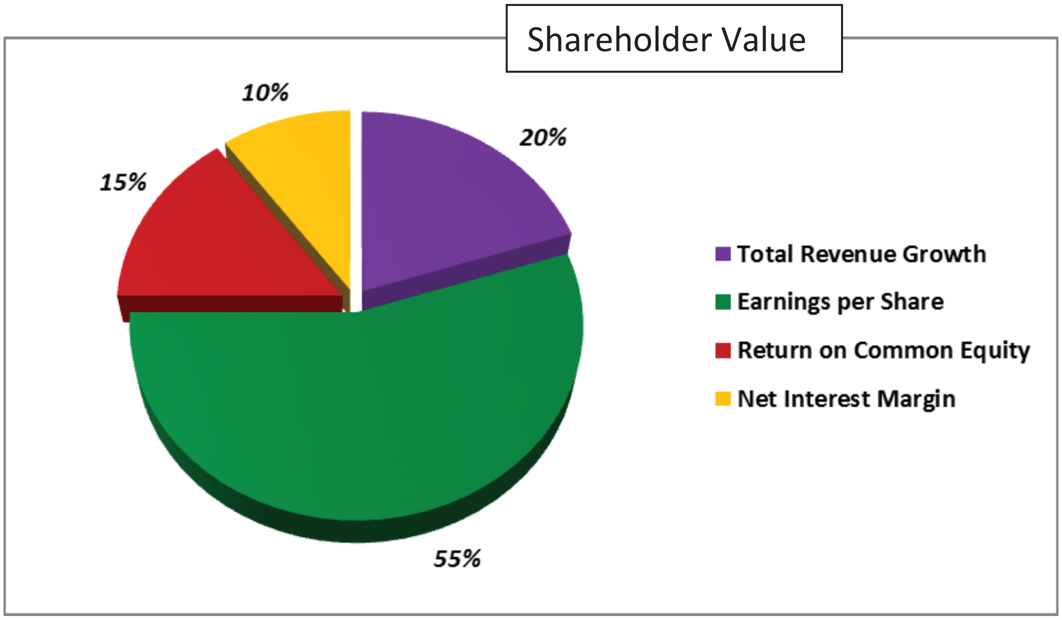
Short-term (Annual) Incentive Awards

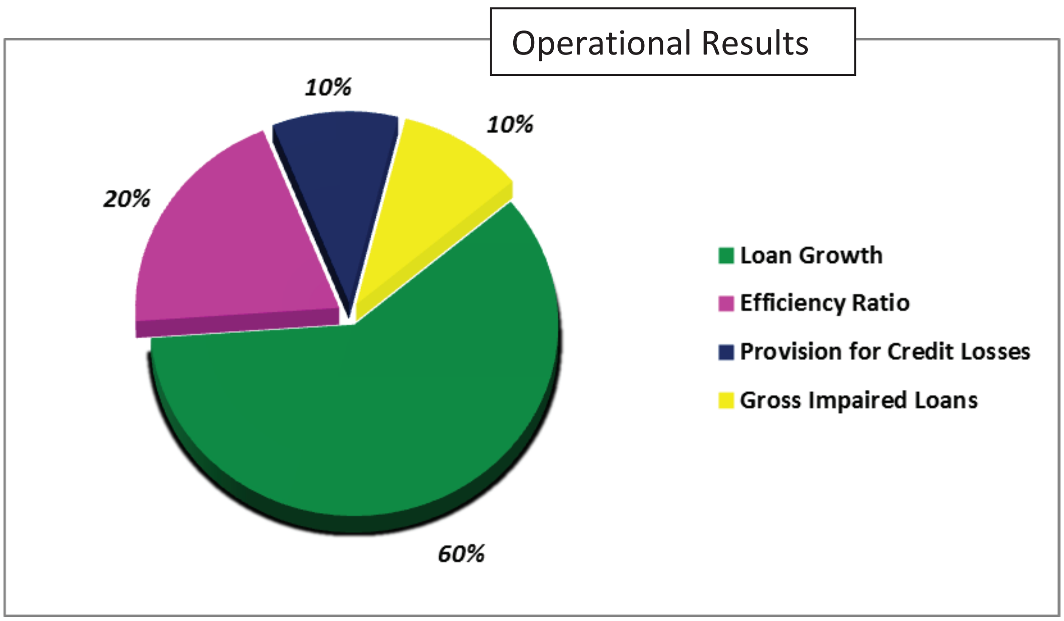
NEOs are eligible to participate in the Bank's Incentive Award Program ("Incentive Award Program"). The key goals of the Incentive Award Program are to align employee efforts with business plan achievement, to encourage the effective management of risk, to pay for performance, and to encourage teamwork.

For NEOs other than the President & CEO, individual performance objectives that reflect the NEO's key responsibility areas are set at the beginning of each fiscal year and are set to align with the business, financial, risk management and strategic objectives of the Bank as set out in the Banks' Business Plan and Budget. Periodically throughout the year objectives are re-visited to monitor results to date, and to determine if the stated objectives require modification based on factors that may include a change in job responsibilities or a change in business priorities. At the end of each fiscal year the actual results achieved are reviewed and any extenuating circumstances are considered. Factors considered in determining whether an award should be paid and in determining the amount of the award include individual results against predetermined performance objectives, and the executive's business unit results. Notwithstanding the above, the Bank's overall results have a significant effect on the final determination as to whether and in what amount short-term incentive awards are paid. The HR Committee reviews and recommends to the Board for approval the annual incentive award pool for NEOs and other executives. The final decision on short-term incentive awards for all NEOs and other executives within that award pool, other than the President & CEO, is made by the President & CEO. The HR Committee reviews the President & CEO's decisions after the fact.

With respect to the President & CEO, performance measurements for the short-term incentive award are approved by the HR Committee at the beginning of each fiscal year. In determining the amount of the incentive award (if any) the Board has discretion to consider subjective measures, including the implementation of the Bank's philosophy with respect to risk, enterprise risk management, and corporate reputation. Finally, the Board has ultimate discretion to consider any extraordinary circumstances. At the end of the fiscal year, a determination is made as to the amount of any incentive award payable.

For Fiscal 2016, the President & CEO's key performance measures were established in three main categories. Under the performance objectives, financial metrics related to shareholder value have been attributed a 50% weighting in the assessment, financial metrics related to operational results have been attributed a 30% weighting, and the remaining 20% was attributed to individual performance in key management areas that have a significant impact on the Bank's results, including (i) the development/execution of strategic vision, (ii) communication, (iii) leadership development, and (iv) succession planning. The financial metrics used to determine the President & CEO's performance as it relates to shareholder value and operational results are key business targets derivable directly from the Bank's Fiscal 2016 Business Plan and Budget and have been outlined below.





The extent to which each target is met multiplied by its weighting determines the number of points earned. The total number of points earned is then multiplied by 85% of the President & CEO's base salary to arrive at the short-term incentive award amounts. The target annual incentive award for the President & CEO is 85% of base salary with a maximum cap of 135% of base salary. Further details can be found in the section titled '2016 Incentive Awards Paid'.

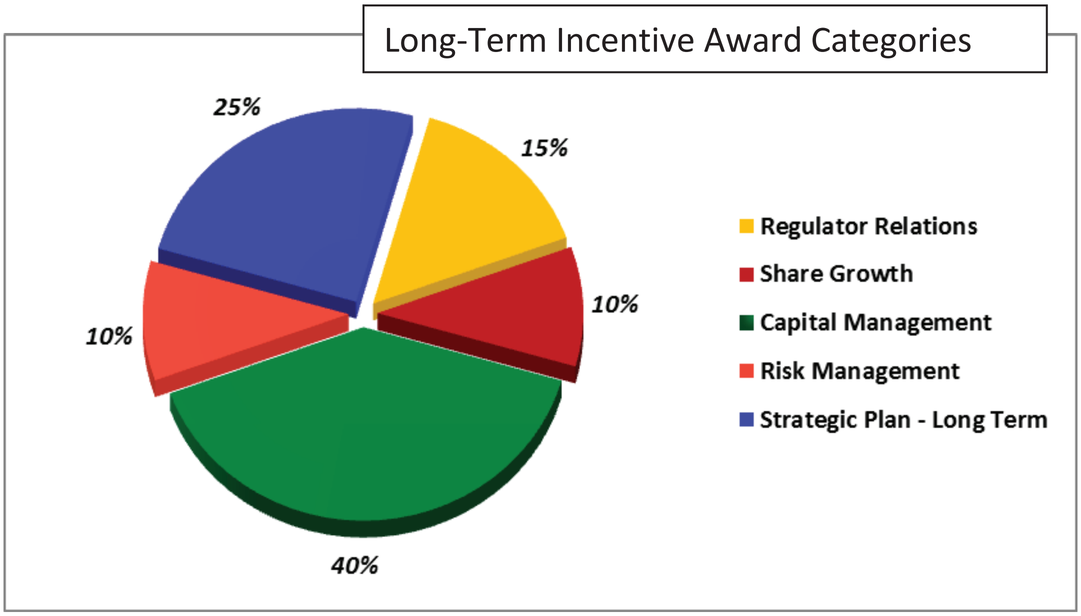
Incentive Award Deferral

The Bank may, in its sole discretion, require that all or a portion of any incentive award payable be deferred until the anticipated benefit to the Bank to which the award is associated, actually occurs. In such case, the amount deferred will not vest based on the passage of time only. Performance and/or risk management criteria as determined by the Bank must be met prior to vesting.

Long-term Incentives

NEOs are eligible to participate in the Bank's long-term incentive programs, including the Employee Share Purchase Plan, the Senior Executive Share Purchase Program and the Stock Option Incentive Plan, each of which is discussed in greater detail below.

With respect to the President & CEO, performance measurements for the long-term incentive award are approved by the HR Committee at the beginning of each fiscal year. Each performance measure was assigned a weighting to reflect its relative importance to the Bank's long-term success as set out below:



The extent to which each performance category target has been met multiplied by its weighting determines the number of points earned. The total number of points earned is multiplied by 100% of the President & CEO's base salary to arrive at the gross long-term incentive award amount. The target long-term incentive award for the President & CEO is 100% of base salary with a maximum cap of 130% of base salary.

In determining the amount of the long-term incentive award (if any) the Board has discretion to consider subjective measures, including the implementation of the Bank's philosophy with respect to risk and enterprise risk management, and corporate reputation. Finally, the Board has ultimate discretion to consider any extraordinary circumstances. At the end of the fiscal year, a determination is made as to the gross amount of any long-term incentive award payable. The amount of cash actually paid to the President & CEO for the purchase of the Bank common shares is the gross amount mentioned above divided by the Bank's book value per share at October 31, 2016. That amount is multiplied by the cost of a phantom option based on the Black Scholes option costing method. Subject to the terms of the Bank SESPP (as defined below), the President & CEO is required to purchase common shares of the Bank and will receive reimbursement in an amount equal to the adjusted long-term incentive amount. The President & CEO must hold the shares for a minimum of five years. See the "Summary Compensation Table" below for additional information.

Performance measurements for the long-term incentive awards to NEOs other than the President & CEO are not discussed as no such awards have been granted since the Bank's initial public offering in August, 2013.

Stock Option Incentive Plan

The purpose of the stock option incentive plan of the Bank (the "Bank Stock Option Plan") is to align the interests of those eligible to participate ("Optionee") with the longer term interests of the shareholders of the Bank.

The Bank Stock Option Plan provides a compensation opportunity that encourages share ownership. The Bank's directors, officers, employees and consultant service providers are eligible to participate in the Bank Stock Option Plan, though no awards were made in Fiscal 2016. No financial assistance is provided by the Bank to participants to facilitate the purchase of securities under the Bank Stock Option Plan.

The Bank Stock Option Plan provides that the maximum number of common shares available for option shall be 10% of the Bank's common shares as are outstanding from time to time. The number of options issuable to insiders, at any time, under all security based compensation arrangements, is not to exceed 10% of issued and outstanding common shares of the Bank. Also, the number of options issued to insiders, within any one year period, under all security based compensation arrangements, cannot exceed 10% of issued and outstanding common shares of the Bank. Further, the number of options issuable to any Optionee, at any time, is not to exceed 5% of issued and outstanding equity securities of the Bank, including all preferred shares of the Bank. The Stock Option Plan will be automatically reloaded upon the exercise of options, subject to the above 10% maximum.

The purchase price of the common shares, upon exercise of each option granted under the Bank Stock Option Plan, shall be a price fixed for such option by the Board or by the Committee at the time of the respective grant, subject to regulatory approval, but such price shall be not less than the fair market value of the common shares. The fair market value for this purpose shall be deemed to be the closing price at which board lots of the Bank's common shares were traded on the Toronto Stock Exchange ("TSX') on the day preceding the date on which the option is granted, or if no board lots are traded on such day then the previous five day weighted average of board lot trading prices.

No option is transferable otherwise than by will or the laws of succession and distribution. An Optionee who is an individual may assign the options held by him or her to a personal holding company over which they have control. Likewise, any options granted to an Optionee that is a holding company of a director, officer, employee or service provider of the Bank may assign the options to the respective director, officer, employee or service provider.

The Board may amend, suspend or terminate the Bank Stock Option Plan, or any portion thereof, at any time, subject to those provisions of applicable law (including, without limitation, the rules, regulations and policies of the TSX), if any, that require the approval of shareholders or any governmental or regulatory body. Without limiting the generality of the foregoing, the Board may at any time make the following amendments to the Bank Stock Option Plan without the approval of shareholders: (i) amendments which are of a housekeeping nature, including any amendment required to cure any ambiguity, error or omission in the Bank Stock Option Plan or to correct or supplement any provision of the Bank Stock Option Plan that is inconsistent with any other provision of the Bank Stock Option Plan; (ii) a change to the vesting provisions of any option or the Bank Stock Option Plan; (iii) a change to the termination provisions of the Bank Stock Option Plan or any option, whether or not such option is held by an insider, so long as that change does not entail an extension beyond the original expiry date; (iv) the addition or modification of a cashless exercise feature, payable in cash or securities, which provides for a full deduction in the number of underlying securities from the Bank Stock Option Plan reserve; (v) the addition of a financial assistance provision; (vi) a change to a financial assistance provision; (vii) amendments necessary to comply with the provisions of applicable law (including, without limitation, the rules, regulations and policies of the TSX); and (viii) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law (including, without limitation, the rules, regulations and policies of the TSX).

Amendments to the Bank Stock Option Plan may be made in accordance with the provisions of the Bank Stock Option Plan, provided that such amendments may not, without the consent of the Optionee, adversely affect or impair any option previously granted to any Optionee under the Bank Stock Option Plan.

Shareholder approval will be required for any amendments to the Bank Stock Option Plan which result in a change to the fixed maximum percentage of common shares issuable under the Bank Stock Option Plan. Further, shareholder approval, excluding the votes of securities held directly or indirectly by insiders benefiting from the amendment, is required for: (i) a reduction in the exercise price or purchase price of the common shares; or (ii) an extension of the term under the Bank Stock Option Plan which is of benefit to an insider of the Bank.

The common shares subject to each option shall become purchasable and each option shall become exercisable at such time or times after the option is granted as may be determined by the Board at the time of the respective grant; provided that if no such time or times are so determined, then each option may be exercised as to a maximum of one-third thereof from the date of grant, as to a cumulative maximum of two-thirds after one year from the date of grant and as to a cumulative maximum of its entirety after two years from the date of grant. Notwithstanding the foregoing and subject to regulatory approval, each option shall become exercisable to its full extent upon the resolution of the Board to such effect, which resolution may be enacted for any reason as determined by the Board including a determination that there has been a change of control of the Bank or that there is expected to be a change of control of the Bank which in the opinion of the Board warrants altering the provisions pursuant to which an option is exercisable. No option shall be granted for a term of greater than ten years.

Each option, unless sooner terminated in accordance with the terms, conditions and limitations of the option or unless sooner exercised, shall expire on the later of:

(i) the close of business on the date determined by the Board when the option is granted (“Expiry Date”); and

(ii) if the Expiry Date of any vested option falls on, or within nine (9) trading days immediately following, a date upon which the Optionee is prohibited from exercising such option due to a black out period or other trading restriction imposed by the Bank (“Black Out Period”), then the Expiry Date of such option shall be automatically extended to the tenth (10th) trading day following the date the relevant Black Out Period is lifted, terminated or removed.

Common shares subject to an option which is not exercised or which is cancelled shall be available for subsequent options under the Bank Stock Option Plan.

In the event that an Optionee, prior to the close of business on the respective Expiry Date for his/her option, ceases to be a director, officer, employee or service provider of the Bank or any of its subsidiaries, as the case may be, then each option granted to such Optionee shall remain exercisable to and only to the extent of the common shares which have vested as of the date the Optionee ceased to be a director, officer, employee or service provider, as the case may be, for a period commencing on the date the Optionee ceases to be director, officer, employee or service provider, as the case may be and ending on the earlier of (1) 90 days thereafter and (2) the Expiry Date and thereafter shall be of no further force or effect whatsoever, subject to certain extensions where such Optionee is terminated by reason of disability, retirement or the event of death. In the event the employment of an Optionee is terminated because of the breach by such Optionee of any contractual relationship with the Bank or for just and sufficient cause, then any option granted to such Optionee under the Bank Stock Option Plan shall terminate at the time of the termination of the Optionee’s employment.

As of March 2, 2017, there were 40,000 Bank stock options outstanding pursuant to the Bank Stock Option Plan. No Bank Stock Options were granted during Fiscal 2016, however, as part of the amalgamation of the Bank and PWC completed on January 31, 2017 (the "Amalgamation"), each issued and outstanding stock option of PWC was converted into an option to purchase (1/54.508758) Bank common shares(each a "PWC Replacement Option"). The exercise price per Bank common share subject to PWC Replacement Options is an amount equal to the quotient obtained when (A) the exercise price per common share of PWC subject to such option immediately prior to the effective time of the Amalgamation, is divided by (B) (1/54.508758), provided that the aggregate exercise price payable on any particular exercise of PWC Replacement Options is rounded up to the nearest whole cent. All terms and conditions of a PWC Replacement Option, including the term to expiry, conditions to and manner of exercising, are the same as the PWC stock option for which it was exchanged, and the PWC Replacement Options are governed by the terms of PWC's stock option incentive plan. As of the date hereof, there are 7,059 PWC Replacement Options issued and outstanding.

The Board last approved the Bank Stock Option Plan on March 1, 2016. The Shareholders of the Bank last approved the Bank Stock Option Plan on April 27, 2016. As required by the TSX rules, the Bank must obtain director and shareholder approval for its Bank Stock Option Plan every 3 years.

Factors considered prior to granting additional stock options are an individual's past and current performance, level of responsibility, stock options previously granted, the cost of the stock options, stock options granted by Comparable Companies, and compensation survey information.

Additional disclosure pertaining to stock options is set out below in the table entitled "Outstanding Option-based Awards at Fiscal Year End".

Employee Share Purchase Program

The Bank has an employee share purchase plan (the "Bank ESPP"), in which all employees (excluding the CEO) are eligible to participate. The Bank ESPP encourages ownership of the Bank's securities and aligns the interests of employees, including NEOs (but excluding the CEO), more closely with those of the Bank's shareholders. Pursuant to the Bank ESPP, employees can purchase common shares of the Bank on the open market (TSX) up to an aggregate amount of 20% of their base salary. They are eligible for a fifty percent (50%) reimbursement for common shares purchased and a forty percent (40%) reimbursement for preferred shares purchased. All shares purchased under the Bank ESPP are to be held for a minimum of one year from the date of purchase. Reimbursement amounts paid to employees are a taxable benefit.

Senior Executive Share Purchase Program

All employees at the senior vice president level and above are eligible to participate in the Senior Executive Share Purchase Program (the "Bank SESPP"). The objective of the Bank SESPP is to encourage ownership of the Bank's securities, as well as of securities of PWC, and to provide a long-term incentive that aligns a participant's interests with shareholder interests. At the end of each fiscal year, the Bank will determine the maximum dollar value of the reimbursement to be assigned to each eligible participant. Such maximum will be determined by considering the results the Bank achieved relative to its long-term targets in the previous fiscal year. The eligible participant will purchase the Bank's securities on the open market, up to the maximum amount assigned and the reimbursement will be paid to the participant in cash as reimbursement for ninety percent (90%) of the cost of the Bank's securities purchased by the participant less brokerage fees up to the maximum amount. All shares purchased under the Bank SESPP are to be held for a minimum of five years from the date of purchase, unless otherwise agreed in writing. Additionally, the securities may be sold in the event of death, retirement, resignation or termination (including termination as a result of a change of control). Reimbursement amounts paid to employees are a taxable benefit. At present, only the President & CEO participates in the Bank SESPP.

Other – Pension Supplement

Although the Bank does not have a formal pension plan, all employees of the Bank, including NEOs, are entitled to an annual cash amount in lieu of pension contributions. This payment is considered a normal component of a competitive executive compensation arrangement. The amounts paid to each NEO can be found in the notes following the "Summary Compensation Table" below. The pension supplement payment calculation is based on a variety of factors, including age, life expectancy and current interest rates.

Changes to NEO Compensation

David Taylor has an Executive Employment Agreement with each of the Bank and PWC. For Fiscal 2014, Mr. Taylor's annual salary was apportioned between the Bank and PWC on an 80/20 basis, but, effective November 1, 2014, Mr. Taylor's annual salary was no longer apportioned and was borne solely by the Bank. Further details can be found in the "Employment Contracts" section below.

In addition, for Fiscal 2015, the HR Committee instituted new performance measures with respect to the assessment of the short term incentive awards and the long-term incentive awards attributable to the President & CEO. The purpose of the changes was to provide more structure, to provide for appropriate emphasis on key performance areas and to increase objectivity. Further details can be found in the sections titled 'Short-Term (Annual) Incentive Awards' and 'Long-Term Incentives' above.

There were no material changes to NEO compensation during Fiscal 2016.

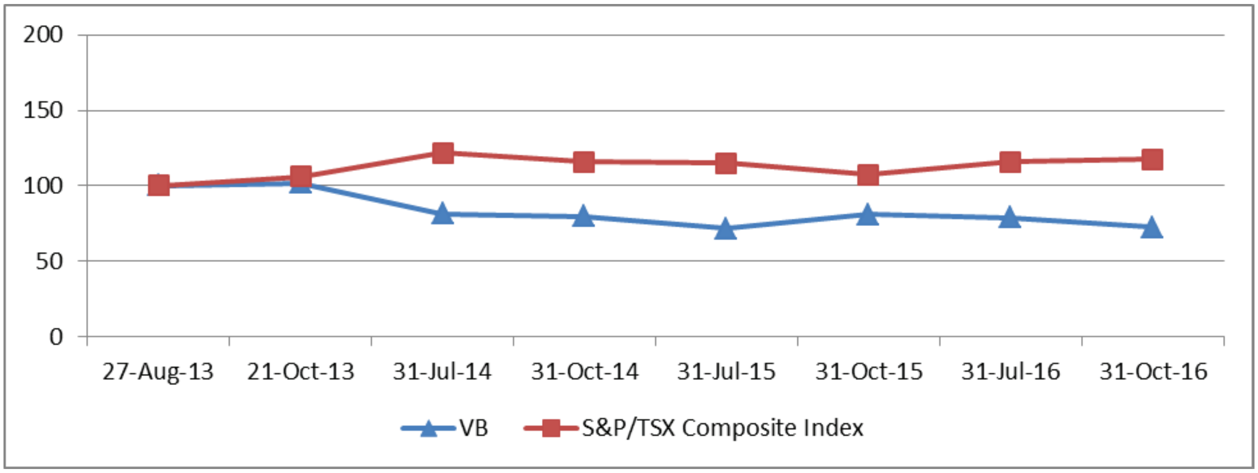
Purchase of financial instruments to offset a decrease in the market value of equity securities

The Bank's NEOs and directors are not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

PERFORMANCE GRAPH

The following chart compares the cumulative Bank total shareholder return (“TSR”) on $100 invested in common shares of the Bank on August 27, 2013 with the equivalent cumulative value invested in the TSX for the same period.

Total Return on $100 Investment



Summary:

	27-Aug-13	31-Oct-13	31-Jul-14	31-Oct-14	31-Jul-15	31-Oct-15	31-Jul-16	31-Oct-16
VB	$100.00	$101.71	$81.37	$79.80	$71.83	$80.94	$78.95	$72.55
S&P/TSX Composite Index	$100.00	$106.12	$121.76	$116.06	$114.91	$107.45	$115.82	$117.44

The Bank’s NEOs have changed since August 27, 2013. David Taylor, Barry Walter and Jonathan Taylor were NEOs in Fiscal 2013, 2014, 2015 and are NEOs in Fiscal 2016. Shawn Clarke was an NEO in Fiscal 2014, 2015 and is a NEO for Fiscal 2016. Ross Duggan was an NEO in Fiscal 2013 and 2014. Nick Kristo was an NEO in Fiscal 2013 and 2015 and is an NEO in Fiscal 2016.

During the period August 27, 2013 to October 31, 2016 the Bank’s trend in total executive compensation, defined as base salary and incentive awards paid, increased to reflect the success of new initiatives such as the bulk finance program, the insolvency trustee banking program and the overall improvement in the Bank’s financial position. In addition, this period included the successful completion of the Bank’s IPO and Preferred Share offerings in 2014 and 2015.

While the Bank believes TSR has an influence on total executive compensation it does not expect a direct correlation will always exist between TSR and total executive compensation since other factors are considered when making executive compensation decisions. Those factors include changes to NEO responsibilities and corresponding increases in compensation, adjustments to compensation necessary to reflect changes in market conditions, and compensation paid to reward NEOs for results that may not be reflected immediately in TSR. Also, the Bank’s NEOs have changed since August 27, 2013.

SUMMARY COMPENSATION TABLE

The following table sets forth all compensation earned by the Bank's NEOs, for services to the Bank for Fiscal 2016.

Name and principal position	Year	Salary ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)		Pension value ($)	All other compensation ($)	Total compensation ($)
					Annual incentive plans	Long-term incentive plans			
David Taylor President & CEO (Avstar Inc.) (1)	2016	559,000	nil	nil	481,724 (2)	193,255 (4)	nil	282,798 (5)	1,516,421
	2015	541,200	nil	nil	458,227	163,052 (4)	nil	292,671	1,455,150
	2014	541,200	nil	nil	454,650	158,064 (3)	nil	215,000	1,368,914
Barry Walter SVP & CFO	2016	281,000	nil	nil	30,000 (2)	nil	nil	131,335 (6)	442,044
	2015	272,000	nil	nil	75,000	nil	nil	153,770	500,770
	2014	265,000	nil	nil	70,000	nil	nil	102,700	437,700
Shawn Clarke SVP & COO	2016	209,000	nil	nil	100,000 (2)	nil	nil	109,867 (7)	419,034
	2015	199,200	nil	nil	75,000	nil	nil	102,800	377,000
	2014	190,000	nil	nil	65,000	nil	nil	67,740	322,740
Jonathan Taylor SVP, Deposit Services & Human Resources	2016	222,000	nil	nil	90,000 (2)	nil	nil	106,094 (8)	417,969
	2015	214,200	nil	nil	75,000	nil	nil	110,700	399,900
	2014	205,000	nil	nil	70,000	nil	nil	78,910	353,910
Nick Kristo SVP, Credit & CRO	2016	209,000	nil	nil	70,000 (2)	nil	nil	113,065 (9)	392,232
	2015	199,200	nil	nil	60,000	nil	nil	105,800	365,000
	2014	190,000	nil	nil	50,000	nil	nil	71,000	311,000

Notes

(1) Avstar Inc. is David Taylor's personal holding company.
(2) See section below entitled "2016 Incentive Awards Paid".
(3) Mr. Taylor was paid $158,064 in cash with the stipulation that the cash be used to purchase Bank common shares. The shares must be held for a period not less than five years. The shares may be sold prior to five years only in the event of termination without cause, retirement or death.
(4) This amount was paid subject to the terms of the Senior Executive Share Purchase Program.
(5) Of this amount, $225,694 was the amount of pension supplement paid.
(6) Of this amount, $110,109 was the amount of pension supplement paid.
(7) Of this amount, $89,573 was the amount of pension supplement paid.
(8) Of this amount, $89,573 was the amount of pension supplement paid.
(9) Of this amount, $89,573 was the amount of pension supplement paid.

2016 Incentive Awards Paid

The following summarizes key rationale for the incentive award paid to each NEO for Fiscal 2016:

David Taylor, President & CEO

(a) Short Term Incentive

All key performance targets related to shareholder value adopted from the Bank's Fiscal 2016 business plan and budget were met or exceeded under Mr. Taylor's leadership. These targets included total revenue growth, earnings per common share, return on common equity and net interest margin.

With respect to Operational results, the Bank's credit quality continued to lead the industry with gross impaired loans at negligible levels for the fourth year in row, and the Bank's capital position, relative to other banks in Canada, remained very strong. Loan growth was restricted by capital constraints, which in turn hampered the Bank's efficiency ratio.

All of Mr. Taylor's leadership performance goals were met. Mr. Taylor was instrumental in leading the effort to amalgamate PWC Capital Inc. and the Bank. In addition, the Bank's Insolvency Trustee Integrated Banking Services (TIB) deposits grew significantly in 2016. Over $380 million in new deposits were raised and new accounts increased by125%. The Real Estate Lending team had another strong year, contributing $19.2 million in net interest income. In addition, the Bulk Receivable Purchase Program continued its success by completing $485 million in new bulk receivable purchases and growing total assets to $787.5 million from $621 million.

(b) Long-term Incentive

All expectations concerning Mr. Taylor's long-term incentive were met with the exception of a goal related to an increase in the Bank's book value.

Under Mr. Taylor's leadership, the Bank had a very successful year and is positioned for significant growth in the future.

Jonathan Taylor, Senior Vice President Deposit Services & Human Resources

Mr. Taylor's key responsibilities include oversight of the Bank's Deposit Services Team and management of the Bank's human resource initiatives and activities.

Again this year, significant progress was made concerning the Insolvency Trustee Integrated Banking Services (TIB) deposit initiative. New TIB deposits increased by 58% to $381 million and new clients and new accounts increased by 25% and 125% respectively. Since the TIB program was launched four years ago, VersaBank has earned a reputation for customer service excellence and has received numerous positive testimonials from its clients. Moreover, the Bank's TIB banking services has now been adopted by all of Canada's national consumer insolvency firms and many regional firms.

Overall over $997 million in deposits were raised during the year efficiently and without complaints. This was an important achievement as the growth of trustee deposits involves more administrative effort than traditional deposit gathering. The Deposit Services Team also made a significant contribution to the reduction in the Bank's cost of funds again this year by maintaining an excellent relationship with the Bank's deposit broker network and consistently raising deposits at rates lower than its competitors.

As the senior manager responsible for Human Resources, Mr. Taylor also successfully managed all of the Bank's HR programs and activities and he provided effective support to the Conduct Review, Governance & HR Committee.

Barry Walter, Senior Vice President & CFO

Under Mr. Walter's guidance, the Bank's Accounting & Finance Department met all financial reporting and securities filing requirements during the year.

He and his team also supported two significant organizational initiatives which included financial modeling under multiple scenarios and significant interaction with lawyers, auditors and the Board of Directors.

Mr. Walter provided effective support to the CEO and the Bank's Board of Directors on numerous regulatory and financial and accounting matters during the year. Specifically with respect to capital, Mr. Walter was instrumental in capital planning for the Bank, including determining future capital needs to ensure continued growth, and contributed to the completion of the Bank's ICAAP for 2017.

Other contributions included enhanced financial and business planning for the Bank, including determining strategy, financial reporting and effectively overseeing the internal control elements of the Bank.

Nick Kristo, Senior Vice President & CRO

Mr. Kristo, as SVP, Credit, provided risk management oversight and ensured that the Bank continued to underwrite and approve transactions with acceptable credit quality and within the risk tolerances of the Bank. Lending assets grew by 8% over the fiscal year and the loan and treasury portfolios continue to operate with little delinquency and with no gross impaired loans.

Mr. Kristo, as Chief Risk Officer, added additional enhancements to the Bank's Enterprise Risk Management Program by reinforcing the culture of a 3-line defense model, promoting risk dialogue and risk mitigation strategies within the Bank's operating units and reporting to the Bank's Board on compliance to the Bank's Risk Appetite Statement across the Bank's seven pillars of risk (Liquidity, Market, Credit, Operational, Strategic, Legal and Regulatory, and Reputational).

Shawn Clarke, Senior Vice President & Chief Operating Officer

In his role as SVP & Chief Operating Officer Mr. Clarke is directly accountable for the operation and performance of the Bank's Structured Finance, Corporate Finance, and Consumer Finance business units and is also responsible for the Bank's Information Technology group and physical infrastructure. This includes the provision of strategic oversight and operating performance monitoring and analytics, as well as driving continuous improvement of each business unit's business planning and governance frameworks. Mr. Clarke exceeded all of the key objectives assigned to him in 2016.

Over the course of 2016 Mr. Clarke oversaw the Bank's Structured Finance business complete $485 million in aggregate receivable purchase transactions resulting in; program asset growth of 27% year over year ("y/y"), net interest income growth of 42% y/y, and operating income growth of 55% y/y.

Additionally, Mr. Clarke served as the primary interface with the Bank's investment banking partners related to the development of financial and business analytics, transaction structure analytics, and comprehensive enterprise financial projections in support of the Bank's effort to amalgamate with its largest shareholder, PWC Capital Inc.

Furthermore, Mr. Clarke organized and facilitated the Bank's F2017 strategy and business planning processes which included; the development of an optimal balance sheet composition strategy in order to enhance the Bank's risk-adjusted returns, establishing KPI's and fully integrated income statement and asset portfolio projections for each of the Bank's business units, and compiling the Bank' enterprise business plan, capital plan, and operating budget.

INCENTIVE PLAN AWARDS

Outstanding Option-based Awards

The following table sets out for each NEO the stock options outstanding at October 31, 2016. There were no share-based awards granted to the Bank's NEOs in 2016.

Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)
PWC Capital Inc. Options (1)				
David Taylor/Avstar Inc. (2)	30,461	11.49	Jan. 24, 2017	n/a
	49,398	8.30	Nov. 30, 2017	n/a
	50,000	5.00	July 15, 2019	n/a
	50,000	3.70	Nov. 17, 2019	n/a
	50,000	1.90	Jan. 17, 2022	n/a
	50,000	1.26	Feb. 4, 2023	n/a
	10,000	1.31	Oct. 31, 2023	n/a
Barry Walter	9,200	7.40	Nov. 13, 2017	n/a
Jonathan Taylor	9,200	7.40	Nov. 13, 2017	n/a
Shawn Clarke	n/a	n/a	n/a	n/a
Nick Kristo	6,500	7.40	Nov. 13, 2017	n/a
VersaBank Options (1)				
David Taylor	40,000	7.00	Oct. 31, 2023	n/a
Barry Walter	n/a	n/a	n/a	n/a
Jonathan Taylor	n/a	n/a	n/a	n/a
Shawn Clarke	n/a	n/a	n/a	n/a
Nick Kristo	n/a	n/a	n/a	n/a

Notes:

(1) This table does not contain information about the PWC Replacement Options that occurred as a result of the Amalgamation. A description of PWC Replacement Options, which occurred as a result of the Amalgamation, can be found under the heading "*Stock Option Incentive Plan*" above.

(2) The 50,000 options expiring November 17, 2019, January 17, 2022 and February 4, 2023, and the 10,000 options expiring on October 31, 2023, are in the name of David Taylor, while options previously granted are in the name of Avstar Inc., David Taylor's personal holding company.

Incentive Plan Awards – Value Vested or Earned During the Fiscal Year

The table below sets out for each NEO the value of compensation under the Bank's Stock Option Plan. Additional information on the Stock Option Plan can be found above under "Components of Executive Compensation - Long-term Incentives". There are no share-based awards for the Bank's NEOs.

Name	Option-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
PWC Capital Inc. Options		
David Taylor/Avstar Inc.	nil	n/a
Barry Walter	nil	n/a
Jonathan Taylor	nil	n/a
Shawn Clarke	nil	n/a
Nick Kristo	nil	n/a
VersaBank Options		
David Taylor	nil	n/a
Barry Walter	nil	n/a
Jonathan Taylor	nil	n/a
Shawn Clarke	nil	n/a
Nick Kristo	nil	n/a

Name	Number of Options vested during Fiscal 2016	Expiry Date	Vesting date during Fiscal 2016	Exercise price at time of vesting ($)	Market price of common shares at time of vesting ($)
PWC Capital Inc. Options					
David Taylor/Avstar Inc.	n/a	n/a	n/a	n/a	n/a
Barry Walter	n/a	n/a	n/a	n/a	n/a
Jonathan Taylor	n/a	n/a	n/a	n/a	n/a
Shawn Clarke	n/a	n/a	n/a	n/a	n/a
Nick Kristo	n/a	n/a	n/a	n/a	n/a
VersaBank Options					
David Taylor	n/a	n/a	n/a	n/a	n/a
Barry Walter	n/a	n/a	n/a	n/a	n/a
Jonathan Taylor	n/a	n/a	n/a	n/a	n/a
Shawn Clarke	n/a	n/a	n/a	n/a	n/a
Nick Kristo	n/a	n/a	n/a	n/a	n/a

TERMINATION AND CHANGE OF CONTROL BENEFITS

The following table sets out the estimated amount of potential payments to the NEOs if their termination or change of control clauses or retirement clauses were triggered on October 31, 2016.

Name	Entitlement[(1)] ($)		
	Termination	Change of control	Retirement
David Taylor	2,898,456	2,898,456	720,000
Barry Walter	959,306	nil	nil
Jonathan Taylor	878,132	878,132	nil
Shawn Clarke	326,887	nil	nil
Nick Kristo	396,131	nil	nil

Note:

(1) In the case of termination or in the case of change of control, for David Taylor, and in the case of termination for Barry Walter, Jonathan Taylor, Shawn Clarke and Nick Kristo, any outstanding stock options shall also become exercisable at the date of termination. In addition, with respect to David Taylor, all stock options shall expire on the earlier of the expiry date and two years from such date of termination. Further, at the option of David Taylor, any stock options are to be redeemed by the Bank at a price calculated as the difference between the stock option price and the average price for the four trading days prior to the date of termination plus the termination date.

Employment Contracts

At October 31, 2016, each of David Taylor, Barry Walter, Jonathan Taylor, Shawn Clarke, and Nick Kristo has an Executive Employment Agreement with the Bank. The following tables outline the key terms of such agreements. As noted previously, as at October 31, 2016 David Taylor also had an Executive Employment Agreement with PWC.

David Taylor	
Position	President & CEO
Annual salary	$560,150
Annual incentive awards	Discretionary
Perquisites	Entitled to participate in senior executive share purchase program.
Other benefits	Entitled to usual benefits provided to executives.
Retirement	Entitled to receive an annual pension supplement payment (the Bank does not have a pension plan). Entitled to receive a retirement allowance of $720,000.
Termination	If Mr. Taylor's employment with the Bank is terminated without cause, he is to receive an amount equal to 24 months total compensation less any withholding taxes and other required deductions. Mr. Taylor is to immediately receive this amount if the Bank is sold, subject to a change of control, merged or liquidated, or if its normal operations are changed in such a manner so as to eliminate Mr. Taylor's services or the President & CEO position. For the purpose of this termination clause 'total compensation' is to include annual salary and allowances and shall include incentive awards and pension supplement paid or approved to be paid in each case during the 24 months immediately preceding the termination date. In addition, all options to purchase shares of the Bank held by Mr. Taylor shall become exercisable on the date of termination and expire on the earlier of the original expiry date of the options or two years after the termination date. Alternatively, at Mr. Taylor's discretion, these options are to be repurchased by the Bank at a price calculated as the difference between the option exercise price and the average price of the common shares for the four trading days prior to the termination date and the termination date.

Barry Walter	
Position	SVP & CFO
Annual salary	$281,500
Annual incentive award	Discretionary
Perquisites	Entitled to participate in employee share purchase programs.
Other benefits	Entitled to usual benefits provided to executives.

Retirement	Entitled to receive an annual pension supplement payment (the Bank does not have a pension plan).
Termination	If Mr. Walter's employment is terminated without cause, he is to receive an amount equal to the sum of 24 months' total compensation, less any withholding taxes and other required deductions. In addition, all PWC stock options to purchase shares of PWC held by Mr. Walter shall become exercisable in accordance with the PWC Stock Option Plan. For the purpose of this termination clause 'total compensation' is to include annual salary paid, incentive awards, benefits, vehicle allowance, pension supplement and all allowances paid.

Jonathan Taylor	
Position	SVP, Deposit Services & Human Resources
Annual salary	$222,500
Annual incentive award	Discretionary
Perquisites	Entitled to participate in employee share purchase program.
Other benefits	Entitled to usual benefits provided to executives.
Retirement	Entitled to receive an annual pension supplement payment (the Bank does not have a pension plan).
Termination	If Jonathan Taylor's employment is terminated without cause, Mr. Taylor shall receive a lump sum amount equal to the sum $878,132 payable to his retirement compensation arrangement plan within 14 days of termination. In the event of either PWC, the Bank or both being sold, subject to a change of control, merged or liquidated, or if the normal operations are changed in such a manner as to alter his employment or the Senior Vice-President position, then Mr. Taylor shall, at his sole discretion, have the option to elect within 90 days of such occurrence to treat his employment as terminated and shall receive a lump sum amount equal to the sum of $878,132 payable to his retirement compensation arrangement plan within 14 days of his election. In addition, upon termination of employment, all options held by Mr. Taylor shall become exercisable on the date of termination and expire two years after that date or the original expiry date of the options, whichever is earlier. Alternatively, at Mr. Taylor’s discretion, these options are to be repurchased by the Bank at a price to be calculated as the difference between the option price and the average price of for the four trading days prior to the termination date and the termination date.

Shawn Clarke	
Position	SVP & COO
Annual salary	$210,000
Annual incentive award	Discretionary
Perquisites	Entitled to participate in employee share purchase program.
Other benefits	Entitled to usual benefits provided to executives.
Retirement	Entitled to receive an annual pension supplement payment (the Bank does not have a pension plan).
Termination	If Mr. Clarke's employment is terminated without cause, he is to receive an amount equal to one month's total compensation for each completed year of service, with a minimum of nine months and a maximum of 24 months total compensation, less any withholding taxes and other required deductions. In addition, all PWC stock options to purchase shares of PWC held by Mr. Clarke shall become exercisable on the date of termination and expire on the earlier of the original expiry date of the options or two years after the termination date. Alternatively, at Mr. Clarke's discretion, these options are to be repurchased by the Bank at a price calculated as the difference between the option price and the average price of PWC's common shares for the four trading days prior to the termination date and the termination date. For the purpose of this termination clause 'total compensation' is to include Mr. Clarke's then current base salary, an amount equivalent to the most recent incentive award paid, benefits, vehicle benefit, pension supplement and all allowances paid.

Nick Kristo	
Position	SVP & CRO
Annual salary	$210,000
Annual incentive award	Discretionary
Perquisites	Entitled to participate in employee share purchase program.
Other benefits	Entitled to usual benefits provided to executives.
Retirement	Entitled to receive an annual pension supplement payment (the Bank does not have a pension plan).
Termination	If Mr. Kristo's employment is terminated without cause, he is to receive an amount equal to one month's total compensation for each completed year of service, with a minimum of 9 months and a maximum of 24 months total compensation, less any withholding taxes and other required deductions. In addition, all stock options to purchase shares of PWC held by Mr. Kristo shall

	become exercisable on the date of termination and will expire the earlier of the original expiry date of the options or two years after the termination date. Alternatively, at Mr. Kristo's discretion, these options are to be repurchased by the Bank at a price calculated as the difference between the stock option price and the average price of PWC's common shares for the four trading days prior to the termination date and the termination date. For the purpose of this termination clause 'total compensation' is to include Mr. Kristo's then current base salary, an amount equivalent to the most recent incentive award paid, benefits, vehicle benefit, pension supplement and any and all allowances paid.

DIRECTOR COMPENSATION

In Fiscal 2016, non-management directors were compensated for acting as directors of the Bank through a combination of methods including: base and Board annual retainers; Chair and Committee member annual retainers; meeting fees; and, a director share purchase program. No changes to the director compensation fees, as set out in the tables below, were made in Fiscal 2016.

Annual retainers were paid to directors, excluding the President & CEO, on the following basis for Fiscal 2016. Remuneration paid to the President & CEO of the Bank, David Taylor, is included in the Summary Compensation Table above. Mr. Taylor is not compensated as a director of the Bank.

Base Retainer

	Retainer ($)
Director (including Chair of the Board)	$10,000

Board Retainer

	Retainer ($)
Chair of the Board	$118,000
Director	$20,000

Committee Retainers

	Retainer ($)
Audit Committee Chair	$27,400
Risk Oversight Committee Chair	$22,800
Conduct Review, Governance & HR Committee Chair	$19,400
Audit Committee Member	$18,250
Risk Oversight Committee Member	$15,200
Conduct Review, Governance & HR Committee Member	$13,000

Excess Meeting Fees

The retainers outlined were based on the assumption of a fixed number of meetings occurring during the fiscal year. If the fixed number of meetings were exceeded during the year, directors, excluding the President & CEO, were paid meeting attendance fees as follows:

	Per Meeting Fee ($)
Board of Directors > 10 Board meetings during the year	$1,000
Audit Committee > 6 meetings during the year	$1,500
Risk Oversight Committee > 6 meetings during the year	$1,250[(1)]
Conduct Review, Governance & HR Committee > 6 meetings during the year	$1,050
Directors - Attendance at special meetings such as the AGM	$1,000

Note:

(1) Meeting attendance fees are $700 per meeting for Credit Review only meetings.

In addition, for Fiscal 2016, the Bank's director share purchase program (the "Bank DSPP") provided that directors of the Bank were eligible for reimbursement for the purchase of common shares and/or preferred shares of the Bank. Reimbursement under the Bank DSPP is equal to 50% for common shares of the Bank and 40% for preferred shares of the Bank purchased on the open market (TSX), to a maximum $18,000 reimbursement amount per annum. All common shares of the Bank purchased under the Bank DSPP are required to be held for a minimum of one year from the date of purchase. Those directors of the Bank who were also directors of PWC were eligible to participate in PWC's director share purchase program as well. At its October 26, 2016 meeting, the Board resolved, as a result of a securities trading blackout period that was in place for the majority of Fiscal 2016 relating to the Amalgamation, to carry over unused Bank DSPP allotments from Fiscal 2016 to Fiscal 2017.

The Bank pays the membership costs for each of its directors to belong to the Institute of Corporate Directors. With respect to those directors who also serve on the Board of PWC, the Bank and PWC share the cost equally. In addition, directors are entitled to receive up to $5,000 annually toward training and development programs, with such cost to be shared equally with PWC where the director serves on both Boards.

Also, the Board struck a special committee in March 2016 to consider various strategic alternatives. The Bank's special committee was comprised of Messrs. Litton, Hillier, Carter and Brabander. The review of strategic alternatives ultimately resulted in the Amalgamation of the Bank and PWC, which was completed following receipt of letters patent of amalgamation effective January 31, 2017 from the Minister of Finance of Canada. As a result, the Bank's special committee was disbanded effective January 31, 2017.

The following table sets out the compensation provided to directors for Fiscal 2016:

Name	Fees earned ($)	Share-based awards ($)	All other compensation ($)	Total ($)
Robbert-Jan Brabander [1]	74,000	nil	3,300[4]	77,300
David A. Bratton	54,450	nil	600[4]	55,050
R. W. (Dick) Carter [1]	82,400	nil	4,500[4]	86,900
Arnold E. Hillier [1]	87,750	nil	5,400[4]	93,150
Hon. Thomas A. Hockin	132,000	nil	5,700[4]	137,700
Colin E. Litton [1]	125,550	nil	4,200[4]	129,750
Susan T. McGovern	47,050	nil	3,600[4]	50,650
Paul G. Oliver[2]	49,250	nil	237[3] 1,800[4]	51,287
Avery Pennarun[5]	21,000	nil	1,800[4]	22,800

Notes:

(1) Member of the Special Committee
(2) This individual also served as a director of PWC.
(3) This is an amount reimbursed for training and development programs.
(4) This is an amount representing travel time.
(5) This individual became a director on April 27, 2016.

PART V - SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table lists the number of securities to be issued upon the exercise of outstanding stock options, the weighted-average exercise price of the outstanding stock options, and the number of securities remaining for future issuance under equity compensation plans as at October 31, 2016. Additional information on the Bank's Stock Option Plan can be found above under "Type of Compensation - Long-term Incentives".

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights ($)	Number of securities remaining available for future issuance under equity compensation plans
PWC Capital Inc.			
Equity compensation plans approved by shareholders	418,709	5.66	4,040,517[(1)]
Equity compensation plans not approved by shareholders	n/a	n/a	n/a
Total	418,709[(2)]	5.66	4,040,517
VersaBank			
Equity compensation plans approved by shareholders	40,000	7.00	1,969,506[(1)]
Equity compensation plans not approved by shareholders	n/a	n/a	n/a
Total	40,000[(3)]	7.00	1,969,506

Notes:

(1) The maximum number of options available for issuance under each of the Bank Stock Option Plan and PWC Stock Option Plan is a rolling 10% of issued and outstanding common shares of the Bank and PWC, respectively.

(2) This represents 0.94% of the issued and outstanding common shares of PWC.

(3) This represents 0.2% of the issued and outstanding common shares of the Bank.

PART VI - INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Aggregate Indebtedness Outstanding

The table below shows the aggregate indebtedness to the Bank or its subsidiaries of all officers, directors, employees and former officers, directors and employees as at March 2, 2017.

AGGREGATE INDEBTEDNESS ($) [(1)(2)]		
Purpose	**To the Bank or its subsidiaries**	**To another entity**
Share purchases	135,426[(3)]	n/a
Other	1,447,850	n/a

Notes:

(1) Routine indebtedness, as defined under Canadian securities law, has not been reported.

(2) Subject to restrictions under applicable law, employees are eligible for loans at an interest rate of 50 basis points over cost of funds to assist them with home purchases and to assist with other credit requirements. Lending limits for employees are, like those for other customers, based on household income and risk profile.

(3) To the knowledge of the Bank, the amount shown represents loans in connection with the purchase of securities of PWC.

Indebtedness of Directors and Executive Officers (1) (2)

Name and principal Position	Involvement of VersaBank	Largest amount outstanding during 2016 financial year ($)	Amount outstanding as at February 28, 2017 ($)	Financially assisted securities purchases during 2016 financial year (#)	Security for indebtedness	Amount forgiven during 2016 financial year ($)
Securities purchase programs						
Jonathan Taylor SVP, Deposit Services & Human Resources	VersaBank as Lender	128,000	128,000(3)	nil	See "Note (3)"	nil
Other programs						
Avstar Inc. ("Avstar"), David Taylor's personal holding company(4)	VersaBank as Lender	500,000	500,000(4)	nil		nil
Nick Kristo SVP & CRO	VersaBank as Lender	58,825	42,169(5)	nil		nil
Jonathan Taylor SVP, Deposit Services & Human Resources	VersaBank as Lender	86,165	69,250(6)	nil		nil

Notes:

(1) "Executive Officer" means an individual who is: a chair, vice-chair or president; a vice president in charge of a principal business unit, division or function; or, performing a policy-making function in respect of the Bank.

(2) Routine indebtedness, as defined under Canadian securities law, has not been reported.

(3) Amount represents a personal loan with a 5 year term at a rate of 3.01% to assist with the exercise of options to purchase shares of PWC that occurred during the 2007 financial year. The loan matures March 1, 2020 and is evidenced by a promissory note.

(4) David Taylor is not personally indebted to the Bank. However, Avstar Inc., Mr. Taylor's personal holding company, has a revolving loan with the Bank at a rate of 2.67%.

(5) Amount represents a personal loan with a 5 year term at a rate of 2.55% maturing November 1, 2019.

(6) Amount represents an interest free relocation loan maturing May 1, 2018, a personal loan with a 5 year term at a rate of 3.01% maturing March 15, 2020, a personal loan with a 5 year term at a rate of 3.01% maturing March 1, 2020, and a personal loan with a 5 year term at a rate of 3.63% maturing July 1, 2019.

PART VII - INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of the Bank, other than as set out in the section entitled "*Particulars of the Amalgamation – Interests of Certain Persons in the Amalgamation*" in the Bank's Management Information Circular dated November 22, 2016, which is incorporated herein by reference, no informed person (as defined in National Instrument 51-102 – Continuous Disclosure Obligations) of the Bank, no proposed director of the Bank, nor any associate or affiliate of any informed person or any proposed director, has any interest, direct or indirect, in any transaction since the commencement of the Bank's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Bank or any of its subsidiaries.

PART VIII – AUDIT COMMITTEE

Audit Committee Information disclosure is provided on pages 20 to 21 and 23 to 27 of the Bank's Annual Information Form for the year ended October 31, 2016.

PART IX – CORPORATE GOVERNANCE

Board of Directors

A director is considered to be independent where the Board determines that the director has no direct or indirect material relationship to the Bank or its subsidiaries. "Material relationship" is defined in National Instrument 52-110 as any relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. Annually, the Board, in consultation with the HR Committee, reviews a director's relationship with the Bank in order to determine whether the director is or continues to be independent.

Every member of the Board of the Bank, with the exception of David R. Taylor, is independent. David R. Taylor is the President & CEO of the Bank, and, by virtue of his executive officer position, he has a material relationship to the Bank and is not independent.

The current Chair of the Board of the Bank, The Honourable Thomas A. Hockin, is an independent director. The roles and responsibilities of the Chair are set out in the Mandate of the Chair of the Board of Directors. The Chair is to exemplify the Board of Directors' responsibility for the stewardship of the Bank. Among other duties, the Chair is to liaise with management of the Bank for the purpose of setting meetings of the Board and is to lead the meetings, and he is to ensure that the responsibilities of the Board and management, and the boundaries between them, are well understood and respected. The Chair is also to ensure the Board works as a cohesive team and is to provide the leadership to achieve this, and he is to encourage the active participation of all members. The Chair is to ensure that there are adequate resources available to support the work of the Board, and to ensure that procedures are adopted to ensure that the Board can conduct its work effectively and efficiently. Further, the Chair is to ensure that a process is in place by which the effectiveness of the Board, and the contribution of individual directors, is assessed, and to ensure that where functions are delegated to Committees, the functions are carried out and results are reported to the Board.

During 2016, the Bank continued its practice of concluding each quarterly Board meeting with the independent directors of the Bank holding an in-camera session without the non-independent director or any other member of management present. In addition, in order for independent directors of the Board to have a forum in which to address issues or concerns, the Board has discretion to conclude all Board meetings with an in-camera session without management and non-independent directors present. During the year the Board held five such in-camera meeting sessions, including the four regularly scheduled quarterly meetings.

Position Descriptions and Mandates

The Bank has Board approved Mandates for the Chair of the Board and for the Chair of each Board Committee. The Board has also approved written job descriptions for various senior management roles, including the President & CEO. The job description of the President & CEO outlines his responsibilities, both generally and with respect to business planning and marketing, human resource policies and human resource management, enterprise risk management, legal and regulatory environment, and reporting to the Board. Also attached to the President & CEO's job description is a detailed chart of authorities that outlines the approval process for various control and strategic requirements and proposals.

Level of Share Ownership Required

Directors are expected to hold at least 3,000 Bank common shares within five years of the later of November 1, 2013 or the date of their appointment to the Board.

Ethical Business Conduct

The Board has adopted a written Code of Conduct for the directors, officers, and employees of the Bank. The Code of Conduct is available with the Bank's other publicly disclosed documents at www.sedar.com. A copy may also be requested by contacting the Bank's Corporate Secretary at Suite 2002, 140 Fullarton Street, London, Ontario N6A 5P2.

The Board has delegated compliance oversight to the Compliance Officer. On a quarterly basis, the Board receives a Compliance Report from the Compliance Officer. Any matters of non-compliance form part of the report. The Board also receives an annual confirmation from the Senior Vice President, Deposit Services & Human Resources with respect to compliance with the Code of Conduct during the preceding year.

A primary element within the Code of Conduct is a section with respect to conflicts of interest. This section provides a definition of conflict of interest, including a cross reference to the Bank's Related Party Transactions Policy & Procedures. The conflict of interest section within the Code provides details on the procedure to be followed if a conflict of interest situation arises, with the basic premise being the elevation of notice respecting the situation up to the Board. A list of conflict of interest matters is maintained by the Vice President, General Counsel & Corporate Secretary, and each director and officer of the Bank is required to annually attest that he or she is not a party to a material contract or proposed material contract, and is not a director or officer of any entity who is, and does not have a material interest in any person who is, a party to a material contract or proposed material contract with the Bank.

The Bank has also adopted anonymous employee reporting procedures which allows employees and officers of the Bank to anonymously and confidentially report, in writing, suspected unethical or improper conduct in violation of the Code of Conduct to the Chair of the HR Committee, as well as concerns regarding accounting or auditing matters to the Chair of the Audit Committee.

Nomination of Directors

Currently, the HR Committee, comprised entirely of independent directors, sets criteria for the selection of directors to ensure that the competencies, skills and personal qualities of the Board members allows the Board to discharge its duties and adds value to the Bank. In that regard, the HR Committee has developed a Directors Skill and Competencies Matrix ("the Matrix").

From time to time it is both necessary and desirable for new director candidates to be identified and appointed to the Board. The HR Committee, with input from the President & CEO, evaluates the needs of the Board in accordance with the Matrix and seeks out candidates with suitable backgrounds and strengths to fill those needs. The credentials of the identified candidate(s) are reviewed and discussed by the HR Committee, and are compared against the current needs of the Board. Any conflicts or impediments, as well as the time expected and required of directors, are addressed. The Chair of the HR Committee reports the Committee's recommendation to the full Board. If thought advisable, the full Board approves the appointment of the identified candidate as a director, subject to a positive result on background checks as required by the Bank's Assessment Policy for Responsible Persons.

Director Term Limits and Other Mechanisms of Board Renewal

The Board has not adopted term limits for directors, however, the Bank has adopted a retirement age of 75. As a director approaches the age of 75, his or her continued service on the Board is reviewed by the Chair of the Board of the Bank in consultation with the Chair of the HR Committee and the President & CEO prior to approval by the Board.

While the Board recognizes the objective of term limits in encouraging director independence and promoting diverse perspectives, the Board believes that the adoption of arbitrary term limits unreasonably discounts the value, skills and insights offered by retaining experienced board members. Accordingly, the Board considers that the Bank and its shareholders are better served through the employment of a measured approach to board renewal, including the adoption of a retirement age and the use of a rigorous annual Board and director performance assessment process.

Diversity on the Board and in Executive Officer Positions

Board

The Bank's Board recognizes the value of having a diverse roster of directors for effective decision making, and views diversity at the board level as an important element in strong corporate governance. Although diversity has always been a factor considered in the nomination of directors, during Fiscal 2015 the Board adopted the Board of Directors and Senior Management Diversity Policy (the "Diversity Policy") with the goal of increasing the number of women who serve as directors on the Board.

In accordance with the Diversity Policy, in reviewing Board composition the HR Committee is to consider all aspects of diversity, including skills, experience, gender, age, ethnicity and geographic background. With regard to diversity as it pertains specifically to the representation of women on the Board, the Bank is to consider the representation of women on the Board when identifying potential candidates. The HR Committee also considers the balance of skills background, experience and knowledge on the Board and the diversity representation of the Board as part of the annual performance and effectiveness evaluations of the Board and Committees.

The Diversity Policy has set a target that at least 25% of independent directors on the Bank's Board be women. As at October 31, 2016, the Board had one female director, representing 11% of the Board (13% in Fiscal 2015). As the Diversity Policy has only been in effect since August 2015, no directors have left the Board and only one new director appointment has occurred in that time, progress in achieving the target cannot be adequately measured. However, the Board, through recommendations by the HR Committee, has committed to annually review and assess the Diversity Policy objectives to achieve the diversity targets as set out in the Diversity Policy.

Executive Officer Positions (Senior Management)

The Bank and its Board recognize and embrace the benefits of having a diverse senior management team for effective decision making, and view diversity at the senior management level as an important element in the effective management of the Bank's activities. A diverse senior management team will include and make use of differences in skills, experience, gender, age, ethnicity and geographic background. In this regard, the Bank considers the representation of women in senior management when identifying potential candidates.

The Diversity Policy has set a target that at least 25% of the senior management team be women. As at October 31, 2016, 3 of 19 members of senior management (15.8%) were women (17.6% in Fiscal 2015). While the target for women in senior management has not been met, 43% of managers below the senior management level are women. However, the Board, through recommendations by the HR Committee, has committed to annually review and assess the Diversity Policy objectives to achieve the diversity targets as set out in the Diversity Policy.

Compensation

As noted above, the Bank currently has an HR Committee comprised entirely of independent directors. As part of its Mandate, this Committee is to assess the level and nature of directors' fees, as well as other compensation.

In addition, the HR Committee annually reviews the compensation of the President & CEO and recommends same to the Board for approval. The Committee annually approves, at the beginning of the fiscal year, performance measurements for calculating the annual incentive award of the President & CEO, and recommends to the Board any incentive award payable to the President & CEO.

In addition, part of the HR Committee's mandate is to review officer and management appointments to ensure that the Bank has enough experienced and skilled personnel to carry out its business activities in a prudent manner, and to assess the suitability and integrity of officers in accordance with the Bank's Assessment Policy for Responsible Persons. The HR Committee reviews employee, including officers', compensation ranges and benefit programs and aggregate employee incentive awards. Additional information on this subject can be found above, including in the sections titled "Executive Compensation Philosophy" and "Decision Making Process". The Committee is also responsible for an annual review of a number of human resources related Board approved policies, including the Compensation Plan for all employees. The Compensation Plan addresses the base salary component of the total compensation package and other significant benefits and programs.

Other Board Committees

In addition to the Audit Committee and the HR Committee, the Bank also has a Risk Oversight Committee.

The Risk Oversight Committee is comprised of three independent directors: Colin E. Litton (Chair), Robbert-Jan Brabander, and Arnold E. Hillier. The Risk Oversight Committee is responsible for oversight of the Bank's Enterprise Risk Management Framework and Risk Appetite Framework, and reviewing policies developed and implemented for identifying, evaluating, measuring and managing the significant risks to which the Bank is exposed, and ensuring that those policies remain appropriate and prudent. It is responsible for recommending and reviewing, at least annually, all policies governing management of credit risk, market risk, structural risk, and liquidity and funding management risk, to ensure that they remain prudent and appropriate and are being adhered to.

Assessments

The Mandate of the HR Committee provides that the members of the Board are required to complete an annual assessment whereby each director is asked to complete a Board performance assessment, an assessment of the Chairman and a self-assessment. In addition, each Committee member is required to complete a Committee performance assessment. For the Fiscal 2016 assessments, an independent consultant was retained. The consultant circulated the assessment materials and the assessments were returned directly to the consultant. The consultant compiled the information and prepared a report on the results of the assessments which was then discussed by the HR Committee and the full Board. The HR Committee follows up on recommendations that arise from the assessment process.

In addition, and in accordance with the Mandate of the Chair of the Board of Directors, the Chair of the Board conducts an annual assessment of the performance of the President & CEO of the Bank, and the results of that assessment are reviewed by the full Board.

Orientation and Continuing Education

The Director Orientation and Professional Development Program is designed to enhance the directors' knowledge of, and ability to execute their responsibilities to, the Bank. All new directors are provided with a package of information, including information respecting Board and Committee composition, management information, and other relevant policies and procedures. New Audit Committee members receive additional information pertinent to his or her role on that committee.

In order to keep the directors up-to-date on operations and those matters that affect the business of the Bank, directors receive written material and presentations from management, and may receive presentations from outside experts, on various aspects of the Bank's operations as well as on emerging issues. This process may be initiated at the request of the Board, a Committee, an individual director, or management. In addition, each Committee has the authority to engage independent counsel and other advisors as determined to be necessary to permit them to carry out their duties.

Directors are encouraged to enroll in a relevant professional development program, and the expenses incurred are reimbursed to a fixed maximum amount.

Finally, and where applicable, directors are required to keep their professional accreditations current.

Mandate

The following is the text of the Board's mandate.

MANDATE OF THE BOARD OF DIRECTORS

1. The Board of Directors shall be made up of at least nine directors, a majority of whom must be resident Canadians at the time of their election or appointment.

2. The Board of Directors shall be constituted by a majority of independent directors.[1]

3. The Board of Directors shall meet at least quarterly.

4. On a quarterly basis the Board shall receive reports from each Committee of the Board.

5. The independent directors shall hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance.

6. Every director, in exercising any of the powers of a director and any of the duties of a director, shall:

   a) act honestly and in good faith with a view to the best interests of the Bank; and
   b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

[1] A director is independent if he or she has no direct or indirect material relationship with the Bank. A material relationship is a relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of a member's independent judgment. Notwithstanding the above, an individual is considered to have a material relationship with the Bank in the situations enumerated in section 1.4 of NI 52-110.

7. Certain functions of the Board of Directors may be delegated to committees of the Board. Such delegation will be confirmed by the Board approval of committee mandates.

8. The members of the Board of Directors have responsibility for the stewardship of the Bank and are charged with the following duties:

Generally:

a) approve the by-laws of the Bank;
b) appoint a Chair of the Board who shall be an independent director, subject to exceptional circumstances;
c) in the event that the Chair of the Board is not an independent director, an independent lead director shall be appointed;
d) appoint and when appropriate remove the President & C.E.O. for the Bank, and ensure that the Chair of the Board conducts an annual assessment of such officer's performance;
e) approve the Executive Agreement of the President & CEO;
f) annually approve the base salary of the President & CEO;
g) monitor the performance of the President & CEO in accordance with annual performance measurements for calculating the incentive award of the President & CEO;
h) approve, upon recommendation of the Conduct Review, Governance & HR Committee, the annual incentive award of the President & CEO;
i) appoint officers for the Bank who are suitably qualified and capable of managing the operations of the Bank effectively and prudently;
j) understand the responsibilities and accountabilities assigned to officers of the Bank;
k) evaluate, on a regular basis, the effectiveness and prudence of the officers in managing the operations of the Bank and the risks to which the Bank is exposed;
l) satisfy itself as to the integrity of the President & CEO and other officers, and satisfy itself that the President & CEO and other officers create a culture of integrity throughout the Bank;
m) review the Bank's Management Succession Plan submitted by management;
n) review the Bank's Human Resources Plan submitted by management;
o) regularly satisfy itself that the Bank's compensation plans are consistent with the sustainable achievement of the Bank's business objectives, the prudent management of its operations and the risks to which it is exposed, and adherence to its processes, policies, procedures and controls;
p) establish standards of business conduct and ethical behaviour for the Bank's directors, officers, and other personnel, and obtain on a regular basis reasonable assurance that the Bank has an ongoing, appropriate and effective process for ensuring adherence to those standards;
q) establish an Audit Committee and approve the mandate for such committee;
r) establish a Conduct Review, Governance & HR Committee and approve the mandate for such committee;
s) establish a Risk Oversight Committee and approve the mandate for such committee;
t) approve the mandates for each of the Bank's oversight functions, and all other management related mandates;
u) establish any other board committees that the Board of Directors deems advisable and approve the mandates for such committees;
v) review policies for the Bank as recommended by management and approve all policies;

w) approve a Corporate Disclosure Policy for the Bank
x) approve the annual financial statements for the Bank;
y) approve the annual MD&A;
z) approve all major changes to the Bank's organizational structure;
aa) approve all significant acquisitions and dispositions;
bb) review all major contracts after approval by management, and approve all major contracts out of the ordinary course of business;
cc) review all arrangements involving an outsourcing of significant operations;
dd) review systems plans and disaster recovery plans as submitted by management;
ee) approve related party transactions when required by the Bank's governing legislation;
ff) review director remuneration;
gg) exercise independent judgment in directing and overseeing the operations of the Bank;
hh) understand directors' responsibilities and regularly evaluate objectively the individual director's and the Boards' effectiveness in fulfilling those responsibilities;
ii) review such information as required to obtain reasonable assurance that the Bank has a control environment and that the Bank is in control;
jj) recommend the appointment of the external auditor to the shareholders;
kk) upon recommendation of the Audit Committee, approve the compensation of the external auditor;
ll) require the external auditor to report directly to the Audit Committee;
mm) review and, where appropriate, approve requests from individual directors to engage an outside advisor at the expense of the Bank.

Specifically with respect to Strategic Management:

a) establish the business objectives of the Bank, consider and approve the Bank's business strategy and its business plans for significant operations, and review those things annually to ensure that they remain appropriate and prudent in light of the Bank's current and anticipated business and economic environment, resources and results;
b) evaluate, at least quarterly, the Bank's actual operating and financial results against forecast results, in light of the Bank's business objectives, business strategy and business plans; and
c) obtain, on a regular basis, reasonable assurance that the Bank has an ongoing, appropriate and effective strategic management process.

Specifically with respect to Risk Management:

a) review and approve, at least annually, the Bank's Risk Appetite Framework and Risk Appetite Statement;
b) review, at least annually, and approve the Bank's Enterprise Risk Policy;
c) review, at least annually, and approve the Bank's ERM Framework and the format of the Risk Magnitude Scale used by management to monitor risk levels and the effectiveness of the Bank's ERM Framework;
d) approve policies that establish Risk Tolerances as set forth in the Risk Appetite Statement.

Specifically with respect to Liquidity and Funding Management:

a) understand the liquidity and funding needs of the Bank;

b) establish appropriate and prudent liquidity and funding management policies for the Bank, taking into account the Bank's significant operations, including policies on the sources, types and levels of liquidity that are to be maintained by the Bank, and policies that are designed to prevent the Bank's funding from becoming unduly concentrated with respect to source, type, term to maturity or currency of denomination;
c) review liquidity policies at least once a year to ensure that they remain appropriate and prudent; and
d) obtain, on a regular basis, reasonable assurance that the Bank has ongoing, appropriate and effective liquidity and funding management processes, and that the Bank's liquidity and funding management policies are being adhered to.

Specifically with respect to Capital Management:

a) understand the capital needs of the Bank and approve changes to capital;
b) establish appropriate and prudent capital management policies for the Bank, taking into account the Bank's significant operations, including policies on the quantity and quality of capital needed to support the current and planned operations of the Bank that reflect both the risks to which the Bank is exposed and its regulatory capital requirements;
c) review capital policies at least once a year to ensure that they remain appropriate and prudent; and
d) obtain, on a regular basis, reasonable assurance that the Bank has an ongoing, appropriate and effective capital management process, and that the Bank's capital management policies are being adhered to.

Specifically with respect to Operational Risk:

a) understand the operational risks that the Bank is exposed to. Operational risk is the risk of loss, whether direct or indirect, attributable to disruptions in the operations of the Bank caused by external events, human error, or the inadequacy or failure of processes, procedures or controls;
b) establish appropriate and prudent policies on operational risks that are inherent in the Bank's operations;
c) consider the sufficiency and competency of the Bank's resources (e.g. capital, people, information and technology) to conduct operations and to manage the risks related thereto; and
d) review policies relating to operational risk at least once a year, and consider whether they remain appropriate and prudent.

Specifically with respect to Regulatory Compliance Risk

a) oversee the management of compliance risk for the Bank;
b) ensure the appointment of a Chief Compliance Officer (CCO) who is independent of operational management;
c) approve the Regulatory Compliance Management (RCM) Framework for the Bank and review, at least annually, the RCM Framework to ensure that it remains appropriate and effective;
d) understand material regulatory compliance risks that the Bank is exposed to;
e) review, at least quarterly, compliance reports from the CCO, which reports identify instances of material non-compliance and remedial actions taken with respect to identified instances of material non-compliance or control weaknesses; and

f) obtain, on a regular basis, reasonable assurance that the Bank has implemented ongoing, appropriate and effective RCM controls.

Specifically with respect to Independent Inspection and Audit:

a) approve the appointment of the Chief Internal Auditor, as recommended by the Audit Committee; and
b) approve changes respecting the incumbent holding the position of Chief Internal Auditor, as recommended by the Audit Committee.

9. The members of the Board of Directors are expected to attend all meetings of the Board and its committees in person, when at all possible. Attendance by telephone may be used to facilitate a director's attendance.

10. The members of the Board of Directors are expected to devote the appropriate amount of time necessary to review meeting materials such that they are able to engage in informed discussion and make informed decisions.

PART X – ADDITIONAL INFORMATION

Shareholder Proposals

There were no shareholder proposals submitted for consideration at this Meeting. The final date for submitting shareholder proposals for inclusion in the Management Proxy Circular for next year's annual shareholder meeting is November 30, 2017 and such submissions must comply with the requirements of the *Bank Act* (Canada) and the Bank's by-laws.

Additional Information

The Bank's Consolidated Financial Statements and Management's Discussion & Analysis for the fiscal year ended October 31, 2016 contain additional financial information. Information pertaining to the Bank's Audit Committee can be found in the Bank's Annual Information Form for the year ended October 31, 2016. Information regarding the amalgamation of the Bank and PWC can be found in the Bank and PWC's Management Information Circulars and the Joint Disclosure Booklet dated November 22, 2016, along with various amalgamation press releases issued throughout the course of 2016 and 2017. These documents and other additional information about the Bank are available on SEDAR at www.sedar.com. Copies of the information referred to above can be obtained free of charge upon request in writing to the Corporate Secretary, VersaBank, Suite 2002, 140 Fullarton Street, London, Ontario N6A 5P2.

Directors' Approval

This Management Proxy Circular has been approved by the Board of Directors of the Bank.

By Order of the Board

Cameron Mitchell
Vice President, General Counsel & Corporate Secretary
March 2, 2017
London, Ontario

<u>EXHIBIT A - NUMBER OF DIRECTORS RESOLUTION</u>

SPECIAL RESOLUTION OF THE SHAREHOLDERS OF VERSABANK

The following is the text of the special resolution that shareholders are being asked to approve at the Meeting.

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. Section 4.1 of By-Law No. 1 of the Bank is to be deleted in its entirety and replaced with the following:

    > 4.1. Number – Where applicable law requires cumulative voting or otherwise requires that the number of Directors be fixed, the number of Directors shall be fixed at eleven (11). However, in circumstances where applicable law does not require that the number of Directors be fixed, the number of Directors shall be a minimum of seven (7) and a maximum of twenty-one (21) and the number of Directors to be elected at any annual Meeting of Shareholders shall be such number as is fixed by the Board prior to such meeting.

2. Any officer or director of the Bank is hereby authorized for and in the name of the Bank, to execute and deliver under corporate seal of the Bank or otherwise all such instruments and writings and to perform and do all such other acts and things as, in his or her discretion, may be considered to be desirable, necessary or useful for the purpose of giving effect to this resolution.

EXHIBIT B - DIRECTOR REMUNERATION RESOLUTION

SPECIAL RESOLUTION OF THE SHAREHOLDERS OF VERSABANK

The following is the text of the special resolution that shareholders are being asked to approve at the Meeting.

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. Section 9.6 of By-Law No. 1 of the Bank is to be deleted in its entirety and replaced with the following:

    9.6 Remuneration of Directors - Remuneration paid by the Bank to its Directors in respect of a financial year shall not exceed, in aggregate, one million five hundred thousand dollars ($1,500,000), which amount may be apportioned among the Directors on such basis as the Directors may determine, together with such further amounts as may be necessary to reimburse the Directors for their reasonable expenses properly incurred in respect of their services to the Bank in their capacity as Directors.

2. Any officer or director of the Bank is hereby authorized for and in the name of the Bank, to execute and deliver under corporate seal of the Bank or otherwise all such instruments and writings and to perform and do all such other acts and things as, in his or her discretion, may be considered to be desirable, necessary or useful for the purpose of giving effect to this resolution.

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