

FINANCE & AUDIT COMMITTEE TERMS OF REFERENCE

1. Purpose

The primary purposes of the Finance & Audit Committee (the "**Committee**") include (1) reviewing major proposed commitments and programs, (2) monitoring the financial performance of CAC, (3) reviewing the annual financial statements of CAC prior to their submission to the Board, and (4) engaging and overseeing the work of the public accountant.

2. Interpretation

Capitalized terms used but not defined herein will have the meanings given to them in the General By-law of the CAC.

3. Composition

The Committee, including the Committee Chair, is appointed by the Board. Membership in Committee shall be no fewer than three (3) and no more than six (6) Directors. One or more previous Directors may also be appointed to the Committee by the Board, except that they are not eligible to serve as Chair of the Committee. Without limiting the discretion of the Board, members of the Committee are typically appointed for terms that expire at the close of the next annual meeting of the Members. In appointing the Committee, the Board will ensure that some Committee members have demonstrated experience in and understanding of financial accounting, financial reporting standards and financial controls.

4. Other Participants

The Committee may invite such individuals, with the permission of the Chair or the CEO and in accordance with the approved budget for external professional services firms, consultants and advisors, as it may see fit from time to time to attend portions of meetings of the Committee. For greater certainty, those individuals shall not be permitted to vote.

At each meeting, the Committee will meet on its own to discuss any matters that the Committee members believe should be discussed privately.

5. Roles and Responsibilities

A. Financial, Audit and Reporting Responsibilities

The principal financial, audit and reporting responsibilities of Committee include:

- reviewing and recommending the annual budget including operating revenues and expenditures;
- monitoring the financial performance of CAC against the approved budget;
- reviewing financial aspects of major proposed commitments and programs;
- recommending the appointment of the public accountant (i.e., auditors);

- reviewing and evaluating the performance and independence of the public accountant;
- overseeing the work of the public accountant, including resolution of disagreements between management and the public accountant regarding reporting;
- reviewing the annual financial statements of CAC prior to their submission to the Board for approval;
- overseeing management's establishment of an adequate system of internal controls and procedures and effective performance of those internal controls and procedures and receiving reports from management on the same;
- reporting on and recommending policies related to finance and investments; and
- reporting to the Board when requested by the Board.

B. Risk Management

The principal risk management responsibilities of Committee include:

- receiving regular reports from the CEO on areas of significant risk to the CAC, for example but not limited to legal claims, health, safety, and other regulatory issues;
- receiving regular reports from the CEO on CAC's insurance program; and
- reporting to the Board when requested by the Board.

C. Other Responsibilities

Without limiting the generality of the foregoing, the roles and responsibilities of the Committee also include:

- investigating any financial activity of CAC in connection with the Committee's mandate hereunder;
- reviewing these Terms of Reference at least every second year (or more frequently if necessary to address, for example, legislated or mandated changes), and advising the Governance Committee regarding:
 - areas of concern;
 - best practices; and
 - any recommended changes;
- assuming other related responsibilities that are assigned to the Committee by the Board from time to time.

6. **Procedures**

- **Frequency of Meetings:** The Committee shall meet a minimum of three (3) times per year. The Committee will meet by telephone or in person, as required. Meetings will be at the call of the Chair.

- **Notice of Meetings:** To the greatest extent possible, meeting dates and times will be determined at least two (2) weeks before the date of a particular Committee meeting, but if the Chair of the Committee considers it a matter of urgency, the Chair may call a meeting of the Committee at any time. To the greatest extent possible, the agenda and any supporting documents will be provided to the Committee members at least four (4) days before the date of the meeting.
- **Electronic Participation in Meetings:** A meeting of the Committee may be held by means of any telephonic, electronic or other communications facilities that permit all persons participating in the meeting to communicate adequately with each other.
- **Minutes:** All meetings shall be recorded, and minutes circulated to Committee.
- **Quorum and Decision-Making:** A majority of the voting members of the Committee will constitute a quorum for the transaction of business. Each Committee member is authorized to exercise one (1) vote on each decision. At all meetings of the Committee, every question will be determined by a majority of the votes cast.

Effective Date		Approval
April 1, 2024	This version: <ul style="list-style-type: none"> • Updates to standardized formatting. • Protects the By-laws of the association as the governing document. • Clarifies more robust set of Roles and Responsibilities. 	March 27, 2024
October 27, 2024	This version: <ul style="list-style-type: none"> • Expands composition to include eligibility of previous Directors. 	
Review Cycle		
Every year	As required.	