



Finance and Audit Committee

Purpose of the Finance and Audit Committee (FAC)

This Charter:

1. Sets out the mandate of the committee
2. Outlines the composition of the committee
3. Outlines the required knowledge and skills
4. Outlines the specific duties and responsibilities of the committee
5. Outlines the operating principles and procedures
6. Reviews the reporting and communications process
7. Outlines the committee's right for information and independent advice

1. Mandate of the Finance and Audit Committee

The Finance and Audit Committee ("FAC") shall assist the OMA board in its oversight role with respect to the organization's financial affairs, including: (i) the quality and integrity of the financial statements, the financial reporting process and related information; (ii) compliance with legal and regulatory requirements and applicable disclosures; (iii) accounting and financial reporting policies, practices and procedures; (iv) internal controls and audit procedures; and (v) enterprise risk management processes and practices.

2. Composition

- a. The committee shall be comprised of five (5) voting members:
 - i. The OMA board chair (ex-officio voting)
 - ii. Three (3) OMA board directors
 - iii. One (1) non-director with financial expertise, possessing a professional designation such as a CPA or other designation as determined by the board.
 - iv. The OMA immediate past president (non-voting observer)
- b. Board directors will be appointed to FAC in accordance with the board committee appointment policy and procedure.
- c. The FAC chair (or FAC designate) will serve as an OMA board representative on the OMA Insurance (OMAI) Board of Directors.
- d. The FAC chair (or FAC designate) will serve as the chair of the Pension Sub-committee.

3. Knowledge and Skills

The following skill set is normally sought in the selection of FAC members:

- i. Financial literacy, including ability to read and understand financial statements.

- ii. Understanding and experience in risk management
- iii. Understanding of accounting principles and internal controls.

It is not necessary for any one member of the committee to possess all skill set items. However, each skill set item (and parts thereof) should be present in the committee's composition.

4. Finance and Audit Committee Responsibilities

The FAC shall perform duties as requested or required by the board of directors. FAC will be specifically responsible for the following duties and responsibilities:

a. Financial Planning, Reporting and Internal Control

- I. In consultation with management, review the appropriateness of the OMA's accounting policies, disclosures, key estimates and judgements in preparing the financial statements.
- II. Review with management the interim financial statements to gain reasonable assurance that the statements present fairly the OMA's financial position in accordance with the generally accepted accounting principles ("GAAP").
- III. Review investment performance and cash flow report in accordance with existing policies.
- IV. Review the policies and procedures of the employee pension plans. Advise the board and make recommendations with respect to changes to the pension plans.
- V. Review the financial statements of the OMA subsidiaries and other OMA programs or activities as delegated by the board.
- VI. Review the expenses of the CEO and other board officers as directed by the board.

b. Operating Plan

- I. Review and recommend approval of the annual budget, annual operating plan, and capital budgets.
- II. Review the status of the reserves fund to ensure alignment with the Reserves Policy.

c. External Audit

- I. Recommend for approval the appointment or discharge of the external auditor.
- II. Review the terms of engagement of the external auditor, including the scope and timing of the annual audit, independence of the auditor and disclosure of non-audit services. Review and approve the audit fees, and review the performance of the external auditor annually.
- III. Review and discuss with management and the external auditor the audited financial statements, disclosures, and annual report to gain reasonable assurance that the financial statements are complete and represent fairly the OMA's financial position and performance. Recommend for approval the annual audited financial statements.

d. Compliance and Risk Management

- I. Monitor compliance with all applicable laws, regulations, rules, policies and other requirements of government and regulatory agencies.
- II. Review the risk management framework annually; and assess and monitor crisis management and business continuity plans.

- III. Assess periodically with management the OMA's major risk exposures and policies and the steps taken to ensure appropriate processes are in place to identify, manage, and control risks associated with the organization's business objectives, including, among other things, market-based risks and risks associated with financial reporting, effectiveness of compliance programs, and information systems and cybersecurity risks.

e. Internal Audit:

- I. Evaluate the scope, risk assessment and nature of the internal audit plan, ensuring it is sufficiently linked to the OMA's overall business objectives. Review and assess the internal audit report, including the adequacy of management's corrective actions.

5. Operating Principles and Procedures

The FAC shall fulfill its responsibilities within the context of the following principles and procedures:

a. Values

The committee will act in a manner that values the contribution of the staff and management of the OMA. Committee members are expected to operate in compliance with the OMA's Code of Conduct and policies and with all applicable laws and regulations governing OMA.

b. Annual Work Plan

The committee shall develop and present to the OMA board an annual work plan, which amongst other things, will describe the activities in which the committee will engage for the purpose of carrying out its responsibilities as set out in this charter.

c. Meeting Agenda

Committee meeting agendas shall be the responsibility of the chair of the committee in consultation with committee members, support staff and the CEO.

d. Expectations and Information Needs

The committee shall communicate its expectations to support staff and the CEO with respect to the nature, timing and extent of its information needs. The committee expects that all reasonably required and available information relating to each matter to be dealt with at its meetings will be received within a reasonable time frame in advance of each committee meeting (e.g., 5 days).

e. Committee Self-Assessment and Charter Review

The committee shall at least annually review, discuss, and assess its own performance, role, and responsibilities, as specified in the charter, and recommend proposed changes to the Governance and Nominating Committee and the board for approval.

A formal review of the committee charter will be undertaken by the Governance and Nominating Committee (GNC) biannually, with proposed changes brought forward to the OMA board for approval.

f. Meeting Logistics

- i. FAC shall meet at least quarterly or more frequently as circumstances dictate. Meetings shall be held at the call of the chair or upon the request of two (2) members of the committee;
- ii. A quorum shall be three (3) of the members;
- iii. The corporate secretary (or their designate) shall act as the secretary of all meetings of the committee;
- iv. In the absence of the chair, the vice-chair shall act as the chair;
- v. A copy of the minutes of each meeting shall be provided to each member of the committee and to the OMA Board in a timely fashion.

6. Reporting and Communications

The chair, and where warranted, other members of the committee, are expected to have direct, open, and candid communications throughout the term with the OMA board of directors, the CEO, and other key advisors as applicable.

Reporting to the OMA board of directors, the committee, through its chair, shall report after each meeting all actions taken by the committee.

7. Information and Independent Advice

The committee will have access to all existing OMA information, documents, and records that it determines is necessary to carry out its duties and responsibilities (except in camera records or restricted embargoed records), including any and all reports from external counsel including a lawyer, accountant, consultant or any other advisor/professional.

In contributing to the committee fulfilling its duties under this charter, each member of the committee shall be entitled to rely in good faith upon: (i) any report or advice of an officer or employee of the OMA, if it is reasonable in the circumstances to rely on the report or advice; or (ii) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by them.