



Risk Committee

Committee Mandate

1. PURPOSE

i. Purpose of the Committee

The purpose of the Risk Committee is to assist the Holstein Canada's Board of Directors in overseeing risk management of the Association, ensuring that management has policies in place, and processes and procedures to manage the significant risks to which the Association is exposed. The Committee will review significant risks, under the Association risk framework, and the policies, procedures, and controls used by management to evaluate and manage these risks. The Committee will review actions taken to ensure a sound and consistent risk profile.

ii. Functions of the Committee

The Committee shall review and consider the appropriateness and adequacy of processes for identifying, assessing, and monitoring enterprise risk areas.

The Committee shall:

- a) Review and recommend to the Board, at least annually, the approval of the Risk Management Framework used by the Association;
- b) Review and approve, at least semi-annually, the Association's risk register to ensure that all principal risks are identified and appropriate action and/or mitigation plans are in place;
- c) Review and approve, at least annually the Association's disaster recovery and business continuity plans to ensure that the Association has the ability to continue to operate during a significant impairment and/or crisis to the Association.

2. CODE OF CONDUCT

Committee members must sign a copy of the Committee Member Code of Conduct on an annual basis and abide by all of the duties outlined within the Code of Conduct.

3. COMPOSITION

i. Chairperson

The Chairperson will be a Director of Holstein Canada and will be appointed by the Board at the first regular meeting of the Board following the Annual General Meeting of Members.

ii. Membership

The Committee shall be appointed annually and consist of at least four (4) members:

- Minimum of three (3) National Directors (one (1) of which will be Chairperson);
- One (1) of the three (3) Board members so designated shall also serve on the Governance Committee to act as a liaison between the two Committees;
- One (1) of the three (3) Board members so designated shall also serve on the Audit and Finance Committee to act as a liaison between the two Committees;

- One (1) external expert/advisor, as determined by the Board, with significant risk management experience
- The Association's Director of Innovations & Solutions will serve as the Management Advisor to the Committee.

4. COMMITTEE TIME REQUIREMENTS

The Committee shall meet at least once annually and more frequently as circumstances dictate. Each meeting shall be convened by the Chairperson.

5. QUORUM

A majority of members of the Committee will constitute a quorum for the transaction of business.

6. REMOVAL AND VACANCY

Any member of the Committee may be removed and replaced at any time by the Board. Subject to quorum requirements, if a vacancy exists on the Committee, the remaining members may exercise all its powers.

7. COMMITTEE PAPERS

Unless directed by the Committee Chairperson, the Committee Secretary shall distribute in advance of a meeting of the Committee an agenda and any related papers to each member of the Committee and the Chief Executive Officer.

8. COMMITTEE MINUTES

The Chief Executive Officer of the Association will appoint a Recording Secretary for the Committee. The minutes of the Committee will be in writing and, following review by the Chairperson of the Committee and approval by the Committee, duly entered in the books of the Association.

9. REPORTING TO THE BOARD

Following a review of the minutes by the Chairperson and the Committee, minutes of each meeting shall be submitted to the Board for consideration of any actions or recommendations.

The Committee Chairperson or a Committee designate must report to the Board after each Committee meeting concerning:

- a) the actions and recommendations of the Committee; and
- b) all matters relevant to the Committee's role and responsibilities.

10. COMPENSATION

Committee members will receive a per diem for attending virtual and in-person meetings in accordance with the Holstein Canada Per Diem guidelines set forth by the Board of Directors.