

CANADIAN OLYMPIC COMMITTEE

AUDIT, FINANCE AND RISK MANAGEMENT COMMITTEE MANDATE

1. PURPOSE

The Audit, Finance and Risk Management Committee (the “Committee”) is a standing committee of the Board of Directors (“Board”) of the Canadian Olympic Committee (“COC”), established to assist the Board in fulfilling its governance responsibilities by providing oversight on audit, finance and risk management matters, including overseeing: the appropriateness of the annual budgeting and strategic planning processes, and the annual and strategic financial plan; the integrity of the financial reporting and financial statements; compliance with applicable accounting practices and laws; overseeing internal controls as they relate to financial reporting and non-financial matters; the monitoring of budgeted versus actual results; the qualifications, independence, appointment and work of the auditor; and the effectiveness of the COC’s risk management infrastructure.

2. COMPOSITION

- 2.1. The Committee shall be comprised of up to nine members, including a minimum of four Board directors, one of whom shall be the Chair of the Committee. The COC President (“President”) and the CEO will be ex-officio, non-voting members of the Committee. All Committee members must be independent, in accordance with applicable laws, rules and regulations, such that they shall have no direct or indirect material relationship with the COC which could in the view of the Board reasonably interfere with the Committee member’s independent judgment.
- 2.2. The Chair and Vice Chair of the Committee, who must also be Board members, shall be appointed by the Board upon recommendation from the President, after consultation with the Governance and Ethics Committee Chair. The Committee members shall be appointed by the Board upon the recommendation of the President, after consultation with the Chair of the Committee. Board directors of the Committee will serve a term up to the length of their existing Board term. External Committee members will serve one or more terms of up to six years. The Committee shall include at least one athlete representative recommended in consultation with the Athletes’ Commission. The Board shall approve the appointments to the Committee annually. The Board shall consider renewal and succession planning in determining the composition of the Committee from time to time.
- 2.3. Each member of the Committee shall be financially literate to be able to read and understand financial statements and financial reports and presentations, and to understand the breadth and level of complexity of accounting issues that can be reasonably expected to be raised by the COC’s financial statements and business. Each member shall have experience and knowledge in audit, finance and/or risk management matters. At least one member of the Committee shall have a financial designation or equivalent financial management expertise.

- 2.4. Any member of the Committee may be removed or replaced at any time by the Board. The Board may fill any vacancy, as it deems appropriate. If and when a vacancy exists, the remaining members may exercise all its powers so long as a quorum remains.
- 2.5. The CEO shall appoint the Chief Financial Officer (CFO) to serve as a liaison to the Committee and in the absence of a CFO, the Director, Finance.

3 . MEETINGS

- 3.1. A majority of the Committee present in person, or by telephone, or by videoconference, shall constitute a quorum; provided that the majority must include a minimum of three voting Board members.
- 3.2. The Committee shall endeavour to reach consensus on all significant decisions. In the event that consensus cannot be reached, the determinations of the Committee shall be made by a majority of its members present at the meeting duly called and held. In the event there is no majority, the Chair of the Committee shall be entitled to cast the deciding vote. All Committee members are expected to attend such meeting, in person, or via telephone, or videoconference. Any decision or determination of the Committee reduced to writing and signed by all members of the Committee shall be fully as effective as if it had been made at a meeting duly called and held.
- 3.3. The Committee shall meet as frequently as it deems necessary, but no less than three times per year. Meetings may be called by the Chair of the Committee, the President, or a member of the Committee. The time and place where the meetings of the Committee shall be held and the calling of the meetings and the procedure in all things at such meetings, including without limitation, notice requirements shall be determined by the Committee; provided that an in camera session without management shall be scheduled at every meeting.
- 3.4. The Committee shall keep and approve Minutes of its meetings in which shall be recorded significant items discussed and all action taken by it. The Minutes shall be available to the Board as soon as practicable and shall be promptly provided to the CEO (or his or her delegate) so that they can be included in the Board materials for the next Board meeting. Where time permits, the Minutes provided to the Board shall be approved in advance by the Committee, but in any event shall be reviewed in advance by the Chair of the Committee. The Chair of the Committee shall make an oral report to the Board, which will include Committee recommendations, where applicable, at least twice per year and more frequently if circumstances warrant.
- 3.5. The Committee may invite directors and members of the COC's senior management or other external legal, accounting or other advisors or experts as it may see fit from time to time to attend all or part of the meetings of the Committee and assist in the discussion and consideration of the duties of the Committee.

4. RESPONSIBILITIES

In fulfilling its responsibilities, the Committee shall perform the following duties:

4.1. RESPONSIBILITIES RELATED TO THE EXTERNAL AUDITOR, AUDIT AND FINANCIAL REPORTING

As part of its responsibilities, the Committee shall be directly responsible for the selection, oversight, evaluation, compensation, retention and removal of the external auditor. More specifically, the Committee shall be responsible to:

- (a) Recommend to the Board the appointment of the external auditor on an annual basis; provided the appointment of external auditor shall be subject to Session Member approval;
- (b) Review and approve the terms of the external auditor's annual engagement letter, including the reasonableness of the proposed audit fees, as well as all audit-related fees and expenses;
- (c) Meet with the external auditor to review and approve their annual audit plan;
- (d) Review and approve the nature of all non-audit services, as permitted by securities legislation and regulations, to be provided by the external auditor in advance of the external auditor undertaking such services or work;
- (e) Meet at least once per year with the external auditor, including conducting a portion of the meeting without management present;
- (f) Review a report from the external auditor that describes any relationship between the external auditor and the COC and states that in the external auditor's professional judgment, it is independent of the COC. Assess the external auditor's objectivity and independence, including rotation of audit partners as appropriate;
- (g) Review significant emerging accounting and reporting issues and their potential impact on the COC's financial reporting;
- (h) Review with management and the external auditor, the COC's financial reporting in connection with the annual audit and the preparation of the financial statements, including without limitation, the judgment of the external auditor as to the quality and the appropriateness of the COC's accounting principles as applied in its financial reporting;
- (i) Review with management and the external auditor and as necessary, legal counsel, any litigation, claim, contingency, estimate or judgement, including tax assessments, that could have a material effect upon the COC's financial position;
- (j) Resolve disagreements between management and the external auditor regarding financial reporting;
- (k) Review and discuss with management and the external auditor the annual audited financial statements and make recommendations regarding same for approval by the Board;

- (l) Following the completion of the annual audit, review with management and the external auditor any significant issues, concerns or difficulties encountered during the course of the audit;
- (m) Assess the external auditor's working relationship with management; and
- (n) Review the actual fees paid to the external auditor on an annual basis and make recommendations regarding same for approval by the Board.

4.2. RESPONSIBILITIES RELATED TO INTERNAL CONTROLS

- (a) Obtain reasonable assurance from discussions with and/or reports from management and reports from the external auditor that the COC's accounting systems are reliable and that the internal controls are adequate and operating effectively.
- (b) Review the evaluation of internal controls by the external auditor, including any recommendations for improvement of the COC's accounting procedures and internal controls, together with management's response.
- (c) Obtain reasonable assurance that related party transactions and conflict of interests or potential conflict of interests are identified and appropriately addressed.
- (d) Review the evaluation of the information technology systems by management and obtain reasonable assurance over the effectiveness and appropriateness of those systems, including without limitation, with respect to cybersecurity, data governance and privacy.

4.3. RESPONSIBILITIES RELATED TO FINANCE

- (a) Review the financial plans and budgets and recommend approval by the Board.
- (b) Review the appropriateness and validity of any material assumptions and estimates used in the preparation of such plans or budgets.
- (c) Review the consistency of the plans and budgets with the strategic plan approved by the Board.
- (d) Review the current balance sheet with prior year comparatives and income statement versus the budget at each meeting. Review the actual capital expenditures on a periodic basis against the budget and previous year to date.
- (e) Review summary reporting on the co-mingled investment account and factor in the recommendations of the Investment Committee regarding distributions, when budgeting.
- (f) Oversee the administration, collection and disbursements of the COC's financial resources, in addition to the related policies and procedures. Conduct an annual review and approval of the Travel and Business Expense Policy.
- (g) Review and approve the cheque writing authorities and purchase commitments, as required. Provide oversight to obtain reasonable assurance that the Finance department has the appropriate resources to fulfil its responsibilities effectively.

4.4. RESPONSIBILITIES RELATED TO RISK MANAGEMENT

The Committee will review and assess the COC's:

- (a) Risk assessment, identifying principal risks and their potential impact on the COC's ability to achieve the COC's business objectives or to otherwise materially impact its business or operations;
- (b) Processes for identifying, assessing, managing and mitigating risks;
- (c) Major risk exposures and trends from all areas (i.e. information security, financial, physical security) and management's implementation of risk policies and procedures to monitor and control such exposures;
- (d) Risk appetite guidelines, and proposed tolerance levels and monitoring any breaches thereto;
- (e) Insurance coverage, at least annually; and
- (f) Other risk management matters from time to time as the Committee may consider appropriate, or as the Board may specifically direct.

5. OTHER

5.1. In addition to the responsibilities outlined in Section 4, the Committee will:

- (a) Obtain reasonable assurance from management that the business is following existing whistle blower policies and procedures for confidential, anonymous submissions of concerns in relation to questionable accounting issues, financial reporting, or audit matters, by COC employees, Members and other stakeholders, without concern for reprisal. The Committee should further obtain reasonable assurance that there are procedures established to retain and address complaints received by the COC regarding such matters. The Committee will review summary reporting on an annual basis at minimum.
- (b) Review the Whistleblowing Policy on an annual basis (in concert with the Ethics Committee) and recommend approval by the Board.
- (c) Assist the Board in oversight of compliance with legal and regulatory requirements;
- (d) Conduct an evaluation of the Committee's performance and this Audit, Finance and Risk Management Mandate annually and recommend to the Board such Mandate changes, as the Committee deems appropriate;
- (e) Monitor developments and emerging best practices in audit, finance and risk management matters; and
- (f) Such other duties and responsibilities as the Board deems appropriate.

5.2. The Chair of the Committee shall have the duties and responsibilities set forth in Appendix "A".

6 . OUTSIDE ADVISORS

- 6.1. The Committee may engage outside experts, including consultants, or other advisors, when it deems appropriate to properly discharge its responsibilities to the COC. The Chair of the Committee shall engage the necessary experts in consultation with the President and CEO and the Board shall be kept informed of both the selection of the experts and their advice.

APPENDIX "A"**AUDIT, FINANCE AND RISK MANAGEMENT COMMITTEE****CHAIR POSITION DUTIES AND RESPONSIBILITIES**

In addition to the duties and responsibilities set out in the Audit, Finance and Risk Management Committee Mandate and any applicable mandate, or position description, the Chair of the Audit, Finance and Risk Management Committee has the following duties and responsibilities:

1. Provide overall leadership to enhance the effectiveness of the Committee, including:
 - (a) overseeing the structure, composition and activities delegated to the Committee;
 - (b) chairing every meeting of the Committee and encouraging free and open discussion at the meetings. Encouraging Committee members to ask questions and express viewpoints during meetings;
 - (c) scheduling and setting the agenda for the Committee meetings with input from other Committee members, the President and management, as appropriate, and ensuring that there is sufficient time during Committee meetings to fully discuss agenda items;
 - (d) facilitating the timely, accurate and proper flow of information to and from the Committee;
 - (e) arranging for management, outside advisors and others to attend and present to the Committee, as appropriate; and
 - (f) taking all other reasonable steps to obtain reasonable assurance that the responsibilities and duties of the Committee as outlined in the Mandate, are well understood by the Committee members and executed as effectively as possible.
2. Foster ethical and responsible decision-making by the Committee and its individual members.
3. As needed or appropriate, enable the Committee to meet in separate, regularly scheduled, non-management, closed sessions with, or without outside advisors.
4. Maintain effective and timely communications with the President, CEO and CFO, ensuring the President is kept apprised of any material matters and issues or concerns of the Committee.
5. Advise the Committee of any finance, accounting or misappropriation matters brought to the Chair's attention through the COC's whistleblowing hotline.
6. Semi-annually review and approve the task code expense summaries of the President and the CEO.
7. Make recommendations to the Board in respect of the membership of the committee, which recommendation shall take into account renewal and succession planning.
8. Carry out such duties as may be reasonably requested by the Board.