

Finance Committee Meeting Minutes

Held on Feb. 23, 2021 at 3:30 p.m.

By Videoconference

MEMBERS

D. Cates (committee chair)
S. Fox

J. MacQuarrie
J. Gorman

N. Fonseca

CNA

T. Weagant
A. Anstey

C. St. Germain

T. Asdrubolini

ABSENT

S. Krishnan

1. OPENING REMARKS BY THE CHAIR

Documents Received: Feb. 23, 2021 Finance Committee Meeting Agenda (Feb. 19, 2021); 2021 Board and Committee Work Plan (Feb. 19, 2021)

There being a quorum present, the meeting was called to order at 3:31 p.m. The meeting agenda was adopted as presented. No conflicts of interest were declared.

2. CONSENT AGENDA

Documents Received: Dec. 3, 2020 Finance Committee Meeting Minutes; Compliance Certificate (Feb. 19, 2021).

On motion duly made, seconded and unanimously carried, it was resolved to approve the consent agenda in its entirety.

3. CFO REPORT

Documents Received: CFO Report to Finance Committee - 2021 Fourth Quarter Financial Results (Feb. 19, 2021)

C. St. Germain presented the financial results and associated reports to the committee, focusing on certain highlights, including the statements of financial position and operations as at Dec. 31, 2020.

Members queried Management on select variances and discussed the recording of amortization expenses in the statement of financial position. The committee accepted the fourth quarter financial results for 2020.



On motion duly made, seconded and unanimously carried, it was resolved that the finance committee approve the CNA's fourth quarter financial results for 2020 for recommendation by the executive committee and approval by the board of directors.

C. St. Germain also reported on the financial forecast for 2021. He reviewed the nature and amount of material savings, anticipated expenditures and first quarter budget reallocations within on-going operations.

Members queried the impact of the 2021 financial forecast on the financial position of the organization and considered compliance with the approved net asset reserve policy. The committee was satisfied with the overall fiscal prudence of the proposed adjustments and did not identify any specific concerns with the forecast.

The committee accepted the CFO's report.

4. REVIEW OF FINANCIAL POLICIES

Documents Received: Review of Financial Policies (Feb. 19, 2021)

Members reviewed Management's revised amendments to the cash management, investment and capitalization and amortization financial policies, which incorporated feedback provided by the committee in Dec. 2020. Members queried and confirmed the risk tolerance for the organization's asset allocation (i.e., low/conservative risk tolerance).

The committee accepted the revised financial policies.

On motion duly made, seconded and unanimously carried, it was resolved that the finance committee approve for executive committee recommendation and board approval, effective March 25, 2021:

- **Amendments to the CNA Capitalization and Amortization of Asset Policy.**
- **Rescinding the CNA's Cash Management Policy and CNA Investment Policy; and approving the combined new Cash Management and Investment Policy.**
- **Consequential amendments to the CNA Finance Committee Terms of Reference and CNA Signing Authority Policy to reflect the policy name changes.**

5. CNA INSURANCE COVERAGE (FOLLOW-UP)

Documents Received: CFO Report – Review of Cyber Insurance Proposal (Feb. 19, 2021).

As a follow-up from the committee's review of the organization's insurance coverage, Members considered two quotes from industry leaders for cyber insurance. The committee reviewed coverage options and scope, limits on liability, and deductibles. To address gaps in protection against cyber attacks, the committee supported Management's recommendation to purchase a cyber 'crime' insurance policy from Cyberboxx for \$2,085 per annum plus HST (\$2M limit/\$250,000 "Crime" coverage/\$10,000 deductible).

6. DRAFT 2020 EXTERNAL AUDIT OF CNA FINANCIAL STATEMENTS

Documents Received: Management Report to Finance Committee on Draft 2020 External Audit of CNA Financial Statements (Feb. 19, 2021); Draft Audited Financial Statements of the CNA as at December 31, 2020; KPMG Audit Findings and Planning Report.

Rob Clayton from KPMG presented the draft audited financial statements of the CNA for the year ended Dec. 31, 2020. He went through the financial statements and briefly explained each section. The Auditor reported that the financial statements have a clean unmodified audit opinion.

Members queried the audit transition process, including measures to validate opening balances with the outgoing Auditor. They also queried select notes to the financial statements and identified minor adjustments/corrections related to deferred revenue and accounts receivable.

The committee received the report from the Auditor.

On motion duly made, seconded and unanimously carried, it was resolved that the finance committee recommend the draft audited financial statements of the Canadian Nuclear Association for the year ended Dec. 31, 2020 (as amended) for approval by the board of directors.

7. *IN CAMERA*

The committee met *in camera* with the Auditor.

8. ADJOURNMENT

There being no further business, the meeting ended at 4:39 p.m.

Committee Chair

Secretary

Date

Date