

Finance Committee Terms of Reference

1. Purpose

The Finance Committee (the “committee”) is a standing committee of directors of the CNA Board of Directors (the “board”) that has been established for the purposes of the board’s oversight of: **[New high-level categorizations]**

- The quality and integrity of the CNA’s financial reporting.
- The qualifications and performance of the external auditor.
- Additional financial matters as specified in these terms of reference.

2. Membership **[Reordered and edited]**

The committee will consist of three or more directors as the board may determine, one of whom will serve as the chair of the committee **[Max. number removed]**. The members of the committee will be appointed by the board on the recommendation of the chair of the board (after consultation with the chair of the committee and the Governance, Human Resources and Compensation committee which reviews qualifications). The chair of the board will be an *ex officio* voting member of the committee, and the CEO will be an *ex-officio* non-voting member the committee.

All appointments are for a three-year term, unless a member resigns, is removed by the board, or ceases to be a director. The board may fill a vacancy that occurs in the committee at any time.

If a vacancy exists, the remaining committee members may exercise all powers of the committee so long as there is a quorum.

Qualifications: **[Proposed new]**

Each of the directors on the committee must possess applicable professional qualifications and/or relevant work experience that demonstrates a high level of financial literacy. Accordingly, each committee member must be able to comprehend the elements of the CNA’s financial statements, applicable accounting policies and judgments, internal controls and accounting procedures supporting the financial reporting process. Experience with budgeting and fiscal oversight are also an important element of the financial literacy required of committee members.

Chair of the Committee:

The board will designate one of the committee members to be the chair of the committee, considering any recommendations that may be made by the chair of the board (after consultation with the committee). The chair of the committee is an officer of the organization



who serves on the executive committee of the board. Appointment of the chair of the committee is for a three-year term. Appointments takes place at the first meeting of the board following the annual meeting of members, or upon the occurrence of any vacancy in the position.

Non-Member Attendance: [New]

The committee may, at its discretion, invite members of management and/or other guests to attend all or part of any meeting.

3. Responsibilities and Authority

The committee has the duties and responsibilities set out in **Schedule A**, as well as any other matters that may be delegated to the committee by the board from time to time.

The chair of the committee or their designate will report to the board on matters arising at committee meetings and, where applicable, present the committee's recommendations to the board for its approval.

Delegation:

The committee may, from time to time, delegate to its chair any powers or responsibilities of the committee itself. This delegation must include a reporting accountability back to the committee. [New and proposed for discussion]

Access to Information and External Advisors [New and proposed for discussion]:

The committee has the authority to make such enquiries and investigations and require such explanations from management as it considers reasonably necessary, and to require management to promptly inform the committee and the external auditor of any material misstatement or error in the CNA's financial statements following the discovery of any such situation.

The committee will have full access to the books, records, facilities, and personnel that are relevant to carrying out the duties of the committee. With the consent of the chair of the board, the committee may retain such advisors, counsel, auditors or other consultants as are reasonably required to assist the committee in fulfilling its duties and may determine the fees of any applicable engagements.

4. Committee Operations

Meetings and Records:

The committee will meet at least four times a year and minutes of their meetings must be kept and approved at the next meeting. To the extent possible, the agenda and meeting materials will be circulated to committee members at least five to seven days in advance of regular meeting dates [changed from two weeks].

If the chair of the committee is absent, committee members will designate another member to temporarily serve in that role.

Decision-Making:

At meetings of the committee, if the committee is unable to reach unanimous consent, each committee member will have one vote, and motions will be decided by a majority of votes. Voting by proxy is not permitted. In case of an equality of votes, the chair of the meeting will not have a second or casting vote. The committee will refer the matter to the board for resolution.

Quorum:

A quorum at any meeting will be a majority of committee members entitled to vote, but not less than two. The powers of the committee may be exercised at any meeting where a quorum is present in person or by telephone or other electric means or by resolution in writing signed by all committee members entitled to vote on that resolutions.

In Camera:

The committee may meet *in camera* with the CEO and as committee members only. The chair of the committee will determine other participants in any *in camera* sessions.

Assessment:

At least annually, the committee will assess its effectiveness in fulfilling its responsibilities and duties set out in these terms of reference.

Review:

Annually the committee will review these terms of reference to assess whether they accurately describe the duties and responsibilities of the committee and will either confirm or recommend changes to the terms of reference to the board.

5. Oversight of Policies

The committee is responsible for overseeing and recommending changes to the executive committee and board in respect of the following policies and/or guidelines:

- a. CNA Signing Authority Policy
- b. Net Assets Reserve Policy
- c. Investment Policy
- d. Cash Management Policy
- e. Capitalization and Amortization of Asset Policy
- f. Such other policies and guidelines as the committee may establish from time to time.

REVISION HISTORY

Date of creation: [Search records for original approval date]
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Dec. 4, 2020