

Minutes
Risk Management Committee Meeting
July 29, 2024
MS Teams 9:04am to 9:34am

Present: Lawrence Rubin (Chair) **Regrets:** Chris Madill
Lynn LeBlanc
Matthew Murphy
Cecil Snow
Cheryl Canning

Recorder: Shauna Cater

1.0 Call to Order, Quorum and Conflicts/Announcements

The Chair called the meeting to order at 9:04am. Quorum was met. There were no conflicts declared or announcements.

2.0 Approval of the Agenda

There were no additions to the agenda.

UPON MOTION duly made by Cecil Snow and seconded, it is unanimously
RESOLVED to approve the July 29, 2024, agenda as circulated.

3.0 Approval of Risk Management Minutes for April 24, 2024

There were no comments on the minutes for April 24, 2024.

UPON MOTION duly made by Matt Murphy and seconded, it is
RESOLVED to approve the minutes for April 24, 2024, as circulated.

C Snow abstained as he was not a member of the Risk Management Committee for the April 24, 2024, meeting.

4.0 Discuss HOPA ERM Strategy

The Chair noted that the Risk Management Committee has no issues with the current ERM Framework but it may be too robust for all the operational decisions the CEO makes for HOPA. The Committee is working on a statement to determine when an issue should get the full risk assessment. The goal is to allow HOPA to be nimble and responsive to opportunities that don't require the full assessment, but to also be able to identify those circumstances that do warrant a full assessment. It was clarified that the Committee intends to keep the current Framework and Policy and that the question in development was meant to be added to it.

The Chair drafted the following statement and series of questions that could be used to identify circumstances requiring a full assessment:

A full risk assessment is required for:

- (i) risks that could potentially have a material impact on HOPA's financial statements; (have to establish what is material)
- (ii) changes to Subscribers;
- (iii) adding a new line of business or significant changes to current lines of business; or
- (iv) situations that result in conflicting risks.

Subject to a matter that triggers one of the above or which the CEO believes requires a full risk assessment, an appropriate risk analysis can consist of answering the following series of questions:

1. What can go wrong?
2. If that were to happen would there be a financial, reputational, legal or personnel risk to HOPA?
3. If yes to (2), would that risk be catastrophic (from 1 no to 5 insolvency)
4. If 4 or 5 in (3), what is the likelihood (from 1 extremely unlikely to 5 a certainty)
5. If 4 or 5 in (4), refer for a full risk assessment.

The Committee discussed the four situations set out in the draft statement and agreed that they cover a majority of the situations that may arise. They decided to add a catch-all wording to cover other situations that may arise such as "including but not limited to".

The CEO was asked whether she was in favor of this approach, and she confirmed she was. To maintain the full framework for all issues without these guiding principles being discussed would result in either the Committee doing a lot more work that isn't needed, or conversely, the framework will not be prioritized because it is too overwhelming. The guiding principles will help to make sure it gets used when it is appropriate to do so.

It was noted as well that at any time the Board or another committee could request the Risk Management Committee take a deeper dive utilizing the Framework on a particular issue.

The Committee discussed various options for placement of the statement and questions in the Framework and Policy.

With regards to situation (i) in the statement the Committee decided to refer it to the Finance & Audit Committee and ask what would be a material impact from a financial perspective.

The Chair will redraft the question based on the Committee's input and provide updated wording to present to the Board at the meeting on September 17, 2024.

UPON MOTION duly made by M Murphy and seconded, it is unanimously **RESOLVED** to refer to the Finance & Audit Committee the question of what the Committee would consider to be a material financial impact.

5.0 Status Review – Terms of Reference Tracker

There were no comments on the Terms of Reference Tracker.

6.0 Other

There was no other business to be discussed.

7.0 In Camera

The Committee agreed that there was no requirement to go In Camera.

8.0 Adjournment

UPON MOTION duly made by M Murphy and seconded, it is unanimously **RESOLVED** to adjourn the meeting at 9:34am.