

## REPORT OF THE FINANCE & AUDIT COMMITTEE

The Finance and Audit Committee of the Board (the “**Committee**”) fulfills the responsibilities of the Audit Committee as set out in the *Credit Unions and Caisses Populaires Act, 2020* (the “**Act**”) and conducts its affairs in accordance with the Act and accompanying regulations. The Committee also fulfills certain other governance duties relating to finance, compliance and risk management as prescribed by Board policy and in accordance with FSRA’s *Sound Business and Financial Practices Rule*.

The Committee met for four scheduled meetings during the 2023 fiscal year to deliberate on mandated items. The Committee met regularly *in camera* privately without management present with the internal auditors and external auditors.

Pursuant to a resolution of the members at the annual meeting held on April 19, 2023, the firm of PricewaterhouseCoopers LLP, Chartered Professional Accountants, was engaged to examine the consolidated financial statements of Alterna Savings for the year ended December 31, 2023. During the year, the Committee reviewed and discussed the audit plan and scope with PricewaterhouseCoopers LLP and received reports and explanations regarding matters arising from their work, and regarding items in the consolidated financial statements for the year. The Committee also evaluated PricewaterhouseCoopers LLP in September 2023 and found their performance to be satisfactory. PricewaterhouseCoopers LLP’s formal report accompanies the English version of the 2023 Alterna Savings consolidated financial statements.

MNP LLP has been retained to provide internal audit services. During 2023, the Committee reviewed the Internal Audit Plan with MNP LLP and assessed their degree of independence. Both were to the Committee’s satisfaction. The Committee discussed with management the scope of the internal audit work and objectives, including the audit of several departments and processes. The Committee evaluated MNP LLP in September 2023 and found their performance to be satisfactory.

The Committee also followed up with management on actions taken in response to audit findings and recommendations and received satisfactory explanations from management on the reports and observations of the internal and external auditors. Recommendations from the internal and external auditors are being, in the opinion of the Committee, satisfactorily addressed and/or implemented, as applicable, by management.

In its role of oversight of risk management, the Committee reviewed the Enterprise Risk Management Framework, monitored the related risk assessments and reports, fully addressed any significant risk areas and/or areas of concern and provided appropriate information on its activities to the Board at each Board meeting. The Committee also reviewed the Risk Appetite Framework as well as policies governing risk and assessed the appropriateness of risk limits.

Other significant activities undertaken by the Committee during the year are summarized as follows:

1. Considered the annual proposed budget and recommended its approval to the Board of Directors;
2. Reviewed actual financial reports and monitored results against plan on a regular basis;
3. Monitored the risk and financial aspects of significant corporate projects and initiatives; and
4. Monitored compliance with the Act and other applicable legislation.

The outcome of these activities and actions taken by management were reviewed and evaluated by the Committee and the Committee confirms that such actions were appropriate and performed to the satisfaction of the Committee and did not significantly vary from expected results. In addition, there are no matters that the Committee believes should be reported to the members, nor are there any further matters that are required to be disclosed pursuant to the Act and regulations thereto.

Richard J. Neville, FCPA, FCA  
Chair of the Finance and Audit Committee