

Mission Statement

The Board of Directors (“Board”) of Farm Credit East, ACA (“FCE” or “Association”) has created a committee of Directors to be known as the Business Risk Committee (“Committee”) with its goals and objectives, authorities, composition, duties and responsibilities, as set forth herein.

Membership

The Committee shall consist of a minimum of three (3) Directors appointed by the Board Chair, who will also appoint the Chair of the Committee. The appointments made by the Board Chair will be subsequently be ratified by the Board. The number of Committee members may vary at the discretion of the Board and/or Board Chair.

The Association CEO shall appoint member(s) of the Association executive management to act as a liaison to the Committee.

Meetings

The Committee will meet at least four (4) times a year with additional meetings being held, as deemed necessary. A majority of Committee members present at a meeting will constitute a quorum.

Committee member voting will be on a one member, one vote basis. Directors who are not members of the Committee may attend meetings of the Committee, but will not be authorized to vote.

The meeting agenda will be prepared and provided in advance of the meeting to Committee members, along with related meeting materials.

The Committee will meet with other Board committees, as appropriate and/or necessary to fulfill their specific duties and responsibilities.

Minutes

All actions taken and a summary of issues discussed at each Committee meeting will be reported to the Board no later than the next scheduled Board meeting. The Committee Chair shall appoint a secretary for the purpose of keeping minutes and submitting such minutes to the Committee for review and approval. Meeting minutes shall include a list of the members attending and a description of the items discussed, and actions taken.

Meeting minutes, including attendance, shall be kept as permanent records of FCE for at least three (3) years.

Specific Duties and Responsibilities

The Committee is an extension of the Board, and as such, assists the Board in fulfilling its oversight responsibilities for business and enterprise-wide risk management of the Association. The Committee will inform the Board of outcomes from meetings and discussions related to their specific responsibilities.

The Committee will also make recommendations for Board approval for risk related actions, activities or policies, as necessary.

The duties and responsibilities of the Committee include the following:

- ❑ Oversee that Management has a business and enterprise risk management structure that effectively addresses organizational risks including, but not limited to the following areas: strategic, credit, operational, legal and compliance, and financial.
- ❑ On an annual basis, in coordination with the annual strategic and business planning process:
 - Review the Association's Risk Appetite Statement to assess and ensure alignment with existing and new business strategies, practices and performance goals and objectives.
 - Assess the enterprise risk universe and ensure key risks are appropriately identified for ongoing reporting and monitoring.
 - Provide input and feedback into the enterprise risk management framework inclusive of the business risk categories and their prioritization, status and risk outlook rating.
 - Conduct a self-assessment relative the Committee's performance against its Charter.
- ❑ On a quarterly basis, or more frequently as needed:
 - Review various business and enterprise risk reports to assess performance against established tolerances and parameters; identify whether any adjustments or modifications to risk tolerances should be made and reported to the Board .
 - Monitor the Association's risk profile in consideration of existing and emerging risks; determine that policies, procedures and practices are in place to appropriately manage the risks in accordance with the organization's risk appetite and parameters.
 - Review enterprise and business risk management reports to assess performance against existing tolerances and parameters; identify any changes that should be made (or considered) to tolerances and parameters.
 - Review the status of any action items relating specifically to business and/or enterprise risk in the Annual Business Plan.
- ❑ Assess and make recommendations to the Board on the risk profile for new opportunities, as it represents an addition, change or material impact to that included and established in the Annual Business Plan.
- ❑ Create education opportunities / bring in an expert to discuss emerging risk.

Authority/Resources

The Committee has authority to:

- Utilize or request information from Association employees or external/outside professional resources as required to effectively carry out its duties.
- Meet with the CEO, any Association management or others to perform its duties. These meetings may be in Executive Session, as determined by the Committee Chair.
- Schedule regular meetings to keep open lines of communications among the Board, Board Committees and others, as appropriate.
- The Committee shall forward all requests for financial resources to the Board Chair.
- *Resource: The Director's Role, Farm Credit Administration.*

Authorities Retained for Board Approval or Action

The Committee functions at the will of the Board, must only report to the Board and has no other authority other than prescribed in this Charter, or as the Board may otherwise delegate or assign from time to time. The Committee's responsibilities cannot be delegated to a subcommittee.

Charter Review

The Committee will conduct a review of this Charter at least annually and recommend any changes to the Board for approval.

Approved by the Business Risk Committee: July 20, 2023

Ratified by the Board of Directors: July 24, 2023

REFERENCE

Farm Credit East, ACA Bylaws

FCA Regulations §§ 609.930, 609.935 and 615.5140