

# High Plains Farm Credit, ACA Board Risk Committee Charter

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Approval/Revision Date:	7/20/2023
Authority:	Association Bylaws; FCA Regulations §§ 609.930, 609.935, 615.5140, and EM 31.1, EM 1.3

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## 1. Mission Statement

The High Plains Farm Credit, ACA (Association) Board Risk Committee (Committee) is established by and reports to the Board of Directors (Board) to assist the Board in fulfilling its fiduciary and oversight responsibilities.

## 2. Membership and Terms of Office

### (a) Membership

The Committee shall consist of at least 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 subsequently be ratified by the Board. The number of Committee members may vary at the discretion of the Board and/or Board Chair.

The Chairperson shall have the responsibility of appointing all members of the Committee following the annual reorganization of the Board. Any Board member may attend Committee Meetings.

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

### (b) Terms of Office

The term of office for each position on the Committee shall be for one (1) year. The Board, upon the recommendation of the Committee, may remove any Committee member at any time.

### (c) Officers

At its first meeting following appointment of the Chairperson, the Committee will select a Vice Chair from within its membership.

(d) Voting and Quorum

A majority of the Committee members shall constitute a quorum. Voting on Committee matters shall be on a one (1) member one (1) vote basis. When a quorum is present, the vote of a majority of the committee members present shall constitute the action or decision of the Committee.

### **3. Meetings and Other Actions**

The Committee shall meet at least four (4) times annually, with authority to convene additional meetings as circumstances require as determined by the Chairperson. The Committee will invite members of management, auditors, or others to attend meetings and provide pertinent information and training, as necessary. Meeting agendas will be prepared in consultation with the Chair or Vice Chair and provided in advance to members along with appropriate briefing materials. The Committee may, at times, handle duties and responsibilities of the Committee in concert with the Board during, before, or after Board meetings.

Minutes of all Committee meetings will be prepared and approved by the Committee. Minutes will include attendance and will be retained in accordance with the Association retention schedule.

### **4. Responsibilities and Authorities**

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 Committee's duties and responsibilities are as follows:

(a) Enterprise Risk Management

- (1) 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, regulatory, reputation and financial.
- (2) 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.

(3) 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.

(4) 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.

(5) Oversee education and training plans/opportunities

(b) Authorities

(1) The Committee has the 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.

(2) 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.

## **6. Reporting**

The Committee shall submit the minutes of all minutes of the Committee to the Board and, if requested by the Board, review the matters discussed at each Committee meeting.

## **7. Reviews and Amendments**

This Charter will be reviewed by the Board at least annually and may be amended from time to time by Board action. The Committee will review and assess the adequacy of this Charter annually, requesting Board approval for any proposed changes.

## **8. Disclosure of the Charter**

This Charter will be posted on the "public" area of the Association website and copies made available in printed form upon request.