



## CURRENCY EXCHANGE INTERNATIONAL, CORP. ("CXI" or the "Corporation")

### RISK COMMITTEE CHARTER ("Charter")

#### 1. Mandate of the Risk Committee

- 1.1. The Risk Committee (the "Committee") of Currency Exchange International, Corp. (the "Corporation") is responsible for assisting the Board of Directors (the "Board") in its oversight of the Corporation's management of its significant, enterprise-wide risks, ensuring that management has in place policies, processes and procedures to manage the significant risks to which the Corporation is exposed, including compliance with applicable laws and regulations.
  
- 1.2. The Committee is to understand the significant risks to which the Corporation is exposed, under the Corporation's Risk Management Framework ("RMF"), and its 5 building blocks used by management to identify, assess, measure, monitor, report and treat these risks. The Committee reviews actions taken to ensure the Risk Management Framework is implemented and adhered to.
  
- 1.3. **Oversight of Risk Management:** The Committee will:
  - a) Review, approve and recommend to the Board for approval, the Risk Management Framework, addressing the significant risks to which the Corporation is exposed and which are recommended by the Corporation's management;
  - b) Review, approve and recommend for approval, the Corporation's Risk Appetite Statement ("RAS"), at least annually on the recommendation of the Chief Risk Officer ("CRO");
  - c) Review, approve and recommend to the Board for approval, the risk management policies.
  - d) Review, at least annually, reports from the CRO and any other relevant management providing reasonable assurance that:
    - i) the oversight of risk management activities is independent from operational management ('1st line of defence'), adequately resourced and have the appropriate status and visibility throughout the organization;
    - ii) the risk management policies are being complied with, and if not, review and approve requests for exceptions or remedial action plans; and that practices are appropriate and effective in accordance with the risks of the Corporation;
    - iii) the controls respecting management of risks are operating effectively;
    - iv) the risk positions of the Corporation are in compliance with the delegated authorities and limits; and
    - v) the CRO has processes in place to assess the accuracy of any risk information and to assure the Committee as to the objectivity of such risk information or analysis.
  - e) Review, at least annually, reports from the CRO relating to the Corporation's programs, procedures and controls in place to manage its significant risks, including the monitoring of the Corporation's risk profile against the RAS, and a review of any exceptions to the RAS metrics;
  - f) Review and approve as appropriate, immediately or as may be required, any material breaches or exceptions to the RAS or exceptions to the Risk Policies that require Board approval;
  - g) Receive presentations, regular reports and other information to understand the significant and emerging risks to which the Corporation is exposed. This includes



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reviewing, on an annual basis, management's report on the identification of Top Risks and Emerging Risks and trends;

- h) Review and approve various items as may be required, including:
    - i) Annually reviewing and approving the business continuity and disaster recovery program;
    - ii) Annually reviewing the outsourcing arrangements;
    - iii) At least annually, reports from the Internal Auditor; and
    - iv) Annually reviewing the Corporation's enterprise-wide stress testing results
  - i) Review reports from management on the impact of incentive compensation on risk taking; and
  - j) Review the risk impact of the Strategy and new business initiatives, including compliance with the Change Management Policy and the Outsourcing Policy.
- 1.4. In fulfilling its responsibilities, the Committee will have unrestricted access to management and employees of the Corporation.
- 1.5. **Oversight of the Risk Management Function:** The Committee shall oversee the Risk Management function, by carrying out the following:
  - a) Review and approve, at least annually, the CRO's mandate and the Risk Management function's mandate, resources (amount and type) and budget;
  - b) Review and approve the appointment and, where necessary, the removal of the Chief Risk Officer;
  - c) At least annually, assess the effectiveness of the Risk Management function;
  - d) Conduct a benchmarking analysis of the Risk Management function with the assistance of an independent external advisor, on a periodic basis, as determined by the Committee;
  - e) Annually convey its view of the performance of the Chief Risk Officer to the Chief Executive Officer of the Corporation and the Governance Committee as input into the compensation approval process;
  - f) Provide a forum for the CRO to raise any risk issues or issues with respect to the relationship and interaction between the Risk Management function and senior management, the Internal Auditors, the external auditor and the Corporation's regulators; and
  - g) Ensure that the CRO has unfettered access and a functional reporting line to the Committee.
- 1.6. **Other Duties and Responsibilities Delegated by the Board:** The Committee will perform such other duties and responsibilities as may from time to time be delegated to the Committee by the Board.

## 2. Membership and Composition

- 2.1. The Committee shall be composed of a minimum of three (3) Directors who shall be appointed annually by the Board, on the recommendation of the Governance Committee. Each Committee member shall:
  - a) Not be an officer, retired officer or employee of the Company, its subsidiaries or affiliates;



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- b) Be independent as designated by the Board in accordance with the Director Independence Policy; and
  - c) Have an understanding of issues related to risk management or related business experience, or be willing or able to acquire the requisite knowledge within a reasonable period of time.
- 2.2. At least one (1) Committee member shall be knowledgeable in the risk management of financial institutions.
- 2.3. Each member shall continue to be a member of the Committee until a successor is appointed, unless the member resigns, is removed or ceases to be a Director. The Board may fill a vacancy that occurs in the Committee at any time.
- 2.4. The Board will appoint one (1) member of the Committee as the Committee Chair. In his or her absence the Committee may appoint another person provided a quorum is present.

**3. Meeting Proceedings**

- 3.1. The Committee shall meet quarterly or more frequently as the Committee may determine.
- 3.2. The affirmative vote of a majority of the Committee members participating in any meeting of the Committee is necessary for the adoption of any resolution.
- 3.3. A majority of Committee members will constitute a quorum for a meeting of the Committee.
- 3.4. The Committee will report to the Board on the matters considered at each Committee meeting at the next scheduled Board meeting.
- 3.5. The Committee will meet in camera, without management present, as a component of each meeting.
- 3.6. The Committee may create one or more subcommittees and may delegate in its discretion, all or a portion of its duties and responsibilities to such subcommittees.
- 3.7. The Committee shall on an annual basis:
- a) Review and assess the adequacy of this Charter and, where necessary, recommend changes to the Board for its approval;
  - b) Undertake a performance evaluation of the Committee comparing the performance of the Committee with the requirements of this Charter; and
  - c) Report the results of the performance evaluation to the Board of Directors.



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**4. Retention of External Advisors**

- 4.1. The Committee has the authority, as it deems necessary to carry out its duties, to select, retain, terminate and approve the fees of any external advisor or consultant as it may deem necessary or advisable for its purposes.

**5. Amendments to Risk Committee Charter:**

- 5.1. The Risk Committee is responsible for reviewing material changes to the Charter for recommendation to the Board.
- 5.2. The Charter is reviewed at least annually, or more frequently, if required.