

Alberta Co-operative Energy (ACE)

Financial Information Publication Policy

Section: Finance

Responsible Authority: Chief Executive Officer

PURPOSE AND INTENT: To provide direction and authority to staff in disseminating financial information.

POLICY STATEMENT: Full financial information, including that of monthly, quarterly and annual audited Year End Financial Statements, are to be distributed, once approved, to Board of Director members of the cooperative only. Board Members of the cooperative may use approved Summary Financial Statements, along with the statutory auditor's report if it contains a qualification, for distribution to the parent company of the cooperative members.

Supplemental Policy Information: Content and Frequency of Budget Reporting:

Monthly Reports:

Monthly statements should be reviewed by senior management prior to distribution to the Board. The monthly statements will be finalized by the conclusion of the second month following the statement period.

In addition, quarterly reports for the periods (March, June, September, and December) will be submitted to the Board for their review and acceptance at the meeting held by the end of the following month. Financial reports should include a consolidated balance sheet and consolidated income and expense report which show all departments combined and a budget to actual report for all accounts included in the annual operating budget.

Year-End Report/Audit:

At fiscal year-end an Audit report should be prepared summarizing the total income and expense activity for the year. A balance sheet should be prepared as of December 31 and should be attached to the income and expense report. This report will be initially reviewed by the CEO, and then by the Audit Committee, prior to distribution at the year-end Board of Directors meeting. The audit process will begin on or about February 1.

At the Annual General Meeting approval of an independent auditor to conduct this review will be required.

Circulation

Circulation of the statutory financial statements, the director's report and the statutory auditor's report are to be sent to every Board of Directors member, every holder of debentures of the company, and all persons other than members or holders of debentures who are entitled to receive the documents.

Electronic communication of copies of those documents fulfills the circulation requirement.

Requirements in Relation to Publication of Financial Statements

Where a parent company (of the members of Alberta Co-operative Energy) is required to prepare group financial statements for a fiscal year, the parent will be provided with a Summary Financial Statement, which will be prohibited to be published by the parent or otherwise, unless they are combined with group financial statements and are published together as the statutory financial statement of the parent company.

Summary Financial Statements and Circulation In Lieu of Full Financial Statements

The Directors of the cooperative may prepare in respect of each financial year a summary financial statement for that financial year derived from the statutory financial statements and the Directors' report for that period, giving a fair and accurate summary account of the cooperative's financial development during that financial year and financial position at the end of that year.

The summary financial statement is to be approved by the Board of Directors and signed by them or, if there are more than two directors, signed on their behalf by two of the Directors.

The summary financial statement, along with the statutory auditor's report if it contains a qualification, may be circulated to every member of the Cooperative and, where relevant, their parent company.

This Financial Information Publication Policy Reviewed and Approved by ACE Board: April 15th, 2025