



BOARD OF DIRECTORS MEETING

8:00 am (PT) Monday 15 January 2018
Presentation Room – BCLC, 74 West Seymour Street
Kamloops, BC V2C 1E2

AGENDA

- 1. ADOPTION OF AGENDA**
- 2. APPROVAL OF MINUTES**
 - 2.1. 25 October 2017
 - 2.2. 5 December 2017
- 3. REPORT BY CHAIR** **Verbal**
- 4. REPORT BY PRESIDENT** **Verbal**
- 5. CORPORATE APPROVALS**
 - 5.1. Q3 Financial Statements [A. Hobson – 20 mins] Approval
 - 5.2. Q3 Revised Forecast & Projections..... [A. Hobson – 20 mins] Approval
 - 5.3. Business Plan, Operating & Capital Budgets [A. Hobson – 20 mins] Approval
 - 5.4. Service Plan..... [A. Hobson – 20 mins] Approval
 - 5.5. Additional KPMG Services..... [A. Hobson / R. Kroeker – 15 mins] Approval
 - 5.6. Annual Corporate Objectives..... [J. Callahan – 15 mins] Approval
 - 5.7. Annual Resource Plan [J. Callahan – 15 mins] Approval
 - 5.8. Pension Plan Statement of Investment Policies & Procedures [J. Callahan – 15 mins] Approval
 - 5.9. Rules Respecting Chips [R. Kroeker – 15 mins] Approval
- 6. CORPORATE OPERATIONS**
 - 6.1. Board Vacancies.....[B. Smith – 10 mins] Discussion
 - 6.2. KPMG Audit Issues Log.....[KPMG – 10 mins] Discussion
 - 6.3. Key Estimates & Judgments..... [A. Hobson – 15 mins] Discussion
 - 6.4. Service Provider Financial Update [A. Hobson – 15 mins] Discussion
 - 6.5. Q3 Audit Services Report [G. Aujla – 15 mins] Discussion
 - 6.6. Anti-Fraud Controls..... [G. Aujla / R. Kroeker – 10 mins] Discussion
 - 6.7. Q3 ERM Report [R. Kroeker – 5 mins] Discussion
 - 6.8. Risk Advisory Services Resources & Relationships..... [R. Kroeker – 5 mins] Discussion
 - 6.9. ERM Policies..... [R. Kroeker – 5 mins] Discussion
 - 6.10. Risk Appetite & Tolerance Levels..... [R. Kroeker - 5 mins] Discussion
 - 6.11. Q3 Business Continuity Report..... [A. Hobson – 10 mins] Discussion
 - 6.12. Q3 Occupational Health & Safety Report [A. Hobson – 10 mins] Discussion
 - 6.13. Q3 Dashboard..... [A. Hobson – 5 mins] Discussion
 - 6.14. Kamloops Property Update..... [A. Hobson – 10 mins] Discussion
 - 6.15. Whistleblower Policy & Procedure..... [J. Callahan – 5 mins] Discussion
 - 6.16. Exec Performance Management Process [J. Callahan –10 mins] Discussion
 - 6.17. Implementing Government Direction/German Review Update ... [J. Lightbody – 15 mins] Discussion
 - 6.18. Management Reports Information Only
 - 6.18.1. Finance & Corporate Services
 - 6.18.2. Casino & Community Gaming
 - 6.18.3. Lottery Gaming
 - 6.18.4. Digital & Enterprise Services
 - 6.18.5. Business Technology
 - 6.18.6. Social Responsibility & Communications
 - 6.18.7. Human Resources
 - 6.18.8. Legal, Compliance, Security

7. OTHER BUSINESS

- 7.1. *In camera* Sessions [60 mins] Discussion
 - 7.1.1. Legal Services Report
 - 7.1.2. Material Litigation Report – General Counsel
 - 7.1.3. Director, Audit Services
 - 7.1.4. CEO - Evaluation Process Planning
 - 7.1.5. CEO - Annual Goals & Objectives
 - 7.1.6. Whistleblower Reports, if any
 - 7.1.7. Board

8. NEXT MEETING

- 8.1. Tuesday 15 May 2018 – Kamloops



**Minutes of the Meeting of the Board of Directors
held at 8:00 am (PT) 15 January 2018**

Location: Presentation Room – BCLC, 74 W. Seymour Street, Kamloops, BC

Board Present:

Bud Smith Chair
Andrew Brown
Robert Holden

Board Not Present:

Wendy Lisogar-Cocchia

Management Present:

Jim Lightbody President and Chief Executive Officer
Amanda Hobson Chief Financial Officer and Vice President, Finance and Corporate Services
Jamie Callahan Vice President, Human Resources
Brad Desmarais Vice President, Casino and Community Gaming
Susan Dolinski Vice President, Social Responsibility and Communications
Patrick Davis Chief Information Officer and Vice President, Business Technology
Kevin Gass Vice President, Lottery Gaming
Rob Kroeker Vice President, Legal, Compliance, Security
Gurmit Aujla Director, Audit Services (for items 6.4, 6.5, 6.6 and 7.1.3)
Jennifer Keim Corporate Secretary
Jennifer Smith Associate Corporate Secretary
Suzanne Rowley Assistant Corporate Secretary

Guests:

Paula Presta KPMG LLP (for items 6.2 and 6.3)

Bud Smith took the Chair at 8:00 am with Jennifer Keim acting as recording secretary. As proper notice of the meeting had been given and a quorum was present, the Chair declared the meeting to be regularly constituted and open for the transaction of business at 8:00 am.

1 ADOPTION OF AGENDA

On motion duly made and carried, the agenda was adopted.

2 APPROVAL OF MINUTES

The minutes of the 25 October 2017 meeting were presented.

On motion duly made and carried, the minutes of the meeting were approved.

The minutes of the 5 December 2017 meeting were presented.

On motion duly made and carried, the minutes of the meeting were approved.

3 REPORT BY CHAIR

Bud Smith discussed public relations and the need for BCLC to focus on its areas of jurisdiction and not those of other entities. He updated the Board on ongoing work to fill several Board vacancies.

4 REPORT BY PRESIDENT

Jim Lightbody highlighted the strong financial results for the year to date and provided an update on public and government relations.

5 CORPORATE APPROVALS

5.1 Q3 Financial Statements

Approval

Amanda Hobson presented the Q3 financial statements and invited questions. Discussion followed.

On motion duly made and carried, the following resolution was adopted:

WHEREAS the Board has reviewed the financial statements for the third quarter of fiscal year 2017/2018;

NOW THEREFORE be it resolved that:

- 1. The financial statements for the third quarter of fiscal year 2017/2018 are hereby approved; and*
- 2. Any officer or director is hereby authorized on behalf of the Corporation to execute and deliver all such documents and instruments, and to do all such other acts and things as in his or her opinion may be necessary or desirable to give full effect to the foregoing resolution.*

5.2 Q3 Revised Forecast & Projections

Approval

Amanda Hobson presented the Q3 revised forecast and projections. Discussion followed.

On motion duly made and carried, the following resolution was adopted:

WHEREAS the Board has reviewed the Corporation's forecast for the third quarter of fiscal year 2017/2018 and 2018/19-2021/22 projections (the "Q3 Revised Forecast and Projections");

NOW THEREFORE be it resolved that:

- 1. The Q3 Revised Forecast and Projections are hereby approved; and*
- 2. Any officer or director is hereby authorized on behalf of the Corporation to execute and deliver all such documents and instruments, and to do all such other acts and things as in his or her opinion may be necessary or desirable to give full effect to the foregoing resolution.*

5.3 Business Plan, Operating & Capital Budgets

Approval

Amanda Hobson presented the business plan, operating and capital budgets. Discussion followed.

On motion duly made and carried, the following resolution was adopted:

WHEREAS the Board has reviewed the business plan, operating and capital budgets for fiscal year 2018/2019 (the "Business Plan and Budgets");

NOW THEREFORE be it resolved that:

- 1. The Business Plan and Budgets are hereby approved; and*
- 2. Any officer or director is hereby authorized on behalf of the Corporation to execute and deliver all such documents and instruments, and to do all such other acts and things as in his or her opinion may be necessary or desirable to give full effect to the foregoing resolution.*

5.4 Service Plan

Approval

Amanda Hobson presented the draft service plan and advised that there had been some recent requests for organizational and formatting changes from government. Discussion followed, including with respect to some suggested edits to be considered before the Chair approves the final version of the Service Plan.

On motion duly made and carried, the following resolution was adopted:

WHEREAS the Board has reviewed a revised Annual Service Plan for F18/19 – F20/21;

AND WHEREAS the Board has received a recommendation from Management to approve the said Service Plan;

NOW THEREFORE be it resolved that:

1. *The Annual Service Plan for F17/18 – F19/20 is hereby approved together with such changes as may be approved by the Chair of the Board; and*
2. *Any officer or director is hereby authorized on behalf of the Corporation to execute and deliver all such documents and instruments, and to do all such other acts and things as in his or her opinion may be necessary or desirable to give full effect to the foregoing resolution.*

5.5 Additional KPMG Services

Approval

Amanda Hobson presented the information relating to retaining KPMG LLP for further advisory accounting services. Rob Kroecker presented the information related to KPMG LLP's draw audit services. Discussion followed, including regarding measures taken to ensure the maintenance of KPMG LLP's independence.

On motion duly made and carried, the following resolution was adopted:

WHEREAS Management has recommended that the Board approve certain services to be provided by KPMG LLP;

NOW THEREFORE be it resolved that:

1. *The engagement of KPMG LLP to provide the following services is hereby approved:*
 - a. *advisory accounting services relating to the implementation of IFRS 16 and IFRS 9 for the period from December 1, 2017 to March 31, 2019, inclusive, for a fee not to exceed \$ 21*
 - b. *advisory accounting services relating to year-end accounting activities for the period from January 1, 2018 to May 31, 2018, inclusive, for a fee not to exceed \$ 21*
 - c. *advisory services relating to a Lean workshop for the period from January 1, 2018 to March 31, 2018, inclusive, for a fee not to exceed \$ 21 and*
 - d. *draw audit services for the period from March 1, 2018 to August 31, 2018, inclusive, for a fee not to exceed \$ 21*
2. *Any one officer or director is hereby authorized on behalf of the Corporation to execute and deliver all such documents and instruments, and to do all such other acts and things as in his or her opinion may be necessary or desirable to give full effect to the foregoing resolutions.*

5.6 Annual Corporate Objectives

Approval

Jamie Callahan presented the fiscal year 2018/19 annual corporate objectives. Discussion followed.

On motion duly made and carried, the following resolution was adopted:

WHEREAS, for purposes of the CEO, Executive, and Management incentive holdback plans, the Board has reviewed the proposed annual objectives for the fiscal year ending March 31, 2019 (the "Corporate Objectives");

NOW THEREFORE be it resolved that:

1. *The Corporate Objectives are hereby approved; and*
2. *Any officer or director is hereby authorized on behalf of the Corporation to execute and all such documents and instruments, and to do all such other acts and things as in his or her opinion may be necessary or desirable to give full effect to the foregoing resolution.*

5.7 Annual Resource Plan

Approval

Jamie Callahan presented the annual resource plan and highlighted the planned increased in positions, in part to accommodate BCLC's new responsibility to provide GameSense Advisors, who were previously engaged by the Gaming Policy Enforcement Branch. Discussion followed.

On motion duly made and carried, the following resolution was adopted:

WHEREAS the Board has reviewed the Resource Plan for the fiscal year ending March 31, 2019;

AND WHEREAS Management has discussed such Resource Plan with the Board;

NOW THEREFORE be it resolved that:

- 1. The Resource Plan is hereby approved; and*
- 2. Any officer or director is hereby authorized on behalf of the Corporation to execute and deliver all such documents and instruments, and to do all such other acts and things as in his or her opinion may be necessary or desirable to give full effect to the foregoing resolution.*

5.8 Pension Plan Statement of Investment Policies & Procedures

Approval

Amanda Hobson presented the statement of investment policies and procedures for the British Columbia Lottery Corporation Pension Plan and advised that the process is still underway to select a new investment advisor. Discussion followed.

On motion duly made and carried, the following resolution was adopted:

WHEREAS the Board has reviewed the British Columbia Lottery Corporation Pension Plan Statement of Investment Policies and Procedures ("SIPP");

AND WHEREAS the Board has discussed the SIPP with Management;

NOW THEREFORE be it resolved that:

- 1. The SIPP is hereby approved; and*
- 2. Any officer or director is hereby authorized on behalf of the Corporation to execute and deliver all such other documents and instruments, and to do all such other acts and things as in his or her opinion may be necessary or desirable to give full effect to the foregoing resolution.*

5.9 Rules Respecting Chips

Approval

Rob Kroeker presented the draft Rules Respecting Chips and invited questions. The Board reviewed the draft, which contained different versioning of wording in sections 5 and 7. Discussion followed. The Board then decided to adopt the wording referenced as Version 1 of both section 5 and section 7.

On motion duly made and carried, the following resolution was adopted:

WHEREAS the Directors of the Corporation wish to approve the Rules Respecting Chips (the "Rules") presented to the Board and confirm the delegation of power to the President and Chief Executive Officer ("CEO") to determine the effective date of the Rules and to make future amendments to the Rules;

NOW THEREFORE be it resolved that:

- 1. The Rules, as presented to the Board, are hereby approved;*
- 2. The Directors of the Corporation hereby delegate to the CEO, the power, authority, and discretion vested in or exercisable by the Directors of the Corporation to determine the effective date of the Rules and to amend the Rules from time to time;*
- 3. The signature of the CEO on an amended version of the Rules will be conclusive evidence that the amended version is authorized by this resolution; and*

4. *The CEO is hereby authorized on behalf of the Corporation to execute and deliver all such documents and instruments, and to do all such other acts and things as in his or her opinion may be necessary or desirable to give full effect to the foregoing resolution.*

6 CORPORATE OPERATIONS

- 6.1 Board Vacancies** **Discussion**
This subject was covered in the Report By Chair (item 3).
- 6.2 KPMG Audit Issues Log** **Discussion**
Paula Presta provided an update on a variety of matters including: planning for the implementation of IFRS 15, the fiscal sustainability review, leasing standards, and the pension plan actuarial valuation. She advised that no major changes are expected to arise from the new operational services agreement before next fiscal year. Finally, Ms. Presta noted that KPMG LLP had completed a Lean Workshop with BCLC. Discussion followed.
- 6.3 Key Estimates & Judgments** **Discussion**
Amanda Hobson presented the report. Following discussion, the board went in camera with KPMG at 9:37 am, concluding at 9:56 am.
- 6.4 Service Provider Financial Update** **Discussion**
Amanda Hobson presented the service provider financial update, including recent developments related to Paragon and Gateway. Discussion followed.
- 6.5 Q3 Audit Services Report** **Discussion**
Gurmit Aujla presented new additions to the annual audit plan including new anti-money laundering initiatives, interim recommendations from Peter German, and player notification of limited sports wager. Discussion followed.
- 6.6 Anti-Fraud Controls** **Discussion**
Rob Kroeker and Gurmit Aujla presented the report and detailed the work undertaken to help identify BCLC's top ten fraud risks, and develop and implement the appropriate controls. Discussion followed.
- 6.7 Q3 ERM Report** **Discussion**
Rob Kroeker presented the report and invited questions. None arose.
- 6.8 Risk Advisory Services Resources & Relationships** **Discussion**
Rob Kroeker provided information on the current resources being utilized. No questions arose.
- 6.9 ERM Policies** **Discussion**
Rob Kroeker advised that there are no changes proposed for the current enterprise risk management policies.
- 6.10 Risk Appetite & Tolerance Levels** **Discussion**
Rob Kroeker explained the method used to develop the risk appetite and tolerance levels and advised that no changes are proposed at this time.

- 6.11 Q3 Business Continuity Report** **Discussion**
Amanda Hobson presented the report and highlighted the process being undertaken to assess risks and develop response plans to identified risks. Business continuity program initiatives are on time and on budget.
- 6.12 Q3 Occupational Health & Safety Report** **Discussion**
Amanda Hobson presented the report and invited questions. Discussion followed.
- 6.13 Q3 Dashboard** **Discussion**
Amanda Hobson presented the dashboard and invited questions. Discussion followed.
- 6.14 Kamloops Property Update** **Discussion**
Amanda Hobson provided an update on the ongoing RFP process and the collaboration sessions that are currently underway with the proponents. Discussion followed.
- 6.15 Whistleblower Policy & Procedure** **Discussion**
Jamie Callahan advised the Board that the Minister is planning a new whistleblower standard that will be applicable to all Crowns and therefore BCLC's policy and procedures may have to undergo significant change. In the interim, a new Governance and Corporate Social Responsibility Chair is needed as the escalation point under BCLC's current policy.
- WHEREAS the positions of Governance Committee and Corporate Social Responsibility Chair and Risk Committee Chair are currently vacant;*
- NOW THEREFORE be it resolved that, effective immediately:*
1. *Andrew Brown is appointed Governance and Corporate Social Responsibility Committee Chair; and*
 2. *Bob Holden is appointed Risk Committee Chair.*
- 6.16 Exec Performance Management Process** **Discussion**
Jamie Callahan provided details about the four components of the Executive performance management process. Discussion followed.
- 6.17 Implementing Government Direction/German Review Update** **Discussion**
Jim Lightbody and Rob Kroeker presented the steps being undertaken to respond to both government direction and any recommendations that arise from the Peter German review. Discussion followed regarding s 15(1)
- The Board requested that the next quarterly anti-money laundering report to the Minister include a letter from the Chair setting out details associated with placing a limit on cash buy-ins. Discussion followed.
- 6.18 Management Reports** **Discussion**
- 6.18.1 Finance & Corporate Services**
Amanda Hobson presented the report and highlighted the completion of the draft fiscal sustainability report for government. Discussion followed.
- 6.18.2 Casino & Community Gaming**
Brad Desmarais presented the report, providing an overview of the rebranding of View Royal Casino, and an update on the Victoria RFP process. He invited questions and discussion followed.

6.18.3 Lottery Gaming

Kevin Gass presented the report and highlighted the progress of the lottery transformation project and Lotto Express. Discussion followed.

6.18.4 Digital & Enterprise Services

Jim Lightbody presented the report, highlighting a recent review of the online gaming model. He noted that live casino games are expected to launch on PlayNow by the end of the month. Discussion followed.

6.18.5 Business Technology

Patrick Davis presented the report and detailed recent work done to further mitigate cybersecurity risks. Discussion followed.

6.18.6 Social Responsibility & Communications

Susan Dolinski presented the report, noting recent communications initiatives and the upcoming transition of GameSense Advisor positions from GPEB to BCLC. She invited questions and discussion followed.

6.18.7 Human Resources

Jamie Callahan presented the report and advised that the annual engagement survey will be launching next week. Discussion followed.

6.18.8 Legal, Compliance, Security

Rob Kroeker presented the report and updated the Board on a recently completed audit and progress on the facial recognition program. Discussion followed.

7 OTHER BUSINESS

7.1 In camera Session

Discussion

The Board went in camera sequentially with the below parties at 2:10 pm, concluding at 3:08 pm.

7.1.1 Legal Services Report

During this *in camera* session and on motion duly made and carried, the following resolutions were adopted:

WHEREAS the Board has reviewed draft Bylaws of the Corporation;

NOW THEREFORE be it resolved that:

- 1. The Bylaws, as presented to the Board, are hereby approved.*
- 2. The Board Chair is hereby authorized on behalf of the Corporation to execute and deliver the Bylaws and all such documents and instruments, and to do all such other acts and things as in his or her opinion may be necessary or desirable to give full effect to the foregoing resolution.*

WHEREAS the Board has reviewed and considered certain proposed amendments to the Board Manual;

NOW THEREFORE be it resolved that:

- 1. The revised Board of Directors Guidelines, as presented to the Board, are hereby approved.*
- 2. The following tabs of the Board Manual are hereby rescinded: "General Guidelines for Committees", and "Ad Hoc Committees".*

7.1.2 Material Litigation Report – General Counsel

7.1.3 Director, Audit Services

7.1.4 CEO – Evaluation Process Planning

7.1.5 CEO – Annual Goals & Objectives

During this *in camera* session and on motion duly made and carried, the following resolution was adopted:

WHEREAS the Board has reviewed the proposed annual goals and objectives for the President and Chief Executive Officer for the fiscal year ending March 31, 2019 (the “CEO Objectives”);

NOW THEREFORE be it resolved that the CEO Objectives are hereby approved.

7.1.6 Whistleblower Reports, if any

7.1.7 Board

8 TERMINATION OF MEETING

There being no further business, the meeting was terminated at 3:10 pm.

NEXT MEETING

15 May 2018 – Kamloops

s 22

Chair



BOARD OF DIRECTORS MEETING

10:00 am (PT) Thursday 29 March 2018

Via Conference Call

Local Dial-in: s 15(1)(l) Toll Free (N. America): s 15(1)(l)

Access Code: s 15(1)(l)

AGENDA

1. ADOPTION OF AGENDA

2. APPROVAL OF MINUTES

2.1. 15 January 2018

3. CORPORATE OPERATIONS

3.1. German Report[J. Lightbody – 30 mins] Discussion

3.2. Delta Facility Update.....[B. Desmarais – 10 mins] Discussion

4. IN CAMERA

4.1. Legal Services Report[Directors] Discussion

4.1.1. Indemnity Agreements[1 hour] Discussion

4.1.2. E&Y Cheque Audit Process Update [10 mins] Discussion

4.1.3. VSE Litigation Claim [10 mins] Discussion

5. NEXT MEETING

5.1. 12:00 pm on Thursday 26 April 2018 – Vancouver (Audit Mtg)

5.2. 8:00 am on Tuesday 15 May 2018 – Kamloops

**DIRECTORS RESOLUTION
OF
BRITISH COLUMBIA LOTTERY CORPORATION
(the "Company")**

RESOLVED THAT the minutes of the March 29, 2018 Board meeting, as attached hereto, are hereby approved.

Date: April 11, 2018

s 22

Stuart Douglas Boland Smith

Andrew Brown

Robert Holden

Wendy Lisogar-Cocchia

**DIRECTORS RESOLUTION
OF
BRITISH COLUMBIA LOTTERY CORPORATION
(the "Company")**

RESOLVED THAT the minutes of the March 29, 2018 Board meeting, as attached hereto, are hereby approved.

Date: April 11, 2018

s 22

Stuart Douglas Boland Smith

Andrew Brown

Robert Holden

Wendy Lisogar-Cocchia

**DIRECTORS RESOLUTION
OF
BRITISH COLUMBIA LOTTERY CORPORATION
(the "Company")**

RESOLVED THAT the minutes of the March 29, 2018 Board meeting, as attached hereto, are hereby approved.

Date: April 11, 2018

s 22

Stuart Douglas Boland Smith

Andrew Brown

Robert Holden

Wendy Lisogar-Cocchia

**DIRECTORS RESOLUTION
OF
BRITISH COLUMBIA LOTTERY CORPORATION
(the "Company")**

RESOLVED THAT the minutes of the March 29, 2018 Board meeting, as attached hereto, are hereby approved.

Date: April 11, 2018

Stuart Douglas Boland Smith

Andrew Brown

s 22

Robert Holden

Wendy Lisogar-Cocchia



DRAFT

**Minutes of the Meeting of the Board of Directors
held at 10:00 am (PT) 29 March 2018**

Location: Via Teleconference

Board Present:

Bud Smith Chair
Andrew Brown
Robert Holden
Wendy Lisogar-Cocchia

Management Present:

Jim Lightbody President and Chief Executive Officer
Jamie Callahan Vice President, Human Resources (for items 3.1 and 3.2)
Brad Desmarais Vice President, Casino and Community Gaming (for items 3.1 and 3.2)
Susan Dolinski Vice President, Social Responsibility and Communications (for items 3.1 and 3.2)
Rob Kroeker Vice President, Legal, Compliance, Security (for items 3.1 and 3.2)
Jennifer Keim Corporate Secretary
Jennifer Smith Associate Corporate Secretary

Guest:

Kareen Zimmer Fasken Martineau DuMoulin LLP (for item 4.1.1. only)

Bud Smith took the Chair at 10:00 am with Jennifer Keim acting as recording secretary. As proper notice of the meeting had been given and a quorum was present, the Chair declared the meeting to be regularly constituted and open for the transaction of business at 10:01 am.

1 ADOPTION OF AGENDA

On motion duly made and carried, the agenda was adopted.

Each Board member acknowledged that he or she was satisfied that the agenda and meeting materials had been circulated with sufficient advance notice.

2 APPROVAL OF MINUTES

The minutes of the 15 January 2018 meeting were presented.

On motion duly made and carried, the minutes of the meeting were approved.

3 CORPORATE OPERATIONS

3.1 German Report

Discussion

Jim Lightbody provided an update on the expected dissemination of the upcoming report commissioned by the Minister responsible for BCLC, commonly referred to as the "Peter German Report". BCLC expects that there will be an announcement from the government next week regarding the status of the Peter German Report.

Susan Dolinski briefed the Board on BCLC's draft media plan for responding to the report.

Rob Kroeker and Brad Desmarais updated the Board on the work undertaken by their respective divisions in anticipation of the Peter German Report. \

Discussion followed.

3.2 Delta Facility Update

Discussion

Brad Desmarais provided an update on the process for potentially relocating the Newton gaming facility to the City of Delta. Discussion followed.

4 OTHER BUSINESS

4.1 *In camera* Session

Discussion

The Board went *in camera* sequentially with the below parties at 10:03 am, concluding at 10:59 am.

4.1.1 Indemnity Agreements –

Part 1: CEO, General Counsel, Senior Legal Counsel & Kareen Zimmer

Part 2: CEO and Kareen Zimmer

During Part 2 of this *in camera* session and on motion duly made and carried, the following resolution was adopted:

WHEREAS the Corporation proposes to enter into indemnity agreements from time to time with its directors, officers, and certain employees that, in the determination of the President and Chief Executive Officer (“CEO”) on a case-by-case basis, hold positions that have the potential to expose the employees to increased personal liability (the “Designated Employees”);

AND WHEREAS the Corporation proposes to settle upon a form of agreement to be used for the foregoing purposes;

AND WHEREAS the Corporation may enter into indemnification agreements with directors, officers and employees of the Corporation in the forms approved by the Risk Management Branch pursuant to the Guarantees & Indemnities Regulation, BC Reg. 18/2000;

AND WHEREAS the Board has reviewed a proposed form of agreement;

NOW THEREFORE be it resolved that, subject to receiving the required Risk Management Branch approval:

- 1. The form of agreement presented to the Board together with any revisions which may be requested by the Risk Management Branch prior to approval of such form of agreement (the “Form of Agreement”), be and is hereby approved;*
- 2. The Corporation be and is hereby authorized to enter into, and to perform its obligations under, indemnity agreements with its directors, officers and Designated Employees in the same form as the Form of Agreement (the “Agreements”);*
- 3. The CEO is hereby authorized on behalf of the Corporation to execute and deliver Agreements with any Designated Employees and any or all of the other officers of the Corporation, and to do all such other acts and things as in his or her opinion may be necessary or desirable to give full effect to the foregoing, with the signature of the CEO on each such Agreement being conclusive evidence that the Agreement is authorized by this resolution; and*
- 4. The Chair of the Board (“Chair”) is hereby authorized on behalf of the Corporation to execute and deliver Agreements with the CEO and any or all of the Directors, including him or herself, and to do all such other acts and things as in his or her opinion may be necessary or desirable to give full effect to the foregoing, with the signature of the Chair on each such Agreement being conclusive evidence that the Agreement is authorized by this resolution.*

4.1.2 E&Y Cheque Audit Process – CEO, General Counsel, Senior Legal Counsel

4.1.3 VSE Litigation – CEO, General Counsel, Senior Legal Counsel

5 TERMINATION OF MEETING

There being no further business, the meeting terminated at 11:52 am.

NEXT MEETING

15 May 2018 – Kamloops

Chair