



BOARD OF DIRECTORS MEETING

8:30 am (PT) Thursday 25 October 2018
Boardroom – BCLC, 2940 Virtual Way
Vancouver, BC V5M 0A6

AGENDA

IN CAMERA SESSION

1. ADOPTION OF AGENDA

2. APPROVAL OF MINUTES

2.1. 14 September 2018 [p5]

3. REPORT BY CHAIR

Verbal

4. REPORT BY PRESIDENT

Verbal

5. CORPORATE OPERATIONS – PART 1

5.1. Management Reports Information Only

5.1.1. Finance & Corporate Services [p7]

5.1.2. Casino & Community Gaming [p8]

5.1.3. Lottery Gaming [p11]

5.1.4. Digital & Enterprise Services [p13]

5.1.5. Business Technology [p15]

5.1.6. Social Responsibility & Communications [p20]

5.1.7. Human Resources [p25]

5.1.8. Legal, Compliance, Security [p29]

5.2. Q2 Dashboard [p33] [M. Bohm – 10 mins] Discussion

6. CORPORATE APPROVALS

6.1. Q2 Financial Statements [p38] [A. Hobson – 15 mins] Approval

6.2. Q1 Revised Forecast & Projections [p45] [A. Hobson - 15 mins] Approval

6.3. Q2 Revised Forecast & Projections [p59] [A. Hobson - 15 mins] Approval

6.4. Compensation Review & Salary Planning (Merit Increase) [p67] [J. Callahan – 15 mins] Approval

6.5. Employee Indemnity Policy [p90] [J. Callahan – 10 mins] Approval

6.6. Committee Appointments [p98] [P. Kappel – 10 mins] Approval

6.7. Proposed 2019 Board & Committee Meeting Schedule [p99] [J. Keim – 10 mins] Approval

REMINDER: NEXT MEETING = 11 DECEMBER 2018

7. CORPORATE OPERATIONS – PART 2

7.1. External Audit Plan [p101] [KPMG LLP – 10 mins] Discussion

7.2. Accounting Policies & Financial Reporting Practices [p126] [A. Hobson – 5 mins] Discussion

7.3. Key Estimates & Judgments [p128] [A. Hobson – 5 mins] Discussion

7.4. Expenses – Board Chair & CEO [p129] [A. Hobson – 5 mins] Discussion

7.5. Management Expense Policies & Procedures [p130] [A. Hobson – 5 mins] Discussion

7.6. Service Provider Financial Update [p131] [A. Hobson – 10 mins] Discussion

7.7. Q2 Audit Services Report [p140] [G. Aujla – 10 mins] Discussion

7.8. Q2 ERM Report [p174] [R. Kroeker – 10 mins] Discussion

7.9. ERM Updates [p199] [R. Kroeker - 20 mins] Discussion

7.10. Q2 Business Continuity Report [p254] [A. Hobson – 5 mins] Discussion

7.11. Q2 Occupational Health & Safety Report [p256] [A. Hobson – 5 mins] Discussion

7.12. Kamloops Property Development Update [p257] [A. Hobson – 15 mins] Discussion

7.13. German Review Update [p262] [J. Lightbody – 15 mins] Discussion

7.14. Whistleblower Process Update [p271] [J. Callahan – 10 mins] Discussion

7.15. Lottery Commission Change [p272] [K. Gass – 15 mins] Information Only

8. OTHER BUSINESS

8.1. *In camera* Session [60 mins] Discussion

8.1.1. Material Litigation Report – General Counsel

8.1.2. External Auditor – KPMG LLP

8.1.3. Director, Audit Services

8.1.4. CEO & VP, HR (CEO Succession Plan)

8.1.5. Directors, including whistleblower reports, if any

9. NEXT MEETING

9.1. Tuesday 11 December 2018 – Vancouver



**Minutes of the Meeting of the Board of Directors
held at 8:30 am (PT) 25 October 2018**

Location: Boardroom – BCLC, 2940 Virtual Way, Vancouver, BC

Board Present:

Peter Kappel Chair
Joan Axford
Andrew Brown
Lisa Ethans (Item 7.2 forward, excluding 8.1.2)
Robert Holden
Mario Lee
Wendy Lisogar-Cocchia

Board Not Present:

Hilary Cassady
Coro Strandberg

Management Present:

Jim Lightbody President and Chief Executive Officer
Amanda Hobson Chief Financial Officer and Vice President, Finance and Corporate Services
Monica Bohm Vice President, Digital and Enterprise Services
Jamie Callahan Vice President, Human Resources
Patrick Davis Chief Information Officer and Vice President, Business Technology
Brad Desmarais Vice President, Casino and Community Gaming
Susan Dolinski Vice President, Social Responsibility and Communications
Kevin Gass Vice President, Lottery Gaming
Rob Kroeker Vice President, Legal, Compliance, Security
Gurmit Aujla Director, Audit Services (Items 7.3 - 7.7 only)

Jennifer Keim Corporate Secretary
Jennifer Smith Associate Corporate Secretary
Suzanne Rowley Assistant Corporate Secretary

Guests:

Paula Presta, Partner, KPMG LLP (Items 7.1, 7.2 and 8.1.2 only)

Peter Kappel took the Chair at 8:30 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 8:31 am.

IN CAMERA SESSION

An *in camera* session was not required prior to the commencement of the meeting.

1. ADOPTION OF AGENDA

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

2. APPROVAL OF MINUTES

The minutes of the 14 September 2018 meeting were presented.

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

3. REPORT BY CHAIR

The Chair welcomed the new board members, provided an update on the board appointments process, and commented on recent meetings with the Minister.

4. REPORT BY PRESIDENT

Jim Lightbody provided an update on the corporation's financial performance for the year to date, noting that BCLC performance is s 17(1)(b)

Among BCLC's key initiatives during the last quarter were: testing and planning for the roll-out "Play Planner" for slot machines; planning for the transition to twice-per-week LottoMax draws; and activities relating to a potential gaming facility in Delta. Mr. Lightbody discussed the impact of ongoing service provider labour disruptions, and commented on BCLC's ongoing anti-money laundering efforts.

5. CORPORATE OPERATIONS – PART 1

5.1 Management Reports

Information Only

5.1.1 Finance & Corporate Services

Amanda Hobson delivered the report, summarizing her division's areas of responsibility, and invited questions.

5.1.2 Casino & Community Gaming

Brad Desmarais presented the report, discussed the impact of service provider labour disruptions and invited questions. Discussion followed.

5.1.3 Lottery Gaming

Kevin Gass delivered the report, highlighting major upcoming lottery initiatives such as the planned lottery terminal replacement and anticipated changes to the lottery retailer commission structure.

5.1.4 Digital & Enterprise Services

Monica Bohm presented the report, explained her division's responsibilities and invited questions.

5.1.5 Business Technology

Pat Davis presented the report, highlighting key challenges facing his division, and invited questions. Discussion followed.

5.1.6 Social Responsibility & Communications

Susan Dolinski introduced Jaime Wiebe, Director of Player Health, to the Board although Ms. Wiebe did not remain in the meeting. Susan Dolinski then presented the report, including an overview of her division's responsibilities, and invited questions. Discussion followed.

5.1.7 Human Resources

Jamie Callahan presented the report and commented on some of her division's key priorities, including workforce agility and BCLC's diversity and inclusion initiatives.

5.1.8 Legal, Compliance, Security

Rob Kroeker presented the report, detailed the specific responsibilities of his division, and highlighted a recent initiative to enforce service provider compliance. He also commented on BCLC's cyber security program. Discussion followed.

5.2 Q2 Dashboard

Discussion

Monica Bohm presented the report and advised that a digital dashboard would be available by the next Board meeting.

6. APPROVALS

6.1 Q2 Financial Statements

Approval

Amanda Hobson presented the Q2 financial statements, noting the positive impact of the new casino and community gaming operational services agreements. In particular, by shifting the gaming bank roll responsibility to service providers, BCLC has been able to pay down its fiscal agency loan with Government. In addition, the shift to daily deposits has reduced BCLC's accounts receivable.

Ms. Hobson also commented on the impact of IFRS 15 on lottery and bingo financial reporting.

Discussion followed regarding BCLC's the comprehensive cost ratio and the impact of different commission structures for different products.

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

WHEREAS the Board has reviewed the financial statements for the second quarter of fiscal year 2018/2019;

AND WHEREAS the Board has received a recommendation from Management to approve such statements;

NOW THEREFORE be it resolved that:

- 1. The financial statements for the second quarter of fiscal year 2018/2019 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.*

6.2 Q1 Revised Forecast & Projections

Approval

Amanda Hobson provided an explanation for the revised Q1 forecast and projections. Discussion followed.

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

WHEREAS, on July 26, 2018, the Board approved the Corporation's forecast for fiscal year 2018/2019 and projections for fiscal years 2019/20-2022/2023;

AND WHEREAS, on August 15, 2018, Management submitted a revised version of the foregoing (the "Q1 Revised Forecast and Projections") to Government;

AND WHEREAS the Board has reviewed the Q1 Revised Forecast and Projections;

NOW THEREFORE be it resolved that:

- 1. The Q1 Revised Forecast and Projections are hereby ratified, confirmed and 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.*

6.3 Q2 Revised Forecast & Projections

Approval

Amanda Hobson highlighted that the forecast and projections account for the impact of service provider labour disputes and potential enhancements to the lottery retailer agreements. Discussion followed.

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

WHEREAS the Board has reviewed the Corporation's forecast for fiscal year 2018/2019 and projections for fiscal years 2019/20-2022/23 (the "Q2 Revised Forecast and Projections");

AND WHEREAS the Board has received a recommendation from Management to approve the foregoing;

NOW THEREFORE be it resolved that:

1. The Q2 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.

6.4 Compensation Review & Salary Planning (Merit Increase) Approval

Jamie Callahan presented the compensation review and salary planning document, including the proposed merit increase. Discussion followed regarding BCLC's salary planning options, and how the merit increase is typically allocated.

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

WHEREAS the Board has reviewed Management's recommendation for a merit increase for eligible employees effective April 1, 2019, as presented to the Board in the Compensation Review & Salary Planning document dated October 25, 2018 (the "Merit Increase");

NOW THEREFORE be it resolved that:

1. The Merit Increase 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.

6.5 Employee Indemnity Policy Approval

Management explained the background of the proposed policy and responded to questions from the Board regarding BCLC's insurance and indemnity regime.

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

WHEREAS the Board has reviewed the proposed Employee Indemnity for Legal Proceedings policy (the "Policy");

AND WHEREAS the Board has received a recommendation from Management to approve the Policy;

NOW THEREFORE be it resolved that:

1. The Policy 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.

6.6 Committee Appointments Approval

The Chair presented the proposed Committee membership, noting that no Committee Chair is proposed for the Human Resources and Compensation Committee at this time. The Chair noted that the committee appointments will be reviewed in early 2019 once any further prospective board members have been appointed.

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

WHEREAS the Board Chair has recommended the following Committee memberships:

Audit Committee

*Bob Holden, Chair
Joan Axford
Lisa Ethans
Mario Lee*

Governance and Corporate Social Responsibility Committee

Mario Lee, Chair
Lisa Ethans
Coro Strandberg

Human Resources and Compensation Committee

Andrew Brown
Hilary Cassady
Bob Holden
Coro Strandberg

Risk Committee

Andrew Brown, Chair
Joan Axford
Hilary Cassady

NOW THEREFORE be it resolved that the foregoing individuals are appointed or reappointed, as the case may be, as members and, if indicated above, Chairs of the above-noted Committees until their successors are appointed.

6.7 Proposed 2019 Board & Committee Meeting Schedule Approval

Jennifer Keim presented the schedule and invited any questions.

The matter was deferred to the December meeting to give new board members an opportunity to review their schedules.

7. CORPORATE OPERATIONS – PART 2

7.1 External Audit Plan Discussion

Paula Presta presented the various components of the external audit plan, including an overview of the approach taken to pension plan matters. She confirmed KPMG LLP's independence, and commented on applicable materiality thresholds. Discussion followed.

7.2 Accounting Policies & Financial Reporting Practices Discussion

Amanda Hobson presented on this subject, noting the impacts of IFRS 15 and IFRS 9 on BCLC's financial reporting practices. She invited questions and discussion followed.

7.3 Key Estimates & Judgments Discussion

Amanda Hobson presented the report and invited questions. Discussion followed.

7.4 Expenses – Board Chair & CEO Discussion

Amanda Hobson presented the report, noting that it is prepared on a cash basis, rather than an accrual basis.

7.5 Management Expense Policies & Procedures Discussion

Amanda Hobson presented the report and explained the audit and review processes used to support policy compliance. The Chair requested additional information regarding auto insurance coverage for employees who use their own vehicle for employment purposes.

7.6 Service Provider Financial Update Discussion

Amanda Hobson presented the report. Discussion followed between management and the board, including regarding the ownership structure of various service providers.

7.7 Q2 Audit Services Report Discussion
Gurmit Aujla detailed the various audits undertaken by his department in the past quarter. Discussion followed.

7.8 Q2 ERM Report Discussion
Rob Kroeker delivered the report and invited questions.

7.9 ERM Updates Discussion
Rob Kroeker presented on BCLC's fraud risk assessment and mitigation, strategic risk assessment and mitigation, and insurance coverage. Discussion followed.

7.10 Q2 Business Continuity Report Discussion
Amanda Hobson reported on recent developments in BCLC's business continuity program. Discussion followed.

7.11 Q2 Occupational Health & Safety Report Discussion
Amanda Hobson presented the report, highlighting efforts to recruit a greater number of first aid responders. Discussion followed.

7.12 Kamloops Property Development Update Discussion
Amanda Hobson summarized events to date related to the Kamloops property development and responded to questions from the board. The business case process was discussed.

7.13 German Review Update Discussion
Jim Lightbody updated the Board on the various Government and BCLC committees that are tasked with addressing the recommendations in Peter German's anti-money laundering report. Discussion followed.

7.14 Whistleblower Process Update Discussion
Jamie Callahan reported on a recent test to assess the performance of the whistleblower process. Plans are under consideration to establish regular audits by Audit Services. Discussion followed.

7.15 Lottery Commission Change Discussion
Kevin Gass presented the proposed changes to the retailer lottery commission structure, including an overview of the drivers and anticipated benefits of the change. Discussion followed.

8. OTHER BUSINESS

8.1 *In camera* Session Discussion
The Board went *in camera* with the below parties during the times noted.

8.1.1 Material Litigation Report – General Counsel (3:50 pm – 4:20 pm)

8.1.2 External Auditor – KPMG LLP (11:45 am – 12:08 pm)

8.1.3 Director – Audit Services (4:20 pm – 5:25 pm)

8.1.4 CEO & VP, HR (CEO Succession Plan) (5:25 pm – 5:54 pm)

8.1.5 Directors (5:54 pm – 5:55 pm)

9. TERMINATION OF MEETING

There being no further business, the meeting was terminated at 5:55 pm.

10. NEXT MEETING

11 December 2018 – Vancouver

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Chair



BOARD OF DIRECTORS MEETING

12:00 pm (PT) Wednesday 12 December 2018
Boardroom – BCLC, 2940 Virtual Way
Vancouver, BC V5M 0A6

AGENDA

- 1. **IN CAMERA**
- 2. **ADOPTION OF AGENDA**
- 3. **APPROVAL OF MINUTES**
 - 3.1. 25 October 2018
- 4. **REPORT BY CHAIR** **Verbal**
- 5. **REPORT BY PRESIDENT** **Verbal**
- 6. **CORPORATE APPROVALS**
 - 6.1. Draft Service Plan [A. Hobson – 10 mins] Approval
 - 6.2. Pollard Ticket Printing Contract [K. Gass / s 22 – 10 mins] Approval
 - 6.3. Lottery Retailer Agreement..... [K. Gass / J. Keim – 15 mins] Approval
 - 6.4. Committee Appointments [P. Kappel – 5 mins] Approval
 - 6.5. 2019 Board & Committee Schedule [J. Keim – 10 mins] Approval
- 7. **CORPORATE OPERATIONS**
 - 7.1. Draft BCLC Mandate Letter F19/20 [J. Lightbody – 10 mins] Discussion
 - 7.2. Compensation Update [J. Callahan – 10 mins] Discussion
 - 7.3. Pension Update [A. Hobson – 10 mins] Discussion
- 8. **BOARD EDUCATION**
 - 8.1. AML Compliance Update [RK – 10 mins] Discussion
 - 8.2. AML Training..... [R. Kroeker – 120 mins] Discussion
- 9. **OTHER BUSINESS**
 - 9.1. Pension Investment Manager Selection Memo [AH – 10 mins] Discussion
 - 9.2. *In camera* Session [Directors – 60 mins] Discussion
 - 9.2.1. CEO
 - 9.2.2. Directors
- 10. **NEXT MEETING**
 - 10.1. Wednesday 16 January 2019 – Vancouver



**Minutes of the Meeting of the Board of Directors
held at 12:00 pm (PT) 12 December 2018**

Location: Boardroom – BCLC, 2940 Virtual Way, Vancouver, BC

Board Present:

Peter Kappel Chair
Joan Axford
Lisa Ethans
Robert Holden
Mario Lee
Gregory Moore
Coro Strandberg

Board Not Present:

Hilary Cassady
Andrew Brown

Management Present:

Jim Lightbody President and Chief Executive Officer
Amanda Hobson Chief Financial Officer and
Vice President, Finance and Corporate Services (Items 1 – 7.4 only)
Monica Bohm Vice President, Digital and Enterprise Services (Items 1 – 7.4 only)
Jamie Callahan Vice President, Human Resources (Items 1 – 7.4 only)
Patrick Davis Chief Information Officer and
Vice President, Business Technology (Items 1 – 7.4 only)
Brad Desmarais Vice President, Casino and Community Gaming (Items 1 – 7.4 only)
Kevin Gass Vice President, Lottery Gaming (Items 1 – 7.4 only)
Rob Kroeker Chief Compliance Officer and
Vice President, Legal, Compliance, Security (Items 6.1 – 8.2 only)
Heather Tryon Senior Manager, Instant Games, Retail & Player Marketing (Item 6.3 only)
Jennifer Keim Corporate Secretary
Jennifer Smith Associate Corporate Secretary
Suzanne Rowley Assistant Corporate Secretary

Peter Kappel took the Chair at 12:35 pm with Jennifer Smith 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 12:35 pm.

1 IN CAMERA

The Board went *in camera* from 12:35 pm to 12:45 pm.

2 ADOPTION OF AGENDA

On motion duly made and carried, the agenda was adopted, subject to the addition of an agenda item regarding GameSense.

3 APPROVAL OF MINUTES

The minutes of the 25 October 2018 meeting were presented.

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

4 REPORT BY CHAIR

Peter Kappel reported on recent discussions with Government. He also commented on the December 11, 2018 Governance and Corporate Social Responsibility Committee meeting.

5 REPORT BY PRESIDENT

Jim Lightbody reported on BCLC's financial performance for the fiscal year to date.s 17(1)(b)
When comparing this year's performance to last year's performance, it is notable that there are six more days in this fiscal year.
Recent media coverage was discussed.

Mr. Lightbody thanked outgoing Board member Bob Holden for his service to BCLC.

6 CORPORATE APPROVALS

6.1 Draft Service Plan

Approval

Amanda Hobson presented the draft Service Plan and provided an overview of the process for preparing the plan, including the process for Government feedback. She explained that the financial information in the draft Service Plan is based on the second quarter revised forecast and projections, and commented on some differences which may be expected between the current service plan draft and the final draft to be presented to the Board for approval in January.

Discussion followed regarding the current forecast and projections, as well as Government's formatting requirements and expectations for the Service Plan.

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

WHEREAS the Board has reviewed the draft Service Plan, including the financial information for inclusion therein, for F19/20 – F21/22;

AND WHEREAS the Board has received a recommendation from Management to approve the financial and forecast information included in the draft Service Plan;

NOW THEREFORE be it resolved that:

- 1. The financial and forecast information included in the draft Service 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.*

6.2 Pollard Ticket Printing Contract

Approval

Heather Tryon presented on BCLC's current ticket printing arrangements and vendors. She commented on Pollard's performance to date, and BCLC's vendor performance management methods. The proposed pricing structure and expected savings for each of the five-year and the ten-year contract options was discussed. Ms. Tryon provided an overview of potential contract and relationship risks, together with BCLC's planned mitigation methods.

She responded to questions from the Board. Social responsibility considerations were discussed.

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

WHEREAS the Corporation proposes to enter into a ten-year ticket printing services agreement (the "Agreement") between the Corporation and Pollard Banknote Limited;

AND WHEREAS the Board has reviewed the Agreement;

AND WHEREAS the Board has received a recommendation from Management to approve the Agreement;

NOW THEREFORE be it resolved that:

1. *The Agreement, in the form presented to the Board, is hereby approved.*
2. *The Corporation is hereby authorized to enter into, and to perform its obligations under, the Agreement.*
3. *Any officer or director is hereby authorized on behalf of the Corporation to execute and deliver the Agreement and 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 these resolutions.*

6.3 Lottery Retailer Agreement

Approval

Jennifer Keim presented on the retailer agreements, explaining the difference between the Lottery Retailer Agreement and the Retail Sales Group Lottery Retailer Agreement.

Discussion followed regarding the process for determining retailer commissions.

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

WHEREAS the Corporation proposes to finalize two forms of agreement, known as the "Lottery Retailer Agreement" and the "Retail Sales Group Lottery Retailer Agreement", (collectively, the "Retailer Agreements") and a Lottery Retailer Compensation Plan ("Compensation Plan") to be used as the basis of agreements for the provision of lottery retail services in the Province of British Columbia;

AND WHEREAS the Board has reviewed the draft Compensation Plan and the draft forms of Retailer Agreements;

AND WHEREAS the Corporation proposes to finalize the Compensation Plan and the forms of the Retailer Agreements;

AND WHEREAS the Directors of the Corporation wish to delegate certain power, authority, and discretion of the Directors of the Corporation with respect to the Retailer Agreements;

NOW THEREFORE be it resolved that:

Compensation Plan and Form of Retailer Agreement

1. *The Compensation Plan and the forms of the Retailer Agreements, as presented to the Directors of the Corporation, are hereby approved.*

Execution and Delivery of Retail Sales Group Lottery Retailer Agreements

2. *The Directors of the Corporation direct that the approved form of Retail Sales Group Lottery Retailer Agreement shall be used as the basis for all final Retail Sales Group Lottery Retailer Agreements.*
3. *Subject to the foregoing, the execution and delivery of all final Retail Sales Group Lottery Retailer Agreements shall be in accordance with the spending and signing authority delegated by the Directors of the Corporation from time to time.*

Finalization, Execution and Delivery of Lottery Retailer Agreements

4. *The Directors of the Corporation hereby delegate to any officer of the Corporation, the power, authority, and discretion vested in or exercisable by the Directors of the Corporation to negotiate, consider and approve the final Lottery Retailer Agreement (and any amendments thereto) with one or more lottery retailers, subject to the applicable rules of the Corporation.*
5. *Any officer of the Corporation is hereby authorized, subject to the applicable rules of the Corporation, to execute and deliver any one or more Lottery Retailer Agreements (and any amendments thereto) on behalf of the Corporation and the signature of such officer will be conclusive evidence that the Lottery Retailer Agreement (and any amendments thereto) so executed and delivered is an agreement authorized by this resolution.*

Further Acts

6. *The Corporation be and is hereby authorized to enter into, and to perform its obligations under, the Retailer Agreements.*
7. *Any officer of the Corporation 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 these resolutions.*

6.4 Committee Appointments

Approval

Peter Kappel presented the proposed committee appointments.

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

WHEREAS the Board Chair has made certain recommendations regarding Committee and Committee Chair appointments;

NOW THEREFORE be it resolved that the following individuals be appointed or reappointed, as the case may be, as members and, if indicated below, Chairs of the following Committees effective January 1, 2019 until their successors are appointed:

Audit Committee

*Joan Axford, Chair
Lisa Ethans
Mario Lee*

Governance and Corporate Social Responsibility Committee

*Mario Lee, Chair
Lisa Ethans
Greg Moore
Coro Strandberg*

Human Resources and Compensation Committee

*Hilary Cassady, Chair
Greg Moore
Coro Strandberg*

Risk Committee

*Greg Moore, Chair
Joan Axford
Hilary Cassady*

- 6.5 2019 Board & Committee Schedule** **Approval**
The Board and Management discussed the scheduling process.
On motion duly made and carried, the schedule was approved.

7 CORPORATE OPERATIONS

- 7.1 Draft BCLC Mandate Letter F19/20** **Discussion**
Jim Lightbody introduced the Mandate Letter and invited comments from the Board.
Discussion followed.

- 7.2 Compensation Update** **Discussion**
Jamie Callahan noted that a Government compensation freeze was lifted in September. BCLC will re-examine its compensation structure in light of this change and report back to the Board. Discussion followed.

- 7.3 Pension Update** **Discussion**
Amanda Hobson provided an overview on the process undertaken by the Pension Committee to review the pension plans' investment strategy.
Discussion followed regarding current processes for Board oversight of pension matters.

- 7.4 GameSense** **Discussion**
This item was deferred.

8 BOARD EDUCATION

- 8.1 AML Compliance Update** **Discussion**
Rob Kroeker provided an update on the latest FINTRAC audit and BCLC's planned response, and responded to questions from the Board. He also commented on BCLC's implementation to date of the Peter German report recommendations. Discussion followed.

- 8.2 AML Training** **Discussion**
This item was deferred.

9 OTHER BUSINESS

- 9.1 Pension Investment Manager Selection Memo** **Discussion**
See item 7.3 above.

- 9.2 In camera Session** **Discussion**
The Board went *in camera* at 4:35 pm, concluding at 4:55 pm.

10 NEXT MEETING

There being no further business, the meeting was terminated at 4:55 pm.

The next meeting is scheduled for 16 January 2019 in Vancouver.

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Chair