

## TERMS OF REFERENCE: STRATEGY COMMITTEE

### I. PURPOSE

The Strategy Committee (the “**Committee**”) acts in an advisory and monitoring capacity to assist the BCLC Board of Directors (the “**Board**”) in fulfilling its strategy and risk management monitoring responsibilities relative to BCLC’s purpose, strategic goals and Mandate established by the Government of British Columbia (“**Government**”) acting in the public interest.

The Committee will:

- 1) establish an effective process for the development and/or monitoring of the following:
  - (a) [BCLC’s vision and values];
  - (b) BCLC’s short and long-term strategic and service plans, consistent with BCLC’s purpose, vision and values and Government’s Mandate Letter; and
  - (c) any corporate strategies, initiatives or projects, which have been assessed by Management and the Board to require Board approval and/or monitoring pursuant to the process outlined in Appendices A and B.
- 2) take reasonable steps to ensure BCLC establishes and implements an effective enterprise risk management (“**ERM**”) program for the identification, assessment and management of purpose, strategic and operational risks;
- 3) oversee the development and implementation of an effective approach to business technology that enables BCLC to meet its strategic and service plans; and
- 4) take into account any relevant considerations including purpose, financial, social, environmental and stakeholder considerations in its planning, monitoring and decision making.

### II. COMPOSITION AND OPERATIONS

- A. The Committee will be composed of all of the Directors appointed by the Lieutenant Governor in Council, with the Board Chair acting as a full voting member.
- B. Strategy-related items for the agenda and follow-up will be determined by discussion with the Committee Chair, the Board Chair and the Chief Executive Officer (“**CEO**”).
- C. All members of the Committee will have an understanding of issues related to strategy and planning, risk management, technology or related business experience, or be willing to acquire the requisite knowledge within a reasonable period of time.

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- D. Through the Corporate Secretary, the Committee has access to Management and documents as required to fulfill its responsibilities and is provided with the resources necessary to carry out its responsibilities.
- E. The Committee will issue minutes after each meeting, which will be accessible to all board members.
- F. The Committee will report regularly to the Board with respect to its activities, usually through a brief information report.
- G. The Committee will be supported by a Management Lead, typically the CEO or a delegate designated by the CEO..
- H. Administrative support will be provided by the Corporate Secretary or the Assistant Corporate Secretary.
- I. The Committee will work with the Corporate Secretary to retain and compensate such outside legal or other advisors as it considers necessary in discharging its monitoring role, in keeping with budget, financial and procurement policies.

**III. DUTIES AND RESPONSIBILITIES**

The Committee has the responsibilities and powers set out in these Terms of Reference. Subject to the powers and duties of the Board, the Committee will perform the following duties:

**A. Corporate Strategy and Planning**

- i. participate with Management in the development of, and recommend to the Board for approval, BCLC's vision, and values;
- ii. participate with Management in the development of, and recommend to the Board for approval, BCLC's short and long-term strategic and service plans, consistent with BCLC's purpose, vision and values and Government's Mandate Letter;
- iii. ensure that BCLC's material short, medium and long-term risks are addressed in its strategic and service plans;
- iv. monitor, review, and/or recommend to the Board for approval, any corporate strategies, initiatives or projects, which have been assessed by Management and the Board to require Board approval and/or monitoring pursuant to the process outlined in Appendices A and B;
- v. provide input on the agenda for the annual strategic planning session, and recommend the agenda to the Board for approval; and

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- vi. provide input on the process for renewing the 3-5 year strategic plan, and recommend the process to the Board for approval.

**B. Risk Strategy and Policy**

- i. support the Board in directing management to establish and implement an effective enterprise risk management program for the identification, assessment and management of short, medium and long-term strategic, operational and emerging risks and opportunities, including purpose, financial, social and environmental risks;
- ii. confirm that BCLC's material short, medium and long-term risks are addressed by management in an appropriate manner;
- iii. on an annual basis, review the Enterprise Risk Management Services ("ERMS") Charter;
- iv. review any proposed amendments to the ERMS Charter and make a recommendation to the Board with respect thereto;
- v. on an annual basis, review any significant risk management policies of BCLC; and
- vi. monitor compliance with the company's policies and procedures relating to risk management governance, practices, and risk controls across the enterprise.

**C. Risk Profile and Management**

- i. support the Board's fulfillment of its responsibility for risk oversight and the promotion of a risk awareness culture at all levels in the organization;
- ii. receive and review formal Risk Reports from ERMS regarding specific projects, decision support, or process risk assessments;
- iii. on a quarterly basis, review BCLC's risk profile, including its ongoing and potential exposure to risks;
- iv. beyond the regular quarterly updates, ERMS will conduct a specialized session with the Committee to discuss high-level strategic risks and to actively solicit their perspectives and input on associated mitigation strategies;
- v. on an annual basis, review BCLC's risk appetite and tolerance levels, including with respect to purpose, financial, social and environmental risks, and make recommendations to the Board for approval, if appropriate;
- vi. on an annual basis, review the adequacy of ERMS's resources and the level of coordination and cooperation received from operational management;

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- vii. on a triennial basis (or sooner if there is a significant change in the operating environment), review a comprehensive, enterprise-wide fraud risk assessment;
- viii. on a triennial basis, review a stakeholder risk and opportunity assessment; and
- ix. support risk management education and updates for the Board, including an annual cyber risk education session.

### D. Risk Mitigation

- i. on a quarterly basis, review BCLC's business continuity report;
- ii. review processes and systems for identifying and reporting risks and risk-management deficiencies, including emerging risks, on an enterprise-wide basis;
- iii. monitor effective and timely implementation of corrective actions to address risk management deficiencies;
- iv. on an annual basis, review insurance coverage of significant business risks; and
- v. on an annual basis, review crisis management response capability/program(s) for the Board and the organization.

## IV. ACCOUNTABILITY

The Committee will:

- i. report to the Board following each Committee meeting by oral or written report at the next Board meeting;
- ii. communicate, as appropriate, to other Board committees on issues relevant to their responsibilities;
- iii. on an annual basis, review the Terms of Reference for the Committee and make recommendations to the Board for approval, if appropriate; and
- iv. confirm to the Board on an annual basis, the Committee's fulfillment of its mandate for the preceding year.

## V. ORIENTATION

Access to relevant orientation materials will be provided by the Corporate Secretary to new members of the Committee. New Committee members will be briefed by the Chair of the Committee on top priorities and issues of the Committee.

## VI. EDUCATION

The Committee will regularly update its members with leading practices and

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educational requirements of Strategy, Risk and Technology Committees generally in Canada, and specifically with respect to BCLC, in order that the members are able to carry out their responsibilities as set out in this Terms of Reference efficiently and effectively.

As part of the annual Board Evaluation Process, each Committee member will have an opportunity to submit recommendations for potential continuing professional development that would be of benefit to Committee members and permitted by applicable Government expense guidelines.

### **VII. COMMITTEE TIMETABLE**

The following timetable outlines the Committee's anticipated schedule of activities during the year.

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