

TERMS OF REFERENCE: PEOPLE COMMITTEE

I. PURPOSE

The People Committee (the “**Committee**”) acts in an advisory and oversight capacity to assist the Board in fulfilling its people, culture and compensation systems oversight responsibilities relative to BCLC’s purpose, strategic goals, values and Mandate established by the Government of British Columbia (“**Government**”) acting in the public interest.

The Committee will:

- A.** confirm that BCLC has effective and appropriate people strategy, policies and processes in place, including with respect to:
 - i. overall people strategy and organizational culture;
 - ii. leadership and talent development and succession planning;
 - iii. performance management and employee engagement; and
 - iv. total compensation (including salary, benefits, recognition, rewards and retirement plans) (“**Total Compensation**”);
- B.** make recommendations to the Board regarding recruitment, compensation and performance of the President & Chief Executive Officer (“**CEO**”);
- C.** review the CEO’s strategies and practices with respect to continuity, development and succession planning for senior management roles reporting to the CEO (“**Executive Management**”);
- D.** oversee the people aspects of BCLC’s pension plan and collaborate with the Audit Committee for overall pension plan oversight;
- E.** confirm that BCLC people strategies and policies address key people risk areas identified through the Enterprise Risk Management (“ERM”) program established with the oversight of the Board and the Risk Committee;
 - i. monitor BCLC’s compliance with laws, regulations and policies that may apply;
- F.** receive assurance that BCLC meets its public disclosure requirements related to its people;
- G.** take into account any relevant considerations including purpose, financial, social, environmental and stakeholder considerations in its planning, oversight and decision making; and
- H.** undertake other matters that may be requested of the Committee by the Board from time to time.

TERMS OF REFERENCE: PEOPLE COMMITTEE

II. COMPOSITION AND OPERATIONS

- A. The Committee shall be composed of not fewer than three Directors and not more than five Directors.
- B. All members of the Committee will have an understanding of issues related to people management, or related business experience, or be willing to acquire the requisite knowledge within a reasonable period of time.
- C. The Committee will meet at least four times per year.
- D. The Committee shall have access to Management and documents as required to fulfill its responsibilities, and, through the Corporate Secretary, is provided with the resources necessary to carry out its responsibilities, including administrative support.
- E. The Committee will review and approve minutes after each meeting, which will be made accessible to all Board members.
- F. The Committee will report regularly to the Board with respect to its activities.
- G. The Committee will be supported by an Executive Lead designated by the CEO, typically the Chief People Officer, who shall attend the Committee meeting and may be invited to all or part of the *in camera* session.
- H. Administrative support will be provided by the Corporate Secretary or the Assistant Corporate Secretary.
- I. Through the Corporate Secretary, the Committee will retain and compensate such legal or other advisors as it considers necessary in discharging its oversight role, in keeping with budget, financial and procurement policies.

III. DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board, the Committee will be accountable for the following duties:

A. People and Culture Oversight

- i. oversight of management's approach to developing BCLC's desired corporate culture, ensuring that the corporate culture reflects and advances the purpose, vision, values and corporate strategy;
- ii. annually review the people and culture strategy that supports BCLC's purpose, mandate, vision, values, strategic goals and relevant risk management priorities, including BCLC's ability to attract, foster and retain a diverse and inclusive work force;
- iii. on a quarterly basis, review reports to monitor progress on the people and

TERMS OF REFERENCE: PEOPLE COMMITTEE

- culture strategy;
- iv. annually review BCLC's respectful workplace, diversity and inclusion, occupational health and safety and wellness programs;
 - v. reviews the results of employee pulse checks and the employee engagement survey, confirms appropriate follow-up is taken by Management, and reviews any proposed changes to the employee engagement survey questions;
 - vi. annually review Management's status update on progress against Management's action plan to improve the most recent employee engagement scores;
 - vii. as needed, engage internal audit to conduct a corporate culture assessment;
 - viii. annually review and advise on the assessment and mitigation of key people risk areas to be addressed through the Enterprise Risk Management program;
 - ix. annually, in cooperation with the Strategy Committee, assess the corporate culture for risk tolerance and risk mitigation and to understand employees' engagement in risk intelligent behaviour;
 - x. annually review excerpts of the quarterly Risk Reports from the previous year relating to key people risk areas, and advise the Director of Enterprise Risk Management Services on the appropriate mitigation of these risk areas through the Enterprise Risk Management program; and
 - xi. annually recommend to the Board for review or approval, as appropriate, any material amendments to the Board policies and processes and board-approved corporate policies related to people and compensation, including but not limited to:
 - a. the Standards of Ethical Business Conduct;
 - b. the Performance Evaluation Process for the CEO; and
 - c. the Management Succession Process.

B. Chief Executive Officer

- i. recommend to the Board the process to be undertaken to recruit the CEO, including composition of a search committee if applicable;
- ii. through the Board Chair or their delegate, liaise with Government as required regarding the CEO's employment agreement;
- iii. review and recommend to the Board for approval the annual objectives for the CEO ("**CEO Objectives**");
- iv. annually assess the CEO in accordance with the Performance Evaluation Process for the President & CEO and report the outcome and any Development Objectives arising from the evaluation to the Board;
- v. review and recommend to the Board for approval the CEO's Total

TERMS OF REFERENCE: PEOPLE COMMITTEE

Compensation, subject to applicable Government requirements and approvals;

- vi. review the CEO's Declaration Form pursuant to the Standards of Ethical Business Conduct prior to signature by the Board Chair;
- vii. review the CEO role profile and CEO Terms of Reference annually, ensuring that purpose-related responsibilities and competencies are noted, and make recommendations to the Board for amendments as required; and
- viii. review and provide a recommendation to the Board as to whether to approve any significant outside commitments the CEO is considering before they are made, including acting as a director or trustee of for-profit and not-for-profit organizations.

C. Executive Management

- i. review and recommend to the Board for approval any significant changes to the Executive Management structure that are recommended by the CEO, including appointments of officers;
- ii. confirm that the CEO has appropriate processes in place, in compliance with applicable Government requirements, for:
 - a. the recruitment of Executive Management;
 - b. employment agreements of Executive Management;
 - c. performance management of Executive Management;
 - d. succession and development planning for Executive Management; and
 - e. termination of Executive Management, including determining Executive Management severance;
- iii. annually review with the CEO the results of Executive Management performance evaluations.

D. Leadership Development and Succession Planning

- i. review, and recommend to the Board for approval, an annual development plan for the CEO;
- ii. annually review, and recommend to the Board for approval, the succession plan to address a planned or unplanned departure of the CEO;
- iii. annually review with the CEO the Corporation's strategy for leadership development and succession planning for Executive Management and receive assurance that comprehensive leadership development and succession plans are in place.

E. Compensation and Performance Management

- i. annually review and recommend to the Board for approval the Compensation

TERMS OF REFERENCE: PEOPLE COMMITTEE

Philosophy, as well as the merit increase budget (if applicable) and any significant changes to the Compensation Plan, such as new salary ranges, new Vice President positions or an entirely new Compensation Plan;

- ii. annually review the resources associated with the business plan (proposed FTE) for the upcoming fiscal year, confirming applicable Government requirements are met;
- iii. annually review with the CEO the planned Total Compensation of Executive Management for the next fiscal year;
- iv. annually review the performance management plan to ensure it effectively supports BCLC's purpose, vision, values, corporate strategy and desired culture.

F. Pension Plan

The People Committee, together with the Audit Committee, supports Board oversight of The BCLC Pension Plan ("**The Plan**") in accordance with the Board-approved governance structure and the Pension Plan Administration Manual (the "**PPAM**"). The PCC has the following responsibilities as may be amended from time to time in the PPAM:

- i. In consultation with the Audit Committee, appoint, monitor and remove members of the Pension Committee;
- ii. review and recommend to the Board for approval the proposed guiding principles of The Plan within BCLC's overall compensation plan;
- iii. review and recommend any proposed material amendments to The Plan text to the Board for approval;
- iv. review and recommend any proposed termination, in whole or in part, of The Plan to the Board for approval;
- v. delegate to the Pension Committee, and authorize the Pension Committee to delegate further to third-party service providers, certain responsibilities for the administration, operation and management of The Plan;
- vi. receive and consider reports from the Audit Committee representative following their attendance at Pension Plan Committee meetings;
- vii. review reports provided by the Pension Committee;
- viii. evaluate other recommendations from the Pension Committee in respect of governance and administration of The Plan and act on such recommendations as deemed appropriate; and
- ix. report to the Board, following each Committee meeting, regarding matters dealt with in the report of the Pension Committee, and any emerging issues.

G. Disclosure

TERMS OF REFERENCE: PEOPLE COMMITTEE

- i. confirm that BCLC's public disclosure requirements related to people, as required by the Public Sector Employers' Council, are met, including the annual executive compensation disclosure statement.

IV. ACCOUNTABILITY

The Committee will:

- i. report its discussions to the Board through oral or written reports as needed at the next Board meeting;
- ii. on an annual basis, review the Terms of Reference for the Committee and make recommendations to the Board for approval, if appropriate; and
- iii. confirm to the Board on an annual basis, the Committee's fulfillment of its mandate for the preceding year.

V. ORIENTATION

An orientation session and relevant 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 educational requirements of People 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 timetable on the following page outlines the Committee's anticipated schedule of activities to fulfill its duties during the year.

TERMS OF REFERENCE FOR PEOPLE & CULTURE COMMITTEE