

TERMS OF REFERENCE: RISK COMMITTEE

I. PURPOSE

- A. The primary purpose of the Risk Committee (the “**Committee**”) is to assist the BCLC Board of Directors (the “**Board**”) in fulfilling its oversight responsibilities relating to:
 - i. taking reasonable steps to ensure BCLC establishes and implements an effective enterprise risk management (“**ERM**”) program for the identification, assessment and management of strategic and operational risks; and
 - ii. other matters that may be requested of the Committee by the Board from time to time.
- B. In fulfilling its purpose, it is the Committee’s responsibility to maintain free and open communication among the Board, the Committee, and executive management (“**Management**”) and to determine that all parties are aware of their respective responsibilities in this regard.

II. COMPOSITION AND OPERATIONS

- A. The Committee will 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 risk management, or related business experience, or be willing to acquire the requisite knowledge within a reasonable period of time.
- C. 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.
- D. The Committee will report regularly to the Board with respect to its activities.
- E. The secretary to the Committee will be either the Corporate Secretary or his or her delegate.
- F. The Committee will retain and compensate such outside legal or other advisors as it considers necessary in discharging its oversight role.

III. DUTIES AND RESPONSIBILITIES

The Committee has the responsibilities and powers set out in these Terms of Reference. In carrying out these responsibilities, the Committee will take appropriate actions to monitor the overall corporate tone for sound risk intelligence and ethical behaviour.

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Subject to the powers and duties of the Board, the Committee will perform the following duties:

A. Enterprise Risk Management Program

The Committee will:

- i. on an annual basis, review the Risk Advisory Services (“RAS”) Charter;
- ii. review any proposed amendments to the RAS Charter and make a recommendation to the Board with respect thereto;
- iii. on an annual basis, review BCLC’s risk appetite and tolerance levels;
- iv. on an annual basis, review the adequacy of RAS’s resources and the level of coordination and cooperation received from operational management;
- v. on an annual basis, review any significant risk management policies of BCLC; and
- vi. on a quarterly basis, review BCLC’s risk profile, including its ongoing and potential exposure to risks.

B. Risk Mitigation

The Committee will:

- i. on a quarterly basis, review BCLC’s business continuity program; and
- ii. on an annual basis, review insurance coverage of significant business risks.

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 as required; and
- iv. confirm to the Board on an annual basis, the Committee’s fulfillment of its mandate for the preceding year.

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V. EDUCATION

The Committee will regularly update its members with leading practices and educational requirements of Risk 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.

VI. COMMITTEE TIMETABLE

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

	As needed	January	May	July	October
DUTIES AND RESPONSIBILITIES					
A. Enterprise Risk Management Program					
i. review the RAS Charter		✓			
ii. review any proposed amendments to the RAS Charter and make a recommendation to the Board	✓				
iii. review BCLC’s risk appetite and tolerance levels				✓	
iv. review the adequacy of RAS’s resources and with the level of coordination and cooperation received from operational management		✓			
v. on an annual basis, review of any significant risk management policies of BCLC		✓			
vi. review BCLC’s risk profile		✓	✓	✓	✓
B. Risk Mitigation					
i. review business continuity program		✓	✓	✓	✓
ii. review insurance coverage					✓
ACCOUNTABILITY					
iii. review Committee Terms of Reference				✓	
iv. confirm Committee’s fulfillment of its mandate to the Board (at Board Meeting)			✓		