



BOARD OF DIRECTORS MEETING

10:00 am (PT) Wednesday 25 October 2017
Boardroom – BCLC, 2940 Virtual Way
Vancouver, BC V5M 0A6

AGENDA

- 1. ADOPTION OF AGENDA**
- 2. APPROVAL OF MINUTES**
 - 2.1. 23 August 2017
 - 2.2. 19 September 2017
- 3. REPORT BY CHAIR** **Verbal**
- 4. REPORT BY PRESIDENT** **Verbal**
- 5. COMMITTEE REPORTS**
 - 5.1. Audit..... [R. Holden – 5 mins] Discussion
 - 5.2. Governance & CSR [M. Watson – 5 mins] Discussion
 - 5.3. Human Resources & Compensation [A. Brown – 5 mins] Discussion
 - 5.4. Risk..... [M. Keith – 5 mins] Discussion
- 6. CORPORATE APPROVALS**
 - 6.1. Q2 Financial Statements [A. Hobson – 15 mins] Approval
 - 6.2. Q2 Revised Forecast & Projections..... [A. Hobson - 15 mins] Approval
 - 6.3. Compensation Review & Salary Planning (Merit Increase)..... [J. Callahan – 15 mins] Approval
 - 6.4. Strategic Plan..... [R. Fenster – 15 mins] Approval
 - 6.5. Live Casino Rules [M. Bohm - 15 mins] Approval
- 7. CORPORATE OPERATIONS**
 - 7.1. Mandate Letter..... [B. Smith – 10 mins] Discussion
 - 7.2. Q2 Dashboard..... [A. Hobson – 10 mins] Discussion
 - 7.3. Q2 ERM Report [R. Kroeker – 10 mins] Discussion
 - 7.4. Risk Appetite & Tolerance Levels..... [R. Kroeker - 15 mins] Discussion
 - 7.5. Pension Governance Assessment Report..... [J. Callahan – 10 mins] Discussion
 - 7.6. Management Reports Information Only
 - 7.6.1. Finance & Corporate Services
 - 7.6.2. Casino & Community Gaming
 - 7.6.3. Lottery Gaming
 - 7.6.4. Digital & Enterprise Services
 - 7.6.5. Business Technology
 - 7.6.6. Social Responsibility & Communications
 - 7.6.7. Human Resources
 - 7.6.8. Corporate Security & Compliance
 - 7.7. Anti-Money Laundering..... [J. Lightbody – 60 mins] Discussion
- 8. OTHER BUSINESS**
 - 8.1. *In camera* Session [60 mins] Discussion
 - 8.1.1. Legal Services Report
 - 8.1.2. Directors
- 9. NEXT MEETING**
 - 9.1. Tuesday 5 December 2017 – Vancouver
 - 9.2. 2018 Board & Committee Schedule



**Minutes of the Meeting of the Board of Directors
held at 8:00 am (PT) 25 October 2017**

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

Board Present:

Bud Smith Chair
Andrew Brown
Robert Holden
Wendy Lisogar-Cocchia

Board Not Present:

Moray Keith
Matthew Watson

Management Present:

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|----------------|--|
| 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 |
| 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, Corporate Security and Compliance |
| Jennifer Keim | Corporate Secretary |
| Jennifer Smith | Associate Corporate Secretary |
| Suzanne Rowley | Assistant Corporate Secretary |

Bud Smith took the Chair at 8:51 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 8:51 am.

1 ADOPTION OF AGENDA

Subject to the addition of item 8.1.3 “Compensation Issue” and on motion duly made and carried, the agenda was adopted.

2 APPROVAL OF MINUTES

The minutes of the 23 August 2017 meeting were presented.

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

The minutes of the 19 September 2017 meeting were presented.

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

3 REPORT BY CHAIR

The Chair presented his report, commenting on internal, Government and public communications.

4 REPORT BY PRESIDENT

Jim Lightbody discussed the year-to-date financial results, the state of the Vancouver gaming market given the recent Parq opening, and some of the challenges facing the Content Innovation department.

5 COMMITTEE REPORTS

- 5.1 Audit Committee** **Discussion**
Robert Holden delivered the Audit Committee report and confirmed that he completed the external auditor evaluation process in July, 2017.
- 5.2 Governance & Corporate Social Responsibility Committee** **Discussion**
Andrew Brown delivered the Governance and Corporate Social Responsibility Committee report.
- 5.3 Human Resources & Compensation Committee** **Discussion**
Andrew Brown delivered the Human Resources and Compensation Committee report.
- 5.4 Risk Committee** **Discussion**
Andrew Brown delivered the Risk Committee report.

6 APPROVALS

- 6.1 Q2 Financial Statements** **Approval**
Amanda Hobson presented the Q2 financial statements and discussion followed.
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 2017/2018;
AND WHEREAS the Board has received a recommendation from the Audit Committee to approve such statements;
NOW THEREFORE be it resolved that:
- 1. The financial statements for the second 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.*
- 6.2 Q2 Revised Forecast & Projections** **Approval**
Amanda Hobson highlighted the updates that had been made into the forecast and projections since they were last reviewed by the Board. 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 2017/2018 and projections for fiscal years 2018/19-2021/22 (the "Q2 Revised Forecast and Projections");
AND WHEREAS the Board has received a recommendation from the Audit Committee 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.*

6.3 Compensation Review & Salary Planning (Merit Increase) Approval

Jamie Callahan presented the compensation review and proposed merit increase and discussion followed.

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

WHEREAS the Board has reviewed Management's merit increase recommendation for the fiscal year ending March 31, 2018, as presented to the Board in the Compensation Review & Salary Planning document dated October 4, 2017 (the "Merit Increase");

AND WHEREAS the Board has received a recommendation from the Human Resources and Compensation Committee to approve 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.*

6.4 Strategic Plan Approval

Jim Lightbody presented the strategic plan and discussion followed.

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

WHEREAS the Board has reviewed the strategic plan;

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

NOW THEREFORE be it resolved that:

- 1. The strategic 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.*

6.5 Live Casino Rules Approval

Jim Lightbody provided an overview of the upcoming launch of PlayNow.com games that will feature live dealers and explained the types of rules anticipated to be required. Discussion followed.

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

WHEREAS the Corporation intends to introduce games on PlayNow.com featuring live dealers ("Live Casino");

AND WHEREAS the Directors of the Corporation wish to confirm the delegation of power to the President and Chief Executive Officer to approve and make future amendments to any rules for Live Casino (the "Live Casino Rules");

NOW THEREFORE be it resolved that:

- 1. The Directors of the Corporation hereby delegate to the President and Chief Executive Officer, the power, authority, and discretion vested in or exercisable by the Directors of the Corporation to approve and amend any Live Casino Rules from time to time;*
- 2. The signature of the President and Chief Executive Officer on Live Casino Rules will be conclusive evidence that they are authorized by this resolution; and*
- 3. The President and Chief Executive Officer 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.

7 CORPORATE OPERATIONS

- 7.1 Mandate Letter** **Discussion**
The Chair advised that BCLC will seek clarification on the current wording before finalizing the Mandate Letter.
- 7.2 Q2 Dashboard** **Discussion**
Amanda Hobson delivered the report and highlighted the s 17(1)(b) which is directly affected by the s 17(1)(b) Discussion followed.
- 7.3 Q2 ERM Report** **Discussion**
Rob Kroeker presented the report and invited questions.
- 7.4 Risk Appetite & Tolerance Levels** **Discussion**
This item is deferred to the January meeting.
- 7.5 Pension Governance Assessment Report** **Discussion**
Jamie Callahan presented the draft report and invited comments from the Board. Discussion followed. No revisions were requested by the Board.
- 7.6 Management Reports** **Information Only**
- 7.6.1 Finance & Corporate Services**
Amanda Hobson delivered the report and highlighted that the fiscal sustainability review is now underway. Discussion followed.
- 7.6.2 Casino & Community Gaming**
Brad Desmarais presented the report and highlighted the activity at Parq since its opening. Discussion followed.
- 7.6.3 Lottery Gaming**
Kevin Gass delivered the report and updated the Board on forthcoming initiatives with LottoExpress, instant games, and national lottery games, as well as the ongoing lottery terminal project. Discussion followed.
- 7.6.4 Digital & Enterprise Services**
Jim Lightbody presented the report, commenting on SportsAction and highlighting initiatives regarding sports betting generally. Discussion followed.
- 7.6.5 Business Technology**
Pat Davis presented the report and detailed the challenges associated with a recent ruling of the Office of the Information & Privacy Commissioner regarding the use of Microsoft Office. Discussion followed.
- 7.6.6 Social Responsibility & Communications**
Susan Dolinski presented the report and invited questions. Discussion followed.
- 7.6.7 Human Resources**
Jamie Callahan presented the report and updated the Board on the employee benefits RFP.

7.6.8 Corporate Security & Compliance

Rob Kroeker presented the report and invited questions.

7.7 Anti-Money Laundering

Discussion

The Board went *in camera* with the Executive and General Counsel at 9:13 am, concluding at 11:17 am to discuss this agenda item.

8 OTHER BUSINESS

8.1 *In camera* Session

Discussion

8.1.1 Legal Services Report

8.1.2 CEO, CFO & Legal Services

8.1.3 Compensation Issue – Vice President, Human Resources

8.1.4 Directors

Prior to going *in camera* the Board agreed to move the upcoming January meeting dates to January 15 and 16, 2018. In addition, they confirmed a Human Resources and Compensation Committee meeting would not be required in December.

The Board then went *in camera* sequentially with the above parties at 1:41 pm, concluding at 2:32 pm.

9 TERMINATION OF MEETING

There being no further business, the meeting was terminated at 2:32 pm.

10 NEXT MEETING

5 December 2017 – Vancouver

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Chair



BOARD OF DIRECTORS MEETING

1:30 pm (PT) Tuesday 5 December 2017
Boardroom – BCLC, 2940 Virtual Way
Vancouver, BC V5M 0A6

AGENDA

- 1. ADOPTION OF AGENDA**
- 2. REPORT BY CHAIR** **Verbal**
- 3. REPORT BY PRESIDENT** **Verbal**
- 4. BOARD EDUCATION**
 - 4.1. AML Training..... [R. Kroeker – 45 mins] Discussion
- 5. CORPORATE APPROVALS**
 - 5.1. Draft Service Plan [A. Hobson – 10 mins] Approval
 - 5.2. Sports Betting Rules & Regulations..... [M. Bohm – 5 mins] Approval
 - 5.3. Board Manual Amendments [M. Watson – 5 mins] Approval
- 6. CORPORATE OPERATIONS**
 - 6.1. Draft BCLC Mandate Letter F18/19..... [J. Lightbody – 10 mins] Discussion
 - 6.2. Annual Insurance Renewal..... [R. Kroeker – 15 mins] Discussion
 - 6.3. OSA Process Update..... [B. Desmarais – 10 mins] Discussion
- 7. OTHER BUSINESS**
 - 7.1. *In camera* Session [Directors – 60 mins] Discussion
 - 7.1.1. Legal Services Report
 - 7.1.2. CEO & VP, HR
 - 7.1.3. Directors
- 8. NEXT MEETING**
 - 8.1. Tuesday 16 January 2018 – Vancouver
 - 8.2. Revised 2018 Board & Committee Schedule



**Minutes of the Meeting of the Board of Directors
held at 1:30 pm (PT) 5 December 2017**

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

Board Present:

Bud Smith Chair
Andrew Brown
Robert Holden
Wendy Lisogar-Cocchia
Matthew Watson

Board Not Present:

Moray Keith

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

Bud Smith took the Chair at 1:30 pm 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 1:30 pm.

1 ADOPTION OF AGENDA

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

2 REPORT BY CHAIR

The Chair discussed recent meetings with the Minister and emphasized the importance of maintaining strong communications with Government.

3 REPORT BY PRESIDENT

Jim Lightbody highlighted recent financial results as well as the Ministerial approval of the new Operating Services Agreement. In addition, he outlined the internal process that are in place to respond to any recommendations that may arise from Peter German's anti-money laundering review.

4 BOARD EDUCATION

Rob Kroeker presented the annual anti-money laundering training for the Board.

The topics presented included: the definition of money laundering, the stages of money laundering, the difference between money laundering and terrorist financing, applicable legislation, the role of the Financial Transactions and Reports Analysis Centre of Canada (FinTRAC), compliance program

requirements, customer due diligence, transaction reporting requirements, ongoing monitoring, record-keeping obligations, and the potential consequences of non-compliance.

Discussion followed and Rob Kroeker responded to questions from the Board.

5 CORPORATE APPROVALS

5.1 Draft Service Plan

Approval

Amanda Hobson presented the draft Service Plan and invited questions from the Board.

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 F18/19 – F20/21;

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.*

5.2 Sports Betting Rules & Regulations

Approval

Monica Bohm presented the proposed changes to the Sports Betting Rules and Regulations and invited questions from the Board.

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

WHEREAS the Directors of the Corporation wish to approve the amended PlayNow Sports Betting Rules and Regulations (the "Rules") presented to the Board and confirm the delegation of power to the President and Chief Executive Officer ("CEO") 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 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.*

5.3 Board Manual Amendments

Approval

Matthew Watson presented the proposed amendments to the Board Manual and invited comments.

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

WHEREAS the Board has reviewed certain proposed amendments to the following tabs of the Board Manual:

- Terms of Reference: Human Resources and Compensation Committee*
- Terms of Reference: Risk Committee*

NOW THEREFORE be it resolved that the Terms of Reference listed above, as presented to the Board, are hereby approved.

6 CORPORATE OPERATIONS

6.1 Draft BCLC Mandate Letter F18/19 Discussion

The Chair presented the draft Mandate Letter and discussion followed.

6.2 Annual Insurance Renewal Discussion

Rob Kroeker presented the report and invited questions from the Board. Discussion followed.

6.3 OSA Process Update Discussion

Brad Desmarais presented the report and updated the Board on the current status of implementation of the new Operational Services Agreement.

7 OTHER BUSINESS

7.1 *In camera* Session Discussion

7.1.1 Legal Services Report

7.1.2 CEO & Vice President, Human Resources

7.1.3 Directors

Prior to going *in camera* the Board agreed to move the upcoming May meeting dates to May 14 and 15, 2018.

The Board then went *in camera* at 3:51 pm, concluding at 5:00 pm.

8 TERMINATION OF MEETING

There being no further business, the meeting was terminated at 5:00 pm.

9 NEXT MEETING

Tuesday 16 January 2018 – Vancouver

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Chair