



## **BOARD OF DIRECTORS MEETING**

10:00 am (PT) 11 May 2017  
Presentation Room – BCLC, 74 West Seymour Street  
Kamloops, BC V2C 1E2

### **AGENDA**

- 1. ADOPTION OF AGENDA**
- 2. APPROVAL OF MINUTES**
  - 2.1. 26 January 2017
  - 2.2. 3 February 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 and CSR..... [M. Watson – 5 mins] Discussion
  - 5.3. Human Resources and Compensation..... [T. Brown – 5 mins] Discussion
  - 5.4. Risk..... [Chair – 5 mins] Discussion
- 6. CORPORATE APPROVALS**
  - 6.1. Audited Consolidated Financial Statements..... [A. Hobson – 15 mins] Approval
  - 6.2. B.C. Lottotech Financial Statements (Unaudited) ..... [A. Hobson – 15 mins] Approval
  - 6.3. Pension Plan Audited Financial Statements ..... [A. Hobson – 10 mins] Approval
  - 6.4. Annual Service Plan Report..... [A. Hobson – 15 mins] Approval
  - 6.5. Preliminary Projections ..... [A. Hobson - 15 mins] Approval
  - 6.6. Executive/Management Incentive Holdback Plan Payout ..... [J. Callahan – 10 mins] Approval
  - 6.7. B.C. Lottotech Annual Documentation..... [J. Keim – 5 mins] Approval
  - 6.8. Spending and Signing Authority Policy..... [A. Hobson – 5 mins] Approval
  - 6.9. Board Manual Amendments ..... [M. Watson – 10 mins] Approval
  - 6.10. Lottery Terminals Contract ..... [K. Gass – 10 mins] Approval
  - 6.11. Beat the Receipt Game Conditions ..... [R. Fenster – 10 mins] Approval
  - 6.12. Operational Services Agreement..... [B. Desmarais – 30 mins] Approval
- 7. CORPORATE OPERATIONS**
  - 7.1. Q4 Dashboard..... [A. Hobson – 10 mins] Discussion
  - 7.2. Q4 ERM Report ..... [R. Kroeker – 10 mins] Discussion
  - 7.3. Crown Review Update ..... [J. Lightbody – 10 mins] Discussion
  - 7.4. Facial Recognition Program Update..... [R. Kroeker – 10 mins] Information Only
  - 7.5. Management Reports ..... Information Only
    - 7.5.1. Finance & Corporate Services
    - 7.5.2. Casino & Community Gaming
    - 7.5.3. Lottery Gaming
    - 7.5.4. eGaming
    - 7.5.5. Business Technology
    - 7.5.6. Social Responsibility & Communications
    - 7.5.7. Human Resources
    - 7.5.8. Corporate Security & Compliance

**8. OTHER BUSINESS**

- 8.1. *In camera* Session ..... [30 mins] Discussion
- 8.1.1. CEO
  - 8.1.1.1. CEO SOEBC Declaration Form and Outside Commitments
  - 8.1.1.2. CEO Performance Evaluation
  - 8.1.1.3. CEO Compensation (including CEO Incentive Holdback Plan Payout)
- 8.1.2. Board

**9. NEXT MEETING**

- 9.1. 27 July 2017 – Kamloops



**Minutes of the Meeting of the Board of Directors  
held at 10:00 am (PT) 11 May 2017**

Location: Presentation Room – BCLC, 74 West Seymour Street, Kamloops, BC

Board Present:

Bud Smith Chair  
Trudi Brown  
Andrew Brown  
Robert Holden  
Matthew Watson (by teleconference)

Board Not Present:

Christina Anthony  
Moray Keith  
Wendy Lisogar-Cocchia

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, eGaming  
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

Bud Smith took the Chair at 10:02 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 10:02 am.

**1 ADOPTION OF AGENDA**

On motion duly made, seconded and carried, the agenda was adopted with one addition:  
6.13 Committee Appointments.

**2 APPROVAL OF MINUTES**

The minutes of the 26 January 2017 meeting were presented.

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

The minutes of the 03 February 2017 meeting were presented.

On motion duly made, seconded and carried, the minutes of the meeting were approved with one revision to note that Moray Keith was also in attendance.

**3 REPORT BY CHAIR**

The Chair noted the continuing positive financial results. He congratulated the CEO on being awarded the Keeping People First: CEO Award from the Chartered Professionals in Human Resources BC & Yukon.

#### 4 REPORT BY PRESIDENT

The President presented highlights of BCLC's performance in the prior fiscal year. He discussed some upcoming initiatives and their connection to the corporate strategy.

#### 5 COMMITTEE REPORTS

##### 5.1 Audit Committee Discussion

Robert Holden delivered the Audit Committee report.

He confirmed the Committee's fulfillment of its mandate for the preceding year.

##### 5.2 Governance and Corporate Social Responsibility Committee Discussion

Matthew Watson delivered the Governance and Corporate Social Responsibility Committee report.

##### 5.3 Human Resources and Compensation Committee Discussion

Trudi 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 Audited Consolidated Financial Statements Approval

Amanda Hobson presented the audited consolidated financial statements.

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

*WHEREAS the Board has reviewed the Corporation's Audited Financial Statements for the fiscal year ending March 31, 2017;*

*AND WHEREAS the Board has received a recommendation from the Audit Committee to approve the foregoing;*

*NOW THEREFORE be it resolved that:*

- 1. The Corporation's Audited Financial Statements for the fiscal year ending March 31, 2017, as presented to the Board, are hereby approved;*
- 2. Any two directors of the Board are hereby authorized on behalf of the Corporation to sign the Corporation's Audited Financial Statements for the fiscal year ending March 31, 2017; and*
- 3. Subject to the foregoing, any officer or director 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 the foregoing resolution.*

##### 6.2 B.C. Lottotech Financial Statements (Unaudited) Approval

Amanda Hobson presented the B.C. Lottotech International Inc. unaudited financial statements and invited questions from the Board.

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

*WHEREAS the Board has reviewed the Unaudited Financial Statements of B.C. Lottotech International Inc. for the fiscal year ending March 31, 2017;*

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

NOW THEREFORE be it resolved that:

1. The Unaudited Financial Statements of B.C. Lottotech International Inc. for the fiscal year ending March 31, 2017, as presented to the Board, 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 Pension Plan Audited Financial Statements**

**Approval**

Amanda Hobson presented the pension plan audited financial statements and invited questions from the Board.

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

WHEREAS the Board has reviewed the British Columbia Lottery Corporation Pension Plan Audited Financial Statements for the twelve months ending December 31, 2016;

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

NOW THEREFORE be it resolved that:

1. The British Columbia Lottery Corporation Pension Plan Audited Financial Statements for the twelve months ending December 31, 2016, as presented to the Board, are hereby approved;
2. Any two directors of the Board are hereby authorized on behalf of the Corporation to sign the British Columbia Lottery Corporation Pension Plan Audited Financial Statements for the twelve months ending December 31, 2016; and
3. Subject to the foregoing, any officer or director 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 the foregoing resolution.

### **6.4 Annual Service Plan Report**

**Approval**

Amanda Hobson provided highlights from the annual service plan report and noted several revisions to the report.

Subject to the foregoing changes and on motion duly made, seconded and carried, the following resolution was adopted:

WHEREAS the Board has reviewed the Annual Service Plan Report for the fiscal year ending March 31, 2017;

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

NOW THEREFORE be it resolved that:

1. The Annual Service Plan Report for the fiscal year ending March 31, 2017, substantially in the form presented to the Board, together with such changes as may be approved by the President of the Corporation, is hereby approved.
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 Preliminary Projections**

**Approval**

Amanda Hobson presented the proposed preliminary projections. Discussion followed.

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

*WHEREAS the Board has reviewed the Corporation's 2018/19-2021/22 projections (the "Preliminary 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 Preliminary 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.*

**6.6 Executive/Management Incentive Holdback Plan Payout**

**Approval**

Jamie Callahan confirmed BCLC's achievement of corporate goal thresholds required for the holdback program and invited questions from the Board on the program.

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

*WHEREAS the Board has reviewed the corporate goal achievement for the fiscal year ended March 31, 2017;*

*AND WHEREAS the Board has received a recommendation from the Human Resources and Compensation Committee to approve the Executive/Management incentive holdback plan payout for the fiscal year ended March 31, 2017 (the "Holdback Payout");*

*NOW THEREFORE be it resolved that:*

- 1. The Holdback Payout 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.*

**6.7 B.C. Lottotech Annual Documentation**

**Approval**

The B.C. Lottotech International Inc. annual documentation was circulated for signature.

**6.8 Spending and Signing Authority Policy**

**Approval**

Amanda Hobson presented the revised spending and signing authority policy and invited questions from the Board.

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

*WHEREAS the Board has reviewed an updated Signing and Spending Authority 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.*

**6.9 Board Manual Amendments**

**Approval**

Matthew Watson summarized the proposed amendments.

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

*WHEREAS the Board has reviewed certain proposed amendments to the Board Schedule tab of the Board Manual;*

*AND WHEREAS the Board has received a recommendation from the Governance and Corporate Social Responsibility Committee to approve the foregoing;*

*NOW THEREFORE be it resolved that the amended Board Schedule tab of the Board Manual, as presented to the Board, is hereby approved.*

**6.10 Lottery Terminals Contract**

**Approval**

Kevin Gass provided background to the proposed contract and invited questions. Discussion followed on subjects including support services, pricing, and consultation undertaken with internal stakeholders.

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

*WHEREAS the Corporation proposes to enter into a lottery terminals and software supply and services agreement (the "Agreement") between the Corporation, B.C. Lottotech International Inc. and s 17(1)(c)(d)*

*AND WHEREAS the Directors of the Corporation wish to delegate certain power, authority, and discretion of the Directors of the Corporation to the President and Chief Executive Officer (the CEO), with respect to the Agreement;*

*NOW THEREFORE be it resolved that:*

- 1. 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 negotiate, consider, and approve the form and the terms and conditions of the Agreement.*
- 2. The CEO is hereby authorized, for and in the name of and on behalf of the Corporation, to execute and deliver the Agreement, such Agreement to include such terms and conditions as the CEO may determine to be necessary, appropriate or desirable, the execution of the Agreement by the CEO being conclusive evidence of such determination.*
- 3. The Corporation be and is hereby authorized to enter into, and to perform its obligations under, the Agreement.*
- 4. The CEO be and 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, the execution and delivery of any such documents and instruments or the doing of any such other act or thing being conclusive evidence of such determination.*

**6.11 Beat the Receipt Game Conditions**

**Approval**

Richard Fenster presented the proposed plan for piloting a product called "Beat the Receipt". Discussion followed.

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

*WHEREAS the Directors of the Corporation wish to approve the proposed Beat the Receipt Game Conditions (the "Game Conditions") presented to the Board and confirm the delegation of power to any one of the Vice President, Lottery Gaming or the President and Chief Executive Officer to make future amendments to the Game Conditions;*

*NOW THEREFORE be it resolved that:*

1. *The Game Conditions, as presented to the Board, are hereby approved;*
2. *The Directors of the Corporation hereby delegate to any one of the Vice President, Lottery Gaming or the President and Chief Executive Officer, the power, authority, and discretion vested in or exercisable by the Directors of the Corporation to amend the Game Conditions from time to time;*
3. *The signature of the Vice President, Lottery Gaming or the President and Chief Executive Officer on an amended version of the Game Conditions will be conclusive evidence that the amended version is authorized by this resolution; and*
4. *Each of the Vice President, Lottery Gaming and 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.*

#### **6.12 Operational Services Agreement**

#### **Approval**

The Board went *in camera* at 11:15 am, concluding at 11:55 am.

During the *in camera* session and on motion duly made, seconded and carried, the following resolution was adopted:

*WHEREAS the Corporation proposes to finalize a form of operational services agreement (the "Template Agreement") to be used as the basis of agreements for operational services (the "Services Agreements") to be entered into between the Corporation and its operational services providers (the "Service Providers") in gaming facilities in the Province of British Columbia;*

*AND WHEREAS the Directors of the Corporation wish to delegate certain power, authority, and discretion of the Directors of the Corporation to the President and Chief Executive Officer (the "CEO"), with respect to the Agreement;*

*NOW THEREFORE be it resolved that:*

1. *The form of Template Agreement presented to the Directors of the Corporation be and is 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 negotiate, consider, and approve the final form and the terms and conditions of the Template Agreement.*
3. *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 negotiate, consider and approve the form and the terms and conditions of one or more Services Agreements with one or more Service Providers, and the CEO is hereby authorized, for and in the name of and on behalf of the Corporation, to execute and deliver any one or more Services Agreements (and any amendments to such Services Agreements), such Services Agreements to include such amendments to the Template Agreement and such other terms and conditions as the CEO may determine to be necessary, appropriate or desirable, as may be approved by the CEO, such approval to be conclusively evidenced by the execution of such Services Agreement (or its amendment, as applicable) by the CEO.*
4. *The Corporation be and is hereby authorized to enter into, and to perform its obligations under, the Services Agreements.*
5. *The CEO be and 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, the execution and delivery of any such documents and instruments or the doing of any such other act or thing being conclusive evidence of such determination.*



### **6.13 Committee Appointments**

**Approval**

The Chair presented a recommendation that Christina Anthony and Wendy Lisogar-Cocchia both be appointed to the Audit Committee and the Risk Committee.

On motion duly made, seconded and carried, the Board appointed Christina Anthony and Wendy Lisogar-Cocchia to both the Audit Committee and the Risk Committee effective May 12, 2017.

## **7 CORPORATE OPERATIONS**

### **7.1 Q4 Dashboard**

**Discussion**

Amanda Hobson presented the report. Discussion followed.

### **7.2 Q4 ERM Report**

**Discussion**

Rob Kroeker presented the Q4 enterprise risk management report. Discussion followed.

### **7.3 Crown Review Update**

**Discussion**

Jim Lightbody advised that all 25 Crown Review recommendations have been completed ahead of schedule.

### **7.4 Facial Recognition Program Update**

**Discussion**

Rob Kroeker updated the Board on the next stage of the pilot project. Discussion followed.

### **7.5 Management Reports**

**Discussion**

#### **7.5.1 Finance & Corporate Services**

Amanda Hobson presented the report and updated the Board on the division's staffing.

#### **7.5.2 Casino & Community Gaming**

Brad Desmarais presented the report.

#### **7.5.3 Lottery Gaming**

Kevin Gass presented the report.

#### **7.5.4 eGaming**

Monica Bohm presented the report.

#### **7.5.5 Business Technology**

Pat Davis presented the report.

#### **7.5.6 Social Responsibility & Communications**

Susan Dolinski presented the report.

#### **7.5.7 Human Resources**

Jamie Callahan presented the report and highlighted the steps currently underway to disseminate the results of the recent employee engagement survey.

#### **7.5.8 Corporate Security & Compliance**

Rob Kroeker presented the report.

**8 OTHER BUSINESS**

**8.1 In camera Sessions**

**Discussion**

**8.1.1 CEO**

8.1.6.1 CEO SOEBC Declaration Form & Outside Commitments

8.1.6.2 CEO Performance Evaluation

8.1.6.3 CEO Compensation (including CEO Incentive Holdback Plan Payout)

**8.1.2 Board**

The Committee went *in camera* sequentially with the above parties at 1:29 pm, concluding at 1:41 pm. During the *in camera* session and on motion duly made, seconded and carried, the following resolution was adopted:

*WHEREAS the Board has reviewed the corporate goal achievement for the fiscal year ended March 31, 2017;*

*AND WHEREAS the Board has reviewed the Human Resources and Compensation Committee's assessment of the performance of the President and Chief Executive Officer ("CEO") against approved annual goals and objectives for the fiscal year ended March 31, 2017;*

*AND WHEREAS the Board has received a recommendation from the Human Resources and Compensation Committee to approve the CEO's incentive holdback plan payout for the fiscal year ended March 31, 2017;*

*NOW THEREFORE be it resolved that:*

- 1. The CEO's incentive holdback plan payout for the fiscal year ended March 31, 2017 is hereby approved; and*
- 2. Any officer or director 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 the foregoing resolution*

**9 TERMINATION OF MEETING**

There being no further business, the meeting was terminated at 1:45 pm.

**NEXT MEETING**

25 July 2017 – Kamloops

  
Chair