



BOARD OF DIRECTORS MEETING

12:30 pm (PT) Monday 14 January 2019
Boardroom – BCLC, 2940 Virtual Way
Vancouver, BC V5M 0A6

AGENDA

1. ADOPTION OF AGENDA

2. BOARD ORIENTATION – PENSION PLAN

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|---|-----------|------------|
| 2.1. Pension Plan Governance | [60 mins] | Discussion |
| 2.1.1. BCLC Pension Plan Governance Policy | | |
| 2.1.2. BCLC Pension Plan Funding Policy | | |
| 2.1.3. BCLC Pension Plan Administration Manual | | |
| 2.1.4. CPA Canada: 20 Questions Directors Should Ask About Pension Governance | | |
| 2.2. BCLC Pension Plan Overview | [30 mins] | Discussion |
| 2.2.1. Pension Plan Member Booklet (2017) | | |
| 2.2.2. Pension Plan Text (2017) | | |
| 2.2.3. Supplementary Pension Plan for President (2017) | | |
| 2.2.4. Supplementary Pension Plan for Vice Presidents (2017) | | |
| 2.2.5. Actuarial Valuation for Accounting Purposes (2018) | | |

3. BOARD MEETING – PENSION PLAN

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| 3.1. Asset Liability Study – Process & Timeline | [60 mins] | Discussion |
| 3.2. Statement of Investment Beliefs | [15 mins] | Discussion |
| 3.3. Statement of Investment Policies & Procedures | [15 mins] | Discussion |
| 3.3.1. Statement of Investment Policies & Procedures – blackline | | |
| 3.3.2. Statement of Investment Policies & Procedures – clean | | |
| 3.4. Asset Allocation – Current vs. Proposed | [15 mins] | Discussion |
| 3.5. Investment Manager Recommendation | [15 mins] | Discussion |
| 3.5.1. Interview Notes – Long Term Bond Investors | | |
| 3.5.2. Interview Notes – Global Equity Investors | | |

4. OTHER BUSINESS

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|---|-----------|------------|
| 4.1. Consideration of Committee responsibilities for Pension Plan | [15 mins] | Discussion |
| 4.2. <i>In camera</i> Session | [15 mins] | Discussion |

5. NEXT MEETING

- 5.1. Wednesday 16 January 2019 – Vancouver



Minutes of the Meeting of the Board of Directors held at 12:30 pm (PT) 14 January 2019

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

Board Present:

Peter Kappel	Chair
Joan Axford	(via teleconference for Item 2.1, then in person for Item 3.1 onwards)
Hilary Cassady	
Fiona Chan	
Lisa Ethans	
Dusty Kelly	
Mario Lee	
Coro Strandberg	

Board Not Present:

Gregory Moore

Management Present:

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
Tom Powell	Director, Corporate Finance
Jennifer Keim	Corporate Secretary
Jennifer Smith	Associate Corporate Secretary
Suzanne Rowley	Assistant Corporate Secretary

Observers & Guests:

s 22	Morneau Shepell
s 22	Morneau Shepell
s 22	Morneau Shepell (via teleconference for items 2.1 and 2.2 only)

Peter Kappel took the Chair at 12:32 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 12:33 pm.

1 ADOPTION OF AGENDA

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

2 BOARD ORIENTATION – PENSION PLAN

2.1 Pension Plan Governance

Discussion

s 22 presented information on the minimum requirements and best practices for pension plan governance and oversight. The presentation included detailed information about the differing roles and responsibilities of a plan Administrator and a plan Sponsor and a comprehensive discussion specific to the fiduciary responsibilities of board members.

It was noted that BCLC's governance practices exceed minimum requirements. Potential opportunities for further governance improvements were discussed.

2.2 BCLC Pension Plan Overview **Discussion**

The Board discussed the key documents that set out the governance structure for The British Columbia Lottery Corporation Pension Plan (the "Plan"). Discussion followed regarding the actuarial valuation process, practices for communicating with Plan members, potential Board education opportunities, and reporting to the Board and its Committees on pension matters.

3 BOARD MEETING – PENSION PLAN

3.1 Asset Liability Study – Process & Timeline **Discussion**

s 22 provided the Board with a detailed explanation of an asset liability study of the Plan that was conducted by Morneau Shepell in 2017. Discussion followed.

3.2 Statement of Investment Beliefs **Discussion**

s 22 presented the process and theory that went into the development of the current Statement of Investment Beliefs. Discussion followed.

3.3 Statement of Investment Policies & Procedures **Discussion**

The Board discussed the Statement of Investment Policies and Procedures ("SIPP") with Management and determined that, although it will not require any changes at this time, the Board would like to explore potential updates in the future. Such changes could include identifying environmental, sustainable, and governance factors in future versions of the SIPP.

3.4 Asset Allocation – Current vs. Proposed **Discussion**

s 22 and Management briefed the Board on the work undertaken by the Pension Committee to develop the proposed asset allocation for the Plan. The Board requested certain supplementary information in advance of the next Board meeting. Discussion followed.

3.5 Investment Manager Recommendation **Discussion**

s 22 presented the procedures and criteria utilized by BCLC and Morneau Shepell to analyze the investment manager candidates. She advised that the process started with 1,400 potential investment managers, which was eventually narrowed to a short list of five potential investment managers. Interviews of the five short-listed companies were conducted by Morneau Shepell in conjunction with the Pension Committee. The investment manager recommendation was developed after all of the scoring was tabulated. Discussion followed.

4 OTHER BUSINESS

4.1 Consideration of Committee Responsibilities for Pension Plan **Discussion**

The Board discussed the possibility that some responsibilities for the Plan could be redistributed among the Board's current committees or that a new committee could potentially be struck to manage the Plan oversight. This topic will be revisited at a later date after the Board has completed its review of the current Board Manual.

4.2 In camera Session **Discussion**

The Board went *in camera* at 4:55 pm, concluding at 5:25 pm.

5 NEXT MEETING

There being no further business, the meeting was terminated at 5:25 pm.

The next meeting is scheduled for 16 January 2018 in Vancouver.

s 22

Chair



BOARD OF DIRECTORS MEETING

10:00 am (PT) Wednesday 16 January 2019
Boardroom – BCLC, 2940 Virtual Way
Vancouver, BC V5M 0A6

AGENDA

- 1. ADOPTION OF AGENDA**
- 2. APPROVAL OF MINUTES**
 - 2.1. 12 December 2018
- 3. REPORT BY CHAIR** **Verbal**
- 4. REPORT BY PRESIDENT** **Verbal**
- 5. CORPORATE OPERATIONS – PART 1**
 - 5.1. Management Reports Information Only
 - 5.1.1. Finance & Corporate Services
 - 5.1.2. Casino & Community Gaming
 - 5.1.3. Lottery Gaming
 - 5.1.4. Digital & Enterprise Services
 - 5.1.5. Business Technology
 - 5.1.6. Social Responsibility & Communications
 - 5.1.7. Human Resources
 - 5.1.8. Legal, Compliance, Security
 - 5.2. Q3 Dashboard.....[M. Bohm – 10 mins] Discussion
- 6. COMMITTEE REPORTS**
 - 6.1. Audit..... [J. Axford – 5 mins] Discussion
 - 6.2. Governance & Corporate Social Responsibility..... [M. Lee – 5 mins] Discussion
 - 6.3. Human Resources & Compensation[H. Cassady – 5 mins] Discussion
 - 6.4. Risk [G. Moore – 5 mins] Discussion
- 7. CORPORATE APPROVALS**
 - 7.1. Statement of Investment Policies & Procedures [A. Hobson – 15 mins] Approval
 - 7.2. Pension Plan Investment Manager(s) [A. Hobson – 15 mins] Approval
 - 7.3. Q3 Financial Statements [A. Hobson – 15 mins] Approval
 - 7.4. Q3 Revised Forecast & Projections..... [A. Hobson – 15 mins] Approval
 - 7.5. Business Plan, Operating & Capital Budgets [A. Hobson – 15 mins] Approval
 - 7.6. Service Plan..... [A. Hobson – 15 mins] Approval
 - 7.7. Holdback Analysis Recommendation..... [J. Callahan – 10 mins] Approval
 - 7.8. Compensation Plan [J. Callahan – 10 mins] Approval
 - 7.9. Annual Corporate Objectives [J. Callahan – 10 mins] Approval
 - 7.10. Whistleblower Policy & Procedures..... [J. Callahan – 10 mins] Approval
 - 7.11. BCLC Annual Resolution..... [J. Keim – 5 mins] Approval
 - 7.12. Director Compensation & Expense Guidelines[P. Kappel – 5 mins] Approval
- 8. CORPORATE OPERATIONS – PART 2**
 - 8.1. Board Manual Comprehensive Review [J. Keim – 10 mins] Approval
 - 8.2. F19/20 (New) Mandate Letter.....[P. Kappel – 10 mins] Discussion
 - 8.3. GameSense Licensing.....[J. Lightbody – 10 mins] Discussion
 - 8.4. German Review Update[J. Lightbody – 10 mins] Discussion
 - 8.5. Implementing Government Direction:
F18/19 Mandate Letter & Plan for Public Health[J. Lightbody – 15 mins] Discussion
 - 8.6. Q3 ERM Report Information Only

9. OTHER BUSINESS

- 9.1. *In camera* Sessions [40 mins] Discussion
- 9.1.1. CEO - Evaluation Process Planning
- 9.1.2. CEO - Annual Goals & Objectives
- 9.1.3. Board

10. NEXT MEETING

- 10.1. Wednesday 15 May 2019 – Kamloops



Minutes of the Meeting of the Board of Directors held at 10:00 am (PT) 16 January 2019

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

Board Present:

Peter Kappel	Chair
Hilary Cassady	
Fiona Chan	
Lisa Ethans	
Dusty Kelly	
Mario Lee	
Gregory Moore	
Coro Strandberg	

Board Not Present:

Joan Axford

Management Present:

Jim Lightbody	President and Chief Executive Officer
Amanda Hobson	Chief Financial Officer and Vice President, Finance and Corporate Services (Items 2 - 7.12 only)
Monica Bohm	Vice President, Digital and Enterprise Services (Items 2 - 5.2 only)
Jamie Callahan	Vice President, Human Resources (Items 2 - 7.12 only)
Patrick Davis	Chief Information Officer and Vice President, Business Technology (Items 2 - 5.2 only)
Brad Desmarais	Vice President, Casino and Community Gaming (Items 2 - 5.2 only)
Kevin Gass	Vice President, Lottery Gaming (Items 2 - 5.2 only)
Rob Kroeker	Chief Compliance Officer and Vice President, Legal, Compliance, Security
Gurmit Aujla	Director, Audit Services (Item 1 only)
Darryl Tateishi	Manager, Audit Services (Item 1 only)
Jennifer Keim	General Counsel and Corporate Secretary
Jennifer Smith	Associate Corporate Secretary
Suzanne Rowley	Assistant Corporate Secretary

Observers & Guests:

Douglas S. Scott	Associate Deputy Minister, Ministry of the Attorney General (via teleconference for Items 1 – 8.2 and 8.4 only)
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Peter Kappel 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

The Board went *in camera* from 10:20 am to 11:35 am with the CEO, General Counsel, Vice President, Legal, Compliance, Security, and Director, Audit Services.

On motion duly made and carried, the agenda was adopted with the addition of the *in camera* session noted above.

2 APPROVAL OF MINUTES

The minutes of the 12 December 2018 meeting were presented.

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

3 REPORT BY CHAIR

The Chair welcomed the new board members and emphasized the partnership between the Board, Management and Government.

4 REPORT BY PRESIDENT

Jim Lightbody provided a summary of the corporation's year-to-date financial performance, public relations activities, and progress on the updated strategic plan.

5 CORPORATE OPERATIONS – PART 1

5.1 Management Reports

Information Only

5.1.1 Finance & Corporate Services

Amanda Hobson presented the report. No questions followed.

5.1.2 Casino & Community Gaming

Brad Desmarais presented the report and updated the Board on the proposed facilities in Victoria and Delta. Discussion followed regarding the Board's expectations for future reporting.

5.1.3 Lottery Gaming

Kevin Gass presented the report, highlighting ongoing lottery infrastructure upgrades. Discussion followed regarding lottery market trends and upcoming commission structure changes.

5.1.4 Digital & Enterprise Services

Monica Bohm presented the report and invited questions.

Discussion followed regarding product development, refresh and metrics.

5.1.5 Business Technology

Pat Davis presented the report and invited questions.

Discussion followed, focused on cost management and opportunities and challenges arising from new product options.

5.1.6 Social Responsibility & Communications

Monica Bohm presented the report, and the Board requested that further information about the GameSense Advisors be presented at the upcoming board orientation session. Discussion followed about the challenge of getting to the heart of the public's experience of the corporation and the need for an effective strategy that will truly align to public expectations.

5.1.7 Human Resources

Jamie Callahan presented the report and invited questions.

5.1.8 Legal, Compliance, Security

Rob Kroeker presented the report and advised that BCLC's action plan relating to the recent FINTRAC audit was in the meeting materials. The Board's reporting expectations were discussed.

- 5.2 Q3 Dashboard** **Discussion**
Monica Bohm presented the report and invited questions.

6 COMMITTEE REPORTS

- 6.1 Audit Committee** **Discussion**
Lisa Ethans delivered the Audit Committee report in Joan Axford's absence, briefing the Board on all Committee agenda items.

- 6.2 Governance and Corporate Social Responsibility Committee** **Discussion**
Mario Lee delivered the Governance and Corporate Social Responsibility Committee report, briefing the Board on all Committee agenda items.

- 6.3 Human Resources and Compensation Committee** **Discussion**
Hilary Cassady delivered the Human Resources and Compensation Committee report, briefing the Board on all Committee agenda items.
Peter Kappel supplemented the report with information on the January 14 Board meeting.

- 6.4 Risk Committee** **Discussion**
Greg Moore delivered the Risk Committee report, briefing the Board on all Committee agenda items.
Discussion followed regarding the Committee's planned role in reviewing contracts that will require Board approval.

7 CORPORATE APPROVALS

- 7.1 Statement of Investment Policies & Procedures** **Approval**
Hilary Cassady advised that the Human Resources and Compensation Committee is satisfied with the current Statement of Investment Policies and Procedures and is not recommending any changes at this time.

- 7.2 Pension Plan Investment Manager(s)** **Approval**
Hilary Cassady reported the Human Resources and Compensation Committee's recommendation. Discussion followed.

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

WHEREAS the Pension Committee has recommended that AllianceBernstein and Wellington Management Company be selected as global equity investment managers and AlphaFixe Capital Inc. be selected as the fixed income portfolio investment manager for the British Columbia Lottery Corporation Pension Plan (the "Plan");

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

NOW THEREFORE be it resolved that:

- 1. The selection of AllianceBernstein and Wellington Management Company as global equity investment managers and AlphaFixe Capital Inc. as the fixed income portfolio investment manager for the 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.*

7.3 Q3 Financial Statements

Approval

Lisa Ethans reported the Audit Committee's recommendation and invited questions.

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

WHEREAS the Board has reviewed the financial statements for the third quarter of fiscal year 2018/2019;

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 third quarter of fiscal year 2018/2019 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.*

7.4 Q3 Revised Forecast & Projections

Approval

Lisa Ethans reported the Audit Committee's recommendation and invited questions.

Discussion followed regarding service provider financial performance and risks.

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

WHEREAS the Board has reviewed the Corporation's forecast for fiscal year 2018/2019 and projections for fiscal years 2019/20-2022/23 (the "Q3 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 Q3 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.*

7.5 Business Plan, Operating & Capital Budgets

Approval

Lisa Ethans presented the Audit Committee's recommendation and invited questions.

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

WHEREAS the Board has reviewed the business plan, operating and capital budgets for fiscal year 2019/2020 (the "Business Plan and Budget");

AND WHEREAS the Board has received a recommendation from the Audit Committee to approve the Business Plan and Budget;

NOW THEREFORE be it resolved that:

- 1. The Business Plan and Budget 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.*

7.6 Service Plan

Approval

Lisa Ethans reported the Audit Committee's recommendation. Discussion followed.

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

*WHEREAS the Board has reviewed the Service Plan for fiscal years 2019/2020–2021/2022 (the “**Service Plan**”);*

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

NOW THEREFORE be it resolved that:

- 1. The Service Plan, together with such changes as may be approved by the Chair of the Board, 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.*

7.7 Holdback Analysis Recommendation

Approval

Hilary Cassady reported the Human Resources and Compensation Committee's recommendation and invited questions.

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

WHEREAS the Board has reviewed a document entitled “Holdback Incentive Recommendation”;

*AND WHEREAS the Board has received a recommendation from the Human Resources and Compensation Committee to change to the Holdback Incentive Plan such that the holdback incentive is included as pensionable earnings for all affected employees effective April 1, 2019 (“**Holdback Incentive Change**”);*

NOW THEREFORE be it resolved that:

- 1. The Holdback Incentive Change is hereby approved; and*
- 2. Any officer or director is hereby authorized on behalf of the Corporation to execute and 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.*

7.8 Compensation Plan

Approval

Hilary Cassady reported the Human Resources and Compensation Committee's recommendation and Jamie Callahan provided further information regarding PSEC approval requirements.

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

WHEREAS the Board has reviewed the BCLC Compensation Philosophy and Plan;

AND WHEREAS the Board has received a recommendation from the Human Resources and Compensation Committee to ratify, confirm and approve the foregoing;

NOW THEREFORE be it resolved that:

- 1. The BCLC Compensation Philosophy and Plan is hereby ratified, confirmed and 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.*

Hilary Cassady reported the Human Resources and Compensation Committee's recommendation and invited questions.

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

WHEREAS the Board has considered the process for reviewing and updating the Corporation's compensation plan;

AND WHEREAS the Board has received a recommendation from the Human Resources and Compensation Committee to delegate certain authority to the Vice President, Human Resources with respect to non-material changes to the compensation plan;

NOW THEREFORE be it resolved that the Vice President, Human Resources is hereby authorized to approve such non-material changes to the compensation plan as he or she deems appropriate, subject to annually reporting any such changes to the Committee and the Board.

7.9 Annual Corporate Objectives

Approval

Hilary Cassady reported the Human Resources and Compensation Committee's recommendation. The Board discussed the possibility of introducing non-financial metrics to the objectives in future.

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

WHEREAS, for purposes of the CEO, Executive and Management incentive holdback plans, the Board has reviewed the proposed corporate objectives for the fiscal year ending March 31, 2020 (the "Corporate Objectives");

AND WHEREAS the Board has received a recommendation from the Human Resources and Compensation Committee to approve the Corporate Objectives;

NOW THEREFORE be it resolved that:

- 1. The Corporate Objectives are hereby approved; and*
- 2. Any officer or director is hereby authorized on behalf of the Corporation to execute and 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.*

7.10 Whistleblower Policy & Procedures

Approval

Mario Lee reported the Governance and Corporate Social Responsibility Committee's recommendation and invited questions.

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

WHEREAS the Board has reviewed certain proposed amendments to the Whistleblower Policy and Whistleblower Procedures;

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:

- 1. The amended Whistleblower Policy and Procedures 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.*

7.11 BCLC Annual Resolution

Approval

Jennifer Keim presented the resolution and invited questions. Discussion followed.

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

RESOLVED that:

1. *The following are appointed officers of the Corporation for fiscal year 2019-2020 or until their successors are appointed:*

Jim Lightbody, President and Chief Executive Officer

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

Kevin Gass, Vice President, Lottery Gaming

Amanda Hobson, Chief Financial Officer and Vice President, Finance and Corporate Services

Robert Kroeker, Chief Compliance Officer and Vice President, Legal, Compliance, Security

2. *All changes to the officers' titles made by the President and Chief Executive Officer during fiscal year 2018-2019, if any, are hereby approved, ratified and confirmed.*
3. *All acts, proceedings, and appointments made by the Audit Committee, the Governance and Corporate Social Responsibility Committee, the Human Resources and Compensation Committee and the Risk Committee during fiscal year 2018-2019 are hereby approved, ratified and confirmed.*

7.12 Director Compensation & Expense Guidelines

Approval

Mario Lee reported the Governance and Corporate Social Responsibility Committee's recommendation and invited questions.

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

WHEREAS the Board has reviewed certain proposed amendments to the Director Compensation & Expense Guidelines;

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 Director Compensation & Expense Guidelines, as presented to the Board, are hereby approved.

8 CORPORATE OPERATIONS – PART 2

8.1 Board Manual Comprehensive Review

Discussion

This subject was fully canvassed during Item 6.2.

8.2 F19/20 (New) Mandate Letter

Discussion

The Chair presented the Mandate Letter and invited questions.

Discussion focused on how the Board will conduct its oversight responsibilities in ensuring that the requirements of the Mandate Letter are being met.

8.3 GameSense Licensing

Discussion

Jim Lightbody briefed the Board on the history of GameSense and presented considerations relating to potential future opportunities for GameSense licensing.

The Board discussed the value of the initiative and provided Management with its comments.

8.4 German Review Update **Discussion**

Jim Lightbody provided an update on the work underway, including detail about Government's priority sequencing of the German recommendations.

The Board discussed the potential to contribute to future revisions to the *Gaming Control Act*.

**8.5 Implementing Government Direction:
F18/19 Mandate Letter & Plan for Public Health** **Discussion**

Jim Lightbody presented the report and invited questions.

8.6 Q3 ERM Report **Discussion**

No discussion arose. In future, this item will be for information only with discussion to occur primarily at the Risk Committee.

9 OTHER BUSINESS

9.1 In camera Sessions **Discussion**

The Board went *in camera* with the parties below from 10:02 am to 10:20 am, and from 4:03 pm to 4:38 pm.

9.1.1 CEO - Evaluation Process Planning

9.1.2 CEO - Annual Goals & Objectives

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

*WHEREAS the Board has reviewed the proposed annual goals and objectives for the President and Chief Executive Officer for the fiscal year ending March 31, 2020 (the "**CEO Objectives**");*

NOW THEREFORE be it resolved that the CEO Objectives are hereby approved.

9.1.3 Board

10 NEXT MEETING

There being no further business, the meeting was terminated at 4:38 pm.

The next meeting is scheduled for 15 May 2019 in Kamloops.

s 22

Chair



BOARD OF DIRECTORS MEETING

9:00 am (PT) Wednesday 23 January 2019
Boardroom – BCLC, 2940 Virtual Way
Vancouver, BC V5M 0A6

AGENDA

1. ADOPTION OF AGENDA

2. STRATEGY SESSION

- | | | |
|---|--------------------------------------|------------|
| 2.1. Introduction & Overview of Day | [J. Lightbody / P. Kappel – 10 mins] | Discussion |
| 2.2. BCLC Strategic Plan | [BCLC Executive Team – 6 hrs] | Discussion |
| 2.2.1. Background | | |
| 2.2.2. Approach to Strategic Planning | | |
| 2.2.3. SWOT | | |
| 2.2.4. Mission | | |
| 2.2.5. Values | | |
| 2.2.6. Vision | | |
| 2.2.7. Strategic Pillars | | |
| 2.2.8. Next Steps | | |

3. OTHER BUSINESS

- | | | |
|-------------------------------------|-----------------------|------------|
| 3.1. <i>In camera</i> Session | [Directors – 30 mins] | Discussion |
|-------------------------------------|-----------------------|------------|

4. NEXT MEETING

- 4.1. Wednesday 15 May 2019 – Kamloops



Minutes of the Meeting of the Board of Directors held at 9:00 am (PT) 23 January 2019

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

Board Present:

Peter Kappel	Chair
Joan Axford	
Hilary Cassady	
Fiona Chan	
Lisa Ethans	(from item 2.2.4 onwards)
Dusty Kelly	
Mario Lee	
Gregory Moore	

Board Not Present:

Coro Strandberg

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
Rob Kroeker	Chief Compliance Officer and Vice President, Legal, Compliance, Security (item 2.2.7 onwards)
Richard Fenster	Director, Corporate Strategy
Ryan Persaud	Director, Business Intelligence
Jamie Wiebe	Director, Player Health
Jennifer Keim	Corporate Secretary

Observers & Guests:

Douglas S. Scott Associate Deputy Minister, Ministry of Attorney General (for items 1 – 2.2.5)

Peter Kappel took the Chair at 9:01 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 9:02 am.

1 ADOPTION OF AGENDA

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

2 STRATEGY SESSION

2.1 Introduction & Overview of Day

Discussion

Jim Lightbody provided an outline for the day and invited the Board to be constructively involved in the Corporation's strategy. The current proposed strategy is a three year plan – for April, 2019 to

March, 2022 – and but is designed to be a rolling strategic plan so that as each year is completed, an additional year is added.

2.2 BCLC STRATEGIC PLAN

Discussion

- 2.2.1 Ryan Persaud provided the Board with background information on: revenue concentration, player participation, player experience, public perception of the Corporation's products and employee engagement. Discussion followed.
- 2.2.2 Richard Fenster presented the Corporation's approach to strategic planning.
- 2.2.3 Amanda Hobson discussed strengths and weaknesses identified by the Corporation. Monica Bohm presented the opportunities and threats identified by the Corporation. Discussion followed.
- 2.2.4 Jim Lightbody led the discussion regarding the Corporation's Mission statement and explained the recent work undertaken to develop a revised Mission statement. Discussion followed.
- 2.2.5 Jim Lightbody presented the Corporation's Vision statement and explained that the revised Vision statement was meant to move the Corporation to a focus on improving entertainment value. Discussion followed.
- 2.2.6 Jim Lightbody detailed the three components of the Corporation's Values statement: integrity, social responsibility and respect. Discussion followed.
- 2.2.7 Jim Lightbody explained that the Corporation's Strategic Plan has three strategic pillars: Player Experience, Responsible Growth, and Agile People and Processes. Monica Bohm and Pat Davis detailed how Player Experience will utilize measurable goals to develop a deep understanding of the Corporation's players. Brad Desmarais, Amanda Hobson and Jamie Wiebe presented the important aspects that will hallmark Responsible Growth. Pat Davis and Jamie Callahan discussed the Corporation's adoption of Agile People and Processes.
- 2.2.8 Jim Lightbody led the discussion on next steps which will include a further meeting with the Board later in May or June to be followed by a strategy session in September. Discussion followed.

3 OTHER BUSINESS

3.1 *In camera* Session

Discussion

The Board went *in camera* with VP Legal Security Compliance and General Counsel, at 2:45 pm, concluding at 3:15 pm.

The Board went *in camera* at 3:15 pm, concluding at 3:35 pm

4 NEXT MEETING

There being no further business, the meeting was terminated at 3:35 pm.

The next meeting is scheduled for 15 May 2019 in Kamloops.

s 22

Chair



BOARD OF DIRECTORS MEETING

2:00 pm (PT) Tuesday 19 March 2019

Via Conference Call

Local Dial-in: s 15(1)(l) Toll Free (N. America): s 15(1)(l)

Access Code: s 15(1)(l)

AGENDA

1. ADOPTION OF AGENDA

2. CORPORATE APPROVALS

2.1. Additional KPMG Engagements [A. Hobson – 45 mins] Discussion

3. IN CAMERA

3.1. *In camera* Session [Directors – 30 mins] Discussion

4. NEXT MEETING

4.1. 10:00 am on Wednesday 15 May 2019 – Kamloops



**Minutes of the Meeting of the Board of Directors
held at 2:00 pm (PT) 19 March 2019**

Location: Via conference call

Board Present:

Peter Kappel	Chair
Joan Axford	
Fiona Chan	
Lisa Ethans	
Mario Lee	
Gregory Moore	

Board Not Present:

Hilary Cassady
Dusty Kelly
Coro Strandberg

Management Present:

Jim Lightbody	President and Chief Executive Officer (from item 3.1 onward)
Amanda Hobson	Chief Financial Officer and Vice President, Finance and Corporate Services
Rob Kroeker	Chief Compliance Officer and Vice President, Legal, Compliance, Security (from item 3.1 onward)
Jennifer Keim	Corporate Secretary

Peter Kappel took the Chair at 2:05 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 2:06 pm.

1 ADOPTION OF AGENDA

On motion duly made and carried, the agenda was adopted with the following additions:

- 3.1 Update on Anti-Money Laundering and German Report Recommendations;
- 3.2 Update on Auditor General Meeting; and
- 3.3 Update on Governance and Corporate Social Responsibility Committee Meeting.

2 CORPORATE APPROVALS

2.1 Additional KPMG Engagements

Approval

Amanda Hobson presented the material that detailed the background for four additional KPMG engagements. Discussion followed.

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

WHEREAS, in July 2018, the Board approved the engagement of KPMG LLP to provide advisory accounting services for the period from September 1, 2018 to August 31, 2019, inclusive, for a fee not to exceed s 21 (the "Advisory Accounting Services");

AND WHEREAS, in July 2018, the Board approved the engagement of KPMG LLP to provide tax advisory services for the period from September 1, 2018 to August 31, 2019, inclusive, for a fee not to exceed s 21 (the "Tax Advisory Services");

AND WHEREAS Management has recommended that the Board approve:

- a s 21 increase in the maximum fee for the Advisory Accounting Services;

- a s 21 increase in the maximum fee for the Tax Advisory Services;
- the engagement of KPMG LLP to provide services related to the Corporation's calculation of the minimum investment requirement for the Corporation's casino services providers ("**MIR Services**") for the period up to August 31, 2019, inclusive, for a fee not to exceed s 21 and
- the engagement of KPMG LLP to perform certain procedures related to anti-money laundering compliance ("**AML Procedures**") for the period up to August 31, 2019, inclusive, for a fee not to exceed s 21

NOW THEREFORE be it resolved that the Board hereby approves:

1. a s 21 increase in the maximum fee for the Advisory Accounting Services, such that the total fee will not exceed s 21
2. a s 21 increase in the maximum fee for the Tax Advisory Services, such that the total fee will not exceed s 21
3. the engagement of KPMG LLP to provide MIR Services for the period up to August 31, 2019, inclusive, for a fee not to exceed s 21 and
4. the engagement of KPMG LLP to perform AML Procedures for the period up to August 31, 2019, inclusive, for a fee not to exceed s 21

3 CORPORATE OPERATIONS

3.1 Update of Anti-Money Laundering and German Report Recommendations Discussion

Jim Lightbody and Rob Kroeker provided detail on a recent meeting with the Attorney General relating to the implementation of recommendations contained within the German report and updated the Board on the completion of an audit conducted by Ernst & Young. Discussion followed.

3.2 Update on Auditor General Meeting Discussion

Joan Axford reported to the Board that she and Gurmit Aujla, Director, Audit Services, attended a meeting with the Auditor General and affirmed that the Auditor General is welcome to attend BCLC Audit Committee meetings. Discussion followed.

3.3 Update on Governance and Corporate Social Responsibility Committee Meeting Discussion

Mario Lee advised the Board that the Governance and Corporate Social Responsibility Committee met on March 18, 2019 and reviewed proposals from external governance advisors. Discussion followed.

4 OTHER BUSINESS

4.1 *In camera* Session Discussion

The Board went *in camera* at 3:50 pm, concluding at 3:55 pm.

5 NEXT MEETING

There being no further business, the meeting was terminated at 3:55 pm.

The next meeting is scheduled for 15 May 2019 in Kamloops.

s 22

Chair