

### 8.11 Delegation of Rule Making

Approval

Management and the Board discussed BCLC's approach to rule-making and delegation of authority, as well as the scope of the specific proposed delegation.

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

*WHEREAS, pursuant to the Bylaws, the Directors of British Columbia Lottery Corporation (the "Corporation") wish to delegate the power, authority, and discretion vested in or exercisable by the Directors to set and make rules pursuant to Sections 7(1)(g), 8(1)(c) and 8(1)(d) of the Gaming Control Act (British Columbia);*

*NOW THEREFORE be it resolved that:*

- 1. The Directors of the Corporation hereby delegate to both the President and Chief Executive Officer alone and, in the alternative, to any two Vice Presidents, the power, authority, and discretion vested in or exercisable by the Directors of the Corporation to:*
  - a. set rules of play for lottery schemes or any class of lottery schemes that the Corporation is authorized to conduct, manage or operate;*
  - b. make rules governing the manner of selecting prize winners under a lottery scheme or any class of lottery schemes conducted and managed by the Corporation; and*
  - c. make rules imposing conditions and establishing qualifications for entitlement to prizes in a lottery scheme or any class of lottery schemes conducted and managed by the Corporation;*
- 2. The signature of the President and Chief Executive Officer, or the signatures of any two Vice Presidents, on any such rules will be conclusive evidence that the rules are authorized by this resolution;*
- 3. The President and Chief Executive Officer, or any two Vice Presidents, are 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; and*
- 4. The President and Chief Executive Officer is hereby directed to annually report to the Directors of the Corporation regarding the exercise of the power, authority and discretion delegated hereunder.*

### 8.12 Game Conditions Delegation (if required)

Approval

The Board determined that this item was not required.

## 9 CORPORATE OPERATIONS – PART 2

### 9.1 Media Relations Update

Discussion

Monica Bohm provided a media relations update. Discussion followed regarding management of BCLC's response to the recently announced Commission of Inquiry into Money Laundering in British Columbia.

### 9.2 Reporting to Government

Discussion

Jim Lightbody presented the report and invited questions.

### 9.3 Q4 ERM Report

Information Only

No questions arose.

## 10 OTHER BUSINESS

### 10.1 *In camera* Session

### Discussion

#### 10.1.1 CEO

10.1.1.1 CEO SOEBC Declaration Form & Outside Commitments

10.1.1.2 CEO Performance Evaluation

10.1.1.3 CEO Compensation (including CEO Incentive Holdback Plan Payout)

#### 10.1.2 CEO & VP, Human Resources – Organizational Structure Review

#### 10.1.3 Board

The Board went *in camera* for item 10.1.2 on May 14, 2019 from 3:10 pm to 4:08 pm.

The Board went *in camera* for all other items on May 15, 2019 from 3:05 pm to 4:30 pm.

On motion duly made and carried, the following resolution was adopted during the *in camera* session:

*WHEREAS the Board has reviewed the corporate goal achievement for the fiscal year ended March 31, 2019;*

*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, 2019;*

*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, 2019;*

*NOW THEREFORE be it resolved that:*

1. *The CEO's incentive holdback plan payout for the fiscal year ended March 31, 2019 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.*

## 11 NEXT MEETING

There being no further business, the meeting was terminated at 4:30 pm.

The next meeting is scheduled for 17 June 2019 in Vancouver.

s 22

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Chair



## **BOARD OF DIRECTORS MEETING**

12:30 pm (PT) Monday 17 June 2019  
Boardroom – BCLC, 2940 Virtual Way  
Vancouver, BC V5M 0A6

### **AGENDA**

#### **1. ADOPTION OF AGENDA**

#### **2. CORPORATE APPROVALS**

- |  |                         |          |
|--|-------------------------|----------|
| 2.1. Officer Appointments .....                  | [J. Callahan – 10 mins] | Approval |
| 2.1.1. Interim VP, Digital & Enterprise Services |                         |          |
| 2.1.2. Interim CFO                               |                         |          |

#### **3. CORPORATE OPERATIONS**

- |  |                          |            |
|--|--------------------------|------------|
| 3.1. Update on Finance Division Review ..... | [J. Callahan – 10 mins]  | Discussion |
| 3.2. Casino System Update .....              | [J. Lightbody – 10 mins] | Discussion |
| 3.3. Pension Committee Attendance .....      | [P. Kappel – 15 mins]    | Discussion |
| 3.4. Board/Committee Action Item List .....  | [P. Kappel – 10 mins]    | Discussion |

#### **4. OTHER BUSINESS**

- |                                   |                            |            |
|-----------------------------------|----------------------------|------------|
| 4.1. Board Liability Update ..... | [Scott Sweatman – 60 mins] | Discussion |
|-----------------------------------|----------------------------|------------|

#### **5. IN CAMERA**

- |  |            |            |
|--|------------|------------|
| 5.1. <i>In camera</i> Sessions .....       | [120 mins] | Discussion |
| 5.1.1. Update on Corporate Re-organization |            |            |
| 5.1.2. Update on Corporate Secretary Role  |            |            |
| 5.1.3. Board Only                          |            |            |

#### **6. NEXT MEETING**

- |                                       |  |  |
|---------------------------------------|--|--|
| 6.1. Thursday 25 July 2019 – Kamloops |  |  |
|---------------------------------------|--|--|



## Minutes of the Meeting of the Board of Directors held at 12:30 pm (PT) 17 June 2019

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

Board Present:

Peter Kappel	Chair
Joan Axford	
Hilary Cassady	
Fiona Chan	
Lisa Ethans	
Mario Lee	
Gregory Moore	
Coro Strandberg	

Board Not Present:

Dusty Kelly

Management Present:

Jim Lightbody	President and Chief Executive Officer (Items 3.1-3.4, 5.1.1, 5.1.2)
Jamie Callahan	Vice President, Human Resources (Items 3.1-3.4, 5.1.1, 5.1.2)
Jennifer Smith	Associate Corporate Secretary

Observers & Guests:

s 22	The Pontefract Group (Item 5.1.1 only)
s 22	Dentons LLP (Item 4.1 only)

Peter Kappel took the Chair at 12:40 pm with Jennifer Smith 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 12:40 pm.

### 1 ADOPTION OF AGENDA

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

### 2 CORPORATE APPROVALS

#### 2.1 Officer Appointments

Approval

##### 2.1.1 Interim VP, Digital & Enterprise Services

Jim Lightbody previously provided information regarding Tom Kay's professional background. In addition, the Board has introduced themselves and welcomed Mr. Kay to BCLC.

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

*WHEREAS* s 22

*RESOLVED that, effective June 1, 2019, Cameron Adams, Interim Vice President, Digital and Enterprise Services, is appointed an officer of the Corporation for fiscal year 2019-2020 or until his successor is appointed.*



### 2.1.2 Interim CFO

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

*WHEREAS* s 22

*RESOLVED that, effective June 28, 2019, Thomas Kay, Interim Chief Financial Officer and Vice President, Finance and Corporate Services, is appointed an officer of the Corporation for fiscal year 2019-2020 or until his successor is appointed.*

## 3 CORPORATE OPERATIONS

### 3.1 Update on Finance Division Review

#### Discussion

Jamie Callahan briefed the Board on an upcoming engagement to have Deloitte review BCLC's corporate finance function to determine if the correct personnel, systems and processes are in place. Benchmarking is underway and a kick-off meeting has taken place. The review will consider challenges and opportunities, conducting workshops with relevant stakeholders. Deloitte is expected to deliver recommendations and a directional roadmap.

The Board and Management discussed the scope of the engagement including consideration of intersection with other departments, consultation with the external auditor, and agile processes.

Jamie Callahan will provide an update on the engagement at the July Board meeting.

### 3.2 Casino System Update

#### Discussion

Jim Lightbody reported on BCLC's account-based gaming initiative. One component of the initiative is to implement a new anti-money laundering technology solution. BCLC expects to issue a RFP for this system shortly.

Discussion followed regarding industry standard practices and the challenges of anonymous play.

### 3.3 Pension Committee Attendance

#### Discussion

The Board discussed the role of the Board with the Pension Committee.

This matter will be discussed further at the July Board meeting.

### 3.4 Board/Committee Action Item List

#### Discussion

Peter Kappel introduced this item and invited comments from the Board.

The mechanism for distribution of the list was discussed. The Board directed that the full list, with all open and resolved items, be posted on s 15(1) with an update made after each Committee and Board meeting. In addition, the most current list of open items, and items resolved since the last meeting, is to be posted with each Board and Committee package.

## 4 OTHER BUSINESS

### 4.1 Board Liability Update

#### Discussion

s 22 provided the Board with an overview of the duties and liabilities of Directors. The discussion focused on the pension context, including the *Pension Benefits Standards Act* and its regulations, the Canadian Association of Pension Supervisory Authorities (CAPSA) Guideline No. 4: Pension Plan Governance Guideline, and the dual capacity role of directors in a company that administers a pension plan.

Director insurance and indemnities were discussed.

s 22 responded to questions from the Board.

## 5 IN CAMERA

### 5.1 *In camera* Sessions

### Discussion

#### 5.1.1 Update on Corporate Re-organization

The Board went *in camera* with the CEO, VP, HR and s 22 to 2:32 pm.

from 2:00 pm

#### 5.1.2 Update on Corporate Secretary Role

The Board went *in camera* with the CEO and VP, HR from 1:35 pm to 1:52 pm.

#### 5.1.3 Board Only

The Board went *in camera* from 4:25 pm to 4:45 pm.

## 6 NEXT MEETING

There being no further business, the meeting was terminated at 4:45 pm.

The next meeting is scheduled for 25 July 2019 in Kamloops.

s 22

Chair



## **BOARD OF DIRECTORS MEETING**

10:00 am (PT) Thursday 25 July 2019  
Presentation Room – BCLC, 74 West Seymour Street  
Kamloops, BC V2C 1E2

### **AGENDA**

#### **1. ADOPTION OF AGENDA**

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

#### **2. APPROVAL OF MINUTES**

- 2.1. 23 April 2019 – morning meeting
- 2.2. 23 April 2019 – afternoon meeting
- 2.3. 2 May 2019
- 2.4. 14/15 May 2019
- 2.5. 17 June 2019

#### **3. REPORT BY CHAIR**

**Verbal**

#### **4. REPORTS BY PRESIDENT AND MANAGEMENT**

- 4.1. President's Report ..... Verbal
- 4.2. Management Reports ..... Information Only
  - 4.2.1. Finance & Corporate Services
  - 4.2.2. Casino & Community Gaming
  - 4.2.3. Lottery Gaming
  - 4.2.4. Digital & Enterprise Services
  - 4.2.5. Business Technology
  - 4.2.6. Social Responsibility & Communications
  - 4.2.7. Human Resources
  - 4.2.8. Legal, Compliance, Security

4.3. Q1 Dashboard..... [C. Adams – 10 mins] Discussion

#### **5. COMMITTEE REPORTS**

- 5.1. Audit (including update on Audit Services & External Auditor review) .....[J. Axford – 5 mins] Discussion
- 5.2. Governance & CSR ..... [M. Lee – 5 mins] Discussion
- 5.3. Human Resources & Compensation .....[H. Cassidy – 5 mins] Discussion
- 5.4. Risk ..... [G. Moore – 5 mins] Discussion

#### **6. BOARD EDUCATION**

- 6.1. AML Solution Update .....[P. Davis – 30 mins] Discussion
- 6.2. Lottery Transformation Project ..... [K. Gass / P. Davis – 30 mins] Discussion

#### **7. CORPORATE APPROVALS**

- 7.1. Q1 Financial Statements .....[T. Kay – 15 mins] Approval
- 7.2. Q1 Revised Forecast & Projections .....[T. Kay – 15 mins] Approval
- 7.3. Appoint External Auditor & Approve Fees ..... [J. Axford – 15 mins] Approval
- 7.4. Appoint Pension Auditor & Approve Fees ..... [J. Axford – 5 mins] Approval
- 7.5. Holdback Incentive Recommendation ..... [J. Callahan – 10 mins] Approval
- 7.6. Officer Change..... [J. Keim – 5 mins] Approval
- 7.7. Proposed 2020 Board & Committee Meeting Schedule ..... [J. Keim – 5 mins] Approval

## **8. CORPORATE OPERATIONS**

- |   |                          |                  |
|---|--------------------------|------------------|
| 8.1. Reporting to Government .....      | [J. Lightbody – 10 mins] | Discussion       |
| 8.2. Pension Committee Attendance ..... | [P. Kappel – 10 mins]    | Discussion       |
| 8.3. Q1 ERM Report .....                | [B. Desmarais]           | Information Only |

## **9. OTHER BUSINESS**

- |  |           |            |
|--|-----------|------------|
| 9.1. <i>In camera</i> Sessions .....                 | [30 mins] | Discussion |
| 9.1.1. Organizational Structure Update               |           |            |
| 9.1.2. Public Inquiry Planning                       |           |            |
| 9.1.3. Rule-Making Delegation (with General Counsel) |           |            |
| 9.1.4. Directors                                     |           |            |

## **10. NEXT MEETING**

- 10.1. 24 October 2019 - Vancouver





## Minutes of the Meeting of the Board of Directors held at 10:00 am (PT) 25 July 2019

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

Board Present:

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

Management Present:

Jim Lightbody	President and Chief Executive Officer
Thomas Kay	Chief Financial Officer and Vice President, Finance and Corporate Services
Cameron Adams	Interim 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
	Interim Chief Compliance Officer and Vice President, Legal, Compliance, Security
Kevin Gass	Vice President, Lottery Gaming
Kevin deBruyckere	Director, Anti-Money Laundering and Investigations (Item 6.1 only)
Jennifer Keim	Corporate Secretary
Jennifer Smith	Associate Corporate Secretary
Suzanne Rowley	Assistant Corporate Secretary

Peter Kappel took the Chair at 10:00 am with Jennifer Smith 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 10:00 am.

### 1 ADOPTION OF AGENDA

#### 1.1 *In Camera* Session

The Board went *in camera* solely with the Board members from 10:00 am to 10:24 am, and *in camera* with the CEO from 10:24 am to 10:51 am.

On motion duly made and carried, the agenda was adopted, subject to the addition of Item 7.8.

### 2 APPROVAL OF MINUTES

The minutes of the 23 April 2019 meeting were presented.

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

The minutes of the 2 May 2019 meeting were presented.

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

The minutes of the 14/15 May 2019 meeting were presented.

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

The minutes of the 17 June 2019 meeting were presented.

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

### **3 REPORT BY CHAIR**

The Chair commented on communications with Government and upcoming Board appointments.

### **4 REPORTS BY PRESIDENT AND MANAGEMENT**

#### **4.1 President's Report**

**Verbal**

Jim Lightbody presented the report. He commented on financial performance, highlighting key categories, and BCLC's progress against the strategic plan. Mr. Lightbody noted the ongoing impact of the German Report recommendations, and highlighted upcoming business opportunities including s 17(1), GameSense licensing, and lottery transformation projects.

Recruitment is currently underway for three Vice President vacancies.

Management responded to questions from the Board regarding casino revenues and lottery transformation.

#### **4.2 Management Reports**

**Information Only**

4.2.1 **Finance & Corporate Services**

4.2.2 **Casino & Community Gaming**

4.2.3 **Lottery Gaming**

4.2.4 **Digital & Enterprise Services**

4.2.5 **Business Technology**

4.2.6 **Social Responsibility & Communications**

4.2.7 **Human Resources**

4.2.8 **Legal, Compliance, Security**

#### **4.3 Q1 Dashboard**

**Discussion**

Cameron Adams invited questions from the Board.

The Board requested that the report be revised going forward to show trend information.

### **5 COMMITTEE REPORTS**

#### **5.1 Audit Committee**

**Discussion**

Joan Axford delivered the Audit Committee report, including an update on the status of the external auditor review.

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

**Discussion**

Mario Lee delivered the Governance and Corporate Social Responsibility Committee report.

#### **5.3 Human Resources and Compensation Committee**

**Discussion**

Hilary Cassady delivered the Human Resources and Compensation Committee report.

#### **5.4 Risk Committee**

**Discussion**

Greg Moore delivered the Risk Committee report.

## 6 BOARD EDUCATION

### 6.1 AML Solution Update

#### Discussion

Pat Davis, Brad Desmarais and Kevin deBruyckere presented BCLC's plans with respect to an enhanced anti-money laundering system. Discussion followed between the Board and Management regarding progress to date and key criteria to consider with respect to the system. Management responded to questions about corporate social responsibility, potential resourcing requirements and stakeholder consultation.

### 6.2 Lottery Transformation Project

#### Discussion

Pat Davis and Kevin Gass presented on lottery transformation, including progress on the retail content delivery upgrade and lottery terminal replacement. Management responded to questions from the Committee regarding budgeting, resourcing, and change management.

## 7 CORPORATE APPROVALS

### 7.1 Q1 Financial Statements

#### Approval

Tom Kay presented highlights from the financial statements.

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

*WHEREAS the Board has reviewed the financial statements for the first quarter of fiscal year 2019/2020;*

*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 first quarter of fiscal year 2019/2020 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.*

### 7.2 Q1 Revised Forecast & Projections

#### Approval

Tom Kay presented the forecast and projections, including potential risks to current figures. No changes are proposed to be made to the forecast and projections at this time.

Discussion followed regarding the risk factors identified.

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

*WHEREAS the Board has reviewed the Corporation's forecast for fiscal year 2019/2020 and projections for fiscal years 2020/2021-2023/2024 (the "Q1 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 Q1 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.*



### 7.3 Appoint External Auditor & Approve Fees

Approval

Joan Axford presented this item and invited questions.

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

*WHEREAS the Board has received a recommendation from the Audit Committee to appoint KPMG LLP as auditor for British Columbia Lottery Corporation's annual consolidated financial statements ("**External Auditor**") for the fiscal year ending March 31, 2020;*

*NOW THEREFORE BE IT RESOLVED THAT:*

- 1. KPMG LLP is hereby appointed as External Auditor for the fiscal year ending March 31, 2020;*
- 2. Payment by the Corporation to KPMG LLP of a maximum base fee amount of \$21 and a maximum supplementary fee amount of \$21 for its services as External Auditor for the fiscal year ending March 31, 2020 is hereby approved; and*
- 3. 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 Appoint Pension Auditor & Approve Fees

Approval

Joan Axford presented this item and invited questions.

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

*WHEREAS the Board has received a recommendation from the Audit Committee to appoint KPMG LLP as auditor for the annual financial statements of the British Columbia Lottery Corporation Pension Plan (the "**Pension Auditor**") for the year ending December 31, 2019;*

*NOW THEREFORE BE IT RESOLVED THAT:*

- 1. KPMG LLP is hereby appointed as Pension Auditor for the year ending December 31, 2019;*
- 2. Payment by the Corporation to KPMG LLP of a maximum fee amount of \$21 for its services as Pension Auditor for the year ending December 31, 2019 is hereby approved; and*
- 3. 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 Holdback Incentive Recommendation

Approval

Peter Kappel and Hilary Cassady introduced the item and provided background information on the proposed changes.

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

*WHEREAS the Board has reviewed background materials provided by Management and its external advisors relating to a review of the Corporation's compensation framework;*

*AND WHEREAS the Board has considered Management's recommendation that the use of salary holdbacks be eliminated, the salary holdback amount for each impacted employee be rolled into such employee's base salary (the "**Holdback Recommendation**");*

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

NOW THEREFORE be it resolved that:

1. The Holdback Recommendation is hereby approved effective April 1, 2020;
2. Management is directed to develop a new compensation and performance management plan; and
3. 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 Officer Change**

**Approval**

Jennifer Keim presented and invited questions.

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

WHEREAS s 22

;

AND WHEREAS Brad Desmarais has agreed, in addition to his existing role, to act as Interim Chief Compliance Officer and Vice President, Legal, Compliance, Security;

NOW THEREFORE be it resolved s 22

effective July 2, 2019 is hereby ratified, confirmed and approved.

**7.7 Proposed 2020 Board & Committee Meeting Schedule**

**Approval**

This item will be deferred to the September meeting.

**7.8 Additional KPMG Services**

**Approval**

Joan Axford presented this item and invited questions.

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

WHEREAS the Board has received a recommendation from the Audit Committee to approve certain services to be provided by KPMG LLP;

NOW THEREFORE be it resolved that:

1. The engagement by the Corporation of KPMG LLP to provide the following services is hereby approved:
  - a. tax advisory services for the period from September 1, 2019 to August 31, 2020, inclusive, for a fee not to exceed s 21
  - b. discretionary advisory services for the period from August 1, 2019 to August 31, 2020, inclusive, for a fee not to exceed s 21
  - c. specified audit procedure services with respect to host financial assistance agreements for the period from September 1, 2019 to August 31, 2020, inclusive, for a fee not to exceed s 21
  - d. draw audit services for the period from September 1, 2019 to August 31, 2020, inclusive, for a fee not to exceed s 21 and
  - e. specified general information technology control (GITC) procedures for the Lotto Express system supporting Ontario Lottery and Gaming Corporation for the period from August 1, 2019 to August 31, 2020, inclusive, for a fee not to exceed s 21 and
2. Subject to the Spending and Signing Authority Policy, any employee of the Corporation is hereby authorized on behalf of the Corporation to execute and deliver all such documents and instruments as in his or her opinion may be necessary or desirable to give full effect to the foregoing resolution.

## 8 CORPORATE OPERATIONS

### 8.1 Reporting to Government

#### Discussion

Jim Lightbody provided an update on Government's reporting expectations.

### 8.2 Pension Committee Attendance

#### Discussion

The Board concurs with the recommendation made on this subject by the Governance and Corporate Social Responsibility Committee. In particular, the Pension Plan Administration Manual will be amended to contemplate that the Board will appoint a Director who will be responsible for attending all Pension Committee meetings or, when unavailable, for ensuring that another Director will attend a meeting in his or her place. This matter will be brought to the September Board meeting. Lisa Ethans will attend the 9 September 2019 Pension Committee meeting.

### 8.3 Q1 ERM Report

#### Discussion

Brad Desmarais invited questions on the report. None arose.

## 9 OTHER BUSINESS

### 9.1 *In camera* Session

#### Discussion

The Board went *in camera* at 1:38 pm, concluding at 3:29 pm.

#### 9.1.1 Organizational Structure Update (with CEO and VP, HR)

##### 9.1.2 s 14

##### 9.1.3 s 14

##### 9.1.4 Directors

## 10 NEXT MEETING

There being no further business, the meeting was terminated at 3:30 pm.

The next meeting is scheduled for 16 September 2019, and the next regular quarterly meeting is on 24 October 2019 in Vancouver.

s 22

Chair





## **BOARD OF DIRECTORS MEETING**

1:00 pm (PT) 21 August 2019  
Via Conference Call

### **AGENDA**

#### **1. ADOPTION OF AGENDA**

#### **2. OTHER BUSINESS**

2.1. Board Development Opportunities.....	[Directors – 15 mins]	Discussion
2.2. Board Vacancies.....	[Directors – 20 mins]	Discussion
2.3. Board Member Compensation.....	[Directors – 20 mins]	Discussion
2.4. September ESG Presentation Planning .....	[Directors – 20 mins]	Discussion
2.5. Appointment of Corporate Secretary .....	[Directors – 15 mins]	Discussion
2.6. <i>In camera</i> Session .....	[Directors – 2 hrs 30 mins]	Discussion
2.6.1. Interim Officer Position(s)		

#### **3. NEXT MEETING**

- 3.1. 16 September 2019 – Vancouver



## **Minutes of the Meeting of the Board of Directors held at 1:00 pm (PT) 21 August 2019**

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

Board Present:

Peter Kappel	Chair
Joan Axford	
Hilary Cassady	
Fiona Chan	
Lisa Ethans	
Dusty Kelly	(excluding Item 2.1 and 2.5)
Mario Lee	
Gregory Moore	
Coro Strandberg	

Management Present:

Jim Lightbody	President and Chief Executive Officer (Item 2.6.2 only)
Jennifer Smith	Corporate Secretary and Senior Legal Counsel

Observers & Guests:

Christine Carter, Incoming Corporate Secretary (Items 1-2.5 only)

Peter Kappel took the Chair at 1:02 pm with Jennifer Smith 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 1:02 pm.

### **1 ADOPTION OF AGENDA**

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

### **2 OTHER BUSINESS**

- |  |                   |
|--|-------------------|
| <b>2.1 Board Development Opportunities</b>   | <b>Discussion</b> |
| The Board Chair invited the Board members to express any interest that they may have in attending upcoming gaming industry events, in particular, the Global Gaming Expo in Las Vegas and the ICE London conference. |                   |
| <b>2.2 Board Vacancies</b>   | <b>Discussion</b> |
| The Chair updated the Board on the status of anticipated new Board appointments.   |                   |
| <b>2.3 Board Member Compensation</b>   | <b>Discussion</b> |
| The Chair updated the Board on conversations with Government regarding Board compensation.   |                   |
| <b>2.4 September ESG Presentation Planning</b>   | <b>Discussion</b> |
| Coro Strandberg provided background on the scope of her anticipated presentation at the September Board meeting. The intention is to provide baseline education on the topic.  |                   |

## **2.5 Appointment of Corporate Secretary**

## **Approval**

Peter Kappel introduced the incoming Corporate Secretary, Christine Carter, to the Board.

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

*WHEREAS Jennifer Keim has resigned from the Corporation;*

*NOW THEREFORE be it resolved that:*

- 1. The appointment of Jennifer Smith as Interim Corporate Secretary for the period from August 1, 2019 to August 25, 2019 is hereby ratified, confirmed and approved;*
- 2. The appointment of Christine Carter as Corporate Secretary effective August 26, 2019 is hereby approved; and*
- 3. 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.*

## **2.6 In camera Session**

### **2.6.1 Directors**

The Board went *in camera* at 1:30 pm, concluding at 2:52 pm.

### **2.6.2 Directors and CEO**

The Board went *in camera* with the CEO at 2:52 pm, concluding at 4:47 pm.

Greg Moore stepped out of the meeting from 3:00 pm to 4:29 pm.

The CEO stepped out of the meeting from 3:10 pm to 4:29 pm, and 4:43 pm to 4:47 pm.

Senior Legal Counsel joined the meeting from 4:13 pm to 4:28 pm.

During the *in camera* session and on motion duly made and carried, the following resolution was adopted with both the CEO and Greg Moore absent:

*WHEREAS it is anticipated that Jim Lightbody will be requesting a leave of absence from the Corporation;*

*AND WHEREAS the Board has determined it appropriate to appoint Gregory Moore as Interim President and Chief Executive Officer effective from the commencement date of Mr. Lightbody's leave of absence;*

*NOW THEREFORE be it resolved that:*

- 1. The appointment of Gregory Moore as Interim President and Chief Executive Officer, with all the power, authority and discretion vested in or exercisable by the office of the President and Chief Executive Officer, effective from the commencement date of Mr. Lightbody's leave of absence is hereby approved subject to the following conditions:*
  - a. resignation of Mr. Moore from the Board of Directors of the Corporation prior to commencing employment with the Corporation; and*
  - b. execution and delivery of a mutually acceptable employment agreement with Mr. Moore; and*
- 2. The Chair of the Board or any Director designated by the Chair of the Board 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 opinion may be necessary or desirable to give full effect to the foregoing resolution.*

### 3 NEXT MEETING

There being no further business, the meeting was terminated at 4:47 pm.

The next meeting is scheduled for 16 September 2019 in Vancouver.

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Chair

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## **BOARD OF DIRECTORS MEETING**

8:30 am (PT) Monday 16 September 2019  
Boardroom – BCLC, 2940 Virtual Way  
Vancouver, BC V5M 0A6

### **AGENDA**

#### **1. ADOPTION OF AGENDA**

1.1. *In camera* Session .....[Directors – 8:30 am – 30 mins] Discussion

#### **2. APPROVAL OF MINUTES**

2.1. Minutes .....[P. Kappel – 9:00 am – 5 mins] Approval

2.1.1. 25 July 2019

2.1.2. 16 August 2019

2.1.3. 21 August 2019

#### **3. CORPORATE APPROVALS**

3.1. *Financial Information Act* Report .....[T. Kay – 9:05 am – 20 mins] Approval

3.2. Pension Plan Administration Manual .....[T. Kay – 9:25 am – 10 mins] Approval

3.3. Pension Committee Membership.....[T. Kay – 9:35 am – 10 mins] Approval

3.4. Board Committee Membership .....[P. Kappel – 9:45 am – 10 mins] Approval

3.5. Proposed 2020 Board & Committee Schedule .....[S. Rowley – 9:55 am – 10 mins] Approval

#### **4. OPERATIONS**

4.1. Strategic Plan Update ..... [G. Moore – 10:05 am – 10 mins] Discussion

#### **5. BOARD EDUCATION**

5.1. ESG Presentation .....[C. Strandberg – 10:15 am – 60 mins] Discussion

#### **6. OTHER BUSINESS**

6.1. Development of Governance Initiatives ..... [C. Carter – 11:15 – 10 min] Verbal Update

6.2. *In camera* Session .....[Directors – 11:25 am – 60 mins] Discussion

6.2.1. CEO

6.2.1.1. Interim CEO – Goals & Objectives

6.2.1.2. CEO - Compensation

6.2.2. Board

#### **7. NEXT MEETING**

7.1. 24 October 2019 - Vancouver



## **Minutes of the Meeting of the Board of Directors held at 8:30 am (PT) 16 September 2019**

Location: Executive Boardroom – BCLC, 3<sup>rd</sup> Floor, 2940 Virtual Way, Vancouver, BC

Board Present:

Peter Kappel	Chair
Joan Axford	
Hilary Cassady	
Fiona Chan	
Lisa Ethans	
Dusty Kelly	
Mario Lee	
Coro Strandberg	

Management Present (in part):

Greg Moore	President and Chief Executive Officer
Thomas Kay	Chief Financial Officer and Vice President, Finance and Corporate Services
Brad Desmarais	VP, Casino and Community Gaming
Ryan Persaud	Director, Business Intelligence
Richard Fenster	Director, Corporate Strategy
Laura Piva-Babcock	Director, Communications
Christine Carter	Corporate Secretary
Suzanne Rowley	Assistant Corporate Secretary

Peter Kappel took the Chair at 8:30 am with Christine Carter 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 8:30 am.

### **1 ADOPTION OF AGENDA**

#### **1.1 In Camera Session**

1.2 The Board went *in camera* with the Corporate Secretary at 8:30 am. The Assistant Corporate Secretary left the meeting. The Board went *in camera* without the Corporate Secretary at 8:45 am. The Corporate Secretary re-joined the meeting at 9:00 am, along with the Assistant Corporate Secretary.

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

### **2 APPROVAL OF MINUTES**

The minutes of the 25 July 2019 and 21 August 2019 meetings were presented. The minutes of the 16 August 2019 meeting were deferred until later in the meeting.

On motion duly made and carried, the minutes of the 25 July 2019 and 21 August 2019 meetings were approved.



### 3 CORPORATE APPROVALS

#### 3.1 Financial Information Act Report

Approval

Thomas Kay joined the meeting and presented the proposed FIA Report, outlining the review and reconciliation process undertaken to complete the report. A discussion ensued regarding the review and reconciliation process.

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

*WHEREAS the Board has reviewed the Statements of Financial Information to be filed in accordance with the Financial Information Act for the fiscal year ended March 31, 2019 (the "FIA Report");*

*NOW THEREFORE be it resolved that:*

- 1. The FIA Report 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.*

#### 3.2 Pension Plan Administration Manual

Approval

Thomas Kay described the proposed revisions to the Pension Plan Administration Manual ("PPAM"). He noted that the revisions include an amendment which contemplates that the Board may appoint a Director to attend Pension Committee meetings as an observer, as discussed at the 25 July 2019 Board meeting.

Discussion ensued regarding Pension Committee reporting to the Board Committees.

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

*WHEREAS the Board has reviewed certain proposed revisions to the Pension Plan Administration Manual (the "Manual");*

*AND WHEREAS the Board has received a recommendation from the Pension Committee to approve the revised Manual;*

*NOW THEREFORE be it resolved that:*

- 1. The revised Manual, as presented to the Board, is hereby approved;*
- 2. Lisa Ethans is hereby appointed as the Board Director who will be responsible for attending all Pension Committee meetings as an observer or, when unavailable to attend a meeting, for arranging that another Board Director attend such meeting in her place; and*
- 3. 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.*

#### 3.3 Pension Committee Membership

Approval

A list of the Pension Committee membership from 14 January 2015 to the current date was presented to the Board members. The Chair of the Risk Committee confirmed that she was willing to attend the Pension Committee meetings as an observer.

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

*WHEREAS the Pension Committee has recommended updates to its membership to reflect changes in staff;*

*AND WHEREAS the Board has discussed and considered such updates in consultation with Management;*

*NOW THEREFORE be it resolved that:*

1. *The following individuals be appointed or reappointed, as the case may be, as the members of the Pension Committee:*

*Thomas Kay  
Jamie Callahan  
Tom Powell  
Sandra Austin  
Michelle Webb  
Tricia Turner  
Leon Bresler*

2. *All changes to the Pension Committee membership during the period from January 14, 2015 to present are hereby approved, ratified and confirmed.*

### 3.4 **Board Committee Membership**

Approval

The Board Chair noted that two of the Board members had agreed to sit on three of the Board Committees, rather than the usual two, on a temporary basis until a new Board member was appointed. The Board members proposed an amendment to the Board Committee Membership resolution to make it effective from and after 1 September 2019.

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

*WHEREAS the Board Chair has recommended that Joan Axford be appointed to the Governance and Corporate Social Responsibility Committee and that Lisa Ethans be appointed to Chair of the Risk Committee, with effect from and after 1 September 2019;*

*NOW THEREFORE be it resolved that the following individuals be appointed or reappointed, as the case may be, as members and, if indicated below, Chairs of the following Committees with effect from and after 1 September 2019 until their successors are appointed:*

#### **Audit Committee**

*Joan Axford, Chair  
Lisa Ethans  
Dusty Kelly  
Mario Lee*

#### **Governance and Corporate Social Responsibility Committee**

*Mario Lee, Chair  
Joan Axford  
Lisa Ethans  
Coro Strandberg*

#### **Human Resources and Compensation Committee**

*Hilary Cassady, Chair  
Fiona Chan  
Dusty Kelly  
Coro Strandberg*

#### **Risk Committee**

*Lisa Ethans, Chair  
Joan Axford  
Hilary Cassady  
Fiona Chan*

### 3.5 **Proposed 2020 Board & Committee Schedule**

Approval

The Corporate Secretary and Assistant Corporate Secretary presented the proposed 2020 Board & Committee Schedule and explained the rationale for the chosen dates. The Board members

discussed their availability for the proposed dates. The meeting was adjourned for a short break at 10:08 am.

The meeting resumed at 10:18 am and the Board Chair welcomed Greg Moore as the Interim President and CEO. Brad Desmarais also joined the meeting.

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## **4 OPERATIONS**

### **4.1 Strategic Plan Update**

Discussion

Greg Moore noted that the Strategic Plan Update had been drafted by the President and CEO before he went on leave of absence. He also advised that the Update outlined the current status of the Strategic Plan. He requested input from the Board on the areas of the Strategic Plan that required improvement prior to the next Board meeting in October.

A discussion ensued during which the Board members outlined some further factors for consideration in preparing the Strategic Plan. Board members requested clarification as to whether there were separate division plans and, if so, whether these plans were tied into the Strategic Plan. Brad Desmarais confirmed that Casino had a separate division plan which was tightly tied to the Strategic Plan.

## **5 BOARD EDUCATION**

### **5.1 ESG Presentation**

Ryan Persaud, Richard Fenster and Laura Piva-Babcock joined the meeting. Coro Strandberg provided an overview of the history of Corporate Social Responsibility ("CSR") and her role in its evolution in British Columbia.

Coro Strandberg outlined a basic definition of CSR and noted that several different terms were used interchangeably in relation to this area. A discussion ensued regarding the creation and utilization of the UN Sustainable Development Goals in corporate strategy.

Coro Strandberg delved into the evolution of the CSR value proposition from the 1990s to the present. A discussion ensued regarding the impact of social media on the evolution of the CSR value proposition.

Coro Strandberg provided a definition of "Social Purpose Business" and outlined some examples of current social purpose businesses. She invited questions from the Board members and a discussion ensued regarding next steps for the Corporation to improve its CSR.

Ryan Persaud, Richard Fenster, Laura Piva-Babcock, Brad Desmarais and Thomas Kay left the meeting.

## **6 OTHER BUSINESS**

### **6.1 Development of Governance Initiatives**

The Corporate Secretary advised that she had discussed the development of several governance initiatives with the Board Chair and Greg Moore. Together, they had decided to adopt a phased-in approach to the governance initiatives.

In the meantime, the Corporate Secretary would develop a list of recommended governance initiatives to bring to the October Governance Committee and Board meeting for discussion and prioritization.

The Corporate Secretary then outlined the current guidelines with respect to educational events and conferences for Board members. The Board Chair asked the Corporate Secretary to email a

list of upcoming education opportunities to Board members and invite them to notify her of any courses that they are interested in.

6.2 *In camera* Session

Discussion

The Board went *in camera* with the Corporate Secretary and Greg Moore at 12:30 am. The Assistant Corporate Secretary left the meeting.

**6.2.1 CEO**

The minutes of the 16 August 2019 meeting were presented.

On motion duly made and carried, the minutes of the 16 August 2019 meeting were approved.

**6.2.1.1 Interim CEO – Goals & Objectives**

The Interim CEO – Goals & Objectives were deferred to the October Board meeting.

**6.2.1.2 CEO – Compensation**

The Board members asked the Corporate Secretary to circulate a consent resolution regarding CEO compensation following the meeting.

**7 NEXT MEETING**

There being no further business, the meeting adjourned at 1:17 pm.

The next meeting is scheduled for 24 October 2019 in Vancouver.

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Chair