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VIA EMAIL

March 15, 2021

[applicant information]

Re: Request for Records: BCLC File 21-004

British Columbia Lottery Corporation (BCLC) writes further to your February 2, 2021 request under B.C.'s *Freedom of Information and Protection of Privacy Act* (FIPPA) and BCLC's letter dated February 3, 2021.

You requested:

"All BCLC Board minute meeting including agendas from Jan 01, 2010 until Jan 01, 2018."

Some of the information you have requested is publicly available on www.bclc.com. For your convenience, please see the links below:

<https://corporate.bclc.com/content/dam/bclccorporate/reports/accountability/2017/board-agenda-minutes-fy-2017-18-q1.pdf>

<https://corporate.bclc.com/content/dam/bclccorporate/reports/accountability/2017/bclc-board-agenda-and-minutes-fy-%202017-18-q2.pdf>

<https://corporate.bclc.com/content/dam/bclccorporate/reports/accountability/2017/bclc-board-agenda-and-minutes-fy-2017-18-Q3.pdf>

To fulfil the balance of your request BCLC is providing 297 pages of records. Some information has been withheld from disclosure under sections 13, 14, 17 and 22 of FIPPA. Below are the reasons for withholding information under each of the exceptions to disclosure noted.

Section 13 (policy advice or recommendations)

The information withheld under this section constitutes advice and recommendations by BCLC employees and others to BCLC decision-makers.

Section 14 (legal advice)

The information withheld under this section consists of specific legal advice that has been sought and provided to BCLC.

Section 17 (harm to the financial or economic interests of BCLC)

The information withheld under this section is harmful to BCLC's financial or economic interests because disclosure could reasonably be expected to result in the premature disclosure of a project or proposal, or otherwise harm the negotiating position of BCLC.

Section 22 (harm to personal privacy)

The information withheld under this section consists of the signatures of BCLC Board members. Disclosure of this information would be an unreasonable invasion of personal privacy because it could result in identity fraud. Additionally, other personal information has been withheld that would be an unreasonable invasion of personal privacy if disclosed.

The full text of sections 13, 14, 17 and 22 can be found at:
http://www.bclaws.ca/Recon/document/ID/freeside/96165_00

These records will be published a minimum of five business days after release at:
<https://corporate.bclc.com/who-we-are/corporate-reports/reports-disclosures.html>

If you have any questions or concerns regarding BCLC's processing of your request, please contact me at CPenkert@bclc.com, via mail or at (250) 852-5370.

Additionally, under section 52 of FIPPA, you may ask the Information and Privacy Commissioner to review this reply to your request for information. You have 30 business days from the receipt of this notice to request a review by writing to:

Office of the Information and Privacy Commissioner for British Columbia
P.O. Box 9038, Station Provincial Government
Victoria, BC V8W 9A4

T (250) 387-5629 F (250) 387-1696
Email info@oipc.bc.ca Online www.oipc.bc.ca

Sincerely,
[original signed by]

Christian Penkert
Senior Freedom of Information Analyst

Enclosure

NOTICE OF BOARD OF DIRECTORS MEETING
8:30 a.m. – 2:00 p.m., Friday, January 22, 2010
Presentation Room, Richmond Office

PROPOSED AGENDA

1. CALL TO ORDER AND WELCOME
2. ADOPTION OF AGENDA
3. REPORT BY THE CHAIR
4. REPORT BY THE PRESIDENT
5. APPROVAL OF MINUTES OF PREVIOUS BOARD MEETINGS
- October 28, 2009
6. BUSINESS ARISING
 - a. Facilities Development Update
 - b. Performance Reporting Against Strategic and Operating Plan
 - c. Review Updated Shareholder's Letter of Expectation
7. NEW BUSINESS
 - a. GVRD Marketplace Update (PowerPoint Presentation)
8. COMMITTEE REPORTS
9. DECISIONS
 - a. Approval of the Service Plan Summary 2010/11 – 2012/13
 - b. Approval of the Service Plan Fiscal 2010/11 – 2012/13
 - c. Approval of Fiscal 2010/11 Annual Business Plan, Operating Budgets and Capital Budget
 - d. Approval of Quarterly Financial Statements
 - e. Approval of Government Five Year Financial Projections - Fiscal 2010/11 – Fiscal 2013/14
10. PRESENTATION
 - a. Board Evaluation Results
11. MANAGEMENT REPORT (Information Only)
 - a. Lottery
 - b. Gaming (Casino/CGCs/Bingo)
 - c. eGaming
 - d. Business Transformation
 - e. Corporate Affairs
 - f. Corporate Security and Compliance
 - g. Customer Strategy and Corporate Marketing
 - h. Finance and Corporate Services
 - i. Human Resources and Organizational Development
 - j. Information Technology



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12. OTHER
 - a. PWC Compliance Report (Information only)
 - b. New Lower Mainland Office and Guiding Principles Update (Verbal)
13. IN-CAMERA SESSION

**British Columbia Lottery Corporation
Minutes of the Board Meeting
Held on January 22, 2010
Richmond Presentation Room**

In Attendance

John McLernon	Chair
Trudi Brown	
David Gillespie	
Cindy Grauer	
Walter Gray	
Neil McDonnell	
Michael Riley	
Art Willms	
Michael Graydon	President and CEO

Also Attending

Kevin Gass	VP, Corporate Affairs
Lynette Hughes	VP, Business Transformation
Jim Lightbody	VP, Lottery Gaming
Scott Norman	VP, Information Technology
Darryl Schiewe	VP, Casino Gaming
Debbie Toole	VP, Human Resources
Terry Towns	VP, Corporate Security
Marsha Walden	VP, Customer Strategy and Corporate Marketing
Tom Williamson	VP, Finance and Corporate Services
Dinah Mulvaney	Corporate Secretary

John McLernon acted as Chair and with the consent of the meeting, Dinah Mulvaney acted as Recording Secretary.

1. Call to Order and Welcome

A quorum of directors being present and notice of the meeting having been duly given, the meeting was declared to be constituted for the transaction of business and was called to order at 8:30 a.m.

2. Adoption of Agenda

The first order of business was the adoption of the Agenda. The order of two agenda items were changed with Management Reports becoming Item 9 and Decisions Item 10. An update on Leadership Development was also added as item 9 b.

On motion duly made, seconded and unanimously carried, the Agenda was adopted as amended.

3. Report by the Chair

A discussion took place around the current economic times, the potential post Olympics, the strong and experienced management team in place and the improvements in ERM and the Internal Audit department.

4. Report by the President

Michael Graydon reported on some of the financial challenges and the efforts the organization is making towards achievement of revenue targets. He also provided an update on key initiatives and activity on short term and medium term initiatives.

Minister Rich Coleman and his assistant, Jordan Bell joined the meeting at 8:50 a.m. A discussion took place regarding the organizations key initiatives and revenue projections. Minister Coleman and Jordan Bell left the meeting at 10:30 a.m.

5. Approval of Minutes from Previous Board Meetings

The Minutes of the October 28, 2009 Board meeting were presented.

On motion duly made, seconded and unanimously carried, the Minutes of the meeting held on October 28, 2009 were approved as presented.

6. Business Arising

a. Facilities Development Update

Kevin Gass confirmed that the purpose of the report is provided as information to outline issues and progress on casinos, community gaming centres and bingo halls in municipalities throughout the province. The report was accepted as presented.

b. Performance Reporting Against Strategic and Operating Plan

Lynette Hughes advised that one of the items on the Board Calendar is a quarterly review of the performance reporting against strategic and operating plans. She reported that a change in format to this report is currently underway with a first review being undertaken by the Executive at their meeting scheduled on January 26 and that it is management's intention to present the updated version of this report at the April Board meeting.

c. Review Updated Shareholder's Letter of Expectations

Ms. Hughes reported that the Board had reviewed and approved the proposed changes to the Shareholder's Letter of Expectations at the October Board meeting. She further reported that on December 14, 2009 Government provided a revised version and accordingly, we have attached the revised version for review by the Board.

Following consideration and discussion in this session, on motion duly made and seconded, the Board then considered, discussed and approved the following resolution:

WHEREAS the Board has reviewed the draft Shareholder's Letter of Expectations and received a recommendation from management;

NOW THEREFORE be it resolved that:

- 1. The Board approved the draft Shareholder's Letter of Expectations as presented; and**
- 2. Any officer or director is hereby authorized to take any action required to carryout the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.**

7. New Business

GVRD Marketplace Update

Darryl Schiewe presented a PowerPoint Presentation on the Metro Vancouver and Fraser Valley Market Assessment for Casinos and Community Gaming Centres.

8. Committee Reports

Audit Committee

Michael Riley, Chair of the Audit Committee reported that two meetings had taken place one on December 16, 2009 and the other on January 21, 2010. He reported that a number of matters had been reviewed including service partner financial update, insurance coverage, IFRS conversion, quarterly statements for the period ending December 26, 2009 and five year projections. Mr. Riley also reported that other matters reviewed included quarterly reports for ERM and Internal Audit. He advised that the main focus of the December 16, 2009 meeting had been a review of the Fiscal 2010/11 capital and operating budgets as well as the Fiscal 2010/11 – 2012/13 Service Plan.

Governance and Corporate Social Responsibility Committee

David Gillespie, Chair of the Governance and Corporate Responsibility Committee reported that a meeting had taken place on January 21, 2010 and a number of governance matters had been reviewed including the Board composition plan, new director criteria, the Board orientation and development plan as well as a number of governance manual updates. Mr. Gillespie advised that the results of the Board evaluation were being compiled with plans to present the results at the April Board. He also advised that Marsha Walden had joined the meeting and provided a report on the Player Relations Program. Mr. Gillespie reported that Kevin Gass and Paul Smith had joined the meeting and presented a PowerPoint presentation on the Corporate Social Responsibility Program as well as an update on BCLC's submission for World Lottery Level 4 Accreditation. Mr. Gillespie also reported that the Committee had been asked to consider the formation of a Risk Management Committee and that based on current best practice and research result, the Committee was recommending that this function remain with the Audit Committee.

Human Resources and Compensation Committee

Neil McDonnell, Chair of the Human Resources and Compensation Committee reported that a full meeting had taken place on December 10, 2009 and an in-camera Committee

meeting had taken place on January 21, 2010. He advised that a number of matters had been reviewed at the December meeting including the Resource Plan for Fiscal 2010/11 and updates on leadership development and succession planning. Mr. McDonnell reported that a report had been presented on the CEO's six month performance for Fiscal 2010/11 as well as the CEO's proposed goals for Fiscal 2010/11.

9. Management Reports

The Management reports were accepted as presented.

10. Decisions

Tom Williamson presented a PowerPoint presentation which provided a high level summary of the Fiscal 2010/11 Annual Business Plan, Operating and Capital Budgets. A discussion took place regarding revenue targets, business plans and operating and capital budgets. Tom Williamson confirmed that the Audit Committee had reviewed the Service Plan Fiscal 2010/11– 2012/13 as well as the Fiscal 2010/11 Business Plan and operating and capital budgets at the December 2009 and January 2010 meetings.

- a. Approval of the Service Plan Summary 2010/11 – 2012/13
- b. Approval of the Service plan – Fiscal 2010/11 – 2012/13
- c. Approval of FY 2010/11 Annual Business Plan, Operating and Capital Budgets

Following consideration and discussion in this session, on motion duly made and seconded, the Board then considered, discussed and approved the following resolution:

WHEREAS the Board has reviewed the Fiscal 2010/11 – 2012/13 Service Plan and the Fiscal 2010/11 Operating and Capital Budgets with Senior Management.

BE IT RESOLVED that:

- 1. **The Board of Directors approve the Corporation's Fiscal 2010/11 – 2012/13 Service Plan and Service Plan Summary;**
 - 2. **The Board of Directors approve the Corporation's Fiscal 2010/11 Annual Business Plan, Operating Budget and Capital Budget; and**
 - 3. **Management of the Corporation is hereby authorized to take any action required to carryout the foregoing resolution including executing all documents or taking any other action required to give effect to the foregoing resolution.**
- d. Approval of Quarterly Financial Statements
Tom Williamson provided a summary of the Corporation's Third Quarter Report for the period ending December 26, 2009.

Following consideration and discussion in this session, on motion duly made and seconded, the Board then considered, discussed and approved the following resolution:

WHEREAS the Board has reviewed the financial statements for the third quarter ending December 26, 2009 and the Third Quarterly Report and received a recommendation from the Audit Committee;

NOW THEREFORE BE IT RESOLVED THAT:

1. The Corporation's Third Quarterly Report including the financial statements for the quarter ended December 26, 2009 is hereby approved;
 2. The appropriate signing authorities within the Corporation as required by the Provincial Government are hereby authorized to sign the Third Quarterly Report on behalf of the Corporation as necessary; and
 3. Any officer or director is hereby authorized to take any action required to carryout the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.
- e. Approval of Government Five Year Financial Projections – 2010/11-2013/14
Tom Williamson provided an overview of the Corporation's five year financial projections to Fiscal 2013/14.

Following consideration and discussion in this session, on motion duly made and seconded, the Board then considered, discussed and approved the following resolution:

WHEREAS the Board has reviewed the Government Forecast Reports (Five Year Projections) for the five year period ending March 31, 2014 and received a recommendation from the Audit Committee;

NOW THEREFORE BE IT RESOLVED THAT:

1. The Corporation's Government Forecast Reports for the five year period ending March 31, 2014 are hereby approved;
2. The appropriate signing authorities within the Corporation as required by the Provincial Government are hereby authorized to sign the Government Forecast Reports on behalf of the Corporation as necessary; and
3. Any officer or director is hereby authorized to take any action required to carryout the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.

11. Presentation

a. Board Evaluation Results

Mr. Gillespie confirmed that as previously reported the presentation of the Board evaluation results were being deferred to the April Board meeting.

b. Leadership Update

Debbie Toole presented a PowerPoint presentation and provided an update on Succession Planning and Leadership Development.

12. Other

a. PriceWaterhouseCooper Compliance Report

Terry Towns reported that the Compliance Report prepared by PriceWaterhouseCooper had been included as information only. He further reported that an internal compliance committee has been formed and the committee charter is currently under development.

b. New Lower Mainland Office and Guiding Principles Update

Michael Graydon provided an update with respect to the relocation of the Richmond office and advised that the budget is estimated at \$9 to \$11 million.

13. In-Camera Session

Staff left the meeting at 12:30 p.m. and the Board continued with an in-camera session with the CEO, Michael Graydon. Mr. Graydon left the meeting at 12:40 p.m. and the Board continued with an in-camera session.

There being no further business the meeting terminated at 1:05 p.m.

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John McLernon, Chairman



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**NOTICE OF BOARD OF DIRECTORS MEETING (In-camera)
TO BE HELD ON Monday, February 22, 2010 AT 9:00 A.M.
VIA TELEPHONE CONFERENCE**

Moderator: Mike Graydon

Conference ID: 5037222

Moderator PIN: 3647

Local Dial-in number: 604-678-9970

Toll-free Dial-in number: 1 866-792-1316

PROPOSED AGENDA

1. Call to Order and Welcome
2. Update on Gateway casinos Restructuring

Attendees

John McLernon, Chair

Neil McDonnell

Mike Riley

Trudi Brown

Moray Keith

Walter Gray

Mike Graydon, President and CEO

Tom Williamson, VP, Finance and Corporate Services

Jervis Rodriguez, Deloitte





**NOTICE OF BOARD OF DIRECTORS MEETING
TO BE HELD ON WEDNESDAY, APRIL 21, 2010 AT 8:30 A.M.
PRESENTATION ROOM, RICHMOND OFFICE**

PROPOSED AGENDA

1. CALL TO ORDER AND WELCOME
2. ADOPTION OF AGENDA
3. REPORT BY THE CHAIR
4. REPORT BY THE PRESIDENT
5. APPROVAL OF MINUTES OF PREVIOUS BOARD MEETING
 - January 22, 2010
6. BUSINESS ARISING
 - a. Service Partners Financial Update
 - b. s 14 Update (verbal)
 - c. Facilities Development Update
7. NEW BUSINESS
 - a. Performance Reporting Against Strategic and Operating Plan
 - b. Preliminary Fiscal 2009/10 Financial Results (verbal update)
 - c. Employee Engagement Results
8. COMMITTEE REPORTS
 - a. Audit Committee
 - b. Governance and CSR Committee
 - c. Human Resources & Compensation Committee
9. DECISIONS
 - a. Approval of BCLC Audited Pension Plan Statements for the Year Ended December 31, 2009
 - b. Approval of Government Five Year Financial Projections – Fiscal 2010/11 - 2014/15
 - c. Approval of Corporate Bonus Goals for Fiscal 2010/11
10. PRESENTATIONS
 - a. Board Evaluation Results
 - b. Corporate Social Responsibility Program Update
11. MANAGEMENT REPORT (Information Only)
 - a. Lottery
 - b. Gaming (Casino/CGCs/Bingo)
 - c. eGaming
 - d. Business Transformation
 - e. Corporate Affairs

- f. Corporate Security and Compliance
 - g. Customer Strategy and Corporate Marketing
 - h. Finance and Corporate Services
 - i. Human Resources and Organizational Development
 - j. Information Technology
- 12. OTHER
 - a. Board Strategy Session Update
- 13. IN-CAMERA SESSION WITH BOARD AND CEO
 - a. Approval of CEO Bonus Goals for Fiscal 2010/11
- 14. IN-CAMERA SESSION WITH BOARD

Next Meeting Date – May 21, 2010 (Kamloops)

**British Columbia Lottery Corporation
Minutes of the Board Meeting
Held on April 21, 2010
Richmond Presentation Room**

In Attendance

John McLernon	Chair
Trudi Brown	
David Gillespie	
Cindy Grauer	
Walter Gray	
Moray Keith	
Neil McDonnell	
Michael Riley	
Art Willms	
Michael Graydon	President and CEO

Also Attending

Kevin Gass	VP, Corporate Affairs
Lynette Hughes	VP, Business Transformation
Jim Lightbody	VP, Lottery Gaming
Scott Norman	VP, Information Technology
Darryl Schiewe	VP, Casino Gaming
Debbie Toole	VP, Human Resources
Terry Towns	VP, Corporate Security
Marsha Walden	VP, Customer Strategy and Corporate Marketing
Tom Williamson	VP, Finance and Corporate Services
Dinah Mulvaney	Corporate Secretary

John McLernon acted as Chair and with the consent of the meeting, Dinah Mulvaney acted as Recording Secretary.

1. Call to Order and Welcome

A quorum of directors being present and notice of the meeting having been duly given, the meeting was declared to be constituted for the transaction of business and was called to order at 8:30 a.m.

2. Adoption of Agenda

The first order of business was the adoption of the Agenda.

On motion duly made, seconded and unanimously carried, the Agenda was adopted as amended.

3. Report by the Chair

John McLernon spoke about the current economic times and the importance of continuing to grow the business during tough economic times. Mr. McLernon extended

congratulations on behalf of the Board to Tom Williamson and his finance group for their work on year end and the IFRS conversion.

4. Report by the President

Michael Graydon provided an update on the Gateway and Paragon matters. He also provided some details on a number of initiatives including eGaming, Keno, Sports Props and the repositioning of Scratch and Win. Mr. Graydon advised that the annual Employee Sessions were scheduled for May 4 in Richmond and May 6 in Kamloops and extended an invitation to Board members to attend a session. A discussion took place with respect to the new Metro Vancouver office and Mr. Graydon confirmed that everything was on schedule and plans were underway to present the new brand piece at the July Board meeting.

5. Approval of Minutes from Previous Board Meetings

The Minutes of the January 22, 2010 Board meeting were presented and a revision was made.

On motion duly made, seconded and unanimously carried, the Minutes of the meeting held on January 22, 2010 were approved subject to the revision discussed being made.

6. Business Arising

a. Service Partners Financial Update

Tom Williamson provided a summary with respect to the financial circumstances of Casino/CGC and Bingo Service Providers and the report was accepted as presented.

b. s 14 (Verbal)

Jim Lightbody provided s 14

c. Facilities Development Update

Kevin Gass confirmed that the purpose of the report is to outline issues and provide information on progress on casinos, community gaming centres and bingo halls in municipalities throughout the province. The report was accepted as presented. A discussion took place regarding the content of the report and it was agreed that a more in-depth discussion would take place at the July Board meeting on the various issues identified in the report as well as horseracing.

7. New Business

a. Performance Reporting Against Strategic and Operating Plan

Marsha Walden provided an overview of the newly formatted report and confirmed that the data in the report closes out the year with unaudited financial numbers. A discussion took place regarding the content of the report and it was agreed that management would look at refining the report with a view of reducing the amount of the detail. It was also agreed that this report would move from quarterly reporting to semi annual reporting.

b. Preliminary Fiscal 2009/10 Financial Results

Tom Williamson reported that preliminary results indicate net income of approximately \$1,078.7 billion which is \$12 million less than budget. A discussion took place around the financial impact of the economic downturn and the Olympics as well as the positive cost management of approximately \$39 million. Mr. Williamson confirmed that the full financial package will be brought forward at the May Audit Committee and Board meetings.

c. Employee Engagement Results

Debbie Toole provided a summary of the recent Employee Engagement results and advised that she was pleased to report significant success, resulting in an overall engagement score of 83% (slightly higher than last year's score of 82%). A discussion took place around this accomplishment and around how the challenges of last year's economic environment could have resulted in a decline in engagement as a result of policies implemented to adjust to the economic environment such as our hiring freeze, travel and training cuts, revised business forecast and employee concerns regarding future merit and bonus increases.

8. Committee Reports

Audit Committee

Michael Riley, Chair of the Audit Committee reported that two meetings had taken place one on April 19 and the other on April 20, 2010. Mr. Riley noted that he was pleased at the attendance of the entire Board at the Audit/Board IFRS/fraud educational session on April 19. He reported that a number of matters had been reviewed at the April 20 Audit Committee meeting including service partner financial update, key estimates and judgments, current accounting policies and financial reporting practices as well as the five year projections. He advised that Gurmit Aujla had presented the Audit Services department's Charter, Strategy document and Audit Plan and that the Committee had reviewed and approved all of the documents. Mr. Riley also reported that other matters reviewed included quarterly reports for ERM, Audit Services and Security and Compliance. He advised that the audited financial statements of the Employee Pension Plan had been reviewed as well as the revised Committee Terms of Reference.

Governance and Corporate Social Responsibility Committee

David Gillespie, Chair of the Governance and Corporate Responsibility Committee reported that the Board Evaluation results would be presented during the in-camera portion of the meeting. He also advised that a Committee meeting was being planned for June to address the issues identified as possible areas of concern in the Board Evaluation.

Human Resources and Compensation Committee

Neil McDonnell, Chair of the Human Resources and Compensation Committee reported that the Committee had met on March 19, 2010 and had reviewed three matters: the Corporate Bonus Goals for Fiscal 2010/11, the CEO Bonus Goals for Fiscal 2010/11 and the results of the employee engagement survey.

9. Decisions

a. Approval of BCLC Audited Pension Plan Statements for the Year Ended December 31, 2009

Michael Riley confirmed that the Audited Pension Plan Statements for the year ended December 31, 2009 had been reviewed by the Audit Committee. Tom Williamson advised that the financial statements received an unqualified audit opinion, there were no management points to report, the statements were not intended to be prepared in accordance with generally accepted accounting principles and had been prepared for use of the pension plan trustees. He further reported that the financial statements were in compliance with the *Pension Benefits Standards Act of BC*.

Following consideration and discussion in this session, on motion duly made and seconded, the Board then considered, discussed and approved the following resolution:

WHEREAS the Board has reviewed the audited financial statements for the British Columbia Lottery Corporation Pension Plan for the twelve months ending December 31, 2009 and has received a recommendation from the Audit Committee to approve such statements.

NOW THEREFORE BE IT RESOLVED THAT:

1. The BCLC Pension Plan Audited Financial Statements for the twelve months ending December 31, 2009 as presented to the Board are hereby approved; and
2. Any two Directors of the Board are hereby authorized to sign the BCLC Pension Plan Audited Financial Statements on behalf of the Board to evidence the approval referred to in 1 above.

b. Approval of Government Five Year Financial Projections – Fiscal 2010/11 to 2014/15

Tom Williamson confirmed that the financial projections for Fiscal 2010/11 to 2014/15 had been approved at the January 22, 2010 Board meeting and remain unchanged. He also confirmed that it was management's intention to make recommendations on the five year projections at the July Audit Committee and Board meetings.

Following consideration and discussion in this session, on motion duly made and seconded, the Board then considered, discussed and approved the following resolution:

WHEREAS the Board has reviewed the Government Forecast Reports (Five Year Projections) for the five year period ending March 31, 2014 and received a recommendation from the Audit Committee;

NOW THEREFORE BE IT RESOLVED THAT:

1. The Corporation's Government Forecast Reports for the five year period ending March 31, 2014 are hereby approved;

2. The appropriate signing authorities within the Corporation as required by the Provincial Government are hereby authorized to sign the Government Forecast Reports on behalf of the Corporation as necessary; and
 3. Any officer or director is hereby authorized to take any action required to carryout the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.
- c. Approval of Corporate Bonus Goals for Fiscal 2010/11
Neil McDonnell reported that the Human Resources and Compensation Committee had reviewed Corporate Bonus Goals for Fiscal 2010/11 and confirmed that the goals were in alignment with BCLC's approved Service Plan.

Following consideration and discussion in this session, on motion duly made and seconded, the Board then considered, discussed and approved the following resolution:

WHEREAS the Board has reviewed the material provided with respect to the Corporate Bonus Goals for Fiscal 2010/11 and has received a recommendation from the Human Resources and Compensation Committee.

NOW THEREFORE be it resolved that:

1. The Board to approve the proposed Corporate Bonus Goals for Fiscal 2010/11 as presented; and
2. Any officer or director is hereby authorized to take any action required to carryout the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.

Paul Smith joined the meeting at 10:30 a.m.

10. Presentation

- a. Board Evaluation Results
This presentation was moved to the in-camera portion of the meeting.
- b. Corporate Social Responsibility Program Update
Paul Smith presented a PowerPoint presentation on corporate social responsibility, responsible gambling and GameSense. A discussion took place around the progress made on this front and in particular, BCLC's achievement of WLA Level 4 certification.

11. Management Reports

The Management reports were accepted as presented.

12. Other

- a. Board Strategy Session Update
Marsha Walden advised that the Executive strategy session is planned for May 12,

2010 and that following that session, senior management would be in a position at the May Board meeting to provide more detail regarding the plans for the June 29, 2010 Board strategy session.

13. In-Camera Session

Staff left the meeting at 11:10 a.m. and the Board continued with an in-camera session with the CEO, Michael Graydon and Dinah Mulvaney.

a. Board 2009 Evaluation Results

David Gillespie presented a PowerPoint presentation summarizing the results of the Board evaluation results. A discussion took place regarding the results and Mr. Gillespie confirmed that a Governance Committee meeting would be scheduled for June to review in detail the results and to then present a plan to address areas of concern to the Board in July.

Dinah Mulvaney left the meeting at 11:45 and the Board continued with an in-camera session with Michael Graydon.

b. Approval of CEO Bonus Goals for Fiscal 2010/11

Following consideration and discussion in this session, on motion duly made and seconded, the Board then considered, discussed and approved the following resolution:

WHEREAS the Board has reviewed the material provided and discussed the CEO's Performance Bonus Criteria for Fiscal 2010/11 and has received a recommendation from the Human Resource and Compensation Committee to approve such criteria.

NOW THEREFORE be it resolved that the Board approve the CEO's Performance Bonus Criteria for Fiscal Year 2010/11 as presented.

Mr. Graydon left the meeting at 11:55 p.m. and the Board continued with an in-camera session.

There being no further business the meeting terminated at 12:10 p.m.

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John McLernon, Chairman



NOTICE OF BOARD OF DIRECTORS MEETING
8:30 a.m. – 1:00 p.m., Friday, May 21, 2010
Presentation Room, Kamloops Office

PROPOSED AGENDA

1. CALL TO ORDER AND WELCOME
2. ADOPTION OF AGENDA
3. REPORT BY THE CHAIR
4. REPORT BY THE PRESIDENT
5. APPROVAL OF MINUTES OF PREVIOUS BOARD MEETINGS
 - April 21, 2010
6. BUSINESS ARISING
 - a. Board Strategic Planning Session (verbal)
 - b. Service Partner Financial Update
7. NEW BUSINESS
8. COMMITTEE REPORTS
 - a. Audit Committee
 - b. Governance and Corporate Social Responsibility
 - c. Human Resources and Compensation
9. DECISIONS
 - a. Approval of BCLC Audited Financial Statements for Fiscal 2009/10
 - b. Approval of BCLC Annual Report for Fiscal 2009/10
 - c. Approval of Employee Performance Bonus Plan for Fiscal 2009/10
 - d. Approval of Supplemental Budget Request (Kamloops Data Centre and eGaming)
10. OTHER
 - a. BC Lottotech – Annual Meeting Package Material
11. IN-CAMERA SESSION
 - a. Approval of CEO Performance Evaluation for Fiscal 2009/10
 - b. Approval of Deferred Bonus Plan for CEO for Fiscal 2009/10

NEXT MEETING DATE: July 23, 2010 (Richmond)

**British Columbia Lottery Corporation
Minutes of the Board Meeting
Held on May 21, 2010
Kamloops Presentation Room**

In Attendance

John McLernon	Chair
Trudi Brown	
David Gillespie	
Cindy Grauer	
Walter Gray	
Moray Keith	
Neil McDonnell	
Michael Riley	
Art Willms	
Michael Graydon	President and CEO

Also Attending

Lynette Hughes	VP, Business Transformation
Jim Lightbody	VP, Lottery Gaming
Scott Norman	VP, Information Technology
Darryl Schiewe	VP, Casino Gaming
Debbie Toole	VP, Human Resources
Terry Towns	VP, Corporate Security
Marsha Walden	VP, Customer Strategy and Corporate Marketing
Tom Williamson	VP, Finance and Corporate Services
Dinah Mulvaney	Corporate Secretary

John McLernon acted as Chair and with the consent of the meeting; Dinah Mulvaney acted as Recording Secretary.

1. Call to Order and Welcome

A quorum of directors being present and notice of the meeting having been duly given, the meeting was declared to be constituted for the transaction of business and was called to order at 8:45 a.m.

2. Adoption of Agenda

The first order of business was the adoption of the Agenda.

On motion duly made, seconded and unanimously carried, the Agenda was adopted.

3. Report by the Chair

John McLernon reported that he had recently attended the employee session held in Richmond and had found the session both informative and impressive. He also spoke about the current economic times and reiterated the importance of continuing to grow the business.

4. Report by the President

Michael Graydon provided an update on the recent annual employee session held in Richmond and Kamloops and thanked Mr. McLernon and Mr. Gillespie for taking the time to join the sessions. He also provided an update on the new Vancouver office and advised that Dominion Construction had been awarded the construction contract and the RFP process to select a vendor or vendors for furnishings would be completed within the next couple of weeks. Mr. Graydon reported that a presentation around the look and feel of the new office would be presented at the July Board meeting. He also updated the Board on the most recent CBC reporting on VSE.

5. Approval of Minutes from Previous Board Meeting

The Minutes of the April 21, 2010 Board meeting were presented

On motion duly made, seconded and unanimously carried, the Minutes of the meeting held on April 21, 2010 were approved as presented.

6. Business Arising

a. Board Strategic Planning Session (Verbal)

Marsha Walden reported on plans for the upcoming Board Strategic Planning session scheduled for June 29 at the River Rock Convention Centre.

b. Service Partner Financial Update

Tom Williamson provided an update with respect to the re-structuring of Gateway. He advised that Deloitte and s 14 had been retained to provide assistance and review of the re-structure and that plans were to call a special Board meeting in June for the purpose of seeking Board approval of the restructuring proposal.

Mr. Williamson also provided some details with respect to Great Canadian Casinos, Paragon Gaming and CGC/Bingo Service Providers.

8. Committee Reports

Audit Committee

Michael Riley, Chair of the Audit Committee reported that the Committee had met on May 20, 2010. He advised that Carlo De Mello and Paula Preston from KPMG had attended a portion of the meeting to present their Audit Report for Fiscal 2009/10. Mr. Riley reported that the main focus of the meeting was the review of the Fiscal 2009/10 Audited Financial Statements and the Fiscal 2009/10 Annual Report. Mr. Riley also advised that other items discussed included service provider financial report, a request for capital budget for eGaming and the Kamloops Data Centre as well as an update regarding the adoption of International Financial Reporting Standards and the April financial results.

Mr. Riley also reported that a presentation on eGaming had also been made and that the Committee was impressed with the investment in the security and control environment.

Mr. Riley confirmed that there were no Whistleblower items to report.

Governance and Corporate Social Responsibility Committee

David Gillespie, Chair of the Governance and Corporate Responsibility Committee reported that a meeting was being planned in June to review the impact of the new Treasury Board Directive and to discuss plans to address the areas where improvement was needed based on the Board Evaluation results.

Human Resources and Compensation Committee

Neil McDonnell, Chair of the Human Resources and Compensation Committee reported that the Committee had met on May 3 and May 21. He advised that the primary purpose of the May 3 meeting was to review the assessment undertaken by management regarding salary administration and that the Committee had approved the recommendation of 2.8% salary administration budget for Fiscal 2010/11.

Mr. McDonnell advised that results from the May 21 Human Resources and Compensation Committee meeting would be presented during the in-camera portion of the Board meeting.

9. Decisions

a. Approval of BCLC Audited Financial Statements for Fiscal 2009/10

Tom Williamson provided an overview with respect to BCLC's Annual Report for Fiscal 2009/10. Michael Riley confirmed that BCLC's Audited Financial Statements for Fiscal 2009/10 had been reviewed by the Audit Committee.

Following consideration and discussion in this session, on motion duly made and seconded, the Board then considered, discussed and approved the following resolution:

WHEREAS the Board has reviewed BCLC's Audited Financial Statements for the Fiscal Year ending March 31, 2010 and has received a recommendation from the Audit Committee to approve such statements.

NOW THEREFORE BE IT RESOLVED that:

- 1. The Audited Financial Statements for BCLC's Fiscal Year ending March 31, 2010 as presented to the Board are hereby approved;**
- 2. Any two directors of the Board are hereby authorized to sign the Audited Financial Statements of the Corporation on behalf of the Board to evidence the approval referred to in 1 above; and**
- 3. Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.**

b. Approval of BCLC Annual Report for Fiscal 2009/10

Michael Riley reported that the Fiscal 2009/10 Annual Report had been reviewed by the Audit Committee and that it was being put forward for approval subject to the minor changes discussed at the Audit Committee being made.

Following consideration and discussion in this session, on motion duly made and seconded, the Board then considered, discussed and approved the following resolution:

WHEREAS the Board of Directors have reviewed the Annual Service Plan Report for Fiscal 2009/10 and has received a recommendation from the Audit Committee to approve such report;

NOW THEREFORE BE IT RESOLVED that:

1. BCLC's Annual Service Plan Report for Fiscal 2009/10 substantially in the form presented to the Board with such additions thereto, deletions there from and alterations thereto as may be approved by the President of the Corporation are hereby approved.
 2. Any officer or director is hereby authorized to take any action required to carryout the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.
- c. Approval of Corporate Bonus Plan for Fiscal 2009/10
This item was moved to the in-camera portion of the meeting.
- d. Employee Performance Bonus Plan for Fiscal 2009/10
This item was moved to the in-camera portion of the meeting.
- e. Approval of Supplemental Budget Request (Kamloops Data Centre and eGaming)
Tom Williamson provided a summary with respect to the additional capital of \$2.3 million for eGaming and \$2.5 million for the upgrade of the Kamloops Data Centre. Scott Norman provided some details with respect s 15(1) Data Centre currently under construction in Kamloops that will allow for additional capacity for BCLC should the need arise in the future.

Following consideration and discussion in this session, on motion duly made and seconded, the Board then considered, discussed and approved the following resolution:

WHEREAS Senior Management and the Audit Committee have recommended to the Board approval of additional capital requests for eGaming (\$2.3 million) and the upgrade of the Data Centre (\$2.5 million) for the Fiscal Budget Year 2010/11.

NOW THEREFORE BE IT RESOLVED that:

1. The Board approve new expenditure programs of \$2.3 million in capital for eGaming and \$2.5 million for the upgrade to the Kamloops Data Centre.
2. Each of the President and/or the Vice President of Finance and Corporate Services are hereby authorized to take any action required to carry out the foregoing resolution including executing all documents or taking any other action required to give effect to the foregoing resolution.

10. Other

a. BC Lottotech – Annual Meeting Package Material

Tom Williamson advised that BC Lottotech International Inc. is a wholly owned subsidiary of BCLC and that the primary purpose of the company was to purchase equipment and lease this equipment back to BCLC to achieve a tax savings. He further confirmed that the Company's financial information is consolidated with BCLC's financial statements. Mr. Williamson summarized the annual approval requirements with respect to BC Lottotech International.

11. In-Camera Session

Staff left the meeting at 10:30 a.m. and the Board continued with an in-camera session.

The Board then came out of the in-camera session. Following consideration and discussion in this session, on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolutions.

a. Approval of CEO Performance Evaluation for Fiscal 2009/10

WHEREAS the Board has reviewed the CEO's Performance Bonus Evaluation for Fiscal 2009/10 and has received a recommendation from the Human Resources and Compensation Committee to approve such evaluation and pay a performance bonus for Fiscal 2009/10 as set forth below.

NOW THEREFORE BE IT RESOLVED that

- 1. The Board approve the recommendation of the Human Resources and Compensation Committee with respect to the CEO Performance Bonus Evaluation for Fiscal 2009/10 and the Corporation be authorized to pay to the CEO a bonus for Fiscal 2009/10 in accordance with such recommendation and in accordance with the Executive Management Variable Pay Program.**
- 2. The CEO be authorized to pay performance bonuses to the Vice Presidents and directors based on the results of the CEO Performance Bonus Evaluation and in accordance with the Executive Management Variable Pay Program.**
- 3. Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.**

b. Approval of Deferred Bonus Plan for CEO for Fiscal 2009/10

WHEREAS the Board has reviewed the CEO's Deferred Bonus Plan achievement for Fiscal 2009/10 and has received a recommendation from the Human Resources and Compensation Committee.

NOW THEREFORE BE IT RESOLVED that

1. The Board approve the recommendation of the Human Resources and Compensation Committee with respect to the CEO's Deferred Bonus Plan achievement for Fiscal 2009/10 and the Corporation be authorized to pay to the CEO a deferred bonus for Fiscal 2009/10 in accordance with such recommendation.
 2. Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.
- c. Approval of the Corporate Bonus Plan for Fiscal 2009/10

WHEREAS the Board has reviewed the material provided with respect to the Corporate Bonus Goals for Fiscal 2009/10 and has received a recommendation from the Human Resources and Compensation Committee to approve such evaluation.

NOW THEREFORE be it resolved that:

1. The Board approve the recommendation of the Human Resources and Compensation Committee of the achievement on the Fiscal 2009/10 Corporate Bonus Goals of :
 - Net Income – Partially Met at 68%
 - Net Win – Partially Met at 45%
 - Public Support for Gaming – Met at 100%
 - Public Trust and Confidence in BCLC Games – Not Met at 0%; and
 2. Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.
- d. Approval of the Employee Bonus Plan for Fiscal 2009/10

WHEREAS the Corporation has an Employee Performance Bonus Plan in place approved by the provincial government pursuant to which bonus payments may be made to employees when certain predetermined corporate performance measurement criteria are met.

AND WHEREAS achievement of the performance bonus was based on 50% corporate performance and 50% individual and/or team performance and the criteria under the program has been substantially met by the Corporation; and

NOW THEREFORE BE IT RESOLVED that upon the recommendation of the Human Resources and Compensation Committee the Corporation is hereby authorized to make performance bonus payments to employees of the Corporation of approximately \$3.5 million against a pool of \$4.3 million for the Fiscal 2009/10 Employee Performance Bonus payments in accordance with the Employee Performance Bonus Plan.

Staff rejoined the meeting at 11:25 a.m. Rhonda Garvey and Kuldeep Bath joined the meeting at 11:30 a.m. and presented an update on PlayNow.com.

There being no further business the meeting terminated at 1:30 p.m.

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John McLernon, Chairman

**British Columbia Lottery Corporation
Minutes from the Board Meeting
Held on June 28, 2010 at the River Rock Convention Centre**

In Attendance

John McLernon	Chair
Trudi Brown	
David Gillespie	
Cindy Grauer	
Walter Gray	
Moray Keith	
Neil McDonnell	
Michael Riley	
Art Willms	
Michael Graydon	President and CEO

Also Attending

Tom Williamson	VP, Finance and Corporate Services
Mike Wolfram	Director, Facilities Gaming
Troy Bullock	Deloitte
Jervis Rodriguez	Deloitte
Dinah Mulvaney	Corporate Secretary

John McLernon acted as Chair and with the consent of the meeting, Dinah Mulvaney acted as Recording Secretary and the meeting was called to order at 5:00 p.m.

1. Call to Order and Welcome

A quorum of directors being present and notice of the meeting having been duly given, the meeting was declared to be constituted for the transaction of business and was called to order at 5:00 p.m.

2. Review and Approval of the Gateway Re-Structuring Proposal

John McLernon confirmed that the purpose of the meeting was for Michael Graydon and Tom Williamson to present the Gateway re-structuring proposal to the full Board.

Michael Graydon introduced Jervis Rodriguez and Troy Bullock from Deloitte and advised that they had been retained to assist and provide advice on the Gateway transaction.

Tom Williamson provided an overview of the oversight process undertaken by BCLC and details with respect to the current status of the agreement reached between Gateway and the Tier 1 and Tier 2 Lender Groups as well as next steps.

Troy Bullock and Jervis Rodriguez reported on the activities undertaken in their review of this transaction which included the merit/risks of the contemplated transaction, contingency planning, insolvency options, capital structure, risk mitigation, new ownership/principles and estimate of total enterprise value.

Following consideration and discussion in this session, on motion duly made and seconded, the Board then considered, discussed and approved the following resolution:

WHEREAS the Board has reviewed and discussed the proposed sale of Gateway Casino Entertainment Inc. with Senior Management.

NOW THEREFORE BE IT RESOLVED THAT:

1. BCLC agrees to the sale of Gateway Casino Entertainment Inc. to a company whose principal shareholder is the Catalyst Group, hereinafter referred to as "New Gateway" in principle as presented subject to receipt of any other authorizations, approvals and consents which may be required under the *Gaming Control Act* or otherwise;
2. BCLC be authorized to enter into Casino Operational Services Agreements (COSAs) with the New Gateway or its nominee to provide operational services to BCLC to assist BCLC in its conduct and management of casino gaming at the Starlight Casino (New Westminster), the Villa Casino (Burnaby), the Cascades Casino (Langley), the Kelowna Casino, the Penticton Casino, the Vernon Casino and the Kamloops Casino.
3. The President and Vice President, Casino Gaming or Vice President of Finance and Corporate Services are hereby authorized to settle the definitive terms of the COSA and to execute the COSAs on behalf of BCLC and the COSAs so executed by the authorized officers shall be deemed to be the COSAs approved by the resolution.
4. The President and Vice President, Casino Gaming or Vice President of Finance and Corporate Services are hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making any filings or taking any other action required to give effect to the foregoing resolution.

There being no further business the meeting terminated at 7:10 p.m.

s 22

John McLernon, Chairman



NOTICE OF BOARD OF DIRECTORS MEETING
8:30 a.m. – 1:30 p.m., Friday, July 23, 2010
Presentation Room, Richmond Office

PROPOSED AGENDA

1. CALL TO ORDER AND WELCOME
2. ADOPTION OF AGENDA
3. REPORT BY THE CHAIR
4. REPORT BY THE PRESIDENT
5. APPROVAL OF MINUTES OF PREVIOUS BOARD MEETING
 - May 21, 2010
 - June 28, 2010
6. BUSINESS ARISING
 - a. Service Partners Financial Update
 - b. Facilities Development Update
7. NEW BUSINESS
 - a. Review revised Shareholder's Letter of Expectations
8. COMMITTEE REPORTS
 - a. Audit Committee
 - b. Governance and Corporate Social Responsibility
 - c. Human Resources and Compensation
9. DECISIONS
 - a. Approval of Fiscal 2009/10 Financial Information Act
 - b. Approval of BCLC Quarterly Financial Statements
 - c. Approval of Five Year Projections
 - d. Approval of Request for Supplemental Budget for Multilane
 - e. Approval of Amendments to the VSE Rules and Regulations
 - f. Approval of Revised Governance Manual Policies
 - i. Tab 1 – Introduction to BCLC
 - ii. Tab 2 – Corporate Mandate, Mission, Objectives and Values
 - iii. Tab 5 – Board Calendar
 - iv. Tab 10 – Board of Directors Guidelines
 - v. Tab 14 – Audit Committee Terms of Reference
 - vi. Tab 16 – Human Resources and Compensation Terms of Reference
 - vii. Tab 25 – Director Compensation and Expense Guidelines
 - viii. Tab 26 - Corporate Organizational Chart
 - ix. Tab 27 – Director Contact Information

10. PRESENTATIONS
 - a. s 14
 - b. New Office Brand/Vision
11. MANAGEMENT REPORT (Information Only)
 - a. Lottery
 - b. Gaming (Casino/CGCs/Bingo)
 - c. eGaming
 - d. Business Transformation
 - e. Corporate Affairs
 - f. Corporate Security and Compliance
 - g. Customer Strategy and Corporate Marketing
 - h. Finance and Corporate Services
 - i. Human Resources and Organizational Development
 - j. Information Technology
12. IN-CAMERA SESSION
 - a. CEO
 - b. Board

NEXT MEETING DATE: October 27, 2010 (Richmond)

**British Columbia Lottery Corporation
Minutes from the Board Meeting Held on July 23, 2010
Richmond Presentation Room**

In Attendance

John McLernon	Chair
David Gillespie	
Cindy Grauer	
Walter Gray	
Moray Keith	
Neil McDonnell	
Michael Riley	
Art Willms	
Michael Graydon	President and CEO

Also Attending

Kevin Gass	VP, Corporate Affairs
Jim Lightbody	VP, Lottery Gaming
Scott Norman	VP, Information Technology
Darryl Schiewe	VP, Casino Gaming
Debbie Toole	VP, Human Resources
Terry Towns	VP, Corporate Security
Marsha Walden	VP, Customer Strategy and Corporate Marketing
Tom Williamson	VP, Finance and Corporate Services
Dinah Mulvaney	Corporate Secretary

John McLernon acted as Chair and with the consent of the meeting, Dinah Mulvaney acted as Recording Secretary.

1. Call to Order and Welcome

A quorum of directors being present and notice of the meeting having been duly given, the meeting was declared to be constituted for the transaction of business and was called to order at 8:30 a.m.

2. Adoption of Agenda

The first order of business was the adoption of the Agenda.

On motion duly made, seconded and unanimously carried, the Agenda was adopted as presented.

3. Report by the Chair

John McLernon reported that Minister Coleman would be joining the Board meeting and was expected to arrive around 9:00 a.m.

4. Report by the President

Michael Graydon advised that his report would be presented during the in-camera portion of the meeting.

5. Approval of Minutes from Previous Board Meetings

The Minutes of the May 21 and June 28, 2010 Board meetings were presented and a revision was made to the May 21 Minutes.

On motion duly made, seconded and unanimously carried, the Minutes of the meetings held on May 21 and June 28, 2010 were approved subject to the revision discussed being made to the May 21 Minutes

6. Business Arising

a. Service Partners Financial Update

Tom Williamson provided a summary with respect to the financial circumstances of Casino/CGC and Bingo Service Providers and the report was accepted as presented.

Minister Rich Coleman and Toby Myers joined the meeting and the meeting moved into an in-camera session.

s 14

Minister Rich Coleman and Tobie Myers left the meeting at 10:35 a.m. s 14
left the meeting at 11:05 a.m.

b. Facilities Development Update

Darryl Schiewe confirmed that the purpose of the report is to outline issues and provide information on progress on casinos, community gaming centres and bingo halls in municipalities throughout the province. The report was accepted as presented.

7. New Business

a. Review Revised Shareholder's Letter of Expectations (SLE)

David Gillespie reported that no significant changes had been made to the draft SLE and confirmed that it had been reviewed by the Governance Committee at their meeting held on June 28, 2010. The letter was approved as presented for signature by John McLernon.

8. Committee Reports

Audit Committee

Michael Riley, Chair of the Audit Committee reported that a meeting had taken place on July 22, 2010 and that a debrief session on s 14

during the in-camera session of the meeting. He reported that a number of matters had been reviewed at the meeting including service partner financial update, key estimates and judgments, current accounting policies and financial reporting practices. Mr. Riley also reported that other matters reviewed included quarterly financial statements, five year projections, *Financial Information Act* Report, a recommendation around the adoption of International Financial Reporting Standards, the quarterly ERM and Internal Audit reports as well as the Corporate Security and Compliance report. He advised that the Committee had also reviewed the Multi-lane Business case including the operating and capital budget request.

Governance and Corporate Social Responsibility Committee

David Gillespie, Chair of the Governance and Corporate Responsibility Committee reported that the Committee had met on June 28, 2010 and some of the matters reviewed and discussed included the Board Intranet site, ways to address some gaps identified in the Board evaluation, Board education and the orientation and development plan. He also reported that a number of revised Governance Manual policies had been reviewed and confirmed that they would be put forward for approval later in the meeting. Mr. Gillespie also provided some details with respect latest Treasury Board directive and the impact to Board compensation.

Human Resources and Compensation Committee

Neil McDonnell, Chair of the Human Resources and Compensation Committee reported a meeting was being planned to review BCLC's total compensation package.

9. Decisions

a. Approval of the *Financial Information Act* Report

Mr. Williamson confirmed that each year BCLC must prepare a report for submission to the Province to comply with the requirements of the *Financial Information Act*. Michael Riley confirmed that the *Financial Information Act* report had been reviewed by the Audit Committee at the meeting held on July 22, 2010.

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution.

WHEREAS the Board has reviewed the *Financial Information Act* Fiscal 2009/10 Annual Report and received a recommendation from the Audit Committee.

NOW THEREFORE be it resolved that:

- 1. The *Financial Information Act* Fiscal 2009/10 Annual Report is hereby approved as presented; and**
- 2. The Board Chair, President and Vice President, Finance and Corporate Services or any other party within the organization required by the Provincial Government are hereby authorized to sign the *Financial Information Act* Fiscal 2009/10 Annual Report on behalf of the Corporation and the Annual Report signed by such authorized**

persons shall be deemed to be the *Financial Information Act* Fiscal 2009/10 Annual Report approved by this resolution; and

3. Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.

b. Approval of Quarterly Financial Statements

Tom Williamson provided a summary of the Quarterly Financial Statements for the first quarter ending June 26, 2010 and reported that after three months of operation, total revenue of \$649.6 million was \$7.5 million greater than budget and \$39.6 million above last year. He further reported that net income of \$280.7 million was \$4.6 million above plan and \$20.5 million greater than last year.

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution.

WHEREAS the Board has reviewed the financial statements for the first quarter ending June 26, 2010 and the First Quarter Report and received a recommendation from the Audit Committee.

NOW THEREFORE be it resolved that:

1. The Corporation's First Quarterly Report including the financial statements for the quarter ended June 26, 2010 are hereby approved;
2. The appropriate signing authorities within the Corporation as required by the Provincial Government are hereby authorized to sign the First Quarter Report on behalf of the Corporation as necessary; and
3. Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.

b. Approval of Five Year Projections

Tom Williamson reported that BCLC's five year revenue and net income projections have been revised from the current Service Plan and Treasury Board projections based on management's best assessment of current marketplace conditions, revenue impacts resulting from planned game developments and operating cost impacts required to execute the Corporation's business plan.

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution.

WHEREAS the Board has reviewed the Government Forecast Report (Five Year Projections) for the five year period ending March 31, 2015 and received a recommendation from the Audit Committee.

NOW THEREFORE be it resolved that:

1. The Corporation's Government Forecast Report for the five year period ending March 31, 2015 is hereby approved;
2. The appropriate signing authorities within the Corporation as required by the Provincial Government are hereby authorized to sign the Government Forecast Report on behalf of the Corporation as necessary; and
3. Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.

- c. Approval of Request for Supplemental Budget for Multi-Lane
Jim Lightbody and Tom Williamson provided an overview of the business case for Multi-Lane. Mr. Lightbody reported that for the 2010/11 fiscal year it is planned to pilot multi-lane at 16 sites and based on a successful pilot, full implementation would commence in the fourth quarter of the current fiscal year.

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution.

WHEREAS Senior Management and the Audit Committee have recommended to the Board the approval of the Multi-Lane supplemental budget of operating costs of \$2.1 million and capital costs of \$1.7 million for the Fiscal Budget Year 2010/11.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board approve the request for the Multi-Lane supplemental budget of operating costs of \$2.1 million and capital costs of \$1.7 million.
2. Each of the President and/or the Vice President of Finance and Corporate Services or Vice President of Lottery Gaming are hereby authorized to take any action required to carry out the foregoing resolution including executing all documents or taking any other action required to give effect to the foregoing resolution.

- d. Approval of Amendments to the VSE Rules and Regulations
Terry Towns reported that the existing rules and regulations respecting voluntary self-exclusion and prize entitlement (VSE Rules and Regulations) have been amended to be consistent with the June 2010 changes to the *Gaming Control Act* (BC) and to enhance the existing VSE Rules and Regulations to disentitle prizes

claimed through gambling on PlayNow.com by individuals who have voluntary self-excluded or are provincially barred from BCLC gaming facilities.

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution.

WHEREAS Senior Management is seeking Board authorization to amend the VSE Rules and Regulations in accordance with the authority granted under the *Gaming Control Act* (BC).

NOW THEREFORE BE IT RESOLVED that

1. The proposed amendments to VSE Rules and Regulations as presented to the Board are hereby approved; and
2. Any authorized officer is hereby authorized to take any other action required to carry out the forgoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the forgoing resolution.

e. Approval of Revised Governance Manual Policies

David Gillespie reported that a number of Board Governance Manual policies had been revised and were being presented for review and approval by the Board.

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution.

WHEREAS the Governance and Corporate Social Responsibility Committee has recommended to the Board the approval of the revised Introduction to BCLC, Corporate Mandate, Mission and Values, Board Calendar, Board of Director Guidelines, Audit Committee Terms of Reference, Director Compensation and Expense Guidelines and Director and Senior Executive Management Contact Information.

NOW THEREFORE be it resolved that:

1. The Board approve the revised Introduction to BCLC, Corporate Mandate, Mission, Objectives and Values, Board Calendar, Board of Director Guidelines, Audit Committee Terms of Reference, Human Resources and Compensation Committee Terms of Reference, Director Compensation and Expense Guidelines, Corporate Organizational Chart and Director and Senior Executive Management Contact Information be approved as presented; and
2. The Corporate Secretary or any officer or director is hereby authorized to take any action necessary to carry out the foregoing resolution including executing all documents, making all filings or taking any other action required to give effect to the foregoing resolution.

10. Presentation

a. s 14

This presentation was moved to an in-camera session.

Margaret Watson and Mike Gerhman joined the meeting at 12:30 p.m.

b. New Office Brand/Vision

Michael Graydon provided a brief update on the progress of the new Lower Mainland office. Margaret Watson and Mike Gehrman presented a PowerPoint presentation on brand/vision for the new office.

Margaret Watson and Mike Gehrman left the meeting at 12:45 p.m.

11. Management Reports

The Management reports were accepted as presented.

12. In-Camera Session

Staff left the meeting at 12:50 p.m. and the Board continued with an in-camera session

There being no further business the meeting terminated at 1:20 p.m.

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John McLernon, Chairman

NOTICE OF BOARD OF DIRECTORS MEETING
8:30 a.m. – 1:30 p.m., Wednesday, October 27, 2010
Presentation Room, Richmond Office

PROPOSED AGENDA

1. CALL TO ORDER AND WELCOME
2. ADOPTION OF AGENDA
3. REPORT BY THE CHAIR
4. REPORT BY THE PRESIDENT
5. APPROVAL OF MINUTES OF PREVIOUS BOARD MEETINGS
- July 23, 2010
6. BUSINESS ARISING
 - a. Anti-Money Laundering Compliance Update (verbal)
 - b. Service Provider Viability (verbal)
 - c. Facility Development Update
7. NEW BUSINESS
 - a. Performance Reporting Against Strategic and Operating Plan
 - b. Lower Mainland Office Relocation Update (verbal)
8. COMMITTEE REPORTS
 - a. Resources and Audit Committee – Mike Riley
 - b. Governance and CSR Committee – Dave Gillespie
 - c. Human Compensation Committee – Neil McDonnell
9. DECISIONS
 - a. Approval of Quarterly Financial Statements
 - b. Approval of Five Year Projections
 - c. Approval of the Appointment of Interim VP, HR
10. MANAGEMENT REPORT (Information Only)
 - a. Lottery
 - b. Gaming (Casino/CGCs/Bingo)
 - c. eGaming
 - d. Business Transformation
 - e. Corporate Affairs
 - f. Corporate Security and Compliance
 - g. Customer Strategy and Corporate Marketing
 - h. Finance and Corporate Services
 - i. Human Resources and Organizational Development
 - j. Information Technology
11. PRESENTATION
 - a. HR - Rewards Philosophy and Programs
12. OTHER
13. IN-CAMERA SESSION



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**British Columbia Lottery Corporation
Minutes of the Board Meeting
Held on October 27, 2010
Richmond Presentation Room**

In Attendance

John McLernon	Chair
Trudi Brown	
David Gillespie	
Cindy Grauer	
Walter Gray	
Moray Keith	
Neil McDonnell	
Michael Riley	
Art Willms	
Michael Graydon	President and CEO

Also Attending

Kevin Gass	VP, Corporate Affairs
Lynette Hughes	VP, Business Transformation
Jim Lightbody	VP, Lottery Gaming
Scott Norman	VP, Information Technology
Darryl Schiewe	VP, Casino Gaming
Debbie Toole	VP, Human Resources
Terry Towns	VP, Corporate Security
Marsha Walden	VP, Customer Strategy and Corporate Marketing
Tom Williamson	VP, Finance and Corporate Services
Dinah Mulvaney	Corporate Secretary

John McLernon acted as Chair and with the consent of the meeting, Dinah Mulvaney acted as Recording Secretary.

1. Call to Order and Welcome

A quorum of directors being present and notice of the meeting having been duly given, the meeting was declared to be constituted for the transaction of business and was called to order at 8:30 a.m.

2. Adoption of Agenda

The first order of business was the adoption of the Agenda.

On motion duly made, seconded and unanimously carried, the Agenda was adopted as presented.

3. Report by the Chair

A brief discussion took place around the current economic times.

4. Report by the President

Michael Graydon reported on some of the issues facing the organization during the first six months of Fiscal 2010/11 including an update on PlayNow.com. Mr. Graydon also provided some details around business planning and the recent presentation to Treasury Board.

5. Approval of Minutes from Previous Board Meeting

The Minutes of the July 23, 2010 Board meeting were presented.

On motion duly made, seconded and unanimously carried, the Minutes of the meetings held on July 23, 2010 were approved as presented.

6. Business Arising

a. Anti-Money Laundering Compliance Update

Terry Towns provided an update on this matter and outlined management's recommendation to appeal FINTRAC's decision around the Notice of Administrative penalties to Federal Court for clarity of process and interpretation of the legislation. He also provided an overview of a recent meeting with FINTRAC and the five Canadian jurisdictions around eGaming disbursements.

b. Service Provider Viability Report

Tom Williamson provided a summary with respect to the financial circumstances of Casino/CGC and Bingo Service Providers and the report was accepted as presented.

c. Facility Development Update

Darryl Schiewe confirmed that the purpose of the report is to outline issues and provide information on progress on casinos, community gaming centres and bingo halls in municipalities throughout the province. The report was accepted as presented.

7. New Business

a. Performance Reporting Against Strategic and Operating Plans

Michael Graydon advised that the purpose of the report was to update the Board on performance. A discussion took place regarding the content of the report and the report was accepted as presented.

b. Lower Mainland Office Relocation Update

Michael Graydon reported that the building construction work is on schedule for the revised December 6 office move date and the project is on budget. He further advised that the relocation of BCLC's distribution and warehouse operations is scheduled for November 29. Mr. Graydon also reported that BCLC is anticipating that a LEED Platinum status will be achieved.

8. Committee Reports

Audit Committee

Michael Riley, Chair of the Audit Committee reported that a meeting had taken place on October 26, 2010. Mr. Riley reported that Carlo DeMelo and Paula Presta from KPMG had joined the meeting to present KPMG's Fiscal 2010/11 Audit Plan. He also reported that s 14

He advised that Ms. Tiveron and Ms. DeMar from Marsh Insurance had joined the meeting and provided a summary of BCLC's current insurance coverage. Mr. Riley also advised that other matters reviewed included quarterly financial statements, five year projections, accounting policies and financial reporting practices, estimates and judgments, the quarterly Internal Audit report as well as the Corporate Security and Compliance report and an update on Anti-Money Laundering Compliance. Michael Riley confirmed that there were no Whistleblower items to report.

Governance and Corporate Social Responsibility Committee

David Gillespie, Chair of the Governance and Corporate Responsibility Committee reported that presentation on Corporate Social Responsibility was being planned for the January Committee meeting and that an invitation to participate in the meeting would be extended to the full Board and Executive Team.

Human Resources and Compensation Committee

Neil McDonnell, Chair of the Human Resources and Compensation Committee reported that a meeting had taken place on September 23, 2010. He advised that Ailsa Forsgren and Debbie Wilson from Mercers Consulting had also attended the meeting and the purpose of the meeting was a review of BCLC's Rewards Philosophy and Programs. He further advised that Ailsa Forsgren from Mercer Consulting would be joining the Board meeting to present a condensed version of the presentation.

9. Decisions

a. Approval of Quarterly Financial Statements

Tom Williamson reported that after six months operation, total revenue of \$1.3 billion is \$9.3 million behind budget and \$73.5 million ahead of last year. Net income of \$554.3 million is \$.8 million greater than budget and \$27.6 million greater than last year.

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution.

WHEREAS the Board has reviewed the financial statements for the second quarter ending September 25, 2010 and the Second Quarter Report and received a recommendation from the Audit Committee.

NOW THEREFORE be it resolved that:

- 1. The Corporation's Second Quarterly Report including the financial statements for the quarter ended September 25, 2010 are hereby approved;**
- 2. The appropriate signing authorities within the Corporation as required by the Provincial Government are hereby authorized to sign**

the Second Quarter Report on behalf of the Corporation as necessary; and

3. Any officer or director is hereby authorized to take any action required to carryout the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.

b. Approval of Five Year Projections

Tom Williamson reported that BCLC's five year revenue and net income projections have not been revised. He further reported that the Fiscal 2011/12 business plan and budget will be presented to the Audit Committee in December for review and input and then to the full Board in January 2011. He confirmed that no major adjustments to the current five year financial projections are being contemplated at this time.

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution.

WHEREAS the Board has reviewed the Government Forecast Report (Five Year Projections) for the five year period Fiscal 2010/11 to Fiscal 2014/15 and received a recommendation from the Audit Committee.

NOW THEREFORE be it resolved that:

1. The Corporation's Government Forecast Report for the five year period Fiscal 2010/11 to Fiscal 2014/15 are hereby approved;
2. The appropriate signing authorities within the Corporation as required by the Provincial Government are hereby authorized to sign the Government Forecast Report on behalf of the Corporation as necessary; and
3. Any officer or director is hereby authorized to take any action required to carryout the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.

c. Approval of the Appointment of Interim VP, HR

Michael Graydon and Debbie Toole provided an overview of Peter Charlton's background and experience.

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution.

WHEREAS the CEO has recommended the appointment of Peter Charlton to the position of Interim Vice President, Human Resources.

NOW THEREFORE be it resolved that:

1. The appointment of Mr. Peter Charlton as the Interim Vice President Human Resources of the Corporation effective November 10, 2010 subject to the completion of any necessary background investigation

required by Gaming Policy and Enforcement Branch is hereby confirmed.

2. The Corporate Secretary, any officer or director is hereby authorized to take any action necessary to carry out the foregoing resolution including executing all documents, making all filings or taking any other action required to give effect to the foregoing resolution.

Peter Charlton joined the meeting at 10:45 a.m.

10. Management Reports

The Management reports were accepted as presented.

Ailsa Forsgren joined meeting at 11:00 a.m.

11. Presentation

- a. HR – Rewards Philosophy and Programs

Ms. Forsgren provided an overview of BCLC's current Rewards Philosophy and Programs.

12. In-Camera Session

Staff left the meeting at 12:35 p.m. and the Board continued with an in-camera session with the CEO, Michael Graydon.

There being no further business the meeting terminated at 12:50 p.m.
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John McLernon, Chairman

NOTICE OF BOARD OF DIRECTORS MEETING
8:30 a.m. – 2:00 p.m., Friday, January 21, 2011
Boardroom, Vancouver Office

PROPOSED AGENDA



1. CALL TO ORDER AND WELCOME
2. ADOPTION OF AGENDA
3. REPORT BY THE CHAIR
4. REPORT BY THE PRESIDENT
5. APPROVAL OF MINUTES OF PREVIOUS BOARD MEETINGS
- October 27, 2010
6. BUSINESS ARISING
 - a. Facilities Development Update
 - b. Performance Reporting Against Strategic and Operating Plan (Executive Dashboard)
7. NEW BUSINESS
8. MANAGEMENT REPORT (Information Only)
 - a. Lottery
 - b. Gaming (Casino/CGCs/Bingo)
 - c. eGaming
 - d. Business Transformation
 - e. Corporate Affairs
 - f. Corporate Security and Compliance
 - g. Customer Strategy and Corporate Marketing
 - h. Finance and Corporate Services
 - i. Human Resources and Organizational Development
 - j. Information Technology
9. COMMITTEE REPORTS
 - a. Audit
 - b. Governance and Corporate Social Responsibility
 - c. Human Resources and Compensation
10. DECISIONS
 - a. Approval of Third Quarter Financial Statements
 - b. Approval of Fiscal 2011/12 – 2014/15 Five Year Projections
 - c. Approval of Fiscal 2011/12 Business Plan and Operating and Capital Budget
 - d. Approval of Fiscal 2011/12 to 2013/14 Service Plan
 - e. Resolution
 - f. Approval of Fiscal 2011/12 Corporate Variable Pay Goals
11. PRESENTATION
 - a. Business Transformation – Current State Assessment
12. OTHER
 - a. Proposed Board Meeting Dates for 2012
13. IN-CAMERA SESSION
 - a. Succession Plan Update

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**British Columbia Lottery Corporation
Minutes of the Board Meeting
Held on January 21, 2011
Boardroom, Vancouver Office**

In Attendance

John McLernon	Chair
Trudi Brown	
David Gillespie	
Cindy Grauer	
Walter Gray	
Neil McDonnell	
Michael Riley	
Art Willms	
Michael Graydon	President and CEO

Also Attending

Peter Charlton	Interim VP, Human Resources
Kevin Gass	VP, Corporate Affairs
Lynette Hughes	VP, Business Transformation
Jim Lightbody	VP, Lottery Gaming
Scott Norman	VP, Information Technology
Darryl Schiewe	VP, Casino Gaming
Terry Towns	VP, Corporate Security
Marsha Walden	VP, Customer Strategy and Corporate Marketing
Tom Williamson	VP, Finance and Corporate Services
Dinah Mulvaney	Corporate Secretary

1. Call to Order and Welcome

A quorum of directors being present and notice of the meeting having been duly given, the meeting was declared to be constituted for the transaction of business and was called to order at 8:30 a.m.

2. Adoption of Agenda

The first order of business was the adoption of the Agenda.

On motion duly made, seconded and unanimously carried, the Agenda was adopted as presented.

3. Report by the Chair

A discussion took place regarding current economic times.

4. Report by President

Michael Graydon provided an update on recent events.

5. Approval of Minutes of Previous Board Meeting

The Minutes of the October 27, 2010 Board meeting were presented and a minor revision was made.

On motion duly made, seconded and unanimously carried, the Minutes of the meeting held on October 27, 2010 were approved as revised.

6. Business Arising

a. Facilities Development Update

A discussion took place and the report was accepted as presented.

b. Performance Reporting Against Strategy and Operating Plan

A discussion took place and the report was accepted as presented.

7. Management Reports

The Management Reports were accepted as presented.

8. Committee Reports

a. Audit Committee

Michael Riley, Chair of the Audit Committee reported that meetings had taken place on December 15, 2010 and January 20, 2011. He reported that some of the matters reviewed included review of the Quarterly Financial Statements, Five Year Projections, the Fiscal 2011/12 to 2014/15 Service Plan and the Fiscal 2011/12 Business Plan and Operating and Capital Budgets. He further advised that other matters discussed included the third quarter Enterprise Risk Management program, the third quarter Internal Audit Report, the Security and Compliance report and the Material Litigation Report. Michael Riley confirmed that there were no Whistleblower items to report.

b. Governance and Corporate Social Responsibility

David Gillespie, Chair of the Governance and Corporate Social Responsibility reported that a meeting had taken place on January 20, 2011. He reported that Coro Stranberg had joined the meeting as well as a number of Board and Executive members and she made a presentation on Corporate Social Responsibility. Matters reviewed included Treasury Board Directive 3-11, the Board of Directors Intranet site and the Board Orientation program. Mr. Gillespie also advised a discussion had taken place regarding the value of a membership in the Institute of Corporate Directors and it was agreed that any Directors wishing to become members should advise Dinah Mulvaney.

c. Human Resources and Compensation

Neil McDonnell, Chair of the Human Resources and Compensation Committee reported that a meeting had taken place on January 13, 2011. He reported that a number of matters had been reviewed including Corporate Bonus Goals for 2011/12, Leadership Development and eLearning. Mr. McDonnell advised that the remainder of the items discussed would be reported during the in-camera portion of the meeting.

9. Decisions

a. Approval of Third Quarter Financial Statements

The Third Quarter Financial Statements were reviewed.

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution.

WHEREAS the Board has reviewed the financial statements for the third quarter ending December 25, 2010 and the Third Quarter Report and received a recommendation from the Audit Committee.

NOW THEREFORE be it resolved that:

- 1. The Corporation's Third Quarter Report including the financial statements for the quarter ended December 25, 2010 are hereby approved.**
- 2. The appropriate signing authorities within the Corporation as required by the Provincial Government are hereby authorized to sign the Third Quarter Report on behalf of the Corporation as necessary; and**
- 3. Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.**

b. Approval of the Fiscal 2011/12 Business Plan and Operating and Capital Budget

Tom Williamson presented a high level overview of the Fiscal 2011/12 Business Plan and Operating and Capital Budget. Management committed to reporting on the capital budget on a quarterly basis.

Following consideration and discussion in this session, on motion duly made and seconded, the Board then considered, discussed and approved the following resolution:

WHEREAS the Board has reviewed the Fiscal 2011/12 – 2013/14 Service Plan and the Fiscal 2010/11 Operating and Capital Budgets with Senior Management.

NOW THEREFORE BE IT RESOLVED THAT:

- 1. The Board of Directors approve the Corporation's Fiscal 2011/12 – 2013/14 Service Plan;**
- 2. The Board of Directors approve the Corporation's Fiscal 2011/12 Annual Business Plan, Operating Budget and Capital Budget; and**
- 3. Management of the Corporation is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents or taking any other action required to give effect to the foregoing resolution.**

c. Approval of the Five Year Projections

A discussion took place regarding the five year projections.

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution.

WHEREAS the Board has reviewed the Government Forecast Reports(Five Year Projections) for the five year period ending March 31, 2015 and received a recommendation from the Audit Committee;

NOW THEREFORE BE IT RESOLVED THAT:

- 1. The Corporation's Government Forecast Report for the five year period ending March 31, 2015 subject to the revision discussed to the commentary being made are hereby approved;**
- 2. The appropriate signing authorities within the Corporation as required by the Provincial Government are hereby authorized to sign the Government Forecast Report on behalf of the Corporation as necessary; and**
- 3. Any officer or director is hereby authorized to take any action required to carryout the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.**

d. Approval of the Fiscal 2011/12 to Fiscal 2013/14 Service Plan

This item was reviewed and approved under Item 9 b.

e. Approval of Fiscal 2011/12 Corporate Variable Compensation Goals

This item was moved to the in-camera portion of the meeting.

10. Presentation

a. Business Transformation – Current State Assessment

Lynette Hughes presented the current state assessment in Business Transformation.

11. Other

a. Proposed Board Meeting Dates for 2012

The proposed dates were accepted as presented. Mr. McLernon asked that if directors had conflicts, that they contact Dinah Mulvaney directly.

12. In-Camera Session

Staff left the meeting at 12:20 p.m and the Board continued with an in-camera session with Michael Graydon and Peter Charlton. Peter Charlton left the meeting at 12:45 p.m.

and the Board continued with an in-camera session with Michael Graydon. Michael Graydon left the meeting at 1:00 p.m. and the Board continued with an in-camera session.

There being no further business the meeting adjourned at 1:35 p.m.

s 22

John McLernon



**NOTICE OF BOARD OF DIRECTORS MEETING
TO BE HELD ON FRIDAY, MARCH 18, 2011 AT 8:30 A.M.
VIA TELEPHONE CONFERENCE**

PROPOSED AGENDA

1. CALL TO ORDER AND WELCOME
2. ADOPTION OF AGENDA
3. REPORT BY THE CHAIR
4. DECISIONS
 - a. Approval of Revised CEO Compensation

**British Columbia Lottery Corporation
Minutes of the Board Meeting
Held on March 18, 2011
Via Telephone Conference**

In Attendance

John McLernon	Chair
Trudi Brown	
David Gillespie	
Cindy Grauer	
Walter Gray	
Moray Keith	
Neil McDonnell	
Michael Riley	

Also Attending

Dinah Mulvaney	Corporate Secretary
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1. Call to Order and Welcome

A quorum of directors being present and notice of the meeting having been duly given, the meeting was declared to be constituted for the transaction of business and was called to order at 8:30 a.m.

2. Report by the Chair

Mr. McLernon provided an update on a number of matters including the termination of s 22

3. Decisions

a. Approval of Revised CEO Compensation

A discussion took place regarding the proposed changes to Mr. Graydon's compensation.

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution.

WHEREAS the Human Resources Compensation Committee has recommended that the Consent Resolution dated January 31, 2011 with respect to Michael Graydon's compensation be amended;

NOW THEREFORE be it resolved that:

- 1. Mr. Graydon's base salary is increased to \$300,000 per annum effective April 1, 2011.**
- 2. Mr. Graydon's annual incentive bonus award will remain unchanged and is limited to 20% of base salary.**

3. Mr. Graydon's deferred incentive plan will remain unchanged and will have a target and maximum of 10% of base salary.
4. The Corporate Secretary, any officer or director is hereby authorized to take any action necessary to carry out the foregoing resolution including all executing all documents, making all filings or taking any other action required to give effect to the foregoing resolution.

There being no further business the meeting adjourned at 9:10 a.m.
s 22

John McLernon



**NOTICE OF BOARD OF DIRECTORS MEETING
TO BE HELD ON WEDNESDAY, APRIL 21, 2011 AT 12:30 P.M.
BOARDROOM, VANCOUVER OFFICE**

PROPOSED AGENDA

1. CALL TO ORDER AND WELCOME
2. ADOPTION OF AGENDA
3. REPORT BY THE CHAIR
4. REPORT BY THE PRESIDENT
5. APPROVAL OF MINUTES OF PREVIOUS BOARD MEETINGS
 - January 21, 2011
 - March 18, 2011
6. BUSINESS ARISING
 - a. Service Partner Update (verbal)
 - b. Business Transformation/Information Technology Update Presentation
7. NEW BUSINESS
 - a. Preliminary Fiscal 2010/11 Financial Results
8. COMMITTEE REPORTS
 - a. Audit Committee
 - b. Governance and CSR Committee
 - c. Human Resources & Compensation Committee
9. DECISIONS
 - a. Approval of BCLC Audited Pension Plan Statements for the Year Ended December 31, 2010
 - b. Approval of Government Five Year Financial Projections Fiscal 2011/12 – 2014/15
 - c. Approval of CEO Incentive Goals for Fiscal 2011/12
 - d. Approval of the Transfer of Ownership of Boardwalk Gaming and Entertainment
10. OTHER
 - a. Board Strategy Session Update (verbal)
11. IN-CAMERA SESSION WITH BOARD

Next Meeting Date – To be confirmed (Vancouver)

**British Columbia Lottery Corporation
Minutes of the Board Meeting
Held on April 21, 2011
Boardroom, Vancouver Office**

In Attendance

John McLernon	Board Chair
Trudi Brown	
David Gillespie	
Cindy Grauer	
Walter Gray	
Moray Keith	
Neil McDonnell	
Michael Riley	
Michael Graydon	President and CEO

Also Attending

Tom Williamson	VP, Finance and Corporate Services
Lynette Hughes	VP, Transformation and Technology
Dinah Mulvaney	Corporate Secretary

1. Call to Order and Welcome

A quorum of directors being present and notice of the meeting having been duly given, the meeting was declared to be constituted for the transaction of business and was called to order at 12:30 p.m.

2. Adoption of Agenda

The first order of business was the Agenda. As a result of discussion that had taken place at the Audit Committee meeting earlier in the day, Item 9 a. Approval of BCLC Audited Pension Plan Statements for the Year Ended December 31, 2010 was deferred to the next Board meeting. Approval of the Transfer of Ownership of the Chilliwack Bingo Hall was added as item 9 d.

On motion duly made, seconded and unanimously carried, the Agenda was adopted as revised.

3. Report by the Chair

A discussion took place regarding current economic times.

4. Report by the President

Michael Graydon provided an update on recent events.

5. Approval of Minutes of Previous Board meetings

The Minutes of the January 21, 2011 and the March 18, 2011 Board meetings were presented.

On motion duly made, seconded and unanimously carried, the Minutes of the meeting held on January 21, 2011 and March 18, 2011 were approved as presented.

6. Business Arising

a. Service Provider Update

Michael Graydon provided an updated on the recent City of Vancouver public hearings and the Edgewater Casino.

b. Business Transformation/Information Technology Update

Lynette Hughes presented a PowerPoint presentation on the current state and future plans of the newly merged Transformation and Technology division.

7. New Business

a. Preliminary Fiscal 2010/11 Financial Results

Michael Graydon reported on the BCLC's successes for Fiscal 2010/11 including the Lottery Division hitting the \$1 billion milestone. Tom Williamson provided some additional details regarding BCLC's financial performance and advised that after 12 months of operation, achieved record total revenue of \$2.7 billion and net income of \$1.1 billion.

8. Committee Reports

a. Audit Committee

Michael Riley, Chair of the Audit Committee provided a brief overview of the matters reviewed at the Audit Committee meeting held earlier in the day.

b. Governance and CSR Committee

David Gillespie, Chair of the Governance and CSR reported that no meeting had taken place since the last Board meeting.

c. HR & C Committee

Neil McDonnell, Chair of the HR & C Committee reported that no meeting had taken place since the last Board meeting.

9. Decisions

a. Approval of Government Five Year Projections

Tom Williamson advised that the Five Year Projections had been provided as information only and that there was no requirement for formal approval and the report was accepted as presented.

b. Approval of the CEO's Incentive Goals for Fiscal 2011/12

Neil McDonnell, Chair of the HR & C Committee confirmed that the CEO's Incentive Goals for Fiscal 2011/12 had been reviewed at the January 13, 2011 HR & C meeting and that the Committee was recommending approval.

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution.

WHEREAS the Board has reviewed the material provided and discussed the CEO's Incentive Goals for Fiscal 2011/12 and has received a recommendation from the Human Resources and Compensation Committee to approve such criteria.

NOW THEREFORE be it resolved that:

The Board approve the CEO's Incentive Goals for Fiscal 2011/12 as presented.

- c. Approval of the Transfer of Ownership of Boardwalk Gaming and Entertainment
Michael Graydon provided an overview with respect to the transfer of ownership of Boardwalk Gaming and Entertainment to Gateway Casinos and Entertainment Inc.

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution.

WHEREAS management of the Corporation updated the Board on the pending transfer of ownership of Boardwalk Gaming and Entertainment.

NOW THEREFORE be it resolved that:

1. The Board approves the transfer of ownership of Boardwalk Gaming and Entertainment to Gateway Casinos and Entertainment Inc.
 2. BCLC be authorized to enter into Casino Operational Services Agreements (COSAs) with Gateway Casinos and Entertainment Inc. or its nominee to provide operational services to BCLC to assist BCLC in its conduct and management of casino and bingo gaming at Newton Bingo Country, Chances Mission Community Gaming Centre and Chances Squamish Community Gaming Centre.
 3. The President and Vice President, Casino Gaming or Vice President, Finance and Corporate Services are hereby authorized to settle the definite terms of the COSAs and to execute the COSAs on behalf of BCLC and the COSAs so executed by the authorized officers shall be deemed to be the COSAs approved by the resolution.
 4. The President and Vice President, Casino Gaming or Vice President of Finance and Corporate Services are hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making any filings or taking any other action required to give effect to the foregoing resolution.
- d. Approval of the Transfer of Ownership of the Chilliwack Bingo Hall
Michael Graydon provided an overview with respect to the transfer of ownership of Chilliwack Bingo Hall to Great Canadian Gaming Corporation.

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution.

WHEREAS management of the Corporation updated the Board on the pending transfer of ownership of Chilliwack Bingo Hall to Great Canadian Gaming Corporation.

NOW THEREFORE be it resolved that:

1. The Board approves the transfer of ownership of Chilliwack Bingo Hall to Great Canadian Gaming Corporation.
2. BCLC be authorized to enter into Casino Operational Services Agreement (COSA) with Great Canadian Gaming Corporation or its nominee to provide operational services to BCLC to assist BCLC in its conduct and management of casino and bingo gaming at the Chilliwack Bingo Hall.
3. The President and Vice President, Casino Gaming or Vice President, Finance and Corporate Services are hereby authorized to settle the definite terms of the COSA and to execute the COSA on behalf of BCLC and the COSA so executed by the authorized officers shall be deemed to be the COSA approved by the resolution.
4. The President and Vice President, Casino Gaming or Vice President of Finance and Corporate Services are hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making any filings or taking any other action required to give effect to the foregoing resolution.

10. Other

a. Board Strategy Session Update

A discussion took place regarding the timing and plans for the Board Strategy Session and it was agreed that confirmation of the date would be handled via email.

There being no further business the meeting adjourned at 2:10 p.m.

s 22

John McLernon



NOTICE OF BOARD OF DIRECTORS MEETING
8:30 a.m. – 1:00 p.m., Wednesday, June 1, 2011
Presentation Room, Kalloops Office

PROPOSED AGENDA

1. ALL TO ORDER AND WELCOME
2. ADOPTION OF AGENDA
3. REPORT BY THE CHAIR
4. REPORT BY THE PRESIDENT
5. APPROVAL OF MINUTES OF PREVIOUS BOARD MEETINGS
 - April 21, 2011
6. BUSINESS ARISING
 - a. Board Strategic Planning Session (verbal)
 - b. Service Partner Financial Update (verbal)
 - c. BCLC Employee Pension Plan Financial Statements for the Year Ending December 31, 2010
7. NEW BUSINESS
8. MANAGEMENT REPORT (Information Only)
 - a. Lottery
 - b. Gaming (Casino/CGCs/Bingo)
 - c. eGaming
 - d. Corporate Affairs
 - e. Corporate Security and Compliance
 - f. Customer Strategy and Corporate Marketing
 - g. Finance and Corporate Services
 - h. Human Resources and Organizational Development
 - i. Transformation and Technology
9. COMMITTEE REPORTS
 - a. Audit Committee
 - b. Governance and Corporate Social Responsibility
 - c. Human Resources and Compensation
10. DECISIONS
 - a. Approval of BCLC Audited Financial Statements for Fiscal 2010/11
 - b. Approval of BCLC Annual Report for Fiscal 2010/11
 - c. Approval of Corporate Variable Incentive Results for Fiscal 2010/11
 - d. Approval of Employee Variable Incentive Pay Plan – Fiscal 2010/11
 - e. Approval of Appointment of VP Human Resources

11. PRESENTATION
 - a. Employee Engagement Results
12. OTHER
 - a. BC Lottotech – Annual Meeting Package Material
13. IN-CAMERA SESSION
 - a. Approval of CEO Performance Evaluation for Fiscal 2010/11
 - b. Approval of Deferred Bonus Plan for CEO for Fiscal 2010/11
 - c. CEO Succession Plan/Executive Development Update (Presentation)

NEXT MEETING DATE: July 21, 2011 (Vancouver)

**British Columbia Lottery Corporation
Minutes of the Board Meeting
Held on June 1, 2011
Presentation Room, Kamloops Office**

In Attendance

John McLernon	Board Chair
David Gillespie	
Walter Gray	
Moray Keith	
Michael Riley	
Art Willms	
Michael Graydon	President and CEO

Also Attending

Peter Charlton	VP, Human Resources
Kevin Gass	VP, Corporate Affairs
Lynette Hughes	VP, Transformation and Technology
Jim Lightbody	VP, Lottery Gaming
Darryl Schiewe	VP, Casino Gaming
Terry Towns	VP, Security
Marsha Walden	VP, Customer Strategy and Corporate Marketing
Tom Williamson	VP, Finance and Corporate Services
Dinah Mulvaney	Corporate Secretary

1. Call to Order and Welcome

A quorum of directors being present and notice of the meeting having been duly given, the meeting was declared to be constituted for the transaction of business and was called to order at 8:30 a.m.

2. Adoption of Agenda

The first order of business was the Agenda.

On motion duly made, seconded and unanimously carried, the Agenda was adopted as presented.

3. Report by the Chair

A discussion took place regarding the BCLC's performance for Fiscal 2010/11 and Mr. McLernon extended congratulations on behalf of the Board for a year well done.

4. Report by the President

Michael Graydon provide an update on recent matters including the annual Employee sessions, the recent meeting with the Privacy Commissioner, the pending launch of Lotto Poker and Encore (new BC Gold program). He also reported on Gateway Casinos, the Edgewater Casino and Hastings Park.

5. Approval of Minutes of Previous Board meeting

The minutes of the April 21, 2011 Board meeting were presented.

On motion duly made, seconded and unanimously carried, the Minutes of the meeting held on April 21, 2011 were approved as presented.

6. Business Arising

a. Board Strategic Planning Session

Marsha Walden reported that the date for the session had been confirmed for August 17 at the River Rock Convention Centre. A brief discussion took place regarding the theme and plans for the day.

b. Service Partner Financial Update

Tom Williamson provided a summary of the financial performance of Gateway Casinos, Great Canadian Casinos, Paragon Gaming and Community Gaming Centre/Bingo service providers.

c. BCLC Employee Pension Plan

Mike Riley confirmed that the BCLC Employee Pension Plan audited financial statements for the year ending December 31, 2010 had been reviewed by the Audit Committee.

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution.

WHEREAS the Board has reviewed the audited financial statements for the British Columbia Lottery Corporation Pension Plan for the twelve months ending December 31, 2010 and has received a recommendation from the Audit Committee to approve such statements.

NOW THEREFORE BE IT RESOLVED THAT:

- 1. The British Columbia Lottery Corporation Pension Plan Audited Financial Statements for the twelve months ending December 31, 2010 as presented are hereby approved; and**
- 2. Any two Directors of the Board are hereby authorized to sign the British Columbia Lottery Corporation Pension Plan Audited Financial Statements on behalf of the board to evidence the approval referred to in 1 above.**

Wayne Porterfield joined the meeting at 9:00 a.m.

11. Presentation

a. Employee Engagement Survey Results

Wayne Porterfield provided an overview of the Employee Engagement Survey Results. Mr. Porterfield left the meeting at 9:30 a.m.

12. Other

a. BC Lottotech – Annual Meeting Package Material

Tom Williamson advised that BC Lottotech International Inc. is a wholly owned subsidiary of BCLC and that the primary purpose of the company is to purchase equipment and lease this equipment back to BCLC to achieve a tax savings. He further confirmed that the Company's financial information is consolidated with BCLC's financial statements.

13. In-camera

Staff left the meeting at 9:35 a.m. and the Board continued with an in-camera session with Michael Graydon and Peter Charlton. Neil McDonnell joined the in-camera session of the meeting from 9:35 a.m. to 10:30 a.m.

Staff re-joined to the meeting at 10:30 a.m.

8. Management Reports

Management Reports were accepted as presented.

Marsha Walden provided additional details on her management report around the new brand, player centricity and the Innovation Committee

9. Committee Reports

a. Audit Committee

Michael Riley, Chair of the Audit committee reported that the Committee had met on May 31, 2011. He advised that Carlo De Mello and Paula Presta from KPMG had attended a portion of the meeting to present their Audit Report for Fiscal 2010/11. Mr. Riley reported that the main focus of the meeting was the review of the Fiscal 2010/11 Audited Financial Statements and the Fiscal 2010/11 Annual Report. Mr. Riley also advised that other items reviewed and discussed included business continuity, corporate invoicing and the April financial results. He also confirmed that the Audit Committee was recommending that based on performance that KPMG continue to be retained as BCLC's external auditors for Fiscal 2011/12. Mr. Riley reported that the Audit Committee had completed all of the requirements of their mandate for Fiscal 2010/11.

b. Governance and Corporate Social Responsibility Committee

David Gillespie, Chair of the Governance and Corporate Social Responsibility Committee reported that no meetings had taken place since January. He advised that work is underway on a corporate social responsibility assessment and that a Governance and Corporate Social Responsibility Committee meeting is being planned for July, 2011.

c. Human Resources and Compensation Committee

In the absence of Neil McDonnell, Chair of the Human Resources and Compensation Committee, Mr. McLernon confirmed that the Committee held met on May 31, 2011 and reported that Mr. McDonnell had provided his committee report during the in-camera portion of the meeting.

10. Decisions

a. Approval of BCLC's Audited Financial Statements for Fiscal 2010/11

Tom Williamson provided an overview with respect to the proposed minor changes to Notes 21 and 22 of BCLC's Audited Financial Statements for Fiscal 2010/11 discussed with the Audit Committee on May 31. Mr. Riley confirmed that BCLC's Audited Financial Statements for Fiscal 2010/11 had been reviewed by the Audit Committee.

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution.

WHEREAS the Board has reviewed BCLC's Audited Financial Statements for the Fiscal Year ending March 31, 2011 and has received a recommendation from the Audit Committee to approve such statements.

NOW THEREFORE be it resolved that:

- 1. The Audited Financial Statements for BCLC's Fiscal Year ending March 31, 2011 as presented to the Board are hereby approved subject to the revisions to Notes 21 and 22 as discussed being made;**
- 2. Any two directors of the Board are hereby authorized to sign the Audited Financial Statements for Fiscal 2010/11 of the Corporation on behalf of the Board to evidence the approval referred to in 1 above; and**
- 3. Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.**

b. Approval of BCLC Annual Report for Fiscal 2010/11

Tom Williamson provided an overview with respect to the proposed minor changes to the Annual Report for Fiscal 2010/11 discussed with the Audit Committee on May 31 and confirmed that the changes had been made. Mr. Riley confirmed that BCLC's Annual Report for Fiscal 2010/11 had been reviewed by the Audit Committee.

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution.

WHEREAS the Board has reviewed the Annual Service Plan Report for Fiscal 2010/11 and has received a recommendation from the Audit Committee to approve such report.

NOW THEREFORE be it resolved that:

- 1. BCLC's Annual Service Plan Report for Fiscal 2010/11 substantially in the form presented subject to the Board with such additions thereto, deletions**

there from and alterations thereto as may be approved by the President of the Corporation are hereby approved.

2. Any officer or director is hereby authorized to take any action to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.

c. Approval of Corporate Variable Incentive Results for Fiscal 2010/11

Mr. McLernon confirmed that the Human Resources and Compensation Committee had reviewed the corporate variable results for Fiscal 2010/11.

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution.

WHEREAS the Board has reviewed the material provided with respect to the achievement of the Fiscal 2010/11 Corporate Variable Incentive Goals and has received a recommendation from the Human Resources and Compensation Committee to approve such evaluation.

NOW THEREFORE be it resolved that:

1. The Board approve the recommendation of the Human Resources and Compensation Committee of the achievement on the Fiscal 2010/11 Corporate Variable Incentive Results of:
 - Net Income – Met 100%
 - Net Win – Met 100%
 - Public Support for Gaming – Not Met 0%; and
2. Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.

d. Employee Variable Incentive Pay Plan – Fiscal 2010/11

Mr. McLernon confirmed that the Human Resources and Compensation Committee had reviewed the Employee Variable Incentive Pay Plan for Fiscal 2010/11.

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution.

WHEREAS the Corporation has an Employee Variable Incentive Pay Plan in place approved by the provincial government pursuant to which bonus payments may be made to employees when certain predetermined corporate performance measurement criteria are met.

AND WHEREAS achievement of the Employee Incentive Pay Plan is based on 50% corporate performance and 50% individual and/or team performance and

the criteria under the program has been substantially met by the Corporation;
and

NOW THEREFORE be it resolved that based on the recommendation of the Human Resources and Compensation Committee, the Board approve the Corporation making incentive payments to employees of the Corporation for Fiscal 2010/11 up to \$4.1 million in accordance with the Employee Variable Incentive Pay Plan.

e. Approval of the Appointment of the Vice President, Human Resources

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution.

WHEREAS the CEO has recommended the appointment of Peter Charlton to the position of Vice President, Human Resources.

NOW THEREFORE be it resolved that:

1. The appointment of Peter Charlton as the Vice President, Human Resources of the Corporation effective May 2, 2011 subject to the completion of any necessary background investigation required by the Gaming Policy and Enforcement Branch is hereby confirmed; and
2. Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.

f. Appointment of KPMG as External Auditors

Following consideration and discussion in this session, on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution:

WHEREAS the Audit Committee has provided its recommendation to retain KPMG as the external auditors for the upcoming year.

NOW THEREFORE be it resolved that:

1. KPMG be retained at BCLC's external auditors for Fiscal 2011/12; and
2. Any officer or director is hereby authorized to take any action necessary to carry out the foregoing resolution including executing all documents, making all filings or taking any other action required to give effect to the foregoing resolution.

g. Approval of Senior Executive Restructure

Following consideration and discussion in this session, on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution:

WHEREAS the CEO has recommended the approval of a new Senior Management Structure.

NOW THEREFORE be it resolved that:

1. The appointment of Rhonda Garvey as Vice President, eGaming effective June 6, 2011 subject to the completion of any necessary background investigation required by the Gaming Policy and Enforcement Branch is hereby confirmed;
2. The appointment of Darryl Schiewe as Vice President, Casino System Implementation effective June 6, 2011 subject to the completion of any necessary background investigation required by the Gaming Policy and Enforcement Branch is hereby confirmed;
3. The appointment of Jim Lightbody, Vice President, Casino Gaming effective June 6, 2011 subject to the completion of any necessary background investigation required by the Gaming Policy and Enforcement Branch is hereby confirmed;
4. The appointment of Kevin Gass, Vice President, Lottery Gaming effective June 6, 2011 subject to the completion of any necessary background investigation required by the Gaming Policy and Enforcement Branch is hereby confirmed; and
5. Any officer or director is hereby authorized to take any action necessary to carry out the foregoing resolution including executing all documents, making all filings or taking any other action required to give effect to the foregoing resolution.

13. **In-camera Session**

Staff left the meeting at 11:30 a.m. and the Board continued with an in-camera session with Michael Graydon. Mr. Graydon left the meeting at 11:45 and the Board continued with an in-camera session. The Board came out of the in-camera session and staff re-joined the meeting at 12:25 p.m. Mr. McLernon reported that the Approval of the CEO Performance Evaluation for Fiscal 2010/11 and the Approval of the Deferred Bonus Plan for the CEO for Fiscal 2010/11 would be dealt via Consent Resolution.

There being no further business the meeting adjourned at 12:35 p.m.

s 22

John McLernon, Chair



**NOTICE OF BOARD OF DIRECTORS MEETING
TO BE HELD ON THURSDAY, JUNE 23, 2011 AT 3:30 P.M.
VIA TELEPHONE CONFERENCE**

PROPOSED AGENDA

1. CALL TO ORDER AND WELCOME
2. ADOPTION OF AGENDA
3. REPORT BY THE CHAIR
4. DECISIONS
 - a. Approval for Executing the Participation Agreement with the Province

**British Columbia Lottery Corporation
Minutes of the Board Meeting
Held on June 23, 2011
Via Telephone Conference**

In Attendance

John McLernon	Board Chair
Trudi Brown	
David Gillespie	
Walter Gray	
Moray Keith	
Neil McDonnell	
Michael Riley	

Also Attending

Lynette Hughes	VP, Transformation and Technology
Tom Williamson	VP, Finance and Corporate Services
Don Lacey	Director, Integrated Technology Services
Dinah Mulvaney	Corporate Secretary

1. Call to Order and Welcome

A quorum of directors being present and notice of the meeting having been duly given, the meeting was declared to be constituted for the transaction of business and was called to order at 3:30 p.m.

2. Adoption of Agenda

The first order of business was the agenda. Approval of the CEO's Performance Bonus Evaluation for 2010/11 and Approval of the CEO's Deferred Bonus Plan for Fiscal 2010/11 were added to the agenda as Item 3 b.

3. New Business

a. Approval for Executing the Participation Agreement with the Province

Lynette Hughes provided an overview with respect for Board approval for BCLC to enter into an agreement with the Province of British Columbia which will result in a contractual obligation valued at approximately \$20m (calculated at \$2m annually for a ten-year term) for services received by BCLC from TELUS.

Following consideration and discussion in this session, on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution:

WHEREAS management is seeking Board approval to enter into and execute the Participation Agreement with the Province.

NOW THEREFORE BE IT RESOLVED that

- 1. The proposed execution of the Participation Agreement is hereby approved; and**
 - 2. The President and CEO and the Vice-President of Transformation and Technology or the Vice President, Finance and Corporate Services are hereby authorized to take any other action required to carry out the forgoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the forgoing resolution.**
- b. **Approval of the CEO's Performance Evaluation for Fiscal 2010/11 and the CEO's Deferred Bonus Plan for Fiscal 2010/11**
-
- John McLernon and Neil McDonnell confirmed that the Human Resources had reviewed the CEO's Performance Evaluation and Deferred Bonus Plan for Fiscal 2010/11 and confirmed that discussions had taken place regarding the CEO's performance during the in-camera session at the June 1, 2011 Board meeting.

Following consideration and discussion in this session, on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution:

WHEREAS THE Board has reviewed the CEO's Performance Bonus Evaluation for Fiscal 2010/11 and has received a recommendation from the Human Resources and Compensation Committee to approve such evaluation and to pay a performance bonus for Fiscal 2010/11 and authorize the CEO to pay performance bonuses to the Vice Presidents and directors as set forth below.

AND WHEREAS the Board has reviewed the CEO's Deferred Bonus Plan achievement for Fiscal 2010/11 and has received a recommendation from the Human Resources and Compensation Committee.

NOW THEREFORE be it resolved that:

- 1. The Board approve the recommendation from the Human Resources and Compensation Committee with respect to the CEO Performance Evaluation for Fiscal 2010/11 and the Corporation be authorized to pay the CEO a bonus for Fiscal 2010/11 in accordance with such recommendation;**
- 2. The CEO be authorized to pay performance bonuses to the Vice Presidents and directors of the Corporation based on the results of the CEO Performance Bonus Evaluation and in accordance with the Executive Management Variable Pay Program;**
- 3. The Board approve the recommendation from the Human Resources and Compensation Committee with respect to the CEO's Deferred Bonus Plan achievement for Fiscal 2010/11 and the Corporation be authorized to pay to the CEO a deferred bonus for Fiscal 2010/11 in accordance with such recommendation; and**
- 4. The Corporate Secretary, or any officer or director is hereby authorized to take any action necessary to carry out the foregoing resolution including**

executing all documents, making all filings or taking any other action required to give effect to the foregoing resolution.

There being no further business, the meeting adjourned at 3:50 p.m.
s 22

John McLernon, Chair



NOTICE OF BOARD OF DIRECTORS MEETING
8:30 a.m. – 1:00 p.m., Thursday July 21, 2011
Boardroom, Vancouver office

PROPOSED AGENDA

1. ALL TO ORDER AND WELCOME
2. ADOPTION OF AGENDA
3. REPORT BY THE CHAIR
4. REPORT BY THE PRESIDENT
5. APPROVAL OF MINUTES OF PREVIOUS BOARD MEETINGS
 - June 1, 2011
 - June 23, 2011
6. BUSINESS ARISING
 - a. Service Partner Financial Update
 - b. Facilities Development Update – First Quarter Report
7. NEW BUSINESS
 - a. Government's Letter Update (formerly Shareholder's Letter of Expectations)
 - b. Performance Against Strategic and Operating Plan (Dashboard)
 - c. Transformation and Technology Update (Presentation)
 - d. Gaming Management System (GMS) Update (Verbal)
 - e. Ideus Room Tour
8. MANAGEMENT REPORT (Information Only)
 - a. Lottery
 - b. Gaming (Casino/CGCs/Bingo)
 - c. eGaming
 - d. Corporate Security and Compliance
 - e. Customer Strategy and Corporate Relations
 - f. Finance and Corporate Services
 - g. Human Resources and Organizational Development
 - h. Transformation and Technology
9. COMMITTEE REPORTS
 - a. Audit Committee
 - b. Governance and Corporate Social Responsibility
 - c. Human Resources and Compensation
10. DECISIONS
 - a. Approval of First Quarter Financial Statements
 - b. Approval of the Five Year Forecasts
 - c. Approval of the Financial Information Act Report

- d. Approval of Revised Governance Manual Policies
 - i. Audit Committee Terms of Reference
 - ii. HR & C Committee Terms of Reference
 - iii. Governance and CSR Committee Terms of Reference
 - iv. Code of Conduct and Conflict of Interest
 - v. Senior Management Organizational Chart
 - vi. Director and Senior Management Contact Information

11. IN-CAMERA SESSION

NEXT MEETING DATE: October 27, 2011 (Vancouver)

**British Columbia Lottery Corporation
Minutes of the Board Meeting
Held on July 21, 2011
Boardroom, Vancouver Office**

In Attendance

John McLernon	Board Chair
Trudi Brown	
David Gillespie	
Walter Gray	
Moray Keith	
Neil McDonnell	
Mike Riley	
Art Willms	
Michael Graydon	President and CEO

Also Attending

Peter Charlton	VP, Human Resources
Rhonda Garvey	VP, eGaming
Kevin Gass	VP, Lottery Gaming
Lynette Hughes	VP, Transformation and Technology
Marsha Walden	VP, Customer Strategy and Corporate Relations
Tom Williamson	VP, Finance and Corporate Services
Bryan Hodgkin	Director, Operational Compliance
Dinah Mulvaney	Corporate Secretary

1. Call to Order and Welcome

A quorum of directors being present and notice of the meeting having been duly given, the meeting was declared to be constituted for the transaction of business and was called to order at 8:30 a.m.

2. Adoption of Agenda

The first order of business was the agenda.

On motion duly made, seconded and unanimously carried, the Agenda was adopted as presented.

3. Report by the Chair

A discussion took place regarding the current economic times and the recent corporate reorganization.

4. Report by the President

Michael Graydon provided an update on the recent reorganization, new appointment of Gaming Policy and Enforcement Branch's new Assistant Deputy Minister, Douglas Scott and the relationship with new Minister. Mr. Graydon also provided some details on the recent meeting with the Deputy Minister of Finance.

5. Approval of Minutes of Previous Board Meetings

The Minutes of the June, 2011 and June 23, 2011 Board meetings were presented.

On motion duly made, seconded and unanimously carried, the Minutes of the meetings held on June 1, 2011 and June 23, 2011 were approved as presented.

6. Business Arising

a. Service Partner Financial Update

Tom Williamson provided a summary of the financial performance of Gateway Casinos, Great Canadian Casinos, Paragon Gaming and Community Gaming Centre/Bingo service providers.

b. Facilities Development Update

The report was accepted as presented.

7. New Business

a. Government's Letter of Expectations Update

Marsha Walden provided an overview of the proposed changes to the Government's Letter of Expectations.

b. Performance Against Strategic and Operating Plan

Marsha Walden provided a summary to the Fiscal 2010/11 Dashboard and the report was accepted as presented.

Gurmit Aujla joined the meeting at 8:50 p.m.

c. Transformation and Technology Update

Lynette Hughes and Gurmit Aujla made a presentation on Information Technology Risks. A discussion took place with respect to the IT governance framework and it was agreed that regular quarterly updates would be made to the Audit Committee and the Board.

Gurmit Aujla left the meeting at 10:15 a.m.

d. Gaming Management System Update

Michael Graydon provided an update regarding progress on the business case. Mr. McLernon reported that an Ad Hoc Committee would be struck to oversee the project and that membership for the Ad Hoc Committee would be Art Willms (Committee Chair), Neil McDonnell, Moray Keith and Michael Riley. A discussion place regarding the project and Mr. Graydon advised that plans were to present this matter for discussion and decision at the upcoming August Board Strategy session.

e. Ideus Room Tour

Marsha Walden advised that the organization was taking a new enterprise wide approach to innovation. She reported that the area of Innovation had been restructured and was now being managed through a Steering Committee. Board members left the meeting at 10:30 a.m. and were taken on a tour of the new Ideus Room.

The Board meeting resumed at 11:00 a.m.

9. Committee Reports

a. Audit Committee

Michael Riley, Chair of the Audit Committee reported that the Committee had met on July 20, 2011. He advised that a number of matters had been reviewed and discussed including Service Partner Financial report, Finance Transformation, insurance, proposed change to HST payments, pension valuation, the First Quarter financial statements, the *Financial information Act* Report and the first quarter Audit Services report. Mr. Riley reported that the Committee had also reviewed first quarter ERM report and that it had been noted that a number of improvements had been made to the report including accountability for identified significant high risks areas being assigned to appropriate VPs for action. He also reported that in the absence of Terry Towns, Bryon Hodgkin had attended the meeting and presented the Security Compliance Report. Mr. Riley confirmed that he had no Whistleblower items to report.

Mr. Riley also advised that an Education session on emerging risk in Information Technology had been presented by Ernst and Young representatives, Tony Ritlop and Jay Amoui and BCLC staff members, Gurmit Aujla and Tim Tarabey.

b. Governance and Corporate Social Responsibility Committee

David Gillespie, Chair of the Governance and Corporate Social Responsibility Committee reported that the Committee had met on July 20, 2011. He advised that Don Lacey, Director Integrated Technology and Ian Warner, CEO of Aprio Software had joined the meeting and presented a demonstration of the Aprio Board Software. Mr. Gillespie reported that plans are to replace the current Board Intranet site with the Aprio Board Software. Mr. Gillespie also reported that a Marsha Walden and Paul Smith had provided a progress report on the activity taking place on the CSR front including an overview of the CSR Assessment report, CSR charter, CSR roadmap and the Corporation's carbon neutrality report.

Mr. Gillespie also reported that the Committee had reviewed a number of revised Board Governance Manual policies and that these revised policies were being put forward for review, discussion and approval by the Board.

c. Human Resources and Compensation Committee

Neil McDonnell, Chair of the Human Resources and Compensation Committee reported that no meetings had taken place since June 1, 2011.

10. Decisions

a. Approval of First Quarter Financials

The First Quarter Financial Report for the quarter ending June 25, 2011 was reviewed.

Following consideration and discussion in this session, and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution:

WHEREAS the Board as reviewed the financial statements for the first quarter ending June 25, 2011 and the First Quarter Report and received a recommendation from the Audit Committee;

NOW THEREFORE BE IT RESOLVED that

1. The Corporation's First Quarter Report including the financial statements for the quarter ending June 25, 2011 is hereby approved;
2. The appropriate signing authorities within the Corporation as required by the Provincial Government are hereby authorized to sign the First Quarter Report on behalf of the Corporation as necessary; and
3. Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.

b. Approval of Five Year Projections

A discussion took place regarding the five year projections.

Following consideration and discussion in this session, and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution:

WHEREAS the Board has reviewed the Government Forecast Report (Five Year Projections) for the five year period ending March 31, 2016 and received a recommendation from Senior Management;

NOW THEREFORE BE IT RESOLVED that

1. The Corporation's Government Forecast Report for the five year period ending March 31, 2016 is hereby approved;
2. The appropriate signing authorities within the Corporation as required by the Provincial Government are hereby authorized to sign the Government Forecast Report on behalf of the Corporation as necessary; and
3. Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.

c. Approval of the Financial Information Act Report

A discussion took place regarding the *Financial Information Act* Report.

Following consideration and discussion in this session, and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution:

WHEREAS the Board has reviewed the *Financial Information Act* Fiscal 2010/11 Annual Report and has discussed such report with Senior Management;

NOW THEREFORE BE IT RESOLVED THAT:

1. The *Financial Information Act* Fiscal 2010/11 Annual Report is hereby approved;
 2. The Board Chair, President and Vice President, Finance and Corporate Services or any other party within the organization required by the Provincial Government are hereby authorized to sign the *Financial Information Act* Fiscal 2010/11 Annual Report on behalf of the Corporation and the Annual Report signed by such authorized persons shall be deemed to be the Financial Information Fiscal 2010/11 Annual Report approved by this resolution;
 3. Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.
- d. Approval of Revised Governance Manual Policies
David Gillespie reported that a number of revised Governance Manual Policies were being put forward for review and approval.

Following consideration and discussion in this session, and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution:

WHEREAS the Governance and Corporate Social Responsibility Committee has recommended to the Board the approval of a number of the revised Governance Manual Policies including:

- Audit Committee Terms of Reference
- Human Resources and Compensation Committee Terms of Reference
- Governance and Corporate Social Responsibility Committee Terms of Reference
- Code of Conduct and Conflict of Interest
- Corporate Organizational Chart
- Director and Senior Management Contact Information.

NOW THEREFORE be it resolved that:

1. The Board approve the Audit Committee Terms of Reference, the Human Resources and Compensation Committee Terms of Reference, the Governance and Corporate Social Responsibility Committee Terms of Reference, the Code of Conduct and Conflict of Interest, the Corporate Organization Chart and the Director and Senior Management Contact Information as presented; and
2. The Corporate Secretary or any officer or director is hereby authorized to take any action necessary to carry out the foregoing resolution including

executing all documents, making all filings or taking any other action required to give effect to the foregoing resolution

11. In-Camera Session

Staff left the meeting at 11:30 a.m. and the Board continued with an in-camera session. Staff re-joined the meeting at 12:25 p.m.

8. Management Reports

Management Reports were accepted as presented.

There being no further business the meeting adjourned at 12:45 p.m.


John McLernon



**NOTICE OF BOARD OF DIRECTORS MEETING
TO BE HELD ON WEDNESDAY, AUGUST 17, 2011 AT 7:30 A.M.
THOMPSON ROOM, RIVER ROCK CONVENTION CENTRE**

PROPOSED AGENDA

1. CALL TO ORDER AND WELCOME
2. ADOPTION OF AGENDA
3. DECISIONS
 - a. Approval of Ad Hoc Committee - Gaming Management System Terms of Reference
 - b. Approval of the Implementation of a New Gaming Management System

**British Columbia Lottery Corporation
Minutes of a Board Meeting
Held on August 17, 2011
Thompson Room, River Rock Convention Centre**

In Attendance

John McLernon	Board Chair
Trudi Brown	
David Gillespie	
Cindy Grauer	
Walter Gray	
Moray Keith	
Neil McDonnell	
Michael Riley	
Art Willms	
Michael Graydon	President and CEO

Also Attending

Rhonda Garvey	VP, eGaming
Lynette Hughes	VP, Transformation and Technology
Jim Lightbody	VP, Casino and Community Gaming
Marsha Walden	VP, Customer Strategy and Corporate Relations
Peter Charlton	VP, Human Resources
Darryl Schiewe	VP, Gaming Management System Implementation
Kevin Gass	VP, Lottery Gaming
Tom Williamson	VP, Finance and Corporate Services
Terry Towns	VP, Corporate Security and Compliance
Dinah Mulvaney	Corporate Secretary
Pat Davis	Director, Project Management Office
Will Parei	Director, Casino System Implementation

1. Call to Order and Welcome

A quorum of directors being present and notice of the meeting having been duly given, the meeting was declared to be constituted for the transaction of business and was called to order at 7:30 a.m.

2. Approval of Agenda

The first order of business was the Agenda. Approval of the appointment of Neil, McDonnell as a member of the Audit Committee was added to the Agenda as Item 3 b and the Approval of the Implementation of a New Gaming Management System was changed to Item 3 c.

On motion duly made, seconded and unanimously carried, the Agenda was adopted as amended.

3. Decisions

Pat Davis and Will Parei presented the business case seeking approval to proceed with the implementation of a new gaming management system. Lengthy discussions took place regarding the program approach and timeline, the financial impact, strategic plan impact, the corporate social responsibility impact, the HR impact and key risks.

Staff left the meeting at 9:05 a.m. and the Board continued with an in-camera session. Staff rejoined the meeting at 9:30 a.m.

A discussion took place around the Board's expectations of the project.

- a. Approval of Ad Hoc Committee – Gaming Management System Terms of Reference
A discussion took place regarding the proposed Terms of Reference and it was agreed that the Purpose section be amended to read as follows:

"The purpose of the Ad Hoc Committee – Gaming management System is to oversee a due diligence process with respect to the pending capital purpose of a gaming management system in order to make a recommendation to the Board on whether to approve this purchase."

Following consideration and discussion in this session, and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution:

WHEREAS the Ad Hoc Committee – Gaming Management System Terms of Reference are being presented to the Board for review and approval.

NOW THEREFORE be it resolved that:

- 1. The Board approve the proposed Ad Hoc Committee – Gaming Management System Terms of Reference subject to the revision discussed being made; and**
- 2. The Corporate Secretary or any officer or direct is hereby authorized to take any action necessary to carry out the foregoing resolution including executing all documents, making all filings or taking any other action required to give effect to the foregoing resolution.**

Following a discussion around the purpose and role of the Ad Hoc Committee – Gaming Management System Terms of Reference it was agreed that oversight responsibilities would reside with the Audit Committee and that the Ad Hoc Committee – Gaming Management Systems be dissolved.

Following consideration and discussion in this session, on motion duly made and seconded, the Board then considered, discussed and approved the following resolution:

WHEREAS the Board Chair and the Chair of the Governance and Corporate Social Responsibility have recommended the dissolution of the Ad Hoc Committee – Gaming Management System;

NOW THEREFORE be it resolved that:

- 1. The dissolution of the Ad Hoc Committee – Gaming Management System is hereby confirmed effective August 17, 2011 and**
- 2. The Corporate Secretary, any officer or director is hereby authorized to take any action necessary to carry out the foregoing resolution including executing all documents, making all filings or taking any other action required to give effect to the foregoing resolution.**

- b. Approval of the Appointment of Neil McDonnell as a member of the Audit Committee
A discussion also took place regarding the Audit Committee membership and it was agreed that Neil McDonnell should be appointed as a member of the Audit Committee.

Following consideration and discussion in this session, on motion duly made and seconded, the Board then considered, discussed and approved the following resolution:

WHEREAS the Board Chair has recommended Neil McDonnell be appointed as a member of the Audit Committee.

NOW THEREFORE be it resolved that:

- 1. The appointment of Neil McDonnell as a member of the Audit Committee is hereby confirmed.**
- 2. The Corporate Secretary, any officer or director is hereby authorized to take any action necessary to carry out the foregoing resolution including executing all documents, making all filings or taking any other action required to give effect to the foregoing resolution.**

- c. Approval of the Implementation of a New Gaming Management System

Following consideration and discussion in this session, and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution:

WHEREAS the Senior Management has reviewed with the Ad Hoc Gaming Management Committee the plan for the Board to approve \$105 Million new capital for software, hardware, network infrastructure and equipment and incremental operating and gaming support costs over the three year implementation period of \$35 Million to proceed with the implementation of a new Gaming Management System.

AND WHEREAS Government has been informed of the plan.

NOW THEREFORE be it resolved that:

- 1. The Board approve Senior Management's request for \$105 Million new capital for software, hardware, network infrastructure and equipment and**

Incremental operating and gaming support costs over the three year implementation period of \$35 Million to proceed with the implementation of a new Gaming Management System; and

- 2. The President and the Vice President, Gaming Management System or Vice President, Transformation and Technology is hereby authorized to settle the definite terms of the agreements substantially on the basis of the plan referred to above and to execute such agreements on behalf of BCL and the agreement so executed by the authorized officer shall be deemed to be the agreements approved by this resolution.**

Will Parei and Pat Davis left meeting at 9:40 a.m.

4. Other

A discussion took place regarding Michael Graydon's professional development and the Board approved him enrolling in the the Institute of Corporate Directors/Rotman Directors Education Program and BCLC covering the costs associated with the program.

There being no further business, the meeting adjourned at 9:45 a.m.

John McLernon, Chair



NOTICE OF BOARD OF DIRECTORS MEETING
1:30 p.m. to 4:30 p.m., Wednesday, October 26, 2011
Boardroom, Vancouver Office

PROPOSED AGENDA

1. CALL TO ORDER AND WELCOME
2. ADOPTION OF AGENDA
3. REPORT BY THE CHAIR
4. REPORT BY THE PRESIDENT
5. APPROVAL OF MINUTES OF PREVIOUS BOARD MEETINGS
 - July 21, 2011
 - August 17, 2011
6. BUSINESS ARISING
 - a. Service Partner Update
 - b. Facility Development Update
 - c. Transformation and Technology Update (verbal)
 - d. Gaming Management System Update (verbal)
 - e. Treasury Board Update (verbal)
7. NEW BUSINESS
 - a. Performance Reporting Against Strategic and Operating Plan (Dashboard)
8. MANAGEMENT REPORTS (Information Only)
 - a. Casino and Community Gaming
 - b. eGaming
 - c. Lottery Gaming
 - d. Casino System Implementation
 - e. Corporate Security and Compliance
 - f. Customer Strategy and Corporate Relations
 - g. Finance and Corporate Services
 - h. Human Resources and Organizational Development
 - i. Transformation and Technology
9. COMMITTEE REPORTS
 - a. Audit Committee – Mike Riley
 - b. Governance and CSR Committee – Dave Gillespie
 - c. Human Resources and Compensation Committee – Neil McDonnell
10. DECISIONS
 - a. Approval of Quarterly Financial Statements
 - b. Approval of Five Year Projections
11. PRESENTATION
 - a. Corporate Social Responsibility Presentation
12. OTHER
13. IN-CAMERA SESSION

**British Columbia Lottery Corporation
Minutes of the Board Meeting
Held on October 26, 2011
Boardroom, Vancouver Office**

In Attendance

John McLernon	Board Chair
Trudi Brown	
David Gillespie	
Cindy Grauer	
Neil McDonnell	
Mike Riley	
Mike Graydon	President and CEO

Also Attending

Peter Charlton	VP, Human Resources
Rhonda Garvey	VP, eGaming
Lynette Hughes	VP, Transformation and Technology
Marsha Walden	VP, Customer Strategy and Corporate Marketing
Jim Lightbody	VP, Casino Gaming
Darryl Schiewe	VP, Casino System Implementation
Terry Towns	VP, Corporate Security and Compliance
Tom Williamson	VP, Finance and Corporate Services
Dinah Mulvaney	Corporate Secretary

1. Call to Order and Welcome

A quorum of directors being present and notice of the meeting having been duly given, the meeting was declared to be constituted for the transaction of business and was called to order at 1:30 p.m.

2. Adoption of Agenda

The first order of business was the agenda. Approval of the Transfer of Ownership of the Chilliwack CGC was added to the Agenda.

On motion duly made, seconded and unanimously carried, the Agenda was adopted as revised.

3. Report by the Chair

A discussion took place regarding the current economic times, transformation of BCLC's business, the current political environment and upcoming municipal elections.

4. Report of the CEO

Michael Graydon provided an update on the presentation being made to Treasury Board scheduled for November 10. Mr. Graydon provided a summary of the plans to undertake a full business optimization review. He also provided an update on the Surrey and Vancouver markets.

5. Approval of Minutes of Previous Board Meeting

The Minutes of the July 21, 2011 and August 17, 2011 Board meetings were presented.

On motion duly made, seconded and unanimously carried, the Minutes of the meetings held on July 21, 2011 and August 17, 2011 were approved as presented.

6. Business Arising

a. Service Partner Update

Tom Williamson provided a summary of the financial performance of Gateway Casinos, Great Canadian Casinos, Paragon Gaming and Community Gaming Centre/Bingo service providers and the report was accepted as presented.

b. Facility Development Update

Jim Lightbody provided a summary of the report and the report was accepted as presented.

c. Transformation and Technology Update

Lynette Hughes provided an update on transformation and technology and confirmed that a full assessment was underway.

d. Gaming Management System Update

A full presentation on this matter had made at the Audit Committee earlier in the day with all of the Board members in attendance and it was agreed that no further reporting was required at this time.

e. Treasury Board Update

Tom Williamson confirmed that a presentation will be made to Treasury Board on November 10, 2011 and a discussion took place regarding BCLC's position.

7. New Business

a. Performance Reporting Against Strategic and Operating Plan (Dashboard)

Tom Williamson provided an overview of the report. A discussion took place regarding the format and content and the report was accepted as presented.

8. Management Reports

The Management Reports were accepted as presented.

9. Committee Reports

a. Audit Committee

Michael Riley, Chair of the Audit Committee confirmed that a meeting had taken place earlier in the day and that presentations had been made regarding the GMS System, Finance Transformation and Technology. He reported that Paula Presta and Carlo De Mello from KPMG had joined the meeting and had presented their proposed External Audit Plan for Fiscal 2011/12. Mr. Riley advised that the Committee had reviewed and discussed the Service Partner Financial update as well as the Service Provider Concentration Principles and that it had been agreed that no

changes were required to the Service Provider Concentration Principles at this time. He also advised that a number of other matters had been reviewed including the Second Quarter financial statements, the five year projections, financial accounting policies and the second quarter corporate security and compliance report. He confirmed that the Committee had also reviewed the quarterly ERM report and the quarterly Audit report. Mr. Riley confirmed that he had no Whistleblower items to report.

b. Governance and Corporate Social Responsibility Committee

David Gillespie, Chair of the Governance and Corporate Social Responsibility Committee reported that no meeting had taken place since July 20, 2011. He advised that Walter Gray had recently announced his intention to run for Mayor of Kelowna and confirmed that he has taken a leave of absence during the election period. Mr. Gillespie also advised that the Board Resourcing Office had confirmed that should Mr. Gray be successful, he will need to resign from the Board.

c. Human Resources and Compensation

Neil McDonnell, Chair of the Human Resources and Compensation Committee reported that no meeting had taken place since June 1, 2011.

10. Decisions

a. Approval of Second Quarter Financial Statements

The Second Quarter Financial Report for the quarter ending September 24, 2011 was reviewed.

Following consideration and discussion in this session, and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution:

WHEREAS the Board has reviewed the financial statements for the second quarter ending September 24, 2011 and received a recommendation from the Audit Committee;

NOW THEREFORE BE IT RESOLVED that:

- 1. The Corporation's Second Quarter Report including the financial statements for the period ending September 24, 2011 is hereby approved.**
 - 2. The appropriate signing authorities within the Corporation as required by the Provincial Government are hereby authorized to sign the Second Quarter Report on behalf of the Corporation as necessary; and**
 - 3. Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.**
- b. Approval of Five Year Projections
A discussion took place regarding the five year projections.

Following consideration and discussion in this session, and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution:

WHEREAS the Board has reviewed the Government Forecast Report (Five Year Projections) for the five year period ending March 31, 2016 and received a recommendation from Senior Management.

NOW THEREFORE BE IT RESOLVED that:

1. The Corporation's Government Forecast Report for the five year period ending March 31, 2016 is hereby approved;
 2. The appropriate signing authorities within the Corporation as required by the Provincial Government are hereby authorized to sign the Government Forecast Report on behalf of the Corporation as necessary; and
 3. Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.
- c. Approval of Transfer of Ownership of the Chilliwack Bingo Hall
Darryl Schiewe and Jim Lightbody provided details with respect to the transfer of ownership of the Chilliwack Bingo Hall.

Following consideration and discussion in this session, on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution:

WHEREAS management of the Corporation updated the Board on the recent transfer of ownership of the Chilliwack Bingo Hall.

NOW THEREFORE BE IT RESOLVED that:

1. The Board approve and ratify the transfer of ownership of the Chilliwack Bingo Hall to Great Canadian Gaming Corporation
2. BCLC be authorized to enter into a Casino Operational Services Agreement (COSA) with Great Canadian Gaming Corporation or its nominee to provide operational services to BCLC to assist BCLC in its conduct and management of casino gaming at the Chilliwack Bingo Hall.
3. The President and Vice President, Casino Gaming or Vice President of Finance and Corporate Services are hereby authorized to settle the definitive terms of the COSA and to execute the COSA on behalf of BCLC and the COSA so executed by the authorized officers shall be deemed to be the COSA approved by the resolution.
4. The President and Vice President, Casino Gaming or Vice President of Finance and Corporate Services are hereby authorized to take any action

required to carry out the foregoing resolution including executing all documents, making any filings or taking any other action required to give effect to the foregoing resolution.

Paul Smith joined the meeting at 2:25 p.m.

11. Presentation

a. Corporate Social Responsibility Program

Marsha Walden reported that a presentation had recently been made to the Governance and Corporate Social Responsibility Committee. Paul Smith provided an update on the CSR program and responsible gambling. A discussion took place regarding all of the activity and plans and the Board endorsed the CSR Charter as presented.

Paul Smith left the meeting at 2:55 p.m.

12. In-Camera Session

Staff left the meeting at 3:00 p.m. and the Board continued with in-camera session with Michael Graydon. Michael Graydon left the meeting at 3:20 p.m. and the Board continued with an in-camera session.

There being no further business, the meeting adjourned at 3:40 p.m.

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John McLernon, Chair



NOTICE OF BOARD OF DIRECTORS MEETING
11:00 a.m. – 3:00 p.m., Thursday, January 26, 2012
Boardroom, Vancouver Office

PROPOSED AGENDA

1. CALL TO ORDER AND WELCOME
2. ADOPTION OF AGENDA
3. REPORT BY THE CHAIR
4. REPORT BY THE PRESIDENT
5. APPROVAL OF MINUTES OF PREVIOUS BOARD MEETINGS
- October 26, 2011
6. BUSINESS ARISING
 - a. Facilities Development Update
 - b. Performance Reporting Against Strategic and Operating Plan (Executive Dashboard)
7. NEW BUSINESS
 - a. Business Optimization Update
 - b. Gateway IPO
8. MANAGEMENT REPORT (Information Only)
 - a. Casino Gaming
 - b. Lottery Gaming
 - c. eGaming
 - d. Casino System Implementation
 - e. Corporate Security and Compliance
 - f. Customer Strategy and Corporate Relations
 - g. Finance and Corporate Services
 - h. Human Resources
 - i. Transformation and Technology
9. COMMITTEE REPORTS
 - a. Audit
 - b. Governance and Corporate Social Responsibility
 - c. Human Resources and Compensation
10. DECISIONS
 - a. Approval of Third Quarter Financial Statements
 - b. Approval of Fiscal 2012/13 Business Plan and Operating and Capital Budget
 - c. Approval of Fiscal 2012/13 – 2015/16 Five Year Projections
 - d. Approval of Fiscal 2012/13 to 2015/16 Service Plan
 - e. Approval of Fiscal 2012/13 Corporate Variable Pay Goals
 - f. Approval of the Rules and Regulations Respecting Bingo
11. PRESENTATION
 - a. Privacy and FOI Update
 - b. Succession Plan Update
 - c. Aprio Board Site
12. OTHER
 - a. Proposed Board Meeting Dates for 2013
13. IN-CAMERA SESSION
 - a. Approval of CEO Fiscal 2012/13 Variable Pay Goals

**British Columbia Lottery Corporation
Minutes of the Board Meeting
Held on January 26, 2012
Boardroom, Vancouver Office**

In Attendance

John McLernon	Board Chair
Trudi Brown	
David Gillespie	
Cindy Grauer	
Moray Keith	
Neil McDonell	
Michael Riley	
Art Willms	
Michael Graydon	President and CEO

Also Attending

Peter Charlton	VP, Human Resources
Rhonda Garvey	VP, eGaming
Lynette Hughes	VP, Transformation and Technology
Darryl Schiewe	VP, Casino System Implementation
Marsha Walden	VP, Customer Strategy and Corporate Marketing
Tom Williamson	VP, Finance and Corporate Services
Dinah Mulvaney	Corporate Secretary

1. Call to Order and Welcome

A quorum of directors being present and notice of the meeting having been duly given, the meeting was declared to be constituted for the transaction of business and was called to order at 11:00 a.m.

2. Adoption of Agenda

The first order of business was the agenda.

On motion duly made, seconded and unanimously carried, the Agenda was approved as presented.

3. Remarks by the Chair

A discussion took place regarding current economic times and the current political environment.

4. Remarks by the President

A discussion took place regarding the business optimization project and the Surrey and Vancouver markets.

5. Approval of Minutes

The Minutes of the October 26, 2011 were presented.

On motion duly made, seconded and unanimously carried, the Minutes of the October 26, 2011 meeting were approved as presented.

6. Business Arising

- a. Facilities Development Update
Michael Graydon provided a brief overview and the report was accepted as presented.
- b. Performance Reporting Against Strategic and Operating Plan
Tom Williamson provided a summary of the report and the report was accepted as presented.

7. New Business

- a. Business Optimization Update
Marsha Walden presented a PowerPoint presentation outlining the purpose, timeline, scope, and team structure. A discussion took place regarding the project and it was agreed that the output would form the basis of the Fiscal 2012/13 Board strategic session. A discussion also took place regarding the timing of the session and it was agreed that it should take place in June. It was also agreed that regular business optimization updates would be presented at each of the Board meetings.
- b. Gateway IPO
Tom Williamson provided an update and the report was accepted as presented.

8. Management Reports

- a. President's Operational Review
Michael Graydon provided an update on a number of matters and initiatives. He also provided an update on the recent workforce optimization initiative that had been undertaken.
- b. Divisional Management Reports
The reports were accepted as presented. Rhonda Garvey provided some additional details with respect to eGaming initiatives.

9. Committee Reports

- a. Audit Committee Meeting
Michael Riley, Chair of the Audit Committee reported that meetings had taken place on December 15, 2011 and January 25, 2012. He reported that the Committee had reviewed the Quarterly Financial Statements, Five Year Projections, the Fiscal 2012/13 – 2015/16 Service Plan and the Fiscal 2011/12 Business Plan and Operating and Capital Budgets. Mr. Riley further advised that other matters reviewed included updates on transformation and technology, the gaming management system project, business continuity and finance transformation as well as the Q3 Audit Report and the Security and Compliance Report.

- b. Governance and Corporate Social Responsibility
David Gillespie, Chair of the Governance and Corporate Social Responsibility Committee reported that a meeting had taken place on January 17, 2012 and that the primary purpose of the meeting was to discuss the current Board member vacancy. He also reported that plans were underway for a Board evaluation to take place in the March/April 2012 timeframe. Mr. Gillespie also confirmed that discussions had taken place regarding ERM oversight and that it had been agreed that this matter would be best suited for a full discussion with the Board.
- c. Human Resources and Compensation Committee
Neil McDonnell, Chair of the Human Resources and Compensation Committee reported that the Committee had met on two occasions, December 5, 2011 and January 26, 2012. He provided details on a number of matters that were reviewed including the Fiscal 2012/13 resource plan and the Fiscal 2012/13 variable pay plan. Mr. McDonnell confirmed that a discussion had taken place regarding the BCLC employee pension plan and it had been agreed the Audit Committee would continue the financial oversight of the plan and that the HR & C Committee would continue to have oversight relative to the total rewards compensation. He also reported that the CEO's revised variable pay goals for Fiscal 2011/12 and Fiscal 2012/13 proposed variable pay goals had been reviewed and confirmed that additional information would be provided during the in-camera portion of the meeting.

10. Projects and Risk Assessment

- a. Gaming Management System
Neil McDonnell provided an overview of the report and the discussions that had taken place at the Audit Committee meeting on January 25, 2012.
- b. Transformation and Technology
Neil McDonnell provided an overview of the report and the discussions that had taken place at the Audit Committee meeting on January 25, 2012.
- c. Business Continuity
Michael Riley provided an overview of the report and the discussions that had taken place at the Audit Committee meeting on January 25, 2012.
- d. Finance Transformation
Michael Riley provided an overview of the report and the discussions that had taken place at the Audit Committee meeting on January 25, 2012.

11. Risk Assessments

- a. Overview of Objectives and Process Ensuring Major Risks Identified and Marked Appropriately
John McLernon confirmed that quarterly ERM reports will continue to be presented to the Board for review and discussion.
- b. Third Quarter ERM Dashboard
A discussion took place regarding the format and content of the report and the report was accepted as presented.

12. Decisions

a. Approval of Third Quarter Financial Statements

The Third Quarter Financial Statements for the period ending December 24, 2011 were reviewed.

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution:

WHEREAS the Board has reviewed the financial statements for the third quarter ending December 24, 2011 and received a recommendation from the Audit Committee;

NOW THEREFORE BE IT RESOLVED that:

- 1. The Corporation's Third Quarter Report including the financial statements for the quarter ended December 24, 2011 is hereby approved;**
- 2. The appropriate signing authorities within the Corporation as required by the Provincial Government are hereby authorized to sign the Third Quarter Report on behalf of the Corporation as necessary; and**
- 3. Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.**

b. Approval of Fiscal 2012/13 Business Plan and Operating and Capital Budget

A discussion took place regarding the Fiscal 2012/13 Business Plan and Operating and Capital Budget.

d. Approval of Fiscal 2012/13 – 2014/15 Service Plan

A discussion also took place regarding the Fiscal 2012/13 to 2015/16 Service Plan.

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution:

WHEREAS the Board has reviewed the Fiscal 2012/13 to 2014/15 Service Plan and the Fiscal 2012/13 Business Plan, Operating Budget and Capital Budget and has received a recommendation from the Audit Committee;

NOW THEREFORE BE IT RESOLVED that:

- 1. The Board of Directors approve the Corporation's Fiscal 2012/13 to 2014/15 Service Plan;**
- 2. The Board of Directors approve the Corporation's Fiscal 2012/13 Business Plan, Operating Budget and Capital Budget; and**

3. **Management of the Corporation is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents or taking any other action required to give effect to the foregoing resolution.**

- c. Approval of Fiscal 2012/13 – 2015/16 Five Year Projections
A discussion took place regarding the Five Year Projections.

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution:

WHEREAS the Board has reviewed the Government Forecast (Five Year Projections) for the five year period ending March 31, 2016 and received a recommendation from the Audit Committee;

NOW THEREFORE BE IT RESOLVED that:

1. **The Corporation's Government Forecast Reports for the five year period ending March 31, 2016 are hereby approved; and**
2. **Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.**

- e. Approval of Fiscal 2012/13 Corporate Variable Pay Goals
Peter Charlton provided an overview of the Corporate Variable Pay Goals for Fiscal 2012/13.

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution:

WHEREAS the Board has reviewed the material provided with respect to the Corporate Variable Pay Goals for Fiscal 2012/13 and has received a recommendation from the Human Resources and Compensation Committee;

NOW THEREFORE BE IT RESOLVED that:

1. **The Board approve the Corporate Variable Pay Goals for Fiscal 2012/13 as presented; and**
2. **Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.**

- f. Approval of Rules and Regulations Respecting Bingo
Darryl Schiewe provided a brief overview of the proposed amendment to the Rules and Regulations Respecting Bingo Games in order to introduce new bingo-style games.

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution:

WHEREAS management is seeking Board authorization to amend the Rules and Regulations Respecting Bingo Games in accordance with the authority granted under the *Gaming Control Act* (BC);

NOW THEREFORE BE IT RESOLVED that:

- 1. The proposed amendment to the Rules and Regulations Respecting Bingo Games as presented to the Board are hereby approved; and**
- 2. Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.**

13. Presentations

- b. Succession Plan Update
Peter Charlton provided an update with respect to the CEO Succession Plan. He also presented an update on the Leadership Forum VP Succession Plan and provided details regarding the program components and the identified candidates. Mr. Charlton also provided an overview of the corporate succession planning process including the strategic workforce planning flow, approach and metrics.

14. Other

- a. Proposed Changes to Board Meeting Dates for 2012
Mr. McLernon advised that this matter would be handled via email.
- b. Board Strategy Session
A discussion took place regarding the timing and location for the annual Board Strategy session.

David Hughes joined the meeting at 1:30 p.m.

13. Presentations

- a. Privacy and FOI Update
David Hughes made a presentation regarding Privacy and FOI.

David Hughes left the meeting at 2:00 p.m.

15. In-Camera Session


Staff left the meeting at 2:00 p.m. and the Committee continued with an in-camera session with Michael Graydon. Michael Graydon left the meeting at 2:15 p.m. and the Board continued with an in-camera session.

a. Approval of the CEO Fiscal 2012/13 Variable Pay Goals

A discussion took place regarding Mr. Graydon's proposed Fiscal 2012/13 Variable Pay Goals and it was agreed that this matter would be deferred to the next meeting.

There being no further business, the meeting adjourned at 2:45 p.m.

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John McLernon, Chair



**NOTICE OF BOARD OF DIRECTORS MEETING
TO BE HELD ON FRIDAY, APRIL 20, 2012 AT
BOARDROOM, VANCOUVER OFFICE**

PROPOSED AGENDA

1. CALL TO ORDER AND WELCOME
2. ADOPTION OF AGENDA
3. REMARKS BY THE CHAIR
4. REMARKS BY THE PRESIDENT
5. APPROVAL OF MINUTES OF PREVIOUS BOARD MEETINGS
 - January 26, 2012
6. BUSINESS ARISING
 - a. Facilities Development Update
 - b. Gateway IPO Update (verbal)
 - c. Business Optimization Update (verbal)
7. NEW BUSINESS
 - a. Preliminary Fiscal 2011/12 Financial Results
8. COMMITTEE REPORTS
 - a. Audit Committee
 - b. Governance and CSR Committee
 - c. Human Resources & Compensation Committee
9. MANAGEMENT REPORT (Information Only)
 - a. President's Operational Overview
 - b. Casino Gaming (Presentation)
 - c. Divisions Written Reports
 - i. Lottery Gaming
 - ii. eGaming
 - iii. Casino System Implementation
 - iv. Corporate Security and Compliance
 - v. Customer Strategy and Corporate Relations
 - vi. Finance and Corporate Services
 - vii. Human Resources
 - viii. Transformation and Technology
 - d. Questions
10. DECISIONS
 - a. Approval of Revised CEO Incentive Goals for Fiscal 2011/12
 - b. Approval to Establish and Implement Rules and Regulations Respecting Lottery (Online Sports Betting)

- c. Approval of Board Governance Manual Policies
 - i. Introduction to BCLC (Tab 1)
 - ii. Committee Membership Roster (Tab 13)
 - iii. Director/Senior Management Contact Information (Tab 27)
- 11. PROJECTS AND RISK ASSESSMENT
 - a. Q4 ERM Report
 - i. Gaming Management System
 - ii. Transformation and Technology
 - iii. Business Continuity
 - iv. Finance Transformation
- 12. OTHER
 - a. Board Strategy Session Update (verbal)
 - b. Proposed Board Meeting Dates 2013
- 13. EDUCATION SESSION
 - a. Enterprise Risk Management
- 14. IN-CAMERA SESSION

Next Meeting Date – May 23, 2012 (Kamloops)

**British Columbia Lottery Corporation
Minutes of the Board Meeting
Held on April 20, 2012
Boardroom, Vancouver Office**

In Attendance

John McLernon	Board Chair
Mike Riley	
Moray Keith	
David Gillespie	
Trudi Brown	
Cindy Grauer	
Michael Graydon	President and CEO

Also Attending

Peter Charlton	VP, Human Resources
Rhonda Garvey	VP, eGaming
Kevin Gass	VP, Lottery Gaming
Lynette Hughes	VP, Transformation and Technology
Jim Lightbody	VP, Casino Gaming
Darryl Schiewe	VP, Casino System Implementation
Terry Towns	VP, Security and Compliance
Tom Williamson	VP, Finance and Corporate Services
Dinah Mulvaney	Corporate Secretary

1. Call to Order and Welcome

A quorum of directors being present and notice of the meeting having been duly given, the meeting was declared to be constituted for the transaction of business and was called to order at 8:30 a.m.

2. Adoption of Agenda

The first order of business was the agenda.

On motion duly made, seconded and unanimously carried, the Agenda was approved as presented.

3. Remarks by the Chair

John McLernon congratulated management on the Corporation's financial performance for Fiscal 2011/12.

4. Remarks by the President

Michael Graydon provided a high level overview of the Employee Engagement results and confirmed full results will be presented at the May Board meeting. He also provided an update on relationships with Government and confirmed that BCLC will undergo a review in the Fall of 2012.

5. Approval of Minutes of Previous Board Meeting

The Minutes of the January 26, 2012 meeting were presented and a minor revision was made.

On motion duly made, seconded and unanimously carried, the Minutes of the January 26, 2012 meeting were approved as revised.

6. Business Arising

a. Facilities Development Update

Jim Lightbody provided a brief update with respect to Surrey, Chilliwack and Abbotsford and the report was accepted as presented. Michael Graydon provided an update with respect to the Vancouver marketplace.

b. Gateway IPO Update

Michael Graydon provided a status update regarding the Gateway IPO.

c. Business Optimization Update

Michael Graydon provided a progress report and a discussion took place regarding next step plans.

7. New Business

a. Preliminary Fiscal 2011/12 Financial Results

Tom Williamson provided an overview of the preliminary financial results.

8. Committee Reports

a. Audit Committee

Michael Riley, Chair of the Audit Committee confirmed that a meeting had taken place on April 19, 2012 and reported that a number of matters had been reviewed including a service partner financial update, FDC-AFDC Verification process update, key estimates and judgments and preliminary Fiscal 2011/12 financial results. He also reported that the Q4 ERM and Security and Compliance reports had been presented and reviewed. Mr. Riley advised that the Q4 Internal Audit report as well as the Audit Services Plan for Fiscal 2012/13 had also been reviewed and accepted as presented.

b. Governance and Corporate Social Responsibility Committee

David Gillespie, Chair of the Governance and Corporate Social Responsibility Committee provided an update on the Board vacancy. He also provided an update on the Board evaluation and confirmed that the plans were underway to present the results at the May Board meeting.

c. Human Resources and Compensation Committee

Neil McDonnell, Chair of the Human Resources and Compensation Committee was absent and therefore no report was presented.

10. Decisions

a. Approval CEO Incentive Goals for Fiscal 2011/12

John McLernon confirmed that the HR &C Committee had reviewed the CEO's revised incentive goals at the January 26, 2012 meeting and the Committee was moving them forward for approval by the Board.

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution:

WHEREAS the Board has reviewed the material provided and discussed the CEO's Variable Pay Goals for Fiscal 2011/12 and has received a recommendation from the Human Resources and Compensation Committee to approve such criteria.

NOW THEREFORE be it resolved that the Board Approves the CEO's revised Variable Pay Goals for Fiscal 2011/12 as presented.

b. Approval of Establishment and Implement of Rules and Regulations

Rhonda Garvey provided the rationale for the development and implementation of Rules and Regulations respecting On-line Sports Betting.

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution:

WHEREAS management is seeking Board authorization to implement Rules and Regulations Respecting Online Sports Betting in accordance with the *Gaming Control Act (BC)*.

NOW THEREFORE be it resolved that:

- 1. BCLC is authorized to formulate and implement Rules and Regulations Respecting On-line Sports Betting; and**
- 2. Any authorized officer is hereby authorized to take any other action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.**

c. Approval of Board Governance Manual Policies

David Gillespie confirmed that the three policies being put forward for approval had been reviewed by the Governance and Corporate Social Responsibility Committee and the Committee was moving them forward for approval.

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution:

WHEREAS the Governance and Corporate Social Responsibility Committee has recommended to the Board the approval of a number of revised Governance Manual Policies including:

- **Introduction to BCLC – Tab 1;**
- **Committee Membership Roster – Tab 13; and**
- **Director/Senior Management Contact Information – Tab 27.**

NOW THEREFORE be it resolved that:

- 1. The Board approves the revised Introduction to BCLC, the Committee Membership Roster and the Director and Senior Management Contact Information; and**
- 2. The Corporate Secretary or any officer or director is hereby authorized to take any action necessary to carry out the foregoing resolution including executing all documents, making all filings or taking any other action required to give effect to the foregoing resolution**

Trudi Brown left the meeting at 10:00 a.m.

9. Management Reports

- a. President's Operational Overview
Michael Graydon provided an update on a number of matters and initiatives.
- b. Casino Gaming Presentation
Due to time constraints, this presentation was deferred to the July Board meeting.
- c. Divisional Written Reports
The divisional reports were accepted as presented. Rhonda Garvey provided an overview of a number of initiatives currently underway including Sports betting and mobile.

Minister Rich Coleman and Jordan Bell joined the meeting at 10:45 a.m. Discussions took place regarding a number of matters. Minister Coleman and Jordan Bell left the meeting at 12:15 p.m.

12. Other

- a. Board Strategy Session
Michael Graydon confirmed the dates are June 18 and 19 in Kelowna. Focus of the agenda will be the major themes from the business optimization project. He also confirmed that reading material will be provided ten days prior to the event.
- b. Proposed Board Meeting Dates
Mr. McLernon requested that if any Board members had conflicts with any of the proposed dates that they contact Dinah Mulvaney directly.

11. Projects and Risk Assessment

a. Q4 ERM Report

- i. Gaming Management System
- ii. Transformation and Technology
- iii. Business Continuity
- iv. Finance Transformation

Darryl Schiewe, Lynette Hughes and Tom Williamson provided a verbal update for their respective areas of responsibility.

Alan Peretz and Jacquetta Goy joined the meeting at 12:30 p.m.

13. Education Session

a. Enterprise Risk Management

Alan Peretz presented an education session on “Building the risk intelligent enterprise”.

Alan Peretz and Jacquetta Goy left the meeting at 2:00 p.m.

14. In-Camera Session

Staff left the meeting at 2:15 p.m. and the Board continued with an in-camera session with Michael Graydon. Michael Graydon left the meeting at 2:30 p.m. and the Board continued with an in-camera session.

There being no further business, the meeting adjourned at 3:00 p.m.

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John McLernon, Chair

**British Columbia Lottery Corporation
Minutes of the Board Meeting
Held on May 22, 2012
Presentation Room, Kamloops Office**

In Attendance

John McLernon	Board Chair
Art Willms	
Moray Keith	
Trudi Brown	
David Gillespie	
Neil McDonnell	
Mike Riley	
Michael Graydon	President and CEO

Also Attending

Peter Charlton	VP, Human Resources
Rhonda Garvey	VP, eGaming
Kevin Gass	VP, Lottery Gaming
Lynette Hughes	VP, Transformation and Technology
Darryl Schiewe	VP, Casino Implementation
Terry Towns	VP, Corporate Security and Compliance
Marsha Walden	VP, Customer Strategy and Corporate Marketing
Tom Williamson	VP, Finance and Corporate Services
Dinah Mulvaney	Corporate Secretary

1. Call to Order and Welcome

A quorum of directors being present and notice of the meeting having duly been given, the meeting was declared to be constituted for the transaction of business and the meeting was called to order at 2:30 p.m.

2. Adoption of Agenda

The first order of business was the agenda.

On motion duly made, seconded and unanimously carried, the Agenda was approved as presented.

3. Remarks by the Chair

John McLernon thanked the Executive team for their flexibility with respect to the timing change for the Board meeting and all of the preparation work for the Audit, HR&C and Board meeting material.

4. Remarks by the President

Michael Graydon provided a brief update with respect to financial performance to date, and a number of initiatives including Lotto Express, B2B with Manitoba and other possible Canadian jurisdictions.

5. Approval of Minutes

The Minutes of the April 20, 2012 meeting were presented and a minor revision was made.

On motion duly made, seconded and unanimously carried, the Minutes of the April 20, 2012 meeting were approved as revised.

6. Business Arising

a. Board Strategic Planning Session

Marsha Walden provided an overview of the proposed agenda for the strategic planning session. A discussion took place regarding the plan and approach.

b. Service Partner Financial Update

Tom Williamson confirmed that the report had been presented and discussed at the Audit Committee meeting earlier in the day. Michael Graydon provided an update with respect to the Edgewater Casino project. He also provided an update on the Surrey market. A discussion took place regarding the potential hospitality network strategy.

7. Management Reports

The Management Reports were accepted as presented. Darryl Schiewe provided an update on the GMS project. Lynette Hughes confirmed that to date the GMS project was on schedule and is currently under budget.

8. Committee Reports

a. Audit Committee

Mike Riley, Chair of the Audit Committee confirmed that a meeting had taken place earlier in the day and that a number of matters had been reviewed including the Audited Financial Statements for Fiscal 2011/12, the Fiscal 2011/12 Annual Report and the BCLC Employee Pension Plan financial statements for the year ending December 31, 2011. He advised that Paula Presta and Lindsay Holmes from KPMG had attended a portion of the meeting to present their Audit Report for Fiscal 2011/12.

b. Governance and Corporate Social Responsibility Committee

David Gillespie, Chair of the Governance and Corporate Social Responsibility Committee reported that plans were underway to schedule the next meeting in July with the Board evaluation results being presented at that time. David Gillespie and John McLernon provided an update on the Board vacancy.

c. Human Resources and Compensation Committee

Neil McDonnell, Chair of the Human Resources and Compensation Committee confirmed that confirmed a meeting had taken place earlier in the day and advised that the matters reviewed would be discussed during the in-camera portion of the meeting.

9. Decisions

a. Approval of BCLC's Audited Financial Statements for Fiscal 2011/12

Mr. Riley confirmed that BCLC's Audited Financial Statements for Fiscal 2011/12 had been reviewed by the Audit Committee.

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution.

WHEREAS the Board has reviewed BCLC's Audited Financial Statements for the Fiscal Year ending March 31, 2012 and has received a recommendation from the Audit Committee to approve such statements.

NOW THEREFORE be it resolved that:

1. The Audited Financial Statements for BCLC's Fiscal Year ending March 31, 2012 as presented to the Board are hereby approved;
2. Any two directors of the Board are hereby authorized to sign the Audited Financial Statements for Fiscal 2011/12 of the Corporation on behalf of the Board to evidence the approval referred to in 1 above; and
3. Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.

b. Approval of BCLC's Annual Report for Fiscal 2011/12

Mr. Riley confirmed that BCLC's Annual Report for Fiscal 2011/12 had been reviewed by the Audit Committee.

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution.

WHEREAS the Board has reviewed the Annual Service Plan Report for Fiscal 2011/12 and has received a recommendation from the Audit Committee to approve such report.

NOW THEREFORE be it resolved that:

1. BCLC's Annual Service Plan Report for Fiscal 2011/12 substantially in the form presented subject to the Board with such additions thereto, deletions there from and alterations thereto as may be approved by the President of the Corporation are hereby approved.
2. Any officer or director is hereby authorized to take any action to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.

- c. Approval of the BCLC Employee Pension Plan Financial Statements for the Year Ending December 31, 2011
Mr. Riley confirmed that the BCLC Employee Pension Plan Financial Statements for the Year ending December 31, 2011 had been reviewed by the Audit Committee.

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution.

WHEREAS the Board has reviewed the audited financial statements for the British Columbia Lottery Corporation Pension Plan for the twelve months ending December 31, 2011 and has received a recommendation from the Audit Committee to approve such statements.

NOW THEREFORE BE IT RESOLVED THAT:

- 1. The BCLC Pension Plan Audited Financial Statements for the twelve months ending December 31, 2011 as presented to the Board are hereby approved; and**
 - 2. Any two Directors of the Board are hereby authorized to sign the BCLC Pension Plan Audited Financial Statements on behalf of the Board to evidence the approval referred to in 1 above.**
- d. Approval of the Corporate Variable Incentive Results for Fiscal 2011/12
This item was moved to the in-camera portion of meeting.
- e. Approval of the Employee Variable Incentive Pay Plan for Fiscal 2011/12
This item was moved to the in-camera portion of the meeting.

Susan Dolinski joined the meeting at 3:40 p.m.

10. Presentations

- a. Employee Engagement Results
Peter Charlton provided an overview of the employee engagement survey results.
- b. Stakeholder Engagement and Transparency Strategy
Susan Dolinski presented the stakeholder engagement and transparency strategy.
- c. On-line Sports Betting Demo
Due to time constraints the demo was postponed.

11. Other

- a. BC Lottotech – Annual Meeting Material
Tom Williamson advised that BC Lottotech International Inc. is a wholly owned subsidiary of BCLC and that the primary purpose of the company is to purchase equipment and lease this equipment back to BCLC to achieve a tax savings. He

further confirmed that the Company's financial information is consolidated with BCLC's financial statements.

12. In-Camera Session

Staff left the meeting at 4:15 p.m. and the Board continued with an in-camera session with Michael Graydon. Michael Graydon left the meeting at 4:30 p.m. and the Board continued with an in-camera session.

The Board then came out of the in-camera session. Following consideration and discussion in this session and on motion duly made and seconded, the Board then approved the following resolutions.

Approval of the Corporate Variable Incentive Results for Fiscal 2011/12

WHEREAS the Board has reviewed the material provided with respect to the achievement of the Fiscal 2011/12 Corporate Variable Pay Plan and has received a recommendation from the Human Resources and Compensation Committee to approve such evaluation.

NOW THEREFORE be it resolved that:

- 1. The Board approve the recommendation of the Human Resources and Compensation Committee of the achievement on the Fiscal 2011/12 Corporate Bonus Goals of :**
 - **Achievement of the Variable Pay Program 'Trigger' with Net Income before Taxes – \$1,194 million (threshold: \$1,135 million)**
 - **Corporate Goals Variable Payout of 89.3% based on the Corporate Goal Achievement of 98.8%; and**
- 2. Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.**

Approval of the Employee Variable Pay Plan for Fiscal 2011/12

WHEREAS the Corporation has an Employee Variable Pay Plan in place approved by the provincial government pursuant to which bonus payments may be made to employees when certain predetermined corporate performance measurement criteria are met.

AND WHEREAS achievement of the Variable Pay Plan was based on 50% corporate performance and 50% individual and/or team performance and the criteria under the program has been substantially met by the Corporation; and

NOW THEREFORE be it resolved that:

1. Upon the recommendation of the Human Resources and Compensation Committee the Corporation is hereby authorized to make incentive payments to employees of the Corporation for Fiscal 2011/12 with up to \$4.8 million to be paid out in accordance with the Employee Variable Pay Plan.
2. Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.

Approval of Senior Executive Adjustments

WHEREAS the CEO has presented a proposed restructure of the Senior Executive Team.

NOW THEREFORE be it resolved that:

1. The proposed restructure as presented be approved.
2. The appointment of Marsha Walden as the Vice President - Strategy, Transformation and Social Responsibility of the Corporation effective May 24, 2012 subject to the completion of any necessary background investigation required by Gaming Policy and Enforcement Branch is hereby approved.
3. The appointment of Lynette Hughes as the CIO of the Corporation effective May 24, 2012 subject to the completion of any necessary background investigation required by Gaming Policy and Enforcement Branch is hereby approved.
4. The appointment of Susan Dolinski as the Vice President, Communications and Public Affairs of the Corporation effective May 24, 2012 subject to the completion of any necessary background investigation required by Gaming Policy and Enforcement Branch is hereby approved.
5. The appointment of David Hughes as the Corporate Secretary effective May 24, 2012 subject to the completion of any necessary background investigation required by the Gaming Policy and Enforcement Branch is hereby approved.
6. The Corporate Secretary, any officer or director is hereby authorized to take any action necessary to carry out the foregoing resolution including executing all documents, making all filings or taking any other action required to give effect to the foregoing resolution.

There being no further business, the meeting adjourned at 4:45 p.m.

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John McLernon, Chair



**NOTICE OF BOARD OF DIRECTORS MEETING
8:30 a.m. – 1:30 p.m., Wednesday, May 23, 2012
Presentation Room, Kamloops Office**

PROPOSED AGENDA

1. CALL TO ORDER AND WELCOME
2. ADOPTION OF AGENDA
3. REMARKS BY THE CHAIR
4. REMARKS BY THE PRESIDENT
5. APPROVAL OF MINUTES OF PREVIOUS BOARD MEETINGS
 - April 20, 2012
6. BUSINESS ARISING
 - a. Board Strategic Planning Session (verbal)
 - b. Service Partner Financial Update (verbal)
7. NEW BUSINESS
8. MANAGEMENT REPORT (Verbal)
 - a. Lottery
 - b. Gaming (Casino/CGCs/Bingo)
 - c. eGaming
 - d. Corporate Affairs
 - e. Corporate Security and Compliance
 - f. Customer Strategy and Corporate Marketing
 - g. Finance and Corporate Services
 - h. Human Resources and Organizational Development
 - i. Transformation and Technology
9. COMMITTEE REPORTS
 - a. Audit Committee
 - b. Governance and Corporate Social Responsibility
 - c. Human Resources and Compensation
10. DECISIONS
 - a. Approval of BCLC Audited Financial Statements for Fiscal 2011/12
 - b. Approval of BCLC Annual Report for Fiscal 2011/12
 - c. Approval of the BCLC Employee Pension Plan Financial Statements for the Year Ending December 31, 2011
 - d. Approval of Corporate Variable Incentive Results for Fiscal 2011/12
 - e. Approval of Employee Variable Incentive Pay Plan – Fiscal 2011/12

11. PRESENTATION
 - a. Employee Engagement Results
 - b. Stakeholder Engagement and Transparency
 - c. On-line Sports Betting Demo
12. OTHER
 - a. BC Lottotech – Annual Meeting Package Material
13. IN-CAMERA SESSION
 - a. Approval of Senior Executive Adjustments
 - a. Approval of CEO Performance Evaluation for Fiscal 2011/12
 - b. Approval of Deferred Bonus Plan for CEO for Fiscal 2011/12

NEXT MEETING DATE: July 26, 2012 (Vancouver)



NOTICE OF BOARD OF DIRECTORS MEETING
8:30 a.m. – 1:00 p.m., Thursday July 26, 2012
Boardroom, Vancouver Office

PROPOSED AGENDA

1. CALL TO ORDER AND WELCOME
2. ADOPTION OF AGENDA
3. REPORT BY THE CHAIR
4. REPORT BY THE PRESIDENT
5. APPROVAL OF MINUTES OF PREVIOUS BOARD MEETINGS
 - May 22, 2012
6. BUSINESS ARISING
 - a. Service Partner Financial Update
 - b. Facilities Development Update – First Quarter Report
 - c. White Label Plan
7. NEW BUSINESS
 - a. Performance Against Strategic and Operating Plan (Dashboard) – First Quarter
8. MANAGEMENT REPORT (Information Only)
 - a. President's Operational Overview
 - b. Casino Gaming (Presentation)
 - c. Lottery Gaming (Presentation)
 - d. Divisions Written Reports
 - i. eGaming
 - ii. Casino System Implementation
 - iii. Communications and Public Affairs
 - iv. Corporate Security and Compliance
 - v. Strategy, Transformation and Social Responsibility
 - vi. Finance and Corporate Services
 - vii. Human Resources
 - viii. Business Technology
 - e. Questions
9. COMMITTEE REPORTS
 - a. Audit Committee
 - b. Governance and Corporate Social Responsibility
 - c. Human Resources and Compensation
10. DECISIONS
 - a. Approval of First Quarter Financial Statements
 - b. Approval of the Five Year Forecasts

- c. Approval of the Financial Information Act Report
 - d. Approval of Revised Governance Manual Policies
 - i. Audit Committee Terms of Reference
 - ii. Senior Management Organizational Chart
 - iii. Director and Senior Management Contact Information
11. PROJECTS AND RISK ASSESSMENT
- a. Q1 ERM Report
 - i. Gaming Management System
 - ii. Transformation and Technology
 - iii. Business Continuity
 - iv. Finance Transformation
12. IN-CAMERA SESSION

NEXT MEETING DATE: October 25, 2012 (Vancouver)

**British Columbia Lottery Corporation
Minutes of Board Meeting
Held on July 26, 2012
Boardroom, Vancouver Office**

In Attendance

John McLernon	Chair
Moray Keith	
Michael Riley	
Bud Smith	
Art Willms	
Neil McDonnell	
David Gillespie	
Cindy Grauer	
Michael Graydon	President and CEO

Also Attending

Susan Dolinski	VP, Communications and Public Affairs
Rhonda Garvey	VP, eGaming
Kevin Gass	VP, Lottery Gaming
Jim Lightbody	VP, Casino and Community Gaming
Darryl Schiewe	VP, Casino System Implementation
Terry Towns	VP, Security and Compliance
Tom Williamson	VP, Finance and Corporate Services
Marsha Walden	VP, Strategy, Transformation and Social Responsibility
David Hughes	Corporate Secretary
Dinah Mulvaney	Executive Assistant

1. Call to Order and Welcome

A quorum of directors being present and notice of the meeting having been given, the meeting was declared to be constituted for the transaction of business and the meeting was called to order at 8:30 a.m. Staff left the meeting and the Board continued with an in-camera session. Michael Graydon joined the meeting at 8:50 a.m. and the Board continued with the in-camera session with Mr. Graydon. The Board and Mr. Graydon concluded the in-camera session and staff joined the meeting at 9:05 a.m.

2. Adoption of Agenda

The first order of business was the agenda.

On motion duly made, seconded and unanimously carried, the Agenda was approved as presented.

3. Report by the Chair

John McLernon provided a brief summary of the recent government directive regarding Executive Compensation.

4. Report by the President

This item was deferred to later in the meeting.

5. Approval of the Minutes of Previous Meeting

The Minutes of the May 22, 2012 were presented.

On motion duly made, seconded and unanimously carried, the Minutes of the meeting held on May 22, 2012 were approved as presented.

Mike Wolfram joined the meeting at 9:15 a.m.

6. Business Arising

a. Service Partner Financial Update

Mike Wolfram presented on the review undertaken and options considered with respect to the Edgewater Casino development at BC Place. Following a discussion, the Board supported the proposal to make changes to the COSA.

Mr. Wolfram also outlined a proposal to make changes to the COSAs for Fraser Downs and Hastings Park. Following a discussion, the Board supported management moving forward as proposed.

Mike Wolfram left the meeting at 9:50 a.m.

b. Facilities Development Update

The report was approved and accepted as circulated.

c. White Label Update

Rhonda Garvey provided an update on the status of the White Label initiative. A discussion took place regarding the need for finalizing the term sheet promptly.

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution:

WHEREAS Senior Management has recommended to the Board the approval of a budget request of \$2.1 million for operating costs and a capital budget of \$3.1 million for Fiscal 2012/13.

NOW THEREFORE be it resolved that:

- 1. The Board approve a budget request of \$2.1 million for operating costs and a capital budget of \$3.1 million for Fiscal 2012/13 in order to continue proceeding with implementing PlayNow.com for Manitoba subject to a plan for full cost recovery of the investment being put in place; and**
- 2. Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents,**

making all filings and taking all action necessary to give effect to the foregoing resolution.

7. New Business

- a. Performance Against Strategic and Operating Plan
Tom Williamson provided an overview of the first quarter report and the report was accepted as presented.

8. Management Reports

- a. President's Operational Overview
Michael Graydon provided an update on a number of matters including a financial update.
- b. Casino Gaming
Jim Lightbody gave a presentation regarding the evolution of the Casino and Community Gaming Division.
- c. Lottery
Kevin Gass gave a presentation on some of the initiatives underway in the Lottery Division.
- d. Management Reports
The management reports were accepted as presented.

9. Committee Reports

- a. Audit Committee
Michael Riley, Chair of the Audit Committee, reported that a meeting had taken place on July 25, 2012 and a number of matters had been reviewed including the Whistleblower communication plan and the Audit compliance letter to GPEB. He advised that an update had been provided on SAP and confirmed that management had been asked to undertake a review of the business continuity plan specifically around controls in place for core processes (i.e. the GL and payroll) and requested that an update be provided at the October Audit Committee meeting. Mr. Riley further noted that the Committee had also reviewed Q1 Financial Statements statement, the Fiscal 2011/12 Financial Information Act Report, the Security and Compliance Q1 status report as well as the Internal Audit Q1 report.
- b. Governance and Corporate Social Responsibility Committee
David Gillespie, Chair of the Committee, advised that a meeting had taken place on July 25, 2012 at which the results of the recent Board self-evaluation were discussed. Mr. Gillespie also reported that Marsha Walden and Paul Smith had provided an update on Corporate Social Responsibility. He also advised that a number of Board Governance Manual updates had been reviewed and were being put forward for approval.

A discussion took place regarding current Committee membership and Mr. McLernon confirmed that Bud Smith would be appointed as a member of the Human Resources

and Compensation Committee and the Governance and Corporate Social Responsibility Committee.

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution:

WHEREAS the Governance and Corporate Social Responsibility Committee has recommended to the Board the approval of a number of revised Governance Manual policies including:

- I. Committee Membership Roster
- II. Audit Committee Terms of Reference
- III. Organizational Chart
- IV. Director/Senior Management Contact Information

NOW THEREFORE be it resolved that:

- 1. The Board approve the Committee Membership Roster subject to the addition of Bud Smith as a member of the Human Resources and Compensation Committee and the Governance and Corporate Social Responsibility Committee;
 - 2. The Board approve the Audit Committee Terms of Reference, the Organizational Chart and the Director/Senior Management Contact Information as presented; and
 - 3. The Corporate Secretary or any officer or director is hereby authorized to take any action necessary to carry out the foregoing resolution including executing all documents, making all filings or taking any other action required to give effect to the foregoing resolution.
- c. Human Resources and Compensation Committee
Neil McDonnell, Chair of the Human Resources and Compensation Committee confirmed no meeting had taken place since the last Board meeting.

10. Decisions

- a. Approval of the First Quarter Financial Statements
Tom Williamson provided an overview of the financial statements for the first quarter period ending June 30, 2012.

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution:

WHEREAS the Board has reviewed the financial statements for the first quarter ending June 30, 2012 and received a recommendation from the Audit Committee;

NOW THEREFORE be it resolved that:

1. The Corporation's First Quarterly Report including the financial statements for the quarter ended June 30, 2012 is hereby approved;
 2. The appropriate signing authorities within the Corporation as required by the Provincial Government are hereby authorized to sign the First Quarterly Report on behalf of the Corporation as necessary; and
 3. Any officer or director is hereby authorized to take any action necessary to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.
- b. Approval of the Five Year Forecasts
Tom Williamson confirmed no changes to the five year projections were being contemplated since last presented and approved by the Board. A discussion took place regarding the five year forecasts and it was agreed that since no changes were being contemplated a resolution was not required.
- c. Financial Information Act
A discussion took place regarding the *Financial Information Act* Report.

Following consideration and discussion in this session, and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution:

WHEREAS the Board has reviewed the *Financial Information Act* Fiscal 2011/12 Annual Report and has discussed such report with Senior Management.

NOW THEREFORE be it resolved that:

1. The *Financial Information Act* Fiscal 2011/12 Annual Report is hereby approved;
2. The Board Chair, President and Vice President, Finance and Corporate Services or any other party within the organization required by the Provincial Government are hereby authorized to sign the *Financial Information Act* Fiscal 2011/12 Annual Report on behalf of the Corporation and the Annual Report signed by such authorized persons shall be deemed to be the *Financial Information Act* Fiscal 2011/12 Annual Report approved by this resolution; and
3. Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.


11. Projects and Risk Assessment

a. Q1 ERM Report

A discussion took place with respect to the Q1 ERM report and the report was accepted as presented.

12. In-camera Session

Staff left the meeting at 12:10 p.m. and the Board continued with an in-camera session.


There being no further business, the meeting adjourned at 12:35 p.m.
s 22

John McEwen, Chair

A. H. WILLMS



NOTICE OF BOARD OF DIRECTORS MEETING

**1:00 p.m. to 4:30 p.m., Wednesday, October 24, 2012
Boardroom, Vancouver Office**

PROPOSED AGENDA

1. CALL TO ORDER AND WELCOME
2. ADOPTION OF AGENDA
3. REPORT BY THE CHAIR
4. REPORT BY THE PRESIDENT
5. APPROVAL OF MINUTES OF PREVIOUS BOARD MEETING
 - July 26, 2012
6. BUSINESS ARISING
 - a. White Label
7. NEW BUSINESS
 - a. Performance Reporting Against Strategic and Operating Plan (Dashboard)
 - b. Q2 ERM Report
8. MANAGEMENT REPORTS (Information Only)
 - a. Business Technology
 - b. Casino and Community Gaming
 - c. Casino System Implementation
 - d. Communications and Public Affairs
 - e. Corporate Security and Compliance
 - f. eGaming
 - g. Finance and Corporate Services
 - h. Human Resources
 - i. Lottery Gaming
 - j. Strategy, Transformation and Corporate Social Responsibility
9. COMMITTEE REPORTS
 - a. Audit Committee
 - b. Human Resources and Compensation Committee
10. DECISIONS
 - a. s 17(1)
 - b. Review Q2 Financial Statements
 - i. Approval of Q2 Financial Statements
 - c. Five Year Financial Projections (Discussion)
 - i. Approval of Five Year Financial Projections
11. IN-CAMERA SESSION

**British Columbia Lottery Corporation
Minutes from the Board meeting
Held on October 24, 2012
Boardroom, Vancouver Office**

In Attendance

Art Willms	Board Vice Chair
David Gillespie	
Moray Keith	
Neil McDonnell	
Trudi Brown	
Bud Smith	
Michael Riley	

BCLC Staff in Attendance

Michael Graydon	President and CEO
Tom Williamson	VP Finance and Corporate Services
Terry Towns	VP Security and Compliance
Marsha Walden	VP Strategy Transformation and Social Responsibility
Lynette Hughes	VP Business Technology and CIO
Darryl Schiewe	VP Casino System Implementation
Peter Charlton	VP Human Resources
Susan Dolinski	VP Communications and Public Affairs
Jim Lightbody	VP Casino and Community Gaming
Kevin Gass	VP Lottery Gaming
Rhonda Garvey	VP eGaming
David Hughes	Corporate Secretary

1. Call to Order

A quorum of directors being present and notice of the meeting having been duly given, the meeting was declared to be constituted for the transaction of business and was called to order at 12:55 p.m. Art Willms acted as Chair.

2. Adoption of Agenda

The first order of business was the adoption of the Agenda.

On motion duly made, seconded and unanimously carried, the Agenda was approved as amended.

3. Report by the Chair

The Chair sent his regrets for not being able to make the meeting.

4. Report by the President

Michael Graydon provided a report on BCLC's status.
Jim Lightbody gave a presentation on the imminent opening of Chances Chilliwack.

5. Minutes of Previous Meeting

The minutes of the July 25, 2012 meeting were presented.

On motion duly made, seconded and unanimously carried, the Minutes of the meeting held on July 25, 2012 were approved.

6. Business Arising

a. White Label

Rhonda Garvey provided an update on BCLC's White Label strategy. She anticipated bringing forward a recommendation to the Board in Spring 2013.

7. New Business

a. Dashboard

Tom Williamson reviewed BCLC's KPI's. A discussion was had about the number of active BC Gold Encore members and active PlayNow.com players. In response to a question, Darryl Schiewe confirmed that BCLC had just received version 12.5 of GMS, that this version contained BCLC's data segregation requirements, and that BCLC anticipated testing until the end of November. He further confirmed that the project was on budget.

b. Q2 ERM Report

Tom Williamson reviewed BCLC's Q2 ERM report. He noted that BCLC had completed a thorough assessment of eGaming and that there were no new critical risks this quarter. Responsible Gambling and employee compensation had been introduced as new high risk areas. A discussion was had about why Responsible Gambling had been moved up. It was noted that public expectations were rising, that BCLC now had 39 sites with slot machines and that not every site possessed GPEB hired responsible gambling staff on the ground. A further discussion was had about the risks around business continuity and whether or not there were any situations in which the loss of a vendor would be catastrophic. Management noted that this had not been identified as a high risk as it was confident that mitigation strategies were in place, but that it would have a further review of this as an Executive team.

8. Management Reports

The Management Reports were accepted as presented.

9. Committee Reports

a. Audit Committee

Mike Riley, Chair of the Audit Committee, presented his report from the Audit Committee meeting that had taken place on October 24, 2012.

b. Human Resources and Compensation Committee

This Committee report was deferred to the In Camera Session.

10. Decisions

s 17(1)

b. Approval of Q2 Financial Statements

Tom Williamson presented the Q2 Financial Statements.

Following consideration and discussion and on motion duly made and seconded the Board unanimously approved the following resolution:

WHEREAS the Board has reviewed the financial statements for the second quarter ending September 29, 2012 and the Second Quarterly Report and received a recommendation from the Audit Committee;

NOW THEREFORE BE IT RESOLVED THAT:

The Corporation's Second Quarterly Report including the financial statements for the quarter ended September 29, 2012 is hereby approved;

The appropriate signing authorities within the Corporation as required by the Provincial Government are hereby authorized to sign the Second Quarterly Report on behalf of the Corporation as necessary; and

Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.

c. Approval of 5 Year Financial Projections

Tom Williamson presented the 5 Year Financial Projections.

Following consideration and discussion and on motion duly made and seconded the Board unanimously approved the following resolution:

WHEREAS the Board has reviewed the Government Forecast Reports (Five Year Projections) for the five year period ending March 31, 2017 and received a recommendation from the Audit Committee;

NOW THEREFORE BE IT RESOLVED THAT:

The Corporation's Government Forecast Reports for the five year period ending March 31, 2017 are hereby approved;

The appropriate signing authorities within the Corporation as required by the Provincial Government are hereby authorized to sign the Government Forecast Reports on behalf of the Corporation as necessary; and

Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.

11. In Camera Session

BCLC Staff then left the meeting at 2.18 p.m. and the Board continued with an in camera session. The Board came out of the in-camera session at 3.05 p.m.

Following consideration and discussion and on motion duly made and seconded the Board approved the following resolutions:

WHEREAS the Board of Directors has reviewed the material provided and discussed the CEO's Performance Goals & Holdback Incentive Plan and has received a recommendation from the Human Resources and Compensation Committee to approve such criteria.

NOW THEREFORE be It resolved that:

The Board approve the Principles of the CEO's Performance Goals & Holdback Incentive Plan for Fiscal Year 2012/13 as presented.

WHEREAS the Board has reviewed the material provided with respect to the proposed changes to the CEO total compensation package and has received a recommendation from the Human Resources and Compensation Committee to approve such proposal.

NOW THEREFORE be It resolved that:

Subject to obtaining all required approvals from Government, the Board accept the recommendation of the Human Resources and Compensation Committee and approve the proposed changes to the CEO's total compensation package as presented; and

Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.

There being no further business, the meeting adjourned at 3:07 p.m.
s 22


Art Williams



NOTICE OF BOARD OF DIRECTORS MEETING

9:00 am - 1:00 pm on Monday 10 December 2012
Executive Boardroom - Vancouver Office

PROPOSED AGENDA

- 1. CALL TO ORDER AND WELCOME**
- 2. ADOPTION OF AGENDA**
- 3. REPORT BY THE CHAIR**
- 4. REPORT BY THE PRESIDENT**
- 5. APPROVAL OF MINUTES OF PREVIOUS BOARD MEETING**
 - a. 26 October 2012
- 6. OPERATIONAL PERFORMANCE**
 - a. Finance Update – November 2012 (verbal)
 - b. Fiscal 2013/2014 business Planning
 - i. Business Plan & Budget (Presentation)
 - ii. Service Plan – Fiscal 2013/2014 – 2014/2016 (draft)
- 7. COMMITTEE REPORTS**
 - a. Human Resources & Compensation Committee
- 8. IN-CAMERA SESSION**
- 9. NEXT MEETING**
 - a. 2013 Board & Audit Meeting Schedule

**British Columbia Lottery Corporation
Minutes from the Board meeting
Held on December 10, 2012
Boardroom, Vancouver Office**

In Attendance

John McLernon	Chair
Art Willms	Vice Chair
Moray Keith	
Neil McDonnell	
Trudi Brown	
Bud Smith	
Michael Riley	
Cindy Grauer	

BCLC Staff in Attendance

Michael Graydon	President and CEO
Tom Williamson	VP Finance and Corporate Services
Terry Towns	VP Security and Compliance
Marsha Walden	VP Strategy Transformation and Social Responsibility
Lynette Hughes	VP Business Technology and CIO
Darryl Schiewe	VP Casino System Implementation
Peter Charlton	VP Human Resources
Susan Dolinski	VP Communications and Public Affairs
Jim Lightbody	VP Casino and Community Gaming
Rhonda Garvey	VP eGaming
David Hughes	Corporate Secretary

1. Call to Order

A quorum of directors being present and notice of the meeting having been duly given, the meeting was declared to be constituted for the transaction of business and was called to order at 9:00 a.m.

2. Adoption of Agenda

The first order of business was the adoption of the Agenda.

On motion duly made, seconded and unanimously carried, the Agenda was approved as amended.

3. Report by the Chair

The Chair gave his report.

4. Report by the President

Michael Graydon provided a report on BCLC's status.

5. Minutes of Previous Meeting

The minutes of the October 24, 2012 meeting were presented.

On motion duly made, seconded and unanimously carried, the Minutes of the meeting held on October 24, 2012 were approved.

6. Operational Performance

a. Finance Update

Tom Williamson provided an update on BCLC's financial performance.

b. Business Planning

i. Marsha Walden gave a presentation on BCLC's strategic framework.

The meeting adjourned for a break at 11.05 a.m and reconvened at 11.15 a.m.

ii. Tom Williamson led a discussion about BCLC's proposed Service Plan.

7. Committee Reports

a. Human Resources and Compensation Committee

This report was deferred to the in camera session.

8. In Camera Session

BCLC Staff left the meeting at 11.50 a.m. and the Board continued with an in camera session. The Board came out of the in-camera session at 12.15 p.m. Following consideration and discussion in this session, on motion duly made and seconded, the Board approved the following resolution(s):

WHEREAS the Board of Directors, in exercising their duty to act in the best interests of the Corporation, has reviewed the material provided and discussed the proposed changes to the Executive Compensation Compliance Proposal and has received a recommendation from the Human Resources & Compensation Committee to approve such proposal;

NOW THEREFORE be it resolved that:

- 1. Subject to obtaining all required approvals from Government, the Board accept the recommendation of the Human Resources & Compensation Committee and approve the proposed changes to the Executive Compensation Compliance Proposal as presented; and*
- 2. Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.*

WHEREAS the Board of Directors has reviewed the material provided and discussed the proposed Merit Recommendation for Fiscal Year 2013/14;

NOW THEREFORE be it resolved that:

The Board approve the proposed Merit Increases for Fiscal Year 2013/14 as presented.

WHEREAS the Board of Directors has reviewed the proposed British Columbia Lottery Corporation Pension Governance Policy and Framework and has received a recommendation from the Human Resources & Compensation Committee to approve such criteria;

NOW THEREFORE be it resolved that:

The Board approve the British Columbia Lottery Corporation Pension Governance Policy and Framework as presented.

BCLC Staff left the meeting at 12.17 p.m. and the Board continued with the in camera session.

The meeting adjourned at 12:45 p.m.

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John McLernon



BOARD OF DIRECTORS MEETING

8:00 am (PT) Thursday 24 January 2013
Boardroom – BCLC, 2940 Virtual Way
Vancouver, BC V5M 0A6

AGENDA

- 1. ADOPTION OF AGENDA**
- 2. APPROVAL OF PREVIOUS MINUTES**
 - 2.1. 10 December 2012
- 3. REPORT BY CHAIR** **Verbal**
- 4. REPORT BY PRESIDENT** **Verbal**
- 5. CORPORATE APPROVALS**
 - 5.1. Appointment of Corporate Secretary Approval
 - 5.2. Q3 Financial Statements[T. Williamson – 10 mins] Approval
 - 5.3. 5-Year Financial Projections (Fiscal 2013/14–Fiscal 2015/17) ...[T. Williamson – 10 mins] Approval
 - 5.4. Business Plan & Budget (Fiscal 2013 – 2014)[T. Williamson – 10 mins] Approval
 - 5.5. Service Plan (Fiscal 2013/14 – 2015/16)..... [T. Williamson – 10 mins] Approval
- 6. CORPORATE OPERATIONS**
 - 6.1. Big Sky Update [M. Graydon – 10 mins] Discussion
 - 6.2. GMS Update [D. Schiewe – 10 mins] Discussion
 - 6.3. Q3 Executive Dashboard[T. Williamson – 10 mins] Presentation
 - 6.4. Q3 ERM Report[T. Williamson – 20 mins] Discussion
 - 6.5. Management Reports *Information Only*
 - 6.5.1. Business Technology
 - 6.5.2. Finance & Corporate Services
 - 6.5.3. Human Resources
 - 6.5.4. Communications & Public Affairs
 - 6.5.5. Strategy, Transformation & Corporate Social Responsibility
 - 6.5.6. Corporate Security & Compliance
 - 6.5.6.1. Information Security Systems[A. Swan – 30 mins] Presentation
 - 6.5.7. eGaming
 - 6.5.8. Casino & Community Gaming
 - 6.5.9. Casino System Implementation
 - 6.5.10. Lottery Gaming
- 7. COMMITTEE REPORTS**
 - 7.1. Audit Committee [M. Riley – 15 mins] Discussion
 - 7.2. HR&C Committee[N. McDonnell – 10 mins] Discussion
 - 7.3. Governance & Corporate Social Responsibility.....[D. Gillespie – 5 mins] Discussion
- 8. OTHER BUSINESS**
 - 8.1. Incamera Session[Directors – 30 mins] Discussion
- 9. NEXT MEETING**
 - 9.1. Proposed 2014 Board & Committee Meeting Schedule
 - 9.2. Thursday 25 April 2013



Minutes of the meeting of the Board of Directors held at 8:00 am on January 24, 2013

Location: BCLC Boardroom, 2940 Virtual Way, Vancouver, BC V5M 0A6

Present:

John McLernon	Chair
Art Wilms	Vice Chair
David Gillespie	
Moray Keith	
Neil McDonnell	
Trudi Brown	
Michael Riley	
Cindy Grauer	

Management Present:

Michael Graydon	President and CEO
Tom Williamson	VP Finance and Corporate Services
Marsha Walden	VP Strategy Transformation and Social Responsibility
Lynette Hughes	VP Business Technology and CIO
Darryl Schiewe	VP Casino System Implementation
Peter Charlton	VP Human Resources
Susan Dolinski	VP Communications and Public Affairs
Jim Lightbody	VP Casino and Community Gaming
Bryon Hodgkin	Acting VP Security and Compliance
Constance Ladell	Corporate Secretary

John McLernon took the Chair at 8:00 am and upon his departure at 10:05 am was replaced by Vice Chair Art Wilms for the balance of the meeting with Constance Ladell acting as Recording Secretary throughout. The Chair noted that, as proper notice of the meeting had been given and as a quorum was present, he declared the meeting to be regularly constituted and open for the transaction of business at 8:00 am.

1 ADOPTION OF AGENDA

The first order of business was the adoption of the Agenda.

On motion duly made, seconded and unanimously carried, the Agenda was approved as amended.

2 APPROVAL OF MINUTES

2.1 The minutes of the December 10, 2012 meeting were presented.

On motion duly made, seconded and unanimously carried, the Minutes of the meeting held on December 10, 2012 were approved.

3 REPORT BY CHAIR

The Chair gave his report and discussed differentiating strategies for developing gaming facilities and maximizing the effectiveness of existing gaming facilities.

4 REPORT BY PRESIDENT

Michael Graydon gave his report on BCLC's status and noted the recent retirements of senior executives and the hiring of successors to those roles.

Susan Dolinski and Jim Lightbody provided summaries of the Surrey proposal process.

5 CORPORATE APPROVALS

5.1 Appointment of Corporate Secretary Approval

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution:

WHEREAS s 22

NOW THEREFORE be it resolved that:

1. The appointment of Constance Ladell as the Corporate Secretary effective January 24, 2013 subject to the completion of any necessary background investigation required by the Gaming Policy and Enforcement Branch is hereby approved.
2. The Corporate Secretary, any officer or director is hereby authorized to take any action necessary to carry out the foregoing resolution including executing all documents, making all filings or taking any other action required to give effect to the foregoing.

5.2 Q3 Financial Statements Approval

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution:

WHEREAS the Board has reviewed the financial statements for the third quarter ending December 29, 2012 and received a recommendation from the Audit Committee;

NOW THEREFORE BE IT RESOLVED that:

1. The Corporation's Third Quarter Report including the financial statements for the quarter ended December 29, 2012 is hereby approved; and
2. The appropriate signing authorities within the Corporation as required by the Provincial Government are hereby authorized to sign the Third Quarter Report on behalf of the Corporation as necessary; and
3. Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.

5.3 Five Year Financial Projections (Fiscal 2013/14 – 2015/17) Approval

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution:

WHEREAS the Board has reviewed the Government Forecast (Five Year Projections) for the five year period ending March 31, 2017 and received a recommendation from the Audit Committee;

NOW THEREFORE BE IT RESOLVED that:

1. The Corporation's Government Forecast Reports for the five year period ending March 31, 2017 are hereby approved; and

2. Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.

5.4 Business Plan & Budget (Fiscal 2013 – 2014) Approval

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution:

WHEREAS the Board has reviewed the Fiscal 2013/14 Business Plan, Operating Budget and Capital Budget and has received a recommendation from the Audit Committee;

NOW THEREFORE BE IT RESOLVED that:

1. The Board of Directors approve the Corporation's Fiscal 2013/14 Business Plan, Operating Budget and Capital Budget; and
2. Management of the Corporation is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents or taking any other action required to give effect to the foregoing resolution.

5.5 Service Plan (Fiscal 2013/14 – 2015/16) Approval

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution:

WHEREAS the Board has reviewed the Fiscal 2013/14 to 2015/16 Service Plan and has received a recommendation from the Audit Committee;

NOW THEREFORE BE IT RESOLVED that:

1. The Board of Directors approve the Corporation's Fiscal 2013/14 to 2015/16 Service Plan; and
2. Management of the Corporation is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents or taking any other action required to give effect to the foregoing resolution.

6 CORPORATE OPERATIONS

6.1 Big Sky Update Discussion

Michael Graydon provided an update on the Manitoba launch and future opportunities.

6.2 GMS Update Discussion

Darryl Schiewe reported on the project's status and outlined the implementation of the latest minor version release.

6.3 Q3 Executive Dashboard Discussion

Tom Williamson reviewed various activities including Lotto Express and the upcoming utilization of an Intelligent Financial System.

6.4 Q3 ERM Report Discussion

Tom Williamson presented the report and referenced the areas of eGaming and vendor management as illustrative.

6.5 Management Report

The Management Reports were accepted as presented.

6.5.6.1 Information Security Systems

Presentation

BCLC's Director of Information Security, Angela Swan, joined the meeting at 9:32 am. She gave a presentation on the activities and approaches employed by Information Security and answered various questions from the Members.

Angela Swan left the meeting at 10:00 am.

7 COMMITTEE REPORTS

7.1 Audit Committee

Approval

Mike Riley, Chair of the Audit Committee, presented his report from the Audit Committee meeting that had taken place on January 23, 2013. The Audit Committee recommended approval of the extension of the KPMG's engagement as auditor for an additional year.

On motion duly made, seconded and unanimously carried, the Board approved the appointment of KPMG for an additional year.

7.2 HR&C Committee

Approval

Neil McDonnell, Chair of the Human Resources and Compensation Committee presented his report from Committee meeting that had taken place on January 23, 2012.

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution:

WHEREAS the CEO has recommended the appointment of Jervis Rodrigues to the position of CFO & Vice President, Finance and Brad Desmarais to the position of Vice President, Corporate Security & Compliance.

NOW THEREFORE be it resolved that:

1. The appointment of Jervis Rodrigues as the CFO & VP Finance of the Corporation effective **4 February 2013** subject to the completion of any necessary background investigation required by the Gaming Policy and Enforcement Branch is hereby confirmed; and
2. The appointment of Brad Desmarais as the VP Corporate Security & Compliance effective **4 February 2013** subject to the completion of any necessary background investigation required by the Gaming Policy and Enforcement Branch is hereby confirmed; and
3. Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.

7.3 Governance & Corporate Social Responsibility

Discussion

David Gillespie, Chair of the Governance and Corporate Social Responsibility Committee, advised that the Committee would be undertaking a review of the Board Governance Manual. Marsha Walden reported on recent corporate social responsibility activities of note, specifically the creation of a centre for gambling research at the University of British Columbia and the licensing of BCLC's Game Sense brand for use in both Manitoba and Saskatchewan.

8 OTHER BUSINESS

8.1 In-camera Sessions

Discussion

With the exception of the President and CEO, Management left the meeting at 10:30 am and the Board continued with an in camera session until 10:45 am. Michael Graydon then left the meeting and the Board continued with the in camera session until 10:55 am.

9 NEXT MEETING

9.1 Thursday 25 April 2013 in Vancouver.

10 TERMINATION OF MEETING

Upon motion moved, seconded and carried, the meeting was terminated.
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Chairman



BOARD OF DIRECTORS MEETING

8:30 am (PT) Thursday 25 April 2013
Boardroom – BCLC, 2940 Virtual Way
Vancouver, BC V5M 0A6

AGENDA

- 1. ADOPTION OF AGENDA**
- 2. APPROVAL OF PREVIOUS MINUTES**
 - 2.1. 24 January 2013
- 3. REPORT BY CHAIR** **Verbal**
- 4. REPORT BY PRESIDENT** **Verbal**
- 5. CORPORATE OPERATIONS**
 - 5.1. Q4 Financial Update [J. Rodrigues – 15 mins] Discussion
 - 5.1.1. Preliminary Financial Results (Fiscal 2012/2013)
 - 5.2. Q4 Executive Dashboard [J. Rodrigues – 10 mins] Presentation
 - 5.3. Q4 ERM Report [J. Rodrigues – 20 mins] Discussion
 - 5.4. Communications Initiatives Update [S. Dolinski – 20 mins] Discussion
 - 5.5. Service Partner Financial Update [J. Rodrigues – 20 mins] Discussion
 - 5.6. Employee Engagement Survey Results [P. Charlton – 15 mins] Presentation
 - 5.7. Business Optimization Update..... [M. Walden – 10 mins] Discussion
 - 5.8. GMS Update [J. Lightbody – 5 mins] Discussion
 - 5.9. Management Reports *Information Only*
 - 5.9.1. Business Technology
 - 5.9.2. Finance & Corporate Services
 - 5.9.3. Human Resources
 - 5.9.4. Communications & Public Affairs
 - 5.9.5. Strategy, Transformation & Corporate Social Responsibility
 - 5.9.6. Corporate Security & Compliance
 - 5.9.7. eGaming
 - 5.9.8. Casino & Community Gaming
 - 5.9.9. Casino System Implementation
 - 5.9.10. Lottery Gaming
- 6. COMMITTEE REPORTS**
 - 6.1. Audit Committee [M. Riley – 15 mins] Discussion
 - 6.2. HR&C Committee [N. McDonnell – 10 mins] Discussion
 - 6.3. Governance & Corporate Social Responsibility..... [D. Gillespie – 5 mins] Discussion
- 7. CORPORATE APPROVALS**
 - 7.1. Audited Pension Plan Financial Statements..... [J. Rodrigues – 10 mins] Approval
 - 7.2. Corporate Variable Pay Results for Fiscal 2012/13..... [N. McDonnell – 10 mins] Approval
 - 7.3. Employee Variable Pay for Fiscal 2012/13..... [N. McDonnell – 10 mins] Approval
- 8. OTHER BUSINESS**
 - 8.1. Incamera Session [Directors – 30 mins] Discussion
- 9. NEXT MEETING**
 - 9.1. Proposed 2014 Board & Committee Meeting Schedule
 - 9.2. Wednesday 22 May 2013



Minutes of the meeting of the Board of Directors held at 8:30 am on 25 April 2013

Location: BCLC Boardroom, 2940 Virtual Way, Vancouver, BC V5M 0A6

Present:

John McLernon	Chair
Art Willms	Vice Chair
Neil McDonnell	
Trudi Brown	
Michael Riley	
Cindy Grauer	
Bud Smith	

Management Present:

Michael Graydon	President & CEO
Constance Ladell	Corporate Secretary
Suzanne Rowley	Assistant Corporate Secretary
Jervis Rodrigues	CFO & VP, Finance & Corporate Services
Marsha Walden	VP, Strategy, Transformation & Social Responsibility
Lynette Hughes	VP, Business Technology and CIO
Peter Charlton	VP, Human Resources
Susan Dolinski	VP, Communications & Public Affairs
Jim Lightbody	VP, Casino & Community Gaming
Brad Desmarais	VP, Corporate Security & Compliance
Kevin Gass	VP, Lottery Gaming
Rhonda Garvey	VP, eGaming

John McLernon took the Chair at 8:30 am with Constance Ladell acting as Recording Secretary. The Chair noted that, as proper notice of the meeting had been given and as a quorum was present, he declared the meeting to be regularly constituted and open for the transaction of business at 8:30 am.

1 ADOPTION OF AGENDA

On motion duly made, seconded and unanimously carried, the Agenda was approved as presented.

2 APPROVAL OF MINUTES

2.1 The minutes of the 24 January 2013 meeting were presented.

On motion duly made, seconded and unanimously carried, the Minutes of the meeting were approved as presented.

3 REPORT BY CHAIR

The Chair gave his report and discussed and noted the corporation's record results during a difficult climate. The Chair recognized the CEO's leadership, strong Management team and in particular the contributions by the Board resulting in the Corporation being well positioned for the future.

4 REPORT BY PRESIDENT

Michael Graydon gave his report on BCLC's status and provided context to the results in comparison to other jurisdictions. He highlighted the progress of the implementation of the GMS system and eGaming in Manitoba. In looking to the future, he noted the overall health of the organization as reflected in the employee engagement scores and welcomed Brad Desmarais and Jervis Rodrigues who bring a different dynamic to the team.

5 CORPORATE OPERATIONS

5.1 Q4 Financial Update Discussion

5.1.1 Preliminary Financial Results (Fiscal 2012/2013)

Jervis Rodrigues reviewed the highlights of the preliminary balance sheet and income statement and explained the increase in provisions. Kevin Gass, Rhonda Garvey and Jim Lightbody provided some additional details with respect to the performance of their individual divisions and a discussion ensued.

5.2 Q4 Executive Dashboard Discussion

Jervis Rodrigues reviewed various activities including BCLC.com 2.0, Lotto Express, PlayNow Mobile, ebingo and big sky. Peter Charlton, Lynette Hughes and Marsha Walden provided some additional details.

A request was made to include project start dates and estimated completion dates on the dashboard.

5.3 Q4 ERM Report Discussion

Jervis Rodrigues presented the report and referenced business continuity and the current business environment. Brad Desmarais provided some additional details.

5.4 Communications Initiatives Discussion

Susan Dolinski gave an update on a recent communications initiative and outlined the results. Jim Lightbody provided supporting information.

5.5 Service Partner Financial Update Discussion

Jervis Rodrigues provided a status update on the major casino service providers.

5.6 Employee Engagement Survey Results Discussion

Peter Charlton presented the highlights of the employee engagement survey results.

5.7 Business Optimization Update Discussion

Masha Walden reviewed the goals and phases of business optimization for the organization. Ms. Walden identified the status and phase for each of the significant business activities and revenue streams.

5.8 GMS Update Discussion

Jim Lightbody provided an overview of the projects progress and recent adjustments to the installation schedule and provided details on customized functionality.

5.9 Management Reports Information Only

The Management Reports were accepted as presented.

6 COMMITTEE REPORTS

- 6.1 Audit Committee Discussion
Mike Riley presented his report from the Audit Committee meeting which took place on 24 April 2013. He noted a meeting with the external auditors and reconfirmed their appointment for next year. There were no whistleblower items noted.
- 6.2 HR&C Committee Discussion
Deferred to in-camera session.
- 6.3 Governance & Corporate Social Responsibility Discussion
The Governance & Corporate Social Responsibility Committee meeting was postponed until 21 May 2013.

7 CORPORATE APPROVALS

- 7.1 Audited Pension Plan Financial Statements Approval
On motion duly made, seconded and unanimously carried the Board approved the following resolution:

WHEREAS the Board has reviewed the audited financial statements for the British Columbia Lottery Corporation Pension Plan for the twelve months ending December 31, 2012 and has received a recommendation from the Audit Committee to approve such statements;

NOW THEREFORE BE IT RESOLVED THAT:

1. The BCLC Pension Plan Audited Financial Statements for the twelve months ending December 31, 2012 as presented to the Board are hereby approved; and

2. Any two Directors of the Board are hereby authorized to sign the BCLC Pension Plan Audited Financial Statements on behalf of the Board to evidence the approval referred to in 1 above.
- 7.2 Corporate Variable Pay Results for Fiscal 2012/2013 Approval
Deferred to in-camera session.
- 7.3 Employee Variable Pay for Fiscal 2012/2013 Approval
Deferred to in-camera session.

8 OTHER BUSINESS

- 8.1 In-camera Sessions Discussion
With the exception of the President and CEO, Management left the meeting at 11.49 am and the Board continued with an in camera session until 12:15 pm. Following consideration and discussion in this session and on motion duly made and seconded, the Board approved the following resolution(s):

A. WHEREAS the Board has reviewed the material provided with respect to the achievement of the Corporate Variable Pay Plan for Fiscal 2012/13 with Senior Management and has received a recommendation from the Human Resources and Compensation Committee to approve such evaluation.

NOW THEREFORE be it resolved that:

1. The Board approves the recommendation of the Human Resources and Compensation Committee of the achievement of the Corporate Variable Pay Plan for Fiscal 2012/13 as:
 2. Achievement of the Variable Pay Program 'Trigger' with Net Income before Taxes – \$1,224.35 million (threshold: \$1,159.5 million)
 3. Corporate Goals Variable Payout of 88.05% based on the Corporate Goal Achievement of 98.72%
- B. WHEREAS the Corporation has an Employee Variable Pay Plan in place approved by the provincial government pursuant to which variable payments may be made to employees when certain predetermined corporate performance measurement criteria are met.

AND WHEREAS achievement of the Variable Pay Plan was based on 50% corporate performance and 50% individual and/or team performance and the criteria under the program has been substantially met by the Corporation; and

NOW THEREFORE be it resolved that:

1. Upon the recommendation of the Human Resources and Compensation Committee the Corporation is hereby authorized to make variable payments to employees of the Corporation for Fiscal 2012/13 with up to \$5 million to be paid out in accordance with the Fiscal 2012/13 Employee Variable Pay Program.
- C. As a result of a specific directive by PSEC, the Board approved the following resolution for the CEO's variable compensation payout for 2012/13 as a reward for performance that was inconsistent with the CEO's employment contract:

WHEREAS the Board has reviewed the material provided and discussed the CEO's Variable Pay Plan Achievement for Fiscal 2012/13 and has received a recommendation from the Human Resources and Compensation Committee to approve such criteria.

NOW THEREFORE be it resolved that the Board Approves the CEO's Variable Pay Plan for Fiscal 2012/13 as presented.

- D. WHEREAS the Board has reviewed the material provided with respect to the Corporate Variable Pay Goals for Fiscal 2013/14 and has received a recommendation from the Human Resources and Compensation Committee;

NOW THEREFORE BE IT RESOLVED that:

1. The Board approve the Corporate Variable Pay Goals for Fiscal 2013/14 as presented; and

Any officer or director is hereby authorized to take any action required to carry out the above noted resolutions including executing all documents, making all filings and taking all action necessary to give effect thereto.

9 NEXT MEETING

- | | | |
|-----|--|------------|
| 9.1 | Proposed 2014 Board & Committee Meeting Schedule | Discussion |
| | Deferred to next meeting | |
| 9.2 | Wednesday 22 May 2013 in Vancouver. | |

10 TERMINATION OF MEETING

Upon motion moved, seconded and carried, the meeting was terminated.

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Chairman.)



BOARD OF DIRECTORS MEETING

8:30 am (PT) Wednesday 22 May 2013
Boardroom – BCLC, 2940 Virtual Way
Vancouver, BC V5M 0A6

AGENDA

- 1. ADOPTION OF AGENDA**
- 2. APPROVAL OF PREVIOUS MINUTES**
 - 2.1. 25 April 2013
- 3. REPORT BY CHAIR** **Verbal**
- 4. REPORT BY PRESIDENT** **Verbal**
- 5. CORPORATE APPROVALS**
 - 5.1. Audited Consolidated Financial Statements - Fiscal 2012-2013..[J. Rodrigues – 10 mins] Approval
 - 5.2. Lottotech Unaudited Financial Statements - Fiscal 2012-2013....[J. Rodrigues – 10 mins] Approval
 - 5.3. Lottotech Annual Documentation.....[C. Ladell – 10 mins] Approval
 - 5.4. Annual Report for Fiscal 2012-2013 [S. Dolinski – 10 mins] Approval
 - 5.5. Governance Manual Updates[D. Gillespie – 20 mins] Approval
- 6. CORPORATE OPERATIONS**
 - 6.1. Divisional Update Discussion
- 7. COMMITTEE REPORTS**
 - 7.1. Audit Committee [M. Riley – 15 mins] Discussion
 - 7.2. HR&C Committee[N. McDonnell – 10 mins] Discussion
 - 7.3. Governance & Corporate Social Responsibility.....[D. Gillespie – 20 mins] Discussion
- 8. OTHER BUSINESS**
 - 8.1. Incamera Session[Directors – 30 mins] Discussion
- 9. NEXT MEETING**
 - 9.1. Proposed 2014 Board & Committee Meeting Schedule
 - 9.2. Wednesday 26 & Thursday 27 June - Strategy Sessions



Minutes of the meeting of the Board of Directors held at 8:30 am on 22 May 2013

Location: BCLC Boardroom, 2940 Virtual Way, Vancouver, BC V5M 0A6

Present:

John McLernon	Chair
Art Willms	Vice Chair
Neil McDonnell	
Trudi Brown	
Michael Riley	
Cindy Grauer	
Bud Smith	
Moray Keith	
David Gillespie	

Management Present:

Michael Graydon	President & CEO
Constance Ladell	Corporate Secretary
Suzanne Rowley	Assistant Corporate Secretary
Jervis Rodrigues	CFO & VP, Finance & Corporate Services
Marsha Walden	VP, Strategy, Transformation & Social Responsibility
Lynette Hughes	VP, Business Technology and CIO
Peter Charlton	VP, Human Resources
Susan Dolinski	VP, Communications & Public Affairs
Jim Lightbody	VP, Casino & Community Gaming
Brad Desmarais	VP, Corporate Security & Compliance
Kevin Gass	VP, Lottery Gaming

John McLernon took the Chair at 8:32 am with Constance Ladell acting as Recording Secretary. The Chair noted that, as proper notice of the meeting had been given and as a quorum was present, he declared the meeting to be regularly constituted and open for the transaction of business at 8:32 am.

1 ADOPTION OF AGENDA

On motion duly made, seconded and unanimously carried, the Agenda was approved as presented.

2 APPROVAL OF MINUTES

2.1 The minutes of the 25 April 2013 meeting were presented.

On motion duly made, seconded and unanimously carried, the Minutes of the meeting were approved as presented.

3 REPORT BY CHAIR

The Chair gave his report and noted the Corporation is well positioned for the future.

4 REPORT BY PRESIDENT

Michael Graydon gave his report on BCLC's status and provided an update on service provider relationships and activities in other jurisdictions.

5 CORPORATE APPROVALS

5.1 Audited Consolidated Financial Statements – Fiscal 2012-2013 Approval

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution:

WHEREAS the Board has reviewed BCLC's Audited Financial Statements for the Fiscal Year ending March 31, 2013 and has received a recommendation from the Audit Committee to approve such statements.

NOW THEREFORE be it resolved that:

1. The Audited Financial Statements for BCLC's Fiscal Year ending March 31, 2013 as presented to the Board are hereby approved;
2. Any two directors of the Board are hereby authorized to sign the Audited Financial Statements for Fiscal 2012/13 of the Corporation on behalf of the Board to evidence the approval referred to in 1 above; and

Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.

5.2 Lottotech Unaudited Financial Statements - Fiscal 2012-2013 Approval

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution:

WHEREAS the Board has reviewed the Annual Unaudited Financial Statements for the Fiscal Year ending March 31, 2013 for BC Lottotech International Inc. and has received a recommendation from the Audit Committee to approve such statements.

NOW THEREFORE be it resolved that:

1. The Annual Unaudited Financial Statements for the Fiscal Year ending March 31, 2013 for BC Lottotech International Inc. as presented to the Board are hereby approved;
2. Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.

5.3 Lottotech Annual Documentation Approval

The Annual Consent Resolutions were circulated.

5.4 Annual Report for Fiscal 2012-2013 Approval

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution:

WHEREAS the Board has reviewed the Annual Service Plan Report for Fiscal 2012/13 and has received a recommendation from the Audit Committee to approve such report.

NOW THEREFORE be it resolved that:

1. BCLC's Annual Service Plan Report for Fiscal 2012/13 substantially in the form presented subject to the Board with such additions thereto, deletions there from and alterations thereto as may be approved by the President of the Corporation are hereby approved.

Any officer or director is hereby authorized to take any action to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.

5.5 Governance Manual Updates Approval

Following consideration and discussion in this session and on motion duly made and seconded, the Board then considered, discussed and unanimously approved the following resolution:

WHEREAS the Governance and Corporate Social Responsibility Committee has recommended to the Board the approval of a number of revised Governance Manual provisions following a review of Tabs 1- 31.

NOW THEREFORE be it resolved that:

1. The Board approves the revised documentation as presented; and

The Corporate Secretary or any officer or director is hereby authorized to take any action necessary to carry out the foregoing resolution including executing all documents, making all filings or taking any other action required to give effect to the foregoing resolution.

6 CORPORATE OPERATIONS

6.1 Divisional Update Discussion

Management provided an update since the last Board meeting. Michael Graydon noted the upcoming launch of mobile and Peter Charlton highlighted the implementation of HRIS system.

7 COMMITTEE REPORTS

7.1 Audit Committee Discussion

Mike Riley presented his report from the Audit Committee meeting which took place on 21 May 2013. He noted the complexity of the financial statements and complimented the Finance team on the timely completion. There were no whistleblower items noted.

7.2 HR&C Committee Discussion

Since the Committee reported to the Board in April, no further meeting was required.

7.3 Governance & CSR Committee Discussion

David Gillespie reported that the Governance & CSR Committee meeting took place on 21 May 2013. He noted the Board Governance Manual updates. The recent Public Sector Board Use of Information Progress Update by the Auditor General was distributed and a discussion ensued. Marsha Walden and Susan Dolinski provided a report on recent Corporate Social Responsibility activities highlighting the Responsible Gambling month, WLA Recertification and the Carbon Neutral Action Report.

8 OTHER BUSINESS

8.1 In-camera Sessions Discussion

At 9:47 am the Board continued with an in-camera session.

9 NEXT MEETING

9.1 Proposed 2014 Board & Committee Meeting Schedule Discussion

Deferred to next meeting

9.2 Wednesday 26 & Thursday 27 June – Strategy Sessions in Vancouver.

10 TERMINATION OF MEETING

Upon motion moved, seconded and carried, the meeting was terminated.

s 22

Chairman



BOARD OF DIRECTORS MEETING

8:30 am (PT) Thursday 25 July 2013
Boardroom – BCLC, 2940 Virtual Way
Vancouver, BC V5M 0A6

AGENDA

1. ADOPTION OF AGENDA

2. APPROVAL OF PREVIOUS MINUTES

2.1. 22 May 2013

3. REPORT BY CHAIR

Verbal

4. REPORT BY PRESIDENT

Verbal

5. CORPORATE APPROVALS

5.1. Proposed 2014 Board & Committee Meeting Schedule	[C. Ladell – 5 mins]	Approval
5.2. Q1 Financial Statements - Fiscal 2013-2014	[J. Rodrigues – 10 mins]	Approval
5.3. Customer Support Centre Contract	[L. Daminato – 5 mins]	Approval
5.4. Amendment of BCLC Rules & Regs re Online Sports Betting	[C. Ladell – 10 mins]	Approval

6. CORPORATE OPERATIONS

6.1. Q1 Dashboard.....	[J. Rodrigues – 10 mins]	Discussion
6.2. Q1 ERM Report	[J. Rodrigues – 10 mins]	Discussion
6.3. Management Reports		Information Only
6.3.1. Business Technology		
6.3.2. Finance & Corporate Services		
6.3.3. Human Resources		
6.3.4. Communications & Public Affairs		
6.3.5. Strategy, Transformation & Corporate Social Responsibility		
6.3.6. Corporate Security & Compliance		
6.3.7. eGaming		
6.3.8. Casino & Community Gaming		
6.3.9. Casino System Implementation		
6.3.10. Lottery Gaming		
6.4. 2012 CNAR Report (e-Copy)		Information Only
6.5. WLA Submission (e-Copy)		Information Only

7. COMMITTEE REPORTS

7.1. Audit Committee	[M. Riley – 15 mins]	Discussion
7.2. HR&C Committee	[N. McDonnell – 10 mins]	Discussion
7.3. Governance & Corporate Social Responsibility	[D. Gillespie – 20 mins]	Discussion

8. OTHER BUSINESS

8.1. Incamera Session	[Directors – 30 mins]	Discussion
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9. NEXT MEETING

9.1. Thursday 30 October 2013



**Minutes of the meeting of the Board of Directors
held at 8:30 am on Thursday 25 July 2013**

Location: BCLC Boardroom, 2940 Virtual Way, Vancouver, BC V5M 0A6

Present:

John McLernon	Chair
Art Willms	Vice Chair
Neil McDonnell	
Michael Riley	
Bud Smith	
Moray Keith	
David Gillespie	

Management Present:

Michael Graydon	President & CEO
Constance Ladell	Corporate Secretary
Suzanne Rowley	Assistant Corporate Secretary
Jervis Rodrigues	CFO & VP, Finance & Corporate Services
Lynette DuJohn	VP, Business Technology and CIO
Rhonda Garvey	VP, eGaming
Susan Dolinski	VP, Communications & Public Affairs
Jim Lightbody	VP, Casino & Community Gaming
Brad Desmarais	VP, Corporate Security & Compliance
Kevin Gass	VP, Lottery Gaming

John McLernon took the Chair at 8:31 am with Constance Ladell acting as Recording Secretary. The Chair noted that, as proper notice of the meeting had been given and as a quorum was present, he declared the meeting to be regularly constituted and open for the transaction of business at 8:31 am.

1 ADOPTION OF AGENDA

On motion duly made, seconded and unanimously carried, the Agenda was approved as presented.

2 APPROVAL OF MINUTES

2.1 The minutes of the 22 May 2013 meeting were presented.

On motion duly made, seconded and unanimously carried, the Minutes of the meeting were approved as presented.

3 REPORT BY CHAIR

John McLernon delivered his final report as Chair, noting that BCLC is a great company and starting to realize its full potential. The Chair thanked the Board members for their support and gave particular acknowledgement to David Gillespie, Neil McDonnell and Michael Riley for leading the committees.

4 REPORT BY PRESIDENT

Michael Graydon reported solid corporate performance in the first quarter of the fiscal year. In addition, the CEO confirmed his first briefing to the new Minister, Mike de Jong went well. He thanked John McLernon for his support, guidance and insight during his term as Chair.

5 CORPORATE APPROVALS

- 5.1 Proposed 2014 Board & Committee Meeting Schedule Approval
The Proposed 2014 Board & Committee meeting schedule was approved as presented.

- 5.2 Q1 Financial Statements - Fiscal 2013-2014 Approval
Jervis Rodrigues reviewed the financial results for the three months ended 29 June 2013. He noted that net income is \$8 million above budget and \$13 million ahead of last year. Mr. Riley reported the Audit Committee had reviewed the financial results in the previous day's meeting and approved a resolution to recommend they be approved by the Board. Additionally, Kevin Gass, Rhonda Garvey and Jim Lightbody provided some further details with respect to the performance of their individual divisions.

WHEREAS the Board has reviewed the financial statements for the first quarter ending 29 June 2013 and received a recommendation from the Audit Committee;

NOW THEREFORE BE IT RESOLVED THAT:

1. The Corporation's First Quarterly Report including the financial statements for the three month period ended 29 June 2013 is hereby approved;
2. The appropriate signing authorities within the Corporation as required by the Provincial Government are hereby authorized to sign the First Quarterly Report on behalf of the Corporation as necessary; and

Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.

- 5.3 Customer Support Centre Contract Approval
Michael Graydon provided context on the proposed contract and the requirement for Board approval. Liliانا Daminato presented on the Customer Support Centre evolution and resulting opportunities for scalability and improved service. A discussion ensued and the following resolution was passed:

WHEREAS management is seeking Board approval to enter into and execute a contract regarding Customer Support Centre services with s 17(1) ;

NOW THEREFORE be it resolved that:

1. The proposed execution of the Customer Support Centre Contract is hereby approved; and
2. The President, Vice President, Strategy, Transformation & CSR or Vice President, Finance & Corporate Services are hereby authorized to settle the definitive terms of the Contract setting forth the service arrangements and to execute this agreement on behalf of BCLC.

- 5.4 Amendment of BCLC Rules & Regulations re Online Sports Betting Approval
s 14 presented the proposed changes to the online sports book rules and regulations. Following a discussion, the subsequent resolution was passed:

WHEREAS management is seeking Board authorization to amend the Rules and Regulations Respecting Online Sports Betting in accordance with the Gaming Control Act (BC);

NOW THEREFORE BE IT RESOLVED that:

BCLC is authorized to amend the Rules and Regulations Respecting Online Sports Betting as presented; and

Any authorized officer is hereby authorized to take any other action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.

6 CORPORATE OPERATIONS

- 6.1 Q1 Dashboard Discussion
Jervis Rodrigues reviewed the dashboard and highlighted key metrics.
- 6.2 Q1 ERM Report Discussion
Jervis Rodrigues led a discussion on the Q1 ERM Report supplement by comments from Lynette DuJohn, Brad Desmarais, Rhonda Garvey and Susan Dolinski.
- 6.3 Management Reports
The Management Reports were accepted as presented.
- 6.4 2012 CNAR Report (e-Copy) Information Only
An electronic copy of the report was provided to the Board Members in advance of the meeting as requested and discussed at the 22 May 2013 Board Meeting.
- 6.5 WLA Submission (e-Copy) Information Only
An electronic copy of the submission was provided to the Board Members in advance of the meeting as requested and discussed at the 22 May 2013 Board Meeting.

7 COMMITTEE REPORTS

- 7.1 Audit Committee Discussion
Mike Riley presented his report from the Audit Committee meeting which took place on 24 July 2013. Mr. Riley noted the Committee had reviewed the Q1 Financial Statements, agreed with Management's report above and, recommended approval by the Board. In addition, he reported that the Committee also reviewed various reports from Management including new accounting standards, internal audit, security and compliance. KPMG's presentations to the Audit Committee were summarized. The Chair noted that KPMG will be attending future Audit Committee meetings. Mike Riley also reported that moving forward whistleblower items (if any) will be dealt with by the Audit Committee in-camera and then reported to the Board.
- 7.2 HR&C Committee Discussion
Since the Committee reported to the Board in April, no further meeting was required.
- 7.3 Governance & CSR Committee Discussion
Since the Committee reported to the Board in May, no further meeting was required.

8 OTHER BUSINESS

- 8.1 In-camera Sessions Discussion
At 11:30 am the Board continued with an in-camera session.

9 NEXT MEETING

9.1 Thursday 24 October 2013

10 TERMINATION OF MEETING

Upon motion moved, seconded and carried, the meeting was terminated.

s 22

Chairman



BOARD OF DIRECTORS MEETING

8:30 am (PT) Thursday 24 October 2013
Boardroom – BCLC, 2940 Virtual Way
Vancouver, BC V5M 0A6

AGENDA

1. ADOPTION OF AGENDA

2. APPROVAL OF PREVIOUS MINUTES

2.1. 25 July 2013

3. REPORT BY CHAIR

Verbal

4. REPORT BY PRESIDENT

Verbal

5. CORPORATE APPROVALS

5.1. Q2 Financial Statements - Fiscal 2013-2014	[J. Rodrigues – 10 mins]	Approval
5.2. Five-year Revenue & Net Income Projections.....	[J. Rodrigues – 15 mins]	Approval

6. CORPORATE OPERATIONS

6.1. Q2 Dashboard.....	[J. Rodrigues – 10 mins]	Discussion
6.2. Q2 ERM Report	[J. Rodrigues – 10 mins]	Discussion
6.3. Management Reports		Information Only
6.3.1. Business Technology		
6.3.2. Finance & Corporate Services		
6.3.3. Human Resources		
6.3.4. Communications & Public Affairs		
6.3.5. Strategy, Transformation & Corporate Social Responsibility		
6.3.6. Corporate Security & Compliance		
6.3.7. eGaming		
6.3.8. Casino & Community Gaming		
6.3.9. Casino System Implementation		
6.3.10. Lottery Gaming		
6.4. BCLC Revenue & Economic Indicators – Correlation Analysis.....	[M. Walden – 10 mins]	Discussion
6.5. RG & Problem Gambling Update.....	[M. Walden, S. Dolinski & P. Smith – 45 mins]	Discussion

7. COMMITTEE REPORTS

7.1. Audit Committee	[M. Riley – 15 mins]	Discussion
7.2. HR&C Committee	[N. McDonnell – 15 mins]	Discussion
7.3. Governance & Corporate Social Responsibility.....	[D. Gillespie – 20 mins]	Discussion

8. OTHER BUSINESS

8.1. Incamera Session	[Directors – 30 mins]	Discussion
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9. NEXT MEETING

9.1. Friday 8 November 2013 – via Conference Call
9.2. Thursday 12 December 2013 – Combined Audit & Board Mtg – Vancouver
9.3. Revised 2014 Board & Audit Committee Meeting Schedule



Minutes of the meeting of the Board of Directors held at 8:30 am on Thursday 24 October 2013

Location: BCLC Boardroom, 2940 Virtual Way, Vancouver, BC V5M 0A6

Present:

Bud Smith	Chair
Art Willms	Vice Chair
Trudi Brown	
Michael Riley	
David Gillespie	
Cindy Grauer	

Management Present:

Michael Graydon	President & CEO
Constance Ladell	Corporate Secretary
Suzanne Rowley	Assistant Corporate Secretary
Jervis Rodrigues	CFO & VP, Finance & Corporate Services
Lynette DuJohn	VP, Business Technology and CIO
Rhonda Garvey	VP, eGaming
Susan Dolinski	VP, Communications & Public Affairs
Jim Lightbody	VP, Casino & Community Gaming
Brad Desmarais	VP, Corporate Security & Compliance
Kevin Gass	VP, Lottery Gaming
Peter Charlton	VP, Human Resources
Jennifer Smith	Sr., Legal Counsel

Bud Smith took the Chair at 8:30 am with Constance Ladell acting as Recording Secretary. The Chair noted that, as proper notice of the meeting had been given and as a quorum was present, he declared the meeting to be regularly constituted and open for the transaction of business at 8:30 am.

1 ADOPTION OF AGENDA

On motion duly made, seconded and unanimously carried, the Agenda was approved as presented.

2 APPROVAL OF MINUTES

2.1 The minutes of the 25 July 2013 meeting were presented. The following amendments were requested:

- Remove duplication of approval under 5.2
- Change definite to definitive under 5.3 and;

On motion duly made, seconded and unanimously carried, the Minutes of the meeting were approved as amended.

3 REPORT BY CHAIR

The Chair gave his report expressing his confidence in the organization and reporting on his communication with the past Chair, CEO and Corporate Secretary. He reviewed the role of BCLC in implementing the high level objective of its shareholder.

4 REPORT BY PRESIDENT

Michael Graydon predicted that BCLC will likely meet budget in this fiscal year. He reported on the performance of national lottery sales and instant ticket sales. Relations with the new Ministry and recently appointed General Manager of GPEB are positive. BCLC should be prepared for the possibility that the new leadership at GPEB may result in structural changes. Mr. Graydon gave an overview of the five-year forecasting process; this process will present Government with an understanding of the implications of the decision whether or not to pursue optimization. For the time being, BCLC needs to focus on existing channels as optimization capacity is limited by Business Technology resources. To the extent that optimization is pursued there will likely be a focus on those initiatives that require fewer resources.

5 CORPORATE APPROVALS

5.1 Q2 Financial Statements - Fiscal 2013-2014 Approval

Jervis Rodrigues provided an overview of the Q2 Financial Statements and noted revenue results and challenges. He commented that BCLC will likely meet its targets for net revenue transfer to Government. Additionally, Jim Lightbody provided some further details with respect to the performance of the casino division.

WHEREAS the Board has reviewed the financial statements for the Second quarter ending 28 September 2013 and received a recommendation from the Audit Committee;

NOW THEREFORE BE IT RESOLVED THAT:

1. The Corporation's Second Quarterly Report including the financial statements for the six month period ended 28 September 2013 is hereby approved;
2. The appropriate signing authorities within the Corporation as required by the Provincial Government are hereby authorized to sign the Second Quarterly Report on behalf of the Corporation as necessary; and

Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.

5.2 Five-year Revenue & Net Income Projections Discussion

Jervis Rodrigues summarized the five-year projections. A year-over-year net increase in revenue is projected. However, reductions to the previous five-year projections have been made. There was a discussion regarding the various reasons for these reductions. The Board discussed GDP and noted the risks in assuming there is a direct correlation to BCLC revenue. Approval of the Resolution was postponed to the 8th of November Board Meeting.

6 CORPORATE OPERATIONS

6.1 Q2 Dashboard Discussion

Jervis Rodrigues presented the dashboard in its new format and confirmed that BCLC is operating within the comprehensive cost ratio requested by Government. Marsha Walden provided supporting commentary regarding awareness of Responsible Gambling activities.

6.2 Q2 ERM Report Discussion

Jervis Rodrigues introduced the discussion. Susan Dolinski provided an overview of Public Affairs strategy and the importance of alignment with key stakeholders. Mr. Rodrigues noted that the report continues to highlight the same five strategic risks but noted that the Executive have removed of certain former low level risks from the report. Lynette DuJohn spoke about growing dependency on third party vendors in order to meet business requirements. Brad Desmarais confirmed that BCLC is continuing to prioritize clear communication with FINTRAC and the federal Ministry of Finance.

6.3 Management Reports

The Chair called upon each of the Vice Presidents in attendance to provide highlights of their reports.

6.4 BCLC Revenue & Economic Indicators – Correlation Analysis Discussion

Marsha Walden presented a 28 year correlation analysis of BCLC revenue against various economic indicators.

6.5 RG & Problem Gambling Update Discussion

At 11:35 am, Paul Smith joined the meeting. Marsha Walden provided an introduction to the Provincial Health Officer's 2009 Annual Report. Mr. Smith provided an analysis of the report. A discussion followed regarding the report and BCLC's approach to responsible gambling.

7 COMMITTEE REPORTS

7.1 Audit Committee Discussion

As all Directors in attendance also attended the Audit Committee meeting, no report was required.

7.2 HR&C Committee Discussion

Cindy Grauer provided a summary of the HR&C Committee proceedings which included a discussion of Management's efforts to align compensation with Government policy. After discussion and upon the recommendation of the Committee, the Board passed the following resolution:

WHEREAS the Board has discussed the proposed zero merit increase for non-management employees for Fiscal Year 2014/15 and has received a recommendation from the Human Resources and Compensation Committee to approve such proposal.

NOW THEREFORE be it resolved that:

The Board accept the recommendation of the Human Resources and Compensation Committee and approve the proposed zero merit increase for non-management employees for Fiscal Year 2014/15 as presented; and

Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.

7.3 Governance & CSR Committee Discussion

David Gillespie presented the report noting that Marsha Walden and Paul Smith's presentation was also provided at the Governance committee. Composition of the Board and Classification of Crown agencies was also discussed.

8 OTHER BUSINESS

8.1 In-camera Sessions Discussion

At 12:50 pm the Board continued with an in-camera session.

9 NEXT MEETING

9.1 Friday 8 November (via conference call)

9.2 Thursday 12 December 2013 (in person)

10 TERMINATION OF MEETING

Upon motion moved, seconded and carried, the meeting was terminated.

s 22

Chairman



BOARD OF DIRECTORS MEETING

10:00 am (PT) Friday 8 November 2013
Via Conference Call
Local Dial-in: 604.681.0455 Toll Free: 1.877.291.3022
Participant Code: 7666116#

AGENDA

1. CALL TO ORDER

2. ADOPTION OF AGENDA

3. CORPORATE APPROVALS

3.1. Five-year Revenue & Net Income Projections.....[J. Rodrigues – 30 mins] Approval

4. CORPORATE OPERATIONS

4.1. Review Draft Service Plan (Fiscal 2014/2015 – 2016/2017).....[J. Rodrigues – 60 mins] Discussion

5. NEXT MEETING

5.1. Thursday 12 December 2013 –Vancouver **[Note: 10:00 am Start]**



**Minutes of the meeting of the Board of Directors
held at 10:00 am on Friday 8 November 2013
Via Conference Call**

Present:

Bud Smith	Chair
Art Willms	Vice Chair
Michael Riley	
David Gillespie	
Cindy Grauer	
Moray Keith	

Management Present:

Michael Graydon	President & CEO
Constance Ladell	Corporate Secretary
Suzanne Rowley	Assistant Corporate Secretary
Jervis Rodrigues	CFO & VP, Finance & Corporate Services
Lynette DuJohn	VP, Business Technology and CIO
Rhonda Garvey	VP, eGaming
Susan Dolinski	VP, Communications & Public Affairs
Jim Lightbody	VP, Casino & Community Gaming
Brad Desmarais	VP, Corporate Security & Compliance
Kevin Gass	VP, Lottery Gaming
Peter Charlton	VP, Human Resources
Jennifer Smith	Sr., Legal Counsel
Ava Dolder	Director, Business Planning

Bud Smith took the Chair at 10:03 am with Constance Ladell acting as Recording Secretary. The Chair noted that, as proper notice of the meeting had been given and as a quorum was present, he declared the meeting to be regularly constituted and open for the transaction of business at 10:03 am.

1 ADOPTION OF AGENDA

On motion duly made, seconded and unanimously carried, the Agenda was approved as presented.

2 CORPORATE APPROVALS

2.1 Five-year Revenue & Net Income Projections

Approval

Jervis Rodrigues described the process for preparing the Five Year Revenue projections which includes consultation with the Executive. Mr. Rodrigues highlighted key elements of the projections. He confirmed that the projections do not include casino optimization. He noted that revenue growth will be challenging without capital investments. BCLC intends to consult with Government regarding such investments. The cost budget is expected to be the same; cost management efforts are underway to permit reallocation of spending to strategic projects. Discussion followed regarding the projections. It was noted that consumer confidence and disposable income are important considerations and may influence BCLC revenue. These are likely more relevant benchmarks than Provincial GDP. The Board then passed the following resolution:

WHEREAS the Board has reviewed the Government Forecast Reports (Five Year Projections) for the five year period ending March 31, 2018;

NOW THEREFORE BE IT RESOLVED THAT:

1. The Corporation's Government Forecast Reports for the five year period ending March 31, 2018 are hereby approved;
2. The appropriate signing authorities within the Corporation as required by the Provincial Government are hereby authorized to sign the Government Forecast Reports on behalf of the Corporation as necessary; and

Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.

3 CORPORATE OPERATIONS

- 3.1 Review Draft Service Plan (Fiscal 2014/2015 – 2016/2017) Discussion

Jervis Rodrigues outlined the process and emphasized that the Service Plan is in draft form and questions from the Board are being sought for incorporation into the next draft. Each Board member provided individual feedback, if any.

4 NEXT MEETING

- 4.1 Thursday 12 December 2013 (in person)

5 TERMINATION OF MEETING

Upon motion moved, seconded and carried, the meeting was terminated.

s 22

Chairman



BOARD OF DIRECTORS MEETING

12:00 pm (PT) Thursday 12 December 2013
Boardroom – BCLC, 2940 Virtual Way
Vancouver, BC V5M 0A6

AGENDA

1. ADOPTION OF AGENDA

2. APPROVAL OF PREVIOUS MINUTES

2.1. 24 October & 8 November 2013

3. REPORT BY CHAIR

Verbal

4. REPORT BY PRESIDENT

Verbal

5. CORPORATE OPERATIONS

5.1. Financial Update – November 2013	[J. Rodrigues – 10 mins]	Discussion
5.2. Business Plan & Budget	[J. Rodrigues – 45 mins]	Discussion
5.3. Kamloops Office/Land	[J. Rodrigues – 15 mins]	Discussion
5.4. Management Update		Discussion
5.5. Reputation Management Strategy	[S. Dolinski – 1 hour]	Discussion

6. COMMITTEE REPORTS

6.1. Governance & Corporate Social Responsibility	[D. Gillespie – 5 mins]	Discussion
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7. OTHER BUSINESS

7.1. Incamera Session	[Directors – 30 mins]	Discussion
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8. NEXT MEETING

8.1. Thursday 30 January 2014 – Vancouver
8.2. Revised 2014 Board & Committee Meeting Schedule



**Minutes of the meeting of the Board of Directors
held at 12:00 pm on Thursday 12 December 2013**

Location: BCLC Boardroom, 2940 Virtual Way, Vancouver, BC V5M 0A6

Present:

Bud Smith	Chair
Art Willms	Vice Chair
Trudi Brown	
Michael Riley	
Cindy Grauer	
Moray Keith	
Wendy Lisogar Cocchia	
Robert Holden	

Management Present:

Michael Graydon	President & CEO
Constance Ladell	Corporate Secretary
Suzanne Rowley	Assistant Corporate Secretary
Jervis Rodrigues	CFO & VP, Finance & Corporate Services
Lynette DuJohn	VP, Business Technology and CIO
Susan Dolinski	VP, Communications & Public Affairs
Jim Lightbody	VP, Casino & Community Gaming
Brad Desmarais	VP, Corporate Security & Compliance
Kevin Gass	VP, Lottery Gaming
Jennifer Smith	Sr., Legal Counsel

Bud Smith took the Chair at 12:06 pm with Constance Ladell acting as Recording Secretary. The Chair noted that, as proper notice of the meeting had been given and as a quorum was present, he declared the meeting to be regularly constituted and open for the transaction of business at 12:06 pm.

1 ADOPTION OF AGENDA

On motion duly made, seconded and unanimously carried, the Agenda was approved as presented.

2 APPROVAL OF MINUTES

2.1 The minutes of the 24 October and 8 November 2013 meetings were presented.

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

3 REPORT BY CHAIR

The Chair provided his report which included a summary of recent meetings with the CEO, other key members of Senior Management and the Corporate Secretary. The Chair recently attended a meeting with the Chairs of other Crown agencies which emphasized the importance of cost management throughout the public sector. In addition, he met individually with the Minister responsible for BCLC.

4 REPORT BY PRESIDENT

Michael Graydon provided his report primarily focusing on year-to-date performance which has been solid. Casino business performance is ahead of last year and very close to budget. The Lottery business unit is behind last year's performance but is very close to budget for this fiscal year. The lack of large lotto max jackpot and rollovers has been off-set by strong instant ticket sales. eGaming is ahead of last year but behind budget nevertheless mobile and sports products are growing and Manitoba continues to do well. Management is working with Treasury Board on financial forecasting. Mr. Graydon also provided an update on significant service provider initiatives such the Edgewater relocation and rebranding of Boulevard to Hard Rock.

5 CORPORATE OPERATIONS

5.1 Financial Update – November 2013 Discussion

Jervis Rodrigues provided a financial update indicating BCLC is on track to deliver budgeted net income for the current fiscal year. Additionally, Kevin Gass and Jim Lightbody provided some further details with respect to the performance of their divisions. In Rhonda Garvey's absence Jervis Rodrigues provided an update on eGaming.

5.2 Business Plan & Budget Discussion

Jervis Rodrigues reported that BCLC is currently 2% behind top line budget. However, all three business units are performing well and BCLC is on track to deliver budgeted net income. Mr. Rodrigues emphasized the importance of cost management and a discussion ensued. In addition, Mr. Rodrigues updated the Board on the financial forecast process with Treasury Board.

5.3 Kamloops Office/Land Discussion

Jervis Rodrigues provided background on the state of the Kamloops office building and identified future opportunities in the Kamloops area.

5.4 Management Update Discussion

The Chair called upon each of the Vice Presidents in attendance to provide highlights of their division's activities. Michael Graydon provided an update on behalf of the eGaming and Human Resources divisions.

5.5 Reputation Management Strategy Discussion

Susan Dolinski delivered a presentation regarding a proposed Reputation Management strategy for the corporation. A discussion followed regarding Ms. Dolinski's recommendations for which the Board expressed its support.

6 COMMITTEE REPORTS

6.1 Governance & CSR Committee Discussion

At the request of David Gillespie, Constance Ladell informed the Board that the Governance and CSR Committee intends to meet in January 2014.

7 OTHER BUSINESS

7.1 In-camera Sessions Discussion

At 3:55 pm the Board continued with an in camera session.

8 NEXT MEETING

8.1 Thursday 30 January 2014 in Vancouver.

9 TERMINATION OF MEETING

Upon motion moved, seconded and carried, the meeting was terminated.

s 22

Chairman



BOARD OF DIRECTORS MEETING

8:30 am (PT) Thursday 30 January 2014
Boardroom – BCLC, 2940 Virtual Way
Vancouver, BC V5M 0A6

AGENDA

1. ADOPTION OF AGENDA

2. APPROVAL OF PREVIOUS MINUTES

2.1. 12 December 2013

3. REPORT BY CHAIR

Verbal

4. REPORT BY PRESIDENT

Verbal

5. CORPORATE APPROVALS

5.1. Q3 Financial Statements - Fiscal 2013-2014	[J. Rodrigues – 15 mins]	Approval
5.2. Revised Five-year Revenue & Net Income Projections.....	[J. Rodrigues – 15 mins]	Approval
5.3. Fiscal 2014/15 Business Plan & Budget.....	[J. Rodrigues – 15 mins]	Approval
5.4. Service Plan – Fiscal 2014/15 – 2016/17	[J. Rodrigues – 15 mins]	Approval
5.5. Proposed 2015 Board & Committee Meeting Schedule	[C. Ladell – 10 mins]	Approval

6. CORPORATE OPERATIONS

6.1. Q3 Dashboard.....	[J. Rodrigues – 15 mins]	Discussion
6.2. Q3 ERM Report (includes Business Continuity update).....	[J. Rodrigues – 15 mins]	Discussion
6.3. Management Reports		Information Only
6.3.1. Business Technology		
6.3.2. Finance & Corporate Services		
6.3.3. Human Resources		
6.3.4. Communications & Social Responsibility		
6.3.5. Corporate Security & Compliance		
6.3.6. eGaming		
6.3.7. Casino & Community Gaming		
6.3.8. Casino System Implementation		
6.3.9. Lottery Gaming		
6.4. Telus Contract Update – Network Extension.....	[M. Graydon/L. DuJohn – 10 mins]	Information Only
6.5. Audit Update	[C. Brown]	Discussion

7. COMMITTEE REPORTS

7.1. Audit Committee	[M. Riley – 15 mins]	Discussion
7.2. Governance & Corporate Social Responsibility.....	[D. Gillespie – 20 mins]	Discussion

8. OTHER BUSINESS

8.1. Incamera Session	[Directors – 30 mins]	Discussion
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9. NEXT MEETING

9.1. Thursday 8 May 2014 – Kamloops



Minutes of the meeting of the Board of Directors held at 8:30 am on Thursday 30 January 2014

Location: BCLC Boardroom, 2940 Virtual Way, Vancouver, BC V5M 0A6

Present:

Bud Smith	Chair
Art Willms	Vice Chair
Trudi Brown	
Michael Riley	
David Gillespie	
Moray Keith	
Wendy Lisogar Cocchia	
Robert Holden	

Management Present:

Michael Graydon	President & Chief Executive Officer
Constance Ladell	Corporate Secretary
Suzanne Rowley	Assistant Corporate Secretary
Jervis Rodrigues	Chief Financial Officer & Vice President, Finance & Corporate Services
Lynette DuJohn	Chief Information Officer
Susan Dolinski	Vice President, Communications & Public Affairs
Peter Charlton	Vice President, Human Resources
Rhonda Garvey	Vice President, eGaming
Jim Lightbody	Vice President, Casino & Community Gaming
Brad Desmarais	Vice President, Corporate Security & Compliance
Kevin Gass	Vice President, Lottery Gaming

Bud Smith took the Chair at 8:30 am with Constance Ladell acting as Recording Secretary. The Chair noted that, as proper notice of the meeting had been given and as a quorum was present, he declared the meeting to be regularly constituted and open for the transaction of business at 8:30 am.

The Board held an in camera session from 8:30 am until 9:55 am at which point Management was invited to join the meeting.

1 ADOPTION OF AGENDA

On motion duly made, seconded and carried, the Agenda was adopted.

2 APPROVAL OF MINUTES

2.1 The minutes of the 12 December 2013 meeting were presented.

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

3 REPORT BY CHAIR

The Chair reported that the Board has accepted Michael Graydon's resignation and appointed Jim Lightbody as Interim CEO. The Chair acknowledged the contributions of Mr. Graydon.

On motion duly made and seconded, the Board then adopted the following resolution:

A. Resolution Accepting CEO Resignation

WHEREAS the Board has received the resignation of Michael Graydon, President and Chief Executive Officer.

NOW THEREFORE be it resolved that:

The Board accepts the resignation of Michael Graydon, President and CEO;

The Corporate Secretary or any officer or director is hereby authorized to take any action necessary to carry out the foregoing resolution including executing all documents, making all filings or taking any other action required to give effect to the foregoing resolution.

B. Resolution Appointing Interim President & CEO

WHEREAS the Board has recommended the approval of Jim Lightbody as Interim President and Chief Executive Officer.

NOW THEREFORE be it resolved that:

The appointment of Jim Lightbody as Interim President and CEO effective January 30, 2014;

The Corporate Secretary or any officer or director is hereby authorized to take any action necessary to carry out the foregoing resolution including executing all documents, making all filings or taking any other action required to give effect to the foregoing resolution.

4 REPORT BY PRESIDENT

Michael Graydon reported that December results were very positive and noted that if the trend continues, BCLC is on track to meet its budget. Mr. Graydon praised the executive team for its support and guidance of BCLC during challenging times and noted that the positive culture of BCLC. The recent success of the New Horizons conference was acknowledged. The Interim President and CEO thanked Mr. Graydon for his leadership and support.

5 CORPORATE APPROVALS

5.1 Q3 Financial Statements – Fiscal 2013 – 2014 Approval

Jervis Rodrigues presented Q3 financial highlights, noting December's positive results. Kevin Gass commented on Lottery Gaming's continued success in instant tickets and provided an update on Lotto Express. Rhonda Garvey remarked on eGaming's steady launch of new games, the success of sports in generating sales and player acquisition, and the strength of mobile gaming for player acquisition from a younger demographic. Jim Lightbody observed that Casino and Community Gaming's gross revenue is on budget and ahead of last year as a result of strong table gaming; results for slot machine gaming are consistent with last year.

On motion duly made and seconded, the Board then adopted the following resolution:

WHEREAS the Board has reviewed the financial statements for the third quarter ending 28 December 2013 and received a recommendation from the Audit Committee;

NOW THEREFORE BE IT RESOLVED THAT:

1. The Corporation's Third Quarterly Report including the financial statements for the nine month period ended 28 December 2013 is hereby approved;
2. The appropriate signing authorities within the Corporation as required by the Provincial Government are hereby authorized to sign the Third Quarterly Report on behalf of the Corporation as necessary; and

Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution.

5.2 Revised Five-year Revenue & Net Income Projections Approval

Jervis Rodrigues gave the background to Version 4 of the Five-year Revenue & Net Income Projections and the challenges to meeting targets. A discussion followed between the Board and Management regarding BCLC's planned cost management efforts.

On motion moved and seconded, the Board then adopted the following resolution:

WHEREAS the Board has reviewed the revised Government Forecast Reports (Five Year Projections) for the five year period ending March 31, 2018 and received a recommendation from the Audit Committee;

NOW THEREFORE BE IT RESOLVED THAT:

The Corporation's Government Forecast Reports for the five year period ending March 31, 2018 are hereby approved; and

Any officer or director is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents, making all filings and taking all action necessary to give effect to the foregoing resolution

5.3 Fiscal 2014 – 2015 Business Plan & Budget Approval

Jervis Rodrigues commented on the Plan and Budget, including BCLC's plans to reduce operating costs by approximately \$10 million and capital spending by approximately \$30 million.

On motion duly made and seconded, the Board then adopted the following resolution:

WHEREAS the Board has reviewed the Fiscal 2014/15 Business Plan and Budget and has received a recommendation from the Audit Committee;

NOW THEREFORE be it resolved that:

The Board of Directors approved the Corporation's Fiscal 2014/15 Business Plan and Budget; and

Management of the Corporation is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents or taking any other action required to give effect to the foregoing resolution.

5.4 Service Plan – Fiscal 2014/15 – 2016/17 Approval

Jervis Rodrigues outlined minor changes resulting from recent Government feedback. Michael Graydon noted that a further update will be required to reflect the formation of a new committee and membership.

On motion duly made and seconded, the Board then adopted the following resolution:

WHEREAS the Board has reviewed the Fiscal 2014/15 – 2016/17 Service Plan and has received a recommendation from the Audit Committee;

NOW THEREFORE be it resolved that:

The Board of Directors approve the Corporation's Fiscal 2014/15 – 2016/17 Service Plan; and

Management of the Corporation is hereby authorized to take any action required to carry out the foregoing resolution including executing all documents or taking any other action required to give effect to the foregoing resolution.

5.5 Proposed 2015 Board & Committee Meeting Schedule Approval

Approval of Item 5.5 was deferred to the Board meeting on 8 May 2014.

6 CORPORATE OPERATIONS

- 6.1 Q3 Dashboard Discussion
- Jervis Rodrigues provided a summary of the Q3 Dashboard and noted the potential for income surplus to be used to cover one-time restructuring costs in this fiscal year. Mr. Rodrigues then responded to questions and comments from the Board.
- 6.2 Q3 ERM Report Discussion
- Jervis Rodrigues provided a summary of high strategic risks and the positive trend in risk reduction. A discussion followed regarding risks not previously identified, including the risk in respect of misalignment with stakeholders.
- 6.3 Management Reports Discussion
- Management presented to the Board regarding key points from their respective reports, as set out below.
- 6.3.1 Business Technology
- Lynette DuJohn summarized technology roadmap processes, particularly vendor management and cost containment through measures such as contract renegotiation. Operationally, the business technology systems are robust and within industry practice. Casino gaming management system implementation is going well. Close attention is being paid to current procurements.
- 6.3.2 Finance & Corporate Services
- Jervis Rodrigues outlined Finance's reorganization and cost containment efforts. Finance is preparing for year end and continuing to focus on budgeting and forecasting.
- 6.3.3 Human Resources
- Peter Charlton noted that, in addition to the Crown review, Human Resources is focusing on FTE cost containment, the Human Resources Management System project and implementation of Public Sector Employers' Council agreements on compensation.
- 6.3.4 Communications & Social Responsibility
- Susan Dolinski briefed the Board on the communication plan for the CEO transition. She outlined the initial positive response to the New Horizons conference. The Board members who attended the New Horizons conference gave their comments regarding the event.
- 6.3.5 Corporate Security & Compliance
- Brad Desmarais discussed and responded to questions from the Board regarding the reorganization and modernization of BCLC's anti-money laundering (AML) compliance process, implementation of new FINTRAC regulations (noting that guidelines have not yet been provided by FINTRAC), management of the relationship with GPEB, and cashless play in casinos.
- 6.3.6 eGaming
- Rhonda Garvey updated the Board on implementation progress with Manitoba and other business-to-business opportunities.
- 6.3.7 Casino & Community Gaming
- Jim Lightbody reported on new market and business development and the situations in Surrey, North Vancouver, Southern Vancouver Island and Kamloops. Casino optimization is progressing.

6.3.8 Casino System Implementation

The report was presented in written format only, with no additional discussion.

6.3.9 Lottery Gaming

Kevin Gass discussed key points of the Lottery Gaming management report, including the opening of a new Signature store, a possible business-to-business opportunity, and the status of lottery optimization.

6.4 Telus Contract Update – Network Extension

Discussion

Lynette DuJohn reported on the TELUS contract extension for the lottery network and responded to questions from the Board.

6.5 Audit Update

Discussion

Chris Brown joined the meeting and reviewed the terms of reference for the Crown review, the governance structure of Crown review activities, composition of the steering committee, and anticipated timelines. Mr. Brown responded to questions from the Board regarding the Crown review process and noted that the initial stages of this Crown review were positive.

7 COMMITTEE REPORTS

7.1 Audit Committee

Discussion

Michael Riley reported on the 29 January 2014 Audit Committee meeting, noting the attendance of John Mazure, Assistant Deputy Manager, GPEB, the review of financial reports, and the report received from Angela Swan, Director, Information Privacy and Security. KPMG LLP is planned to regularly attend Audit Committee meeting in future.

7.2 Governance & Corporate Social Responsibility

Discussion

David Gillespie provided a report and brought forth three resolutions for consideration by the Board based upon recommendations of the Governance and Corporate Social Responsibility Committee.

Following discussion and on motion duly made and seconded, each of the following resolutions was adopted:

A. Resolution re non-material changes to the Governance Manual

Attached as Appendix 1 to these Minutes.

B. Resolution re Formation of Risk Committee

WHEREAS the Board Chair in consultation with the Governance and Corporate Social Responsibility Committee, has recommended the formation of a Risk Committee comprised of four members:

NOW THEREFORE BE IT RESOLVED THAT:

Effective as of 30 January 2014, the Governance and Corporate Social Responsibility Committee, Corporate Secretary or any officer or director is hereby authorized to take any action necessary to carry out the foregoing resolution including executing all documents, making all filings or taking any other action required to give effect to the foregoing resolution.

C. Resolution re Committee Member & Chair Appointments

WHEREAS the Board Chair in consultation with the Governance and Corporate Social Responsibility Committee, has recommended the following Committee Member and Chair Appointments:

1. Audit Committee to be comprised of:
Michael Riley (Chair)
Trudi Brown
Moray Keith
Robert Holden
2. Governance and Corporate Social Responsibility (CSR) Committee to be comprised of:
David Gillespie (Chair)
Wendy Lisogar-Cocchia
Robert Holden
Michael Riley
3. Human Resources and Compensation Committee to be comprised of:
Trudi Brown (Chair)
Art Willms
Bud Smith
David Gillespie
4. Risk Committee to be comprised of:
Moray Keith (Chair)
Art Willms
David Gillespie
Wendy Lisogar- Cocchia

NOW THEREFORE BE IT RESOLVED THAT:

The appointments as listed above are approved and effective as of 30 January 2014.

The Corporate Secretary or any officer or director is hereby authorized to take any action necessary to carry out the foregoing resolution including executing all documents, making all filings or taking any other action required to give effect to the foregoing resolution.

8 OTHER BUSINESS

- 8.1 In-camera Sessions Discussion
At 1:20 pm the Board continued with an additional in camera session which concluded at 1:40 pm.

9 NEXT MEETING

- 9.1 Thursday 8 May 2014 in Kamloops.

10 TERMINATION OF MEETING

Upon motion moved, seconded and carried, the meeting was terminated.
s 22

Chair



**Minutes of the special meeting of the Board of Directors
held at 2:30 pm on Friday 28 March 2014
Via Conference Call**

Present:

Bud Smith	Chair
Art Willms	Vice Chair
Wendy Lisogar Cocchia	
Moray Keith	
Robert Holden	
Trudi Brown	

Management Present:

Jim Lightbody	Interim President & Chief Executive Officer
Suzanne Rowley	Assistant Corporate Secretary
Wajida Leclerc	Director, Human Resources
Jennifer Smith	Senior Legal Counsel

Bud Smith took the Chair at 2:30 pm with Jennifer Smith acting as Recording Secretary. The Chair noted that, as proper notice of the meeting had been given and as a quorum was present, he declared the meeting to be regularly constituted and open for the transaction of business at 2:30 pm.

1 ADOPTION OF AGENDA

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

2 CORPORATE APPROVALS

2.1 Voluntary Termination Plan

Approval

The Chair summarized the Board and Committee process to date related to BCLC's cost management process, including the proposed amendment to BCLC's pension plan in order to extend the current Early Retirement Program (ERP) on a one-time basis to the 50- to 54- year-old age group as part of the Voluntary Termination Program.

A discussion followed with respect to:

- the total number of roles being reduced as part of the cost management process;
- the number of individuals expected to depart from each office and from the field;
- the number of individuals expected to depart voluntarily, including as part of the Voluntary Termination Program, versus involuntarily;
- the resources available for departing employees, including the Employee Assistance Program;
- the importance of ensuring the organization is positioned for growth moving forward; and
- internal and external communications plans.

On motion duly made, the Board adopted the following resolution:

WHEREAS the Corporation has established "The British Columbia Lottery Corporation Pension Plan" (the "Plan");

AND WHEREAS in accordance with Section 13 on the Plan, the Corporation has reserved the right to amend the Plan;

AND WHEREAS the Corporation wishes to initiate a Voluntary Termination Program (VTP) which will provide pension benefits to the participants, with the following provisions:

1. Employees who are Plan Participants and who will be 50 or over and vested in the Plan by December 31, 2014, may elect to participate in the Early Retirement Program (ERP).
2. Employees will terminate employment from the Corporation on March 31, 2014, unless otherwise requested by management to terminate on a later date.
3. Employees will be provided severance as determined by management to be appropriate and in accordance with statutory requirements. Employees may elect to either receive the severance through "regular" salary continuance period which corresponds to the severance amount, or to spread the severance over a period equal to 1.5 times the regular salary continuance period.
4. Plan Participants will continue to accrue Continuous Service and Pensionable Service in the Plan while receiving severance; however, employee contributions to the Plan will be waived during the period the participants are receiving severance payments.
5. Plan Participants will retire from the Plan at the end of the salary continuance period and any accrued vacation period and commence receipt of their pensions from the Plan.
6. Plan Participants who are age 55 or over at retirement will receive a lifetime pension from the Plan based on the existing early retirement provisions of the Plan.
7. Plan Participants who are under 55 at retirement will receive a lifetime pension equal to the formula pension as determined under the Plan, but reduced further by 5/12% for each month pension commencement occurs prior to age 55.

AND WHEREAS the Human Resources and Compensation Committee has recommended that the Board approve the foregoing;

NOW THEREFORE be it resolved that:

1. The Board approves the Voluntary Termination Program (VTP); and
2. Any officer or director of the Corporation is hereby authorized to do all such further acts and things, make all such filings and execute all further documents, including amendment(s) to the Plan, required or desirable to carry out the foregoing resolution.

3 NEXT MEETING

3.1 Thursday 8 May 2014 - Kamloops

4 TERMINATION OF MEETING

There being no further business, the meeting was terminated at 3:10 pm.

s 22

Chair



BOARD OF DIRECTORS MEETING

8:00 am (PT) Thursday 8 May 2014
Presentation Room – BCLC, 74 West Seymour Street
Kamloops, BC V2C 1E2

AGENDA

1. ADOPTION OF AGENDA

2. APPROVAL OF PREVIOUS MINUTES

2.1. 30 January 2014 & 28 March 2014

3. REPORT BY CHAIR

Verbal

4. REPORT BY PRESIDENT

Verbal

5. CORPORATE APPROVALS

- | | | |
|---|--------------------------|------------|
| 5.1. Appoint Audit Committee Chair | [B. Smith – 10 mins] | Approval |
| 5.2. Appoint Corporate Secretary | [B. Smith – 10 mins] | Approval |
| 5.3. Audited Consolidated Financial Statements - Fiscal 2013-2014 | [J. Rodrigues – 15 mins] | Approval |
| 5.4. KPMG – Review & Approval of Engagements | [J. Rodrigues – 15 mins] | |
| 5.4.1. KPMG Attendance at Audit Committee Meetings and Fees - Fiscal 2013-2014 | | Approval |
| 5.4.2. Extension of Financial Statement Audit and Fees – Fiscal 2014-2015 & 2015-2016 | | Approval |
| 5.5. BC Lottotech Financial Statements (Unaudited)-Fiscal 2013-2014 | [J. Rodrigues – 15 mins] | Approval |
| 5.6. BC Lottotech Annual Documentation | [J. Smith – 10 mins] | Approval |
| 5.7. Audited Pension Plan Financial Statements (yr end 31 Dec 2013) | [J. Rodrigues – 10 mins] | Approval |
| 5.8. Draft Annual Service Plan Report – Fiscal 2013-2014 | [J. Rodrigues – 15 mins] | Approval |
| 5.9. Proposed 2015 Board & Committee Meeting Schedule | [J. Smith – 10 mins] | Discussion |

6. CORPORATE OPERATIONS

- | | | |
|--|----------------------------|------------------|
| 6.1. Q4 Dashboard | [J. Rodrigues – 10 mins] | Discussion |
| 6.2. Q4 ERM Report (includes Business Continuity update) | [J. Rodrigues – 10 mins] | Discussion |
| 6.3. Management Reports | | Information Only |
| 6.3.1. Business Technology | | |
| 6.3.2. Finance & Corporate Services | | |
| 6.3.3. Human Resources | | |
| 6.3.4. Social Responsibility & Communications | | |
| 6.3.5. Corporate Security & Compliance | | |
| 6.3.6. eGaming | | |
| 6.3.7. Casino & Community Gaming | | |
| 6.3.8. Casino System Implementation | | |
| 6.3.9. Lottery Gaming | | |
| 6.4. AML Implementation Plan | [Brad Desmarais – 45 mins] | Discussion |

7. COMMITTEE REPORTS

- | | | |
|---|--------------------------|------------|
| 7.1. Audit Committee | [R. Holden – 15 mins] | Discussion |
| 7.2. Governance & Corporate Social Responsibility | [D. Gillespie – 10 mins] | Discussion |
| 7.3. Human Resources & Compensation Committee | [T. Brown – 10 mins] | Discussion |
| 7.4. Risk Committee | [M. Keith – 10 mins] | Discussion |

8. OTHER BUSINESS

- | | | |
|-------------------------------------|-----------------------|------------|
| 8.1. <i>In camera</i> Session | [Directors – 30 mins] | Discussion |
|-------------------------------------|-----------------------|------------|

9. NEXT MEETING

- 9.1. Thursday 26 & Friday 27 June – Vancouver – Board Strategy Sessions
9.2. Thursday 31 July 2014 – Kamloops



**Minutes of the meeting of the Board of Directors
held at 8:00 am on Thursday 8 May 2014**

Location: BCLC Presentation Room, 74 Seymour Street, Kamloops, BC V2C 1E2

Board Present:

Bud Smith	Chair
Art Willms	Vice Chair
Trudi Brown	
David Gillespie	
Robert Holden	
Moray Keith	
Wendy Lisogar-Cocchia	

Management Present:

Jim Lightbody	Interim President & Chief Executive Officer
Suzanne Rowley	Assistant Corporate Secretary
Jervis Rodrigues	Chief Financial Officer & Vice President, Finance & Corporate Services
Monica Bohm	Interim Vice President, Casino & Community Gaming
Peter Charlton	Vice President, Human Resources
Brad Desmarais	Vice President, Corporate Security & Compliance
Susan Dolinski	Vice President, Social Responsibility & Communications
Lynette DuJohn	Chief Information Officer
Rhonda Garvey	Vice President, eGaming
Kevin Gass	Vice President, Lottery Gaming

Observers & Guests:

Jennifer Smith	Senior Legal Counsel
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Bud Smith took the Chair at 8:00 am with Jennifer Smith acting as Recording Secretary. The Chair noted that, as proper notice of the meeting had been given and as a quorum was present, he declared the meeting to be regularly constituted and open for the transaction of business at 8:00 am.

1 ADOPTION OF AGENDA

On motion duly made and carried, the Agenda was adopted, subject to the following additions:

- Approval of Fiscal 2013/14 Variable Incentive Plan and Holdback Plan Payout; and
- Approval of Fiscal Year 2014/15 Resource Plan.

2 APPROVAL OF MINUTES

The minutes of the 30 January 2014 and 28 March 2014 meetings were presented.

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

3 REPORT BY CHAIR

The Chair discussed BCLC's current challenges and opportunities, including the corporate reorganization, Crown review and financial demands.

4 REPORT BY PRESIDENT

The President reported on recent developments and growth opportunities for each of the Casino and Community Gaming, Lottery and eGaming Divisions. He noted that BCLC has achieved record net income and revenue this fiscal year.

5 CORPORATE APPROVALS

5.1 Appoint Audit Committee Chair

Approval

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

WHEREAS Michael Riley has resigned as Director and Chair of the Audit Committee;

AND WHEREAS the Board Chair, in consultation with the Governance and Corporate Social Responsibility Committee, has recommended the following appointment;

NOW THEREFORE be it resolved that:

- 1. Robert Holden is appointed Audit Committee Chair.*
- 2. Any one officer or director is hereby authorized on behalf of the Corporation to execute and deliver all such documents and instruments, and to do all such other acts and things as in his or her opinion may be necessary or desirable to give full effect to the foregoing resolution.*

5.2 Appoint Corporate Secretary

Approval

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

WHEREAS Constance Ladell has resigned as Corporate Secretary;

NOW THEREFORE be it resolved that:

- 1. Jennifer Smith is appointed Corporate Secretary.*
- 2. Any one officer or director is hereby authorized on behalf of the Corporation to execute and deliver all such documents and instruments, and to do all such other acts and things as in his or her opinion may be necessary or desirable to give full effect to the foregoing resolution.*

5.3 Audited Consolidated Financial Statements – Fiscal 2013-2014

Approval

Jervis Rodrigues provided background on the Fiscal 2013-2014 Audited Financial Statements. He noted that there would be no contingencies going forward this year and responded to questions regarding the impact of BCLC's restructuring on the financial statements. Revenue targets and future significant costs were discussed.

Subject to minor amendment and on motion duly made 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, 2014 and has received a recommendation from the Audit Committee to approve such statements;

NOW THEREFORE be it resolved that:

- 1. The Corporation's Audited Financial Statements for the fiscal year ending March 31, 2014, 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, 2014; and **
- 3. Subject to the foregoing, any one 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.*

5.4 KPMG – Review and Approval of Engagements

5.4.1 KPMG Attendance at Audit Committee Meetings and Fees – Fiscal 2013-2104 Approval

Jervis Rodrigues discussed the current frequency of KPMG attendance at Audit Committee meetings with the Board.

On motion duly made and carried, the following resolution was adopted with Robert Holden abstaining:

WHEREAS in January 2013, KPMG LLP was appointed as External Auditor for an additional year;

AND WHEREAS the original agreement between KPMG LLP and the Corporation contemplated that KPMG LLP would attend at Audit Committee meetings twice per year;

AND WHEREAS it was determined to be expedient for KPMG LLP to attend additional Audit Committee meetings relating to the fiscal year ending March 31, 2014;

NOW THEREFORE BE IT RESOLVED THAT:

- 1. Payment by the Corporation to KPMG LLP s 17(1) additional Audit Committee meeting attended to a maximum cumulative amounts 17(1) a total maximum fee amount for its services as External Auditor for the fiscal year ending March 31, 2014 s 17(1) is hereby ratified, confirmed and approved; and*
- 2. Any one officer or director is hereby authorized on behalf of the Corporation to execute and deliver all such documents and instruments, and to do all such other acts and things as in his or her opinion may be necessary or desirable to give full effect to the foregoing resolution.*

5.4.2 Extension of Financial Statement Audit and Fees – Fiscal 2014-2015 & 2015-2016 Approval

Jervis Rodrigues discussed with the Board the process for reviewing the external auditor, its fees, and the public procurement requirements for external audit services work at the end of the proposed two-year extension period.

On motion duly made and carried, the following resolutions were adopted with Robert Holden abstaining:

WHEREAS the Board has received a recommendation from the Audit Committee to appoint KPMG LLP as External Auditor for the fiscal year ending March 31, 2015;

NOW THEREFORE BE IT RESOLVED THAT:

- 1. KPMG LLP is hereby appointed as External Auditor for the fiscal year ending March 31, 2015;*
- 2. Payment by the Corporation to KPMG LLP of a maximum fee amount s 17(1) for its services as External Auditor for the fiscal year ending March 31, 2015 is hereby approved; and*
- 3. Any one 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 resolutions.*

WHEREAS the Board has received a recommendation from the Audit Committee to appoint KPMG LLP as External Auditor for the fiscal year ending March 31, 2016;

NOW THEREFORE BE IT RESOLVED THAT:

- 1. KPMG LLP is hereby appointed as External Auditor for the fiscal year ending March 31, 2016;*
- 2. Payment by the Corporation to KPMG LLP of a maximum fee amount s 17(1) for its services as External Auditor for the fiscal year ending March 31, 2016 is hereby approved; and*

3. *Any one 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 resolutions.*

5.5 BC Lottotech Financial Statements (Unaudited) – Fiscal 2013-2014 Approval

Jervis Rodrigues provided an overview of the Fiscal 2013-2014 Unaudited Financial Statements of B.C. Lottotech International Inc. and responded to questions from the Board.

On motion duly made 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, 2014 and has received a recommendation from the Audit Committee to approve such statements;

NOW THEREFORE be it resolved that:

1. *The Unaudited Financial Statements of B.C. Lottotech International Inc. for the fiscal year ending March 31, 2014, as presented to the Board, are hereby approved; and*
2. *Any one officer or director is hereby authorized on behalf of the Corporation to execute and deliver all such documents and instruments, and to do all such other acts and things as in his or her opinion may be necessary or desirable to give full effect to the foregoing resolution.*

5.6 BC Lottotech Annual Documentation Approval

Jennifer Smith confirmed that consent resolutions for B.C. Lottotech International Inc. would be circulated in written format, addressing annual documentation and changes in directors and officers since the last annual reference period.

5.7 Audited Pension Plan Financial Statements (yr end 31 Dec 2013) Approval

Jervis Rodrigues provided an overview of the 2013 British Columbia Lottery Corporation Pension Plan Audited Financial Statements and BCLC's processes for monitoring the plan's performance.

On motion duly made 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, 2013 and has received a recommendation from the Audit Committee to approve such statements;

NOW THEREFORE be it resolved that:

1. *The British Columbia Lottery Corporation Pension Plan Audited Financial Statements for the twelve months ending December 31, 2013, 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, 2013; and*
3. *Subject to the foregoing, any one 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.*

5.8 Draft Annual Service Plan Report – Fiscal 2013-2014 Approval

Jervis Rodrigues and Susan Dolinski provided an overview of the Fiscal 2013-2014 Annual Service Plan Report, confirming that in preparing this year's draft, BCLC was mindful of themes shown in Board comments from the previous year.

The Board and Management then discussed the process for gathering any remaining comments and finalizing the document.

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

WHEREAS the Board has reviewed the Annual Service Plan Report for the fiscal year ending March 31, 2014 and has received a recommendation from the Audit Committee to approve such report;

NOW THEREFORE be it resolved that:

- 1. The Annual Service Plan Report for the fiscal year ending March 31, 2014, 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 one officer or director is hereby authorized on behalf of the Corporation to execute and deliver all such documents and instruments, and to do all such other acts and things as in his or her opinion may be necessary or desirable to give full effect to the foregoing resolution.*

5.9 Proposed 2015 Board & Committee Meeting Schedule

Discussion

Jennifer Smith confirmed that the planning process for the 2015 meeting schedule is underway and that an update is planned to be provided at the July Board meeting.

5.10 Approval of Fiscal 2013/14 Variable Incentive Plan and Holdback Plan Payout

Peter Charlton presented estimated corporate and individual goal achievement and confirmed that BCLC met the net income thresholds required for the Fiscal 2013-2014 Variable Incentive Plan and Executive/Management Salary Holdback Plan payouts.

On motion duly made and carried, the Board approved the Fiscal 2013-2014 Variable Incentive Plan and Executive/Management Salary Holdback Plan payouts, estimated at \$2.6 million.

5.11 Approval of Fiscal Year 2014/15 Resource Plan

Peter Charlton presented the FTE proposal for Fiscal Year 2014/2015 and responded to questions from the Board.

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

WHEREAS the Board has received a recommendation from the Human Resources and Compensation Committee to approve the Resource Plan for Fiscal Year 2014/15;

NOW THEREFORE be it resolved that:

- 1. The Resource Plan of 886.4 FTE for Fiscal Year 2014/15 is hereby approved; and*
- 2. Any one 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 CORPORATE OPERATIONS

6.1 Q4 Dashboard

Discussion

Management presented the Q4 Dashboard to the Board, noting a year-over-year increase in net income. The performance of Casino & Community Gaming, Lottery, and eGaming were each reviewed, together with future growth opportunities. Management provided an overview of significant strategic technology initiatives and the planned timing for the employee engagement survey. Corporate performance metrics were also discussed. Management responded to questions from the Committee.

6.2 Q4 ERM Report (includes Business Continuity update)

Discussion

Jervis Rodrigues introduced the Q4 ERM report and reviewed the new high risks identified. Discussion followed between the Board and Management regarding the contents of the report.

6.3 Management Reports

Information Only

The Management Reports were taken as read.

6.4 AML Implementation Plan

Discussion

Brad Desmarais provided background on anti-money laundering regulatory requirements and the evolution of those requirements over time, including BCLC's compliance strategies, due diligence processes and privacy impact assessment process. Careful consideration was given to the implementation plan and governance structure in the interest of effective management of the project. A discussion among Management and the Board followed on subjects including the technology components of the plan and the role of Internal Audit.

7 COMMITTEE REPORTS

7.1 Audit Committee

Discussion

Bob Holden reported on both the April and May Audit Committee meetings, including documents reviewed and consultations with Internal Audit and the External Auditor.

7.2 Governance & Corporate Social Responsibility Committee

Discussion

David Gillespie reported on the May Governance Committee meeting, including a summary of the process for filling Board vacancies. He confirmed that the Committee had received a report from Management on the New Horizons Conference and Responsible Gambling Awareness Weeks, and had been provided with drafts of the Carbon Neutral Action Report and the Corporate Social Responsibility annual report.

7.3 Human Resources & Compensation Committee

Discussion

Trudi Brown reported on the April Human Resources and Compensation Committee meeting. Matters reviewed included holdback payouts, the resources plan, CEO annual goals, CEO performance evaluation, executive compensation, and employee engagement survey plans. The Committee also made Pension Committee appointments.

7.4 Risk Committee

Discussion

Moray Keith reported that the new Risk Committee met in April and discussed the preferred scope of the Committee's mandate with Management, in preparation for drafting the Committee's Terms of Reference.

8 OTHER BUSINESS

8.1 *In camera* Session

Discussion

The Board went *in camera* at 12:05 pm, concluding at 12:30 pm.

9 NEXT MEETING

9.1 Thursday 26 & Friday 27 June – Vancouver – Board Strategy Sessions

9.2 Thursday 31 July 2014 – Kamloops

10 TERMINATION OF MEETING

s 22 On motion moved and adopted, the meeting was terminated.

Chair



BOARD OF DIRECTORS MEETING

11:00 am (PT) Thursday 26 June 2014
Capilano Room, Conference Centre, River Rock
8811 River Road, Richmond, BC V6X 3P8

AGENDA

1. ADOPTION OF AGENDA

2. REPORT BY CHAIR

Verbal

3. CORPORATE APPROVALS

- 3.1. CEO Performance Review (*In camera*)[J. Lightbody – 30 minutes]
- 3.1.1. Approval of CEO Variable Compensation Payout for Fiscal 2013 – 2014
- 3.1.2. Kamloops Office Real Estate Strategy[J. Rodrigues – 30 minutes]

Discussion
Approval
Approval

4. NEXT MEETING

- 4.1. Thursday 31 July 2014 – Kamloops



**Minutes of the meeting of the Board of Directors
held at 11:00 am on Thursday 26 June 2014**

Location: Capilano Room, Conference Centre, River Rock,
8811 River Road, Richmond, BC V6X 3P8

Board Present:

Bud Smith	Chair
Art Willms	Vice Chair
Trudi Brown	
David Gillespie	
Robert Holden	
Moray Keith	(by teleconference)

Management Present:

Jim Lightbody	Interim President & Chief Executive Officer
Jervis Rodrigues	Chief Financial Officer & Vice President, Finance & Corporate Services
Jennifer Smith	Senior Legal Counsel
Suzanne Rowley	Assistant Corporate Secretary

Observers & Guests:

Bud Smith took the Chair *in camera* at 11:15 am. Trudi Brown acted as Recording Secretary for the *in camera* portion of the meeting and Jennifer Smith acted as Recording Secretary for the remainder of the meeting. The Chair noted that, as proper notice of the meeting had been given and as a quorum was present, he declared the meeting to be regularly constituted and open for the transaction of business at 11:15 am.

1 ADOPTION OF AGENDA

On motion duly made, seconded and carried, the Agenda was adopted.

2 REPORT BY CHAIR

The Chair delivered his report.

3 CORPORATE APPROVALS

3.1 CEO Performance Review

Discussion

The CEO joined the meeting at 11:25 and the Board completed the CEO performance review.

3.1.1 Approval of CEO Variable Compensation Payout for Fiscal 2013 – 2014 **Approval**

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

WHEREAS the Board has reviewed the material provided and has received a recommendation from the Human Resources and Compensation Committee to approve the Interim CEO's variable pay goal achievement and payout for the fiscal year ended March 31, 2014;

NOW THEREFORE be it resolved that:

- 1. The Interim CEO's variable pay goal achievement and payout for the fiscal year*

ended March 31, 2014 are hereby approved; and

2. *Any one 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.*

3.2 Kamloops Office Real Estate Strategy

Approval

The Board came out of *in camera* at 11:40 am and was joined by Jervis Rodrigues, Jennifer Smith and Suzanne Rowley.

Jervis Rodrigues presented Management's proposed strategy to address maintenance challenges with respect to the aging Kamloops office facility. He reviewed the land and anticipated costs which would be involved in the strategy.

Discussion followed regarding the challenges and opportunities associated with the strategy, including:

- transaction structure,
- potential environmental costs and liabilities,
- external real estate and development expertise which may be required,
- municipal considerations.

They also reviewed the processes used in evaluating the strategy to date, including the use of external consultants and the consideration of alternative options. The proposed strategy has been discussed among and has the support of executive Management.

The Board determined it would consider whether to establish an *ad hoc* Committee to oversee the progress of the strategy as Management moves it forward.

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

WHEREAS the Board has reviewed the Kamloops office real estate strategy and has discussed the foregoing with Management;

NOW THEREFORE be it resolved that:

1. *The Kamloops office real estate strategy, as presented to 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.*

4 NEXT MEETING

4.1 Thursday 31 July 2014 – Kamloops

5 TERMINATION OF MEETING

On motion moved and adopted, the meeting was terminated at 12:10 pm.

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Chair



BOARD OF DIRECTORS MEETING

8:30 am (PT) Thursday 31 July 2014
Presentation Room – BCLC, 74 West Seymour Street
Kamloops, BC V2C 1E2

AGENDA

1. ADOPTION OF AGENDA

2. APPROVAL OF PREVIOUS MINUTES

2.1. 8 May 2014 and 26 June 2014

3. REPORT BY CHAIR

Verbal

4. REPORT BY PRESIDENT

Verbal

5. CORPORATE APPROVALS

5.1. Q1 Financial Statements - Fiscal 2014-2015	[J. Rodrigues – 15 mins]	Approval
5.2. Q1 Revised Forecast & Projections	[J. Rodrigues – 15 mins]	Approval
5.3. 2014/15 Corporate/CEO/Executive Goals& Holdback Structure....	[P. Charlton – 10 mins]	Approval
5.4. Financial Information Act Report	[J. Rodrigues – 10 mins]	Approval
5.5. Board Manual Amendments	[D. Gillespie – 10 mins]	Approval
5.6. Proposed 2015 Board & Committee Meeting Schedule	[J. Smith – 10 mins]	Approval

6. CORPORATE OPERATIONS

6.1. Q1 Dashboard	[J. Rodrigues – 10 mins]	Discussion
6.2. Q1 ERM Report (includes Business Continuity)	[B. Desmarais/J. Rodrigues – 20 mins]	Discussion
6.3. Management Reports		Information Only
6.3.1. Business Technology		
6.3.2. Finance & Corporate Services		
6.3.3. Human Resources		
6.3.4. Social Responsibility & Communications		
6.3.5. Corporate Security & Compliance		
6.3.6. eGaming		
6.3.7. Casino & Community Gaming		
6.3.8. Casino System Implementation		
6.3.9. Lottery Gaming		
6.4. Pension Committee Terms of Reference & Procedural Rules		Information Only

7. COMMITTEE REPORTS

7.1. Audit Committee	[R. Holden – 15 mins]	Discussion
7.2. Governance & Corporate Social Responsibility	[D. Gillespie – 10 mins]	Discussion
7.3. Human Resources & Compensation Committee	[T. Brown – 10 mins]	Discussion
7.4. Risk Committee	[M. Keith – 10 mins]	Discussion

8. OTHER BUSINESS

8.1. In camera Session	[Directors – 30 mins]	Discussion
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9. NEXT MEETING

9.1. Thursday 30 October 2014 – Vancouver



Minutes of the meeting of the Board of Directors held at 8:00 am on Thursday 31 July 2014

Location: BCLC Presentation Room, 74 Seymour Street, Kamloops, BC V2C 1E2

Board Present:

Bud Smith	Chair
Art Willms	Vice Chair
Trudi Brown	
David Gillespie	
Robert Holden	
Moray Keith	
Wendy Lisogar-Cocchia	

Management Present:

Jim Lightbody	Interim President and Chief Executive Officer
Jervis Rodrigues	Chief Financial Officer and Vice President, Finance and Corporate Services
Brad Desmarais	Vice President, Corporate Security and Compliance
Susan Dolinski	Vice President, Social Responsibility and Communications
Lynette DuJohn	Chief Information Officer
Rhonda Garvey	Vice President, eGaming
Kevin Gass	Vice President, Lottery Gaming
Jennifer Keim	General Counsel
Jennifer Smith	Corporate Secretary
Suzanne Rowley	Assistant Corporate Secretary

Bud Smith took the Chair at 8:30 am with Jennifer Smith acting as Recording Secretary. As proper notice of the meeting had been given and as a quorum was present, he declared the meeting to be regularly constituted and open for the transaction of business at 8:30 am.

1 ADOPTION OF AGENDA

On motion duly made, seconded and carried, the Agenda was adopted.

2 APPROVAL OF MINUTES

The minutes of the 8 May 2014 and 26 June 2014 meetings were presented.

On motion duly made, seconded and carried, the minutes of the 8 May 2014 meeting were approved subject of correction to Susan Dolinski's title to "Vice President, Social Responsibility and Communications."

On motion duly made, seconded and carried, the minutes of the 26 June 2014 meeting were approved.

3 REPORT BY CHAIR

Bud Smith presented his report. He thanked BCLC Management and employees for their contributions, and commented on the previous day's visit from Minister De Jong.

4 REPORT BY PRESIDENT

Jim Lightbody presented his report, interspersed by discussion between the Board and Management.

Mr. Lightbody provided an update on the strategy delivery process flowing from the Board strategy sessions, and commented on year-to-date business results and key performance drivers. He then

provided updates on each Division including, for Casino and Community Gaming, significant service provider property developments, and vendor mergers and acquisitions. He presented the initial results from the Employee Engagement Survey.

5 CORPORATE APPROVALS

5.1 Q1 Financial Statements - Fiscal 2014-2015

Approval

Jervis Rodrigues provided an overview of the Q1 financial statements. BCLC net income is ahead of budget and ahead of performance for Q1 last year, largely due to positive revenue performance in Casino and eGaming. Amortization is now being tracked on a category-by-category basis instead of being based on historical amortization. Capital spending is being analyzed and monitored against budget. Challenges relating to capital spending were discussed with the Board, including rising costs of maintaining the status quo.

Kevin Gass commented on Lottery performance, noting that market share has not changed but sales on national lottery games, i.e. 6/49 and LottoMax, are generally lower when jackpots are lower. The instant category is performing well and Keno is stabilizing. Discussion followed regarding LottoExpress.

Rhonda Garvey reviewed eGaming performance and opportunities, including metrics and results in connection with World Cup, and responded to questions from the Board.

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

WHEREAS the Board has reviewed the financial statements for the first quarter of fiscal year 2014/2015 and 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 2014/2015 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.*

5.2 Q1 Revised Forecast & Projections

Approval

Jervis Rodrigues provided an overview of the Q1 Revised Forecast and Projections. He noted that the reduction in projected net income is largely the result of a change in forecasted amortization. Revenue is tracking positively to help offset this reduction.

Discussion followed regarding the process for determining amortization and the improvements being made by Finance to amortization calculations. Forecasted revenue for Casino and Community Gaming, Lottery and eGaming were discussed.

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

WHEREAS the Board has reviewed the Corporation's forecast for the first quarter of fiscal year 2014/2015 and 2015/16-2018/19 projections (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.*

5.3 2014/15 Corporate/CEO/Executive Goals & Holdback Structure

Approval

Questions were invited on the 2014/15 Corporate/CEO/Executive Goals & Holdback Structure.

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

WHEREAS the Board has reviewed the Corporate/CEO/Executive Goals and Holdback Structure for the fiscal year ended March 31, 2015;

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 Corporate/CEO/Executive Goals and Holdback Structure for the fiscal year ended March 31, 2015 are hereby approved; and*
- 2. Any one 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.*

5.4 Financial Information Act Report

Approval

Jervis Rodrigues provided an overview of the requirement for BCLC to prepare and submit the FIA Report annually. Questions were invited on the FIA Report.

On motion duly made, seconded 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, 2014 (the "FIA Report");

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

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.*

5.5 Board Manual Amendments

Approval

David Gillespie presented the proposed Board Manual amendments and invited discussion.

For clarity, the draft resolution in the meeting package was revised to list the specific tabs of the Board Manual proposed to be amended, as set out below.

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

WHEREAS the Board has reviewed the proposed Terms of Reference for the Risk Committee;

AND WHEREAS the Board has received a recommendation from the Risk Committee and the Governance Committee to approve the foregoing;

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

Audit Committee Terms of Reference;

Board Compensation and Expense Guidelines;

Human Resources and Compensation Committee Terms of Reference; and

Performance Evaluation Process for the President and Chief Executive Officer;

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

NOW THEREFORE be it resolved that the Terms of Reference for the Risk Committee and the additional proposed amendments to the tabs of the Board Manual listed above as presented to the Board, are hereby approved.

5.6 Proposed 2015 Board & Committee Meeting Schedule

Approval

The Board and Management discussed the timing of Board approval and review requirements over the course of the year.

On motion duly made, seconded and carried, the proposed 2015 Board & Committee meeting Schedule was approved subject to moving the July Audit Committee meeting date to July 27, 2015 and the July Board meeting date to July 28, 2015.

6 CORPORATE OPERATIONS

6.1 Q1 Dashboard

Discussion

Jervis Rodrigues presented the Q1 Dashboard and the Chair invited comments.

6.2 Q1 ERM Report (includes Business Continuity)

Discussion

Brad Desmarais provided an update on the staffing and plans for the risk management function. Responsibility for insurance will remain with Risk Advisory Services, which has moved from Finance to Corporate Security and Compliance. An insurance review is underway.

Mr. Desmarais then provided an overview of identified high risks in the Q1 ERM report. A discussion followed with the Board regarding existing and possible emerging risks.

Jervis Rodrigues summarized BCLC's business continuity methods and measures. Discussion followed among Management and the Board, including regarding BCLC's information technology disaster recovery systems.

6.3 Management Reports

Information Only

6.3.1 Business Technology

Lynette DuJohn commented on significant Business Technology projects completed and ongoing, including the gaming management system (GMS), and on vendor management.

6.3.2 Finance & Corporate Services

Jervis Rodrigues discussed Finance staffing and status of the Crown review.

6.3.3 Human Resources

Brad Desmarais will oversee this Division on an interim basis following the departure of its Vice President. He provided highlights of Human Resources activities and upcoming challenges and priorities.

Lynette DuJohn will be responsible for implementation of the new Human Resources Management System project. She provided an update on the status of the project.

6.3.4 Social Responsibility & Communications

Susan Dolinski provided highlights from Social Responsibility and Communications, including research regarding public and player awareness of BCLC programs and activities, BCLC's upcoming 30th anniversary, the UBC Centre for Gambling Research, and significant media stories regarding BCLC.

6.3.5 Corporate Security & Compliance

Brad Desmarais reported on notable matters for Corporate Security & Compliance, including trends in Freedom of Information requests, successes in recruiting and training processes and additional opportunities for the division.

6.3.6 eGaming

The report was taken as read.

6.3.7 Casino & Community Gaming

Jim Lightbody reported on key Casino and Community Gaming activities, initiatives and business opportunities.

6.3.8 Casino System Implementation

The report was taken as read.

6.3.9 Lottery Gaming

The report was taken as read.

6.4 Pension Committee Terms of Reference and Procedural Rules Information Only

Jennifer Keim advised that after review by Human Resources & Compensation Committee this had been referred back to the Pension Committee for further analysis and revision.

7 COMMITTEE REPORTS

7.1 Audit Committee

Discussion

Bob Holden reported on each of the Audit Committee agenda items.

7.2 Governance & Corporate Social Responsibility Committee

Discussion

David Gillespie reported on each of the Committee agenda items.

7.3 Human Resources & Compensation Committee

Discussion

Trudi Brown reported on each of the Committee agenda items.

7.4 Risk Committee

Discussion

Moray Keith reported on each of the Committee agenda items.

8 OTHER BUSINESS

8.1 *In camera* Session

Discussion

The Board went *in camera* at 12:20 pm, concluding at 12:30 pm.

9 NEXT MEETING

9.1 Thursday 30 October – Vancouver

10 TERMINATION OF MEETING

On motion moved, seconded and adopted, the meeting was terminated.

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Chair



BOARD OF DIRECTORS MEETING

8:30 am (PT) Thursday 30 October 2014

Boardroom – BCLC, 2940 Virtual Way

Vancouver, BC V5M 0A6

AGENDA

1. ADOPTION OF AGENDA

2. APPROVAL OF PREVIOUS MINUTES

2.1. 31 July 2014

3. REPORT BY CHAIR

Verbal

4. REPORT BY PRESIDENT

Verbal

5. CORPORATE APPROVALS

5.1. Q2 Financial Statements - FY 2014-2015	[J. Rodrigues – 15 mins]	Approval
5.2. Q2 Revised Forecast & FY 15/16 - F18/19 Projections.....	[J. Rodrigues – 15 mins]	Approval
5.3. Compensation & Salary Planning	[B. Desmarais – 10 mins]	Approval
5.4. Pension Plan - Deficiency, Surplus and Contribution Holiday	[B. Desmarais – 10 mins]	Approval
5.5. Committee Membership & Appointment Update	[B. Smith – 10 mins]	Approval

6. CORPORATE OPERATIONS

6.1. Mandate Letter	[B. Smith – 10 mins]	Discussion
6.2. Q2 Dashboard.....	[J. Rodrigues – 10 mins]	Discussion
6.3. Q2 ERM Report	[B. Desmarais – 10 mins]	Discussion
6.4. HR Update		Discussion
6.4.1. SOEBC Amendments	[B. Desmarais – 10 mins]	Discussion
6.4.2. Employee Engagement Survey	[Wayne Porterfield – 10 mins]	Discussion
6.5. Management Reports		Information Only
6.5.1. Finance & Corporate Services		
6.5.2. Business Technology		
6.5.3. Human Resources		
6.5.4. Social Responsibility & Communications		
6.5.5. Corporate Security & Compliance		
6.5.6. eGaming		
6.5.7. Casino & Community Gaming		
6.5.8. Casino System Implementation		
6.5.9. Lottery Gaming		

7. COMMITTEE REPORTS

7.1. Audit Committee	[R. Holden – 10 mins]	Discussion
7.2. Governance & Corporate Social Responsibility.....	[D. Gillespie – 10 mins]	Discussion
7.3. Human Resources & Compensation Committee	[T. Brown – 10 mins]	Discussion
7.4. Risk Committee.....	[M. Keith – 10 mins]	Discussion

8. OTHER BUSINESS

8.1. <i>In camera</i> Session	[Directors – 30 mins]	Discussion
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9. NEXT MEETING

- 9.1. Thursday 11 December 2014 – Vancouver
- 9.2. 2014 Board, Audit & Committee Schedule
- 9.3. 2015 Board, Audit & Committee Schedule



**Minutes of the meeting of the Board of Directors
held at 8:30 am on Thursday 30 October 2014**

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

Board Present:

Bud Smith	Chair
Art Willms	Vice Chair
Trudi Brown	
David Gillespie	
Robert Holden	
Moray Keith	
Wendy Lisogar-Cocchia	

Management Present:

Jim Lightbody	Interim President and Chief Executive Officer
Jervis Rodrigues	Chief Financial Officer and Vice President, Finance and Corporate Services
Brad Desmarais	Vice President, Corporate Security and Compliance and Interim Vice President, Human Resources
Susan Dolinski	Vice President, Social Responsibility and Communications
Lynette DuJohn	Chief Information Officer
Rhonda Garvey	Vice President, eGaming
Kevin Gass	Vice President, Lottery Gaming
Amanda Hobson	Director, Decision Support, Finance and Corporate Services (for item 5.2 only)
Jennifer Keim	General Counsel
Jennifer Smith	Corporate Secretary
Suzanne Rowley	Assistant Corporate Secretary

Bud Smith took the Chair at 8:30 am with Jennifer Smith acting as recording secretary. As proper notice of the meeting had been given and as a quorum was present, he declared the meeting to be regularly constituted and open for the transaction of business at 8:30 am.

1 ADOPTION OF AGENDA

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

2 APPROVAL OF MINUTES

The minutes of the 31 July 2014 meetings were presented.

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

3 REPORT BY CHAIR

The Chair presented his report. He thanked Management for their effort and focus, and commented on the recent Board Chairs meeting and other Government communications.

4 REPORT BY PRESIDENT

The Interim President presented his report. He provided a summary of Q2 performance, operating cost reductions, business planning and employee engagement efforts. BCLC is implementing its strategy cascade process, whereby each business division aligns with the broader corporate strategy.

As set out in the revised forecast and projections, BCLC expects to meet its service plan obligations and exceed its comprehensive cost ratio limit. BCLC's product mix is changing as table game

revenue increases relative to other forms of revenue. Because BCLC pays higher commission rates on table games, the change in product mix results in a higher comprehensive cost ratio.

With respect to the Crown review, BCLC has established a readiness plan so it will be well positioned to respond when the report is released.

5 CORPORATE APPROVALS

5.1 Q2 Financial Statements - FY 2014-2015

Approval

Jervis Rodrigues presented the Q2 financial statements. BCLC is ahead of budget on both revenue and net income. Table games are a significant revenue driver, offsetting those areas of the business which are not currently performing to budget.

Discussion followed among the Board and Management regarding the foregoing.

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

WHEREAS the Board has reviewed the financial statements for the second quarter of fiscal year 2014/2015 and has received a recommendation from the Audit Committee to approve such statements;

NOW THEREFORE be it resolved that:

- 1. The financial statements for the second quarter of fiscal year 2014/2015 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.*

5.2 Q2 Revised Forecast & FY 15/16 - F18/19 Projections

Approval

Amanda Hobson presented revised numbers for the Q2 Revised Forecast and Projections based on the recommendation of the Audit Committee on October 29, 2014. She explained the differences between the latest version and the version previously circulated on October 23, 2014.

Discussion followed among the Board and Management regarding the foregoing. The latest, revised, version of the Q2 Revised Forecast and Projections was the subject of the motion below.

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

WHEREAS the Board has reviewed the Corporation's forecast for the second quarter of fiscal year 2014/2015 and 2015/16-2018/19 projections (the "Q2 Revised Forecast and Projections");

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

NOW THEREFORE be it resolved that:

- 1. The Q2 Revised Forecast and Projections are hereby approved; and*
- 2. Any officer or director is hereby authorized on behalf of the Corporation to execute and deliver all such documents and instruments, and to do all such other acts and things as in his or her opinion may be necessary or desirable to give full effect to the foregoing resolution.*

5.3 Compensation & Salary Planning

Approval

Brad Desmarais presented Management's proposal for fiscal year 2015/16 of a merit increase for eligible (non-management) employees of an average 2.0% to base salary.

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

WHEREAS the Board has reviewed Management's proposal for fiscal year 2015/16 of a merit increase for eligible (non-management) employees of an average 2.0% to base salary (the "Increase");

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 Increase is hereby approved; and*
- 2. Any officer or director is hereby authorized on behalf of the Corporation to execute and deliver all such documents and instruments, and to do all such other acts and things as in his or her opinion may be necessary or desirable to give full effect to the foregoing resolution.*

5.4 Pension Plan - Deficiency, Surplus and Contribution Holiday

Approval

Brad Desmarais presented Management's proposal with respect to the pension plan deficiency, surplus and contribution holiday, and confirmed that the Public Sector Employers' Council was agreeable to the proposal subject to BCLC maintaining a 110% funding target on a going concern basis and sharing the contribution holiday benefit between the employer and the employees.

The Board and Management discussed:

- valuation processes used to determine the appropriate length of the contribution holiday, including the ability to conduct valuations on short notice if needed;
- the impact of the proposal on the financial statements; and
- the nature and frequency of employee communications related to this proposal.

Following discussion, the draft resolution in the meeting package was revised as set out below.

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

WHEREAS the Board has reviewed Management's proposal to authorize:

- 1. prepayment of the balance of the solvency deficiency for the British Columbia Lottery Corporation Pension Plan; and*
- 2. extension of the contribution holiday created by the going concern surplus on a year-by-year basis while sufficient surplus exists in the plan*

(the "Prepayment Opportunity");

AND WHEREAS the Board has received a recommendation from the Audit Committee and the Human Resources and Compensation Committee to approve the foregoing subject to BCLC maintaining a 110% funding target on a going concern basis and sharing the contribution holiday benefit between the employer and the employees;

NOW THEREFORE be it resolved that:

- 1. The Prepayment Opportunity is hereby authorized and approved subject to BCLC maintaining a 110% funding target on a going concern basis and sharing the contribution holiday benefit between the employer and the employees; and*
- 2. Any officer or director is hereby authorized on behalf of the Corporation to execute and deliver all such documents and instruments, and to do all such other acts and things as in his or her opinion may be necessary or desirable to give full effect to the foregoing resolution.*

5.5 Committee Membership & Appointment Update

Approval

The Chair reported that Wendy Lisogar-Cocchia had been reappointed for a term ending November 30, 2015. He updated the Board on anticipated future appointments and reappointments.

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

WHEREAS the Board Chair, following discussion with the Governance and Corporate Social Responsibility Committee, has recommended the following membership for the Human Resources and Compensation Committee, reflecting the removal of the Chair from the Committee and the addition of Wendy Lisogar-Cocchia to the Committee:

Trudi Brown (Chair)
David Gillespie
Wendy Lisogar-Cocchia
Art Willms

NOW THEREFORE be it resolved that the foregoing membership for the Human Resources and Compensation Committee, reflecting the removal of the Chair from the Committee and the addition of Wendy Lisogar-Cocchia to the Committee, is approved.

6 CORPORATE OPERATIONS

6.1 Mandate Letter Discussion

The Chair provided an overview of the draft mandate letter and invited questions from the Board.

6.2 Q2 Dashboard Discussion

Jervis Rodrigues introduced the Q2 dashboard, supplemented by commentary from Management. For Lottery, Kevin Gass summarized trends and challenges, and updated the Board on LottoExpress. Rhonda Garvey confirmed that eGaming performance is ahead of last year, with casino-style games and sports products being key drivers. The mobile business is also growing. Jim Lightbody reported on the casino optimization process and gaming management system implementation. Management and the Board discussed.

6.3 Q2 ERM Report

Brad Desmarais updated the Board on the enterprise risk management (ERM) function, noting that a risk charter is under development. He then provided an overview of identified high risks in the Q2 ERM report. Discussion followed among the Board and Management regarding the new high risk identified – personnel recruitment and retention – including mitigation strategies.

6.4 HR Update

6.4.1 SOEBC Amendments

Brad Desmarais presented the proposed amendments to the Standards of Ethical Business Conduct for British Columbia Lottery Corporation Employees (SOEBC), noting that the language for Future Employment Restrictions is still under discussion and development. He invited questions from the Board.

Discussion followed regarding the timing for review and approval for the final amendments, employee communication plans related to the amendments, and processes for monitoring policy compliance.

6.4.2 Employee Engagement Survey

This item was deferred to a future Board meeting.

6.5 Management Reports Information Only

6.5.1 Finance & Corporate Services

Jervis Rodrigues summarized key activities for Finance & Corporate Services for the quarter, including financial projection and service plan preparation.

6.5.2 Business Technology

Lynette DuJohn reported on initiatives and challenges in Business Technology and updated the Board on the progress of the gaming management system (GMS) implementation project.

6.5.3 Human Resources

Brad Desmarais provided an update on leadership development programs and initiatives, recruitment and intra-governmental relationships.

6.5.4 Social Responsibility & Communications

Susan Dolinski delivered the Social Responsibility and Communications report. Upcoming events include the opening of the UBC Centre for Gambling Research on November 12, and BCLC's 30th anniversary.

6.5.5 Corporate Security & Compliance

Brad Desmarais presented the report. Discussion followed among Management and the Board regarding anti-money laundering controls. The criteria and processes for barring individuals from facilities were discussed.

6.5.6 eGaming

This was discussed in connection with item 6.2.

6.5.7 Casino & Community Gaming

This was discussed in connection with item 6.2.

6.5.8 Casino System Implementation

This was discussed in connection with item 6.5.2.

6.5.9 Lottery Gaming

This was discussed in connection with item 6.2.

7 COMMITTEE REPORTS

7.1 Audit Committee

Discussion

Robert Holden delivered the Audit Committee report.

7.2 Governance & Corporate Social Responsibility Committee

Discussion

David Gillespie delivered the Governance Committee report, including a summary of the results of the Board evaluation survey.

7.3 Human Resources & Compensation Committee

Discussion

Trudi Brown delivered the Human Resources & Compensation Committee report.

7.4 Risk Committee

Discussion

Moray Keith delivered the Risk Committee report.

8 OTHER BUSINESS

8.1 In camera Session

Discussion

The Board went *in camera* at 12:20 pm, concluding at 12:45 pm.

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

WHEREAS the Board has reviewed the proposed compensation package for Jim Lightbody in his capacity as Interim President and Chief Executive Officer;

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

RESOLVED that:

- 1. The proposed compensation package for the Interim President and Chief Executive Officer is approved; and*

2. *Any one 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.*

9 NEXT MEETING

9.1 To be confirmed.

10 TERMINATION OF MEETING

On motion moved, seconded and adopted, the meeting was terminated.

s 22

Chair



BOARD OF DIRECTORS MEETING

10:00 am (PT) Wednesday 26 November 2014

Via Conference Call

Local Dial-in: 604.681.0455 Toll Free (N. America): 1.877.291.3022

Access Code: 7666116#

AGENDA

1. ADOPTION OF AGENDA

2. CORPORATE APPROVALS

2.1. Standards of Ethical Business Conduct.....[B. Desmarais – 15 mins] Approval

3. OTHER BUSINESS

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

4. NEXT MEETING

4.1. Thursday 11 December 2014 – Vancouver



**Minutes of the meeting of the Board of Directors
held at 10:00 am on Wednesday 26 November 2014**

Location: Via Conference Call

Board Present:

Bud Smith	Chair
Art Willms	Vice Chair
Trudi Brown	
David Gillespie	
Robert Holden	

Board Not Present:

Moray Keith
Wendy Lisogar-Cocchia

Management Present:

Jim Lightbody	Interim President and Chief Executive Officer
Jervis Rodrigues	Chief Financial Officer and Vice President, Finance and Corporate Services
Monica Bohm	Interim Vice President, Casino and Community Gaming
Brad Desmarais	Vice President, Corporate Security and Compliance and Interim Vice President, Human Resources
Susan Dolinski	Vice President, Social Responsibility and Communications
Lynette DuJohn	Chief Information Officer
Rhonda Garvey	Vice President, eGaming
Kevin Gass	Vice President, Lottery Gaming
Wayne Porterfield	Director, Talent Management
Jennifer Keim	General Counsel
Jennifer Smith	Corporate Secretary
Suzanne Rowley	Assistant Corporate Secretary

Bud Smith took the Chair at 10:00 am with Jennifer Smith acting as recording secretary. As proper notice of the meeting had been given and as a quorum was present, he declared the meeting to be regularly constituted and open for the transaction of business at 10:00 am.

1 ADOPTION OF AGENDA

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

2 CORPORATE APPROVALS

2.1 Standards of Ethical Business Conduct

Approval

The Chair invited Trudi Brown to lead the discussion. She confirmed Government's expectation that the amendments to the Standards of Ethical Business Conduct (SOEBC) be approved by the Board and published to BCLC's website by the end of November. The Public Sector Employers' Council (PSEC) will also need to approve the SOEBC revisions.

Trudi Brown and Brad Desmarais provided additional background on the proposed amendments. PSEC and BCLC executives were consulted during the preparation process.

Discussion followed among the Board. It was noted that post-employment restrictions could create challenges with executive recruitment and retention. Brad Desmarais confirmed that the Human Resources succession planning process intends to consider these issues.

As BCLC's executive has a conflict of interest with respect to post-employment restrictions, Management confirmed that it was recommending approval of the proposed SOEBC amendments, with the exception of the post-employment restrictions for executives in respect of which Management takes no position.

Management was invited to provide any further comments, then left the meeting at 10:15. The Board members, Jennifer Keim, Jennifer Smith and Suzanne Rowley remained and discussion followed among the Board members.

The draft resolution in the meeting package was revised as set out below. In addition, a typographical error "An employees" was noted on page 17 of SOEBC.

Subject to correction of the above typographical error, on motion duly made, seconded and carried, the following resolution was adopted:

WHEREAS the Board has reviewed certain proposed amendments to the Standards of Ethical Business Conduct and discussed them with Management;

NOW THEREFORE be it resolved that the amendments to the Standards of Ethical Business Conduct, as presented to the Board, are hereby approved.

3 OTHER BUSINESS

3.1 In camera Session

Discussion

The Board went *in camera* at 10:25 am, concluding at 10:42 am.

4 NEXT MEETING

4.1 Thursday 11 December 2014 – Vancouver

5 TERMINATION OF MEETING

There being no further business, the meeting was terminated at 10:42 am.

s 22

Chair





BOARD OF DIRECTORS MEETING

11:00 am (PT) Thursday 11 December 2014
Boardroom – BCLC, 2940 Virtual Way
Vancouver, BC V5M 0A6

AGENDA

- 1. ADOPTION OF AGENDA**
- 2. APPROVAL OF MINUTES**
 - 2.1. 30 October 2014
 - 2.2. 26 November 2014
- 3. REPORT BY CHAIR** **Verbal**
- 4. REPORT BY PRESIDENT** **Verbal**
- 5. COMMITTEE REPORTS**
 - 5.1. Audit Committee[R. Holden – 5 mins] Discussion
 - 5.2. Human Resources & Compensation Committee [T. Brown – 5 mins] Discussion
- 6. CORPORATE APPROVALS**
 - 6.1. Draft Service Plan - Financial & Forecast Information..... [J. Rodrigues – 15 mins] Approval
- 7. CORPORATE OPERATIONS**
 - 7.1. Pension Plan - Deficiency, Surplus & Contribution Holiday Update.....[B. Desmarais – 15 mins] Discussion
 - 7.2. Employee Engagement Survey[W. Porterfield – 15 mins] Discussion
 - 7.3. Crown Review Report (if applicable) [J. Lightbody – 30 mins] Discussion
- 8. OTHER BUSINESS**
 - 8.1. Presentation: Leadership Succession & Development.....[W. Porterfield – 15 mins] Discussion
 - 8.2. Presentation: Baccarat [M. Bohm – 15 mins] Discussion
 - 8.3. *In camera* Session [Directors – 15 mins] Discussion
- 9. NEXT MEETING**
 - 9.1. Wednesday 14 January 2015 – Vancouver
 - 9.2. 2015 Board, Audit & Committee Schedule



**Minutes of the meeting of the Board of Directors
held at 11:00 am (PT) on 11 December 2014**

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

Board Present:

Bud Smith	Chair
Art Willms	Vice Chair
Trudi Brown (Items 1-8.2 only)	
David Gillespie	
Robert Holden	
Moray Keith	

Board Not Present:

Wendy Lisogar-Cocchia

Management Present:

Jim Lightbody	Interim President and Chief Executive Officer
Jervis Rodrigues	Chief Financial Officer and Vice President, Finance and Corporate Services
Monica Bohm	Interim Vice President, Casino and Community Gaming
Brad Desmarais	Vice President, Corporate Security and Compliance and Interim Vice President, Human Resources
Susan Dolinski	Vice President, Social Responsibility and Communications
Lynette DuJohn	Chief Information Officer
Kevin Gass	Vice President, Lottery Gaming
Amanda Hobson	Director, Financial Planning and Analysis, Finance and Corporate Services
Wayne Porterfield	Director, Talent Management, Human Resources (Item 7.2 only)
Jennifer Keim	General Counsel
Jennifer Smith	Corporate Secretary
Suzanne Rowley	Assistant Corporate Secretary

Observers & Guests:

Christina Anthony (Items 1 – 5, 7.1 and 7.2 only)

Bud Smith took the Chair at 11:35 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 11:35 am.

1 ADOPTION OF AGENDA

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

2 APPROVAL OF MINUTES

The minutes of the 30 October 2014 meeting were presented.

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

The minutes of the 26 November 2014 meeting were presented.

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

3 REPORT BY CHAIR

The Chair presented his report, including an update on the Crown review process. He introduced Christina Anthony, whose appointment to the Board will become effective on December 31, 2014.

4 REPORT BY PRESIDENT

The Interim President presented his report, noting that BCLC performance is currently ahead of last year's performance and this year's budget. He commented on cost containment efforts and summarized the performance of each of Casino and Community Gaming, Lottery, and eGaming. The Interim President also provided an update on the Crown review, including the impact of the process on the organization and the resilience demonstrated by BCLC staff and Management.

5 COMMITTEE REPORTS

5.1 Audit Committee

Discussion

Robert Holden delivered the Audit Committee report.

As Jervis Rodrigues has provided his notice of resignation, the Audit Committee recommended that Amanda Hobson be appointed as Interim Chief Financial Officer and Vice President, Finance and Corporate Services. Jervis Rodrigues will support her transition to this role.

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

WHEREAS Jervis Rodrigues has provided notice of his resignation effective February 27, 2015;

AND WHEREAS the Interim President and Chief Executive Officer has recommended Amanda Hobson to act as Interim Chief Financial Officer and Vice President, Finance and Corporate Services;

NOW THEREFORE be it resolved that:

- 1. Jervis Rodrigues is removed as Chief Financial Officer and Vice President, Finance and Corporate Services of the Corporation;*
- 2. Amanda Hobson is appointed Interim Chief Financial Officer and Vice President, Finance and Corporate Services; and*
- 3. The Interim President and Chief Executive Officer and the Interim Vice President, Human Resources are each hereby authorized on behalf of the Corporation to execute and deliver all such documents and instruments, and to do all such other acts and things as in his or her opinion may be necessary or desirable to give full effect to the foregoing resolution.*

5.2 Human Resources & Compensation Committee

Discussion

Trudi Brown delivered the Human Resources & Compensation Committee report.

6 CORPORATE APPROVALS

6.1 Draft Service Plan - Financial & Forecast Information

Approval

Amanda Hobson presented revised financial and forecast information based on the Audit Committee's recommendation. She explained the differences between the latest version and the version previously circulated on December 9, 2014.

Discussion followed among the Board and Management regarding the foregoing.

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

WHEREAS the Board has reviewed the draft Service Plan, including the financial information for inclusion therein, for F15/16 – F17/18;

AND WHEREAS the Board has received a recommendation from the Audit Committee and Management to approve the financial and forecast information included in the draft Service Plan,

subject to the following adjustments, together with any consequential revisions resulting therefrom:

- changing the 2016/17 Target Net Income to 1,240.0; and
- changing the 2017/18 Target Net Income to 1,255.0

AND WHEREAS the Board has reviewed revised financial and forecast information prepared by Management based on the above recommendation;

NOW THEREFORE be it resolved that:

1. The revised financial and forecast information presented to the Board is hereby approved for inclusion in the draft Service Plan; 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 CORPORATE OPERATIONS

7.1 Pension Plan - Deficiency, Surplus & Contribution Holiday Update Discussion

Management withdrew its October recommendation regarding the pension plan solvency deficiency and potential contribution holiday. Additional information received from BCLC's pension administration advisor indicates that the recommendation, if implemented, would have a negative profit and loss impact on BCLC.

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

WHEREAS, on October 30, 2014, the Board adopted a resolution relating to authorization and approval of:

1. prepayment of the balance of the solvency deficiency for the British Columbia Lottery Corporation Pension Plan; and
2. extension of the contribution holiday created by the going concern surplus on a year-by-year basis while sufficient surplus exists in the plan

(the "October Resolution");

RESOLVED THAT the Board rescind the October Resolution.

7.2 Employee Engagement Survey Discussion

Wayne Porterfield presented the results of the employee engagement survey, including a comparison against prior years' results and actions taken by BCLC as a result of the survey.

7.3 Crown Review Report (if applicable) Discussion

This item was deferred to the in camera portion of the meeting.

8 OTHER BUSINESS

8.1 Presentation: Leadership Succession & Development Discussion

This item was deferred to the next meeting.

8.2 Presentation: Baccarat

Discussion

Monica Bohm provided a presentation to the Board regarding high limit baccarat, which provides significant revenue to the table game business. Management and the Board discussed associated risks and opportunities.

8.3 *In camera* Session

Discussion

The Board adjourned at 1:50 pm for the Risk Committee meeting and reconvened at 3:15 pm for a joint *in camera* session with the Risk Committee, concluding at 4:00 pm.

9 TERMINATION OF MEETING

There being no further business, the meeting was terminated at 4:00 pm.

NEXT MEETING

14 January 2015 – Vancouver.

s 22

Chair



BOARD OF DIRECTORS MEETING

8:30 am (PT) Wednesday 14 January 2015
Boardroom – BCLC, 2940 Virtual Way, Vancouver, BC

AGENDA

1. ADOPTION OF AGENDA

2. APPROVAL OF MINUTES

2.1. 11 December 2014

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 Corporate Social Responsibility	[D. Gillespie – 5 mins]	Discussion
5.3. Human Resources and Compensation.....	[T. Brown – 5 mins]	Discussion
5.4. Risk	[M. Keith – 5 mins]	Discussion

6. CORPORATE APPROVALS

6.1. Q3 Financial Statements	[A. Hobson – 10 mins]	Approval
6.2. Q3 Revised Forecast & F15/16 - F18/19 Projections	[A. Hobson – 10 mins]	Approval
6.3. F15/16 Business Plan, Operating & Capital Budgets	[A. Hobson – 10 mins]	Approval
6.4. Service Plan.....	[A. Hobson – 10 mins]	Approval
6.5. Corporate Goals F15/16 (includes CEO/Exec/Mgmt).....	[B. Desmarais – 10 mins]	Approval
6.6. Whistleblower Policy	[B. Desmarais – 10 mins]	Approval
6.7. Board Manual Amendments	[D. Gillespie – 10 mins]	Approval

7. CORPORATE OPERATIONS

7.1. Committee Membership.....	[B. Smith – 10 mins]	Discussion
7.2. Mandate Letter.....	[B. Smith – 10 mins]	Discussion
7.3. Q3 Dashboard.....	[A. Hobson – 10 mins]	Discussion
7.4. Q3 ERM Report	[B. Desmarais – 10 mins]	Discussion
7.5. BCLC30 Anniversary Update.....	[S. Dolinski – 10 mins]	Discussion
7.6. Crown Review Report.....	[J. Lightbody – 20 mins]	Discussion
7.7. Management Reports		Information Only
7.7.1. Finance & Corporate Services		
7.7.2. Casino & Community Gaming		
7.7.3. Casino System Implementation		
7.7.4. Lottery Gaming		
7.7.5. eGaming		
7.7.6. Business Technology		
7.7.7. Social Responsibility & Communications		
7.7.8. Human Resources		
7.7.9. Corporate Security & Compliance		

8. OTHER BUSINESS

8.1. Presentation: Leadership Succession & Development.....	[W. Porterfield – 20 mins]	Discussion
8.2. <i>In camera</i> Session	[Directors – 20 mins]	Discussion

9. NEXT MEETING

- 9.1. Thursday 14 May 2015 – Kamloops
- 9.2. 2015 Board, Audit & Committee Schedule



Minutes of the Meeting of the Board of Directors held at 8:30 am (PT) 14 January 2015

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

Board Present:

Bud Smith	Chair
Art Willms	Vice Chair
Christina Anthony	
Trudi Brown (via teleconference)	
David Gillespie	
Robert Holden	
Wendy Lisogar-Cocchia	

Board Not Present:

Moray Keith

Management Present:

Jim Lightbody	Interim President and Chief Executive Officer
Amanda Hobson	Interim Chief Financial Officer and Vice President, Finance and Corporate Services
Monica Bohm	Interim Vice President, Casino and Community Gaming
Susan Dolinski	Vice President, Social Responsibility and Communications
Lynette DuJohn	Chief Information Officer
Rhonda Garvey	Vice President, eGaming
Sandra Austin	Director, Human Resources Operations, Human Resources (Item 6.5 only)
Wayne Porterfield	Director, Talent Management, Human Resources (Items 6.6, 7.7.8, 7.7.9, 8.1 only)
Angela Swan	Director, Information Privacy and Security, Corporate Security and Compliance (Item 7.4, 7.7.9 only)
Jennifer Keim	General Counsel (Item 5 onward)
Jennifer Smith	Corporate Secretary
Suzanne Rowley	Assistant Corporate Secretary

Observers & Guests:

Jervis Rodrigues

Bud Smith took the Chair at 8:35 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 8:35 am.

1 ADOPTION OF AGENDA

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

2 APPROVAL OF MINUTES

The minutes of the 11 December 2014 meeting were presented.

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

3 REPORT BY CHAIR

The Chair presented his report, thanking Management and staff for their contributions over the course of a challenging year. The Crown review is complete. BCLC has accepted, and will address, all recommendations while providing regular updates to Government.

4 REPORT BY PRESIDENT

The Interim President presented his report, including an overview of year-to-date performance against budget and year-over-year comparisons. He highlighted key upcoming and ongoing initiatives in each division.

BCLC is focused on moving forward based on its proposed Service Plan, which was the subject of discussions with Government. In addition, the Crown review is complete and BCLC is taking steps to address all recommendations.

5 COMMITTEE REPORTS

5.1 Audit Committee Discussion

Robert Holden delivered the Audit Committee report.

5.2 Governance and Corporate Social Responsibility Committee Discussion

David Gillespie delivered the Governance Committee report.

5.3 Human Resources and Compensation Committee Discussion

Trudi Brown delivered the Human Resources & Compensation Committee report.

5.4 Risk Committee Discussion

Art Willms delivered the Risk Committee report.

Discussion followed among the Board and Management regarding information privacy risks and practices. BCLC anticipates it will be included within the scope of a Privacy Commissioner-initiated review of Crown corporation out-of-country data storage.

6 APPROVALS

6.1 Q3 Financial Statements Approval

Amanda Hobson presented the Q3 financial statements, noting that December was a five-week fiscal month. She commented on the performance of each of Casino and Community Gaming, Lottery and eGaming and indicated that high-limit table games are a significant revenue driver.

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

WHEREAS the Board has reviewed the financial statements for the third quarter of fiscal year 2014/2015;

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 2014/2015 are hereby approved; and*
- 2. Any officer or director is hereby authorized on behalf of the Corporation to execute and deliver all such documents and instruments, and to do all such other acts and things as in his or her opinion may be necessary or desirable to give full effect to the foregoing resolution.*

6.2 Q3 Revised Forecast & F15/16 - F18/19 Projections

Approval

Amanda Hobson presented the Q3 Revised Forecast and Projections. These have been discussed with Government and updated from the December 11, 2014 version to reduce F16/17 and F17/18 projected net income, and hold F16/17 and F17/18 operating costs consistent with F15/16 levels. Certain non-discretionary operating costs are anticipated to increase, which will make it challenging to keep overall operating costs consistent.

Management responded to questions from the Board regarding the foregoing.

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

WHEREAS the Board has reviewed the Corporation's forecast for the third quarter of fiscal year 2014/2015 and 2015/16-2018/19 projections (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.*

6.3 F15/16 Business Plan, Operating & Capital Budgets

Approval

Amanda Hobson summarized the Business Plan and Budget and responded to questions from the Board regarding key budget assumptions.

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

WHEREAS the Board has reviewed the business plan, operating and capital budgets for fiscal year 2015/2016 (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.*

6.4 Service Plan

Approval

Amanda Hobson explained changes made since the prior Service Plan draft provided to the Board. In accordance with the Audit Committee's recommendation, both gross margin and gaming support and operating expenses were added to "Summary Financial Update", and commentary was included regarding high-limit table revenue under "Key Forecast Assumptions". The draft resolution was revised as set out below.

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

WHEREAS the Board has reviewed the Service Plan for fiscal years 2015/2016 – 2017/2018 (the "Service Plan");

AND WHEREAS the Board has received a recommendation from the Audit Committee to approve the Service Plan subject to certain minor revisions which have been incorporated in the Service Plan;

NOW THEREFORE be it resolved that:

1. *The Service Plan, substantially in the form presented to the Board, together with such changes as may be approved by the Interim President of the Corporation, is hereby approved; and*
2. *Any officer or director is hereby authorized on behalf of the Corporation to execute and deliver all such documents and instruments, and to do all such other acts and things as in his or her opinion may be necessary or desirable to give full effect to the foregoing resolution.*

6.5 Corporate Goals F15/16 (Includes CEO/Exec/Mgmt)

Approval

Trudi Brown and Sandra Austin provided an overview of BCLC's corporate goal structure and holdback system. The goals include a "threshold" net income (before taxes) amount which must be met in order to trigger the holdback program. Management has reexamined this percentage in light of the sensitivity table associated with BCLC's net income projections, and determined it is appropriate to raise the threshold to 98% of target net income (before taxes).

Discussion followed regarding the threshold calculation and the nature of the holdback program, which is based on employee salary holdback, and is not a bonus.

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

WHEREAS the Board has reviewed the Corporate Goals and Holdback Structure for the fiscal year ended March 31, 2016, which includes the CEO, Executive and Management goals;

NOW THEREFORE be it resolved that:

1. *The Corporate Goals and Holdback Structure for the fiscal year ended March 31, 2016 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 Whistleblower Policy

Approval

Wayne Porterfield presented highlights of the revised Whistleblower Policy and new Whistleblower Procedures. The version before the Board has been updated to reflect the Audit Committee's recommendation that the Governance and Corporate Social Responsibility Committee assume responsibility for whistleblower matters.

Discussion followed among Board and Management regarding the process for approving changes to the procedures, and Management's plans to clearly communicate the policy and procedures to staff. The draft resolution was revised as set out below.

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

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

AND WHEREAS the Board has received a recommendation from the Audit Committee to approve the foregoing subject to changing references to the Audit Committee to the Governance and Corporate Social Responsibility Committee;

NOW THEREFORE be it resolved that:

1. *The revised Whistleblower Policy and Procedures, as presented to the Board, are hereby approved; and*
2. *The Vice President, Human Resources is hereby authorized to approve amendments to the Whistleblower Procedures from time to time in consultation with the Chair of the Governance and Corporate Social Responsibility Committee.*

6.7 Board Manual Amendments

Approval

David Gillespie summarized the proposed amendments to the Board Manual and invited questions from the Board.

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

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

- *Introduction to British Columbia Lottery Corporation;*
- *Corporate Mandate, Mission, Vision & Values (formerly Corporate Mandate, Mission, Objectives & Values); and*
- *Terms of Reference: Audit Committee*

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

AND WHEREAS the Audit Committee has confirmed that it agrees with the Governance Committee's recommendation to the Board that the Board approve the proposed amendments to the Audit Committee's Terms of Reference;

NOW THEREFORE be it resolved that the proposed amendments to the tabs of the Board Manual listed above, as presented to the Board, are hereby approved.

7 CORPORATE OPERATIONS

7.1 Committee Membership

Discussion

The Chair communicated his intention to review Committee membership after the final Board vacancy is filled. He invited Board members to advise him of their preferred assignments.

In the interim, David Gillespie confirmed that the Board Chair and the Corporate Governance and Social Responsibility Committee had discussed the proposal that Christina Anthony be appointed to the Corporate Governance and Social Responsibility Committee.

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

RESOLVED that the appointment of Christina Anthony to the Governance and Corporate Social Responsibility Committee is approved.

7.2 Mandate Letter

Discussion

The Board and Management discussed the latest draft of the Mandate Letter. Once the Minister-signed version is received, it will be circulated to the Board members for countersignature.

7.3 Q3 Dashboard

Discussion

Amanda Hobson presented the Q3 Dashboard and discussed it with the Board. Financial metrics are generally positive, however the lottery division is behind budget due to the absence of large jackpots. The AML/FINTRAC initiative is behind schedule, but the cause has been addressed and the project is moving forward. Player satisfaction was discussed. FTE count is low due to the number of vacancies resulting from high turnover.

7.4 Q3 ERM Report

Discussion

Angela Swan presented the Q3 ERM Report, noting the high risks carried forward and the mitigation strategy for each.

7.5 BCLC30 Anniversary Update

Discussion

Susan Dolinski discussed plans for BCLC's thirtieth anniversary, including proposed priorities and events. Discussion followed among the Board and Management regarding opportunities associated with BCLC30.

- 7.6 Crown Review Report** **Discussion**
Jim Lightbody summarized Management's planned approach to address each of the recommendations set out in the Crown review report, and to communicate with Government regarding BCLC's progress. Board oversight of this process was discussed.
- 7.7 Management Reports** **Discussion**
- 7.7.1 Finance and Corporate Services**
Amanda Hobson introduced the Finance and Corporate Services management report.
s 13, s 17(1)
- 7.7.2 Casino and Community Gaming**
Monica Bohm commented on the Casino and Community Gaming management report.
- 7.7.3 Casino System Implementation**
Monica Bohm commented on the Casino System Implementation management report.
- 7.7.4 Lottery Gaming**
The report was taken as read.
- 7.7.5 eGaming**
The report was taken as read.
- 7.7.6 Business Technology**
The report was taken as read.
- 7.7.7 Social Responsibility and Communications**
Susan Dolinski commented on the Social Responsibility and Communications management report, and confirmed the hiring of a new Director, Corporate Social Responsibility.
- 7.7.8 Human Resources**
Wayne Porterfield commented on the Human Resources management report, including challenges related to turnover, vacancies and recruitment.
- 7.7.9 Corporate Security and Compliance**
Angela Swan commented on the Corporate Security and Compliance management report.

8 OTHER BUSINESS

8.1 Presentation: Leadership Succession & Development

Discussion

Wayne Porterfield provided an educational presentation on BCLC's leadership succession and development programs.

8.2 *In camera* Session

Discussion

The Board went *in camera* at 1:10 pm, concluding at 1:40 pm.

9 TERMINATION OF MEETING

There being no further business, the meeting was terminated at 1:40 pm.

NEXT MEETING

14 May 2015 – Kamloops

s 22

Chair



BOARD OF DIRECTORS MEETING

8:00 am (PT) Thursday 14 May 2014
Presentation Room – BCLC, 74 West Seymour Street
Kamloops, BC V2C 1E2

AGENDA

1. ADOPTION OF AGENDA

2. APPROVAL OF PREVIOUS MINUTES

2.1. 14 January 2015

3. REPORT BY CHAIR

Verbal

4. REPORT BY PRESIDENT

Verbal

5. COMMITTEE REPORTS

5.1. Audit.....	[R. Holden – 10 mins]	Discussion
5.2. Governance & Corporate Social Responsibility.....	[D. Gillespie – 10 mins]	Discussion
5.3. Human Resources & Compensation	[T. Brown – 10 mins]	Discussion
5.4. Risk	[M. Keith – 10 mins]	Discussion

6. CORPORATE APPROVALS

6.1. Corporate Appointments.....	[B. Smith – 5 mins]	Approval
6.2. Audited Consolidated Financial Statements - F2014/15.....	[A. Hobson – 15 mins]	Approval
6.3. B.C. Lottotech Financial Statements (Unaudited) - F2014/15	[A. Hobson – 15 mins]	Approval
6.4. Pension Plan Audited Financial Statements (yr end 31 Dec 2014).....	[A. Hobson – 10 mins]	Approval
6.5. Draft Annual Service Plan Report – F2014/15	[A. Hobson – 15 mins]	Approval
6.6. B.C. Lottotech Annual Documentation.....	[J. Smith – 5 mins]	Approval
6.7. Preliminary F16/17 – F19/20 Projections	[A. Hobson - 15 mins]	Approval
6.8. Contract Approvals		
6.8.1.Lang Ventures Inc.	[L. DuJohn – 10 mins]	Approval
6.8.2.OPENBET Technologies Limited.....	[J. Lightbody – 10 mins]	Approval
6.9. Executive/Management Holdback Plan Payout.....	[B. Desmarais – 10 mins]	Approval
6.10. SOEBC for Contractors.....	[B. Desmarais – 5 mins]	Approval
6.11. Board Manual Amendments	[D. Gillespie – 5 mins]	Approval

7. CORPORATE OPERATIONS

7.1. Q4 Dashboard.....	[A. Hobson – 10 mins]	Discussion
7.2. Q4 ERM Report	[B. Desmarais – 10 mins]	Discussion
7.3. Crown Review Update	[J. Lightbody – 15 mins]	Discussion
7.4. Management Reports		Information Only
7.4.1. Finance & Corporate Services		
7.4.2. Casino & Community Gaming		
7.4.3. Lottery Gaming		
7.4.4. eGaming		
7.4.5. Business Technology		
7.4.6. Social Responsibility & Communications		
7.4.7. Human Resources		
7.4.8. Corporate Security & Compliance		
7.5. BCLC's Strategic Plan – 30 April 2015		Information Only

8. OTHER BUSINESS

8.1. <i>In camera</i> Session	[Directors – 30 mins]	Discussion
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9. NEXT MEETING

9.1. Tuesday 28 July 2015 – Kamloops
9.2. 2015 Board, Audit & Committee Schedule



**Minutes of the Meeting of the Board of Directors
held at 8:00 am (PT) on Thursday 14 May 2015**

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

Board Present:

Bud Smith	Chair
Art Willms	Vice Chair
Christina Anthony	
Trudi Brown	
David Gillespie	
Robert Holden	
Wendy Lisogar-Cocchia	

Board Not Present:

Moray Keith

Management Present:

Jim Lightbody	President and Chief Executive Officer
Amanda Hobson	Interim Chief Financial Officer and Vice President, Finance and Corporate Services
Monica Bohm	Interim Vice President, Casino and Community Gaming
Brad Desmarais	Vice President, Corporate Security and Compliance and Interim Vice President, Human Resources
Susan Dolinski	Vice President, Social Responsibility and Communications
Lynette DuJohn	Chief Information Officer (up to and including Item 7.3)
Kevin Gass	Vice President, Lottery Gaming
Jennifer Keim	General Counsel and incoming Corporate Secretary
Jennifer Smith	Corporate Secretary (outgoing)
Suzanne Rowley	Assistant Corporate Secretary

Observers & Guests:

Jamie Callahan	Incoming Vice President, Human Resources
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Bud Smith took the Chair at 8:00 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 8:00 am.

1 ADOPTION OF AGENDA

On motion duly made, seconded and carried, the agenda was adopted subject to adding Item 6.12, PlayNow Sports Betting Game Conditions.

2 APPROVAL OF MINUTES

The minutes of the 14 January 2015 meeting were presented.

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

3 REPORT BY CHAIR

The Chair presented his report.

4 REPORT BY PRESIDENT

The President presented his report. He commented on key personnel changes, noting the contributions of Rhonda Garvey, the former Vice President, eGaming, and welcoming Jamie Callahan, the incoming Vice President, Human Resources.

BCLC continues to focus on executing its strategy and addressing each recommendation in the Crown Review report. In F2014/15, BCLC achieved its highest-ever net income. High limit table games were the main performance driver. BCLC also had lower operating expenses.

5 COMMITTEE REPORTS

5.1 Audit Committee Discussion

Robert Holden delivered the Audit Committee report on both its April and May meetings.

5.2 Governance Committee Discussion

David Gillespie delivered the Governance Committee report.

He invited the Board members to speak to the Chair if they are aware of a potential Board candidate with technology expertise.

5.3 Human Resources & Compensation Committee Discussion

Trudi Brown delivered the Human Resources & Compensation Committee report.

5.4 Risk Committee Discussion

Art Willms delivered the Risk Committee report, including a summary of the Committee's discussion regarding the Kamloops property strategy.

6 CORPORATE APPROVALS

6.1 Corporate Appointments Approval

Jim Lightbody introduced Jamie Callahan, the incoming Vice President, Human Resources.

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

WHEREAS the President and Chief Executive Officer has recommended Jamie Callahan to act as Vice President, Human Resources;

NOW THEREFORE be it resolved that:

- 1. Effective June 22, 2015, Brad Desmarais is removed as Interim Vice President, Human Resources.*
- 2. Effective June 22, 2015, Jamie Callahan is appointed Vice President, Human Resources.*
- 3. The President and Chief Executive Officer and the Interim Vice President, Human Resources are each 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.*

Jennifer Keim summarized the plans for the Corporate Secretary function moving forward.

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

WHEREAS Jennifer Smith has completed her one-year temporary assignment as Corporate Secretary;

NOW THEREFORE be it resolved that:

- 1. Jennifer Smith is removed as Corporate Secretary;*
- 2. Jennifer Keim is appointed as Corporate Secretary; 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.*

Jim Lightbody confirmed that s 22

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

RESOLVED THAT:

- 1. Effective April 27, 2015, Rhonda Garvey's removal as Vice President, eGaming of the Corporation is ratified, confirmed and approved.*
- 2. The President and Chief Executive Officer and the Interim Vice President, Human Resources are each 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.*

6.2 Audited Consolidated Financial Statements - F2014/15

Approval

Amanda Hobson presented the audited consolidated financial statements for F2014/15, noting that BCLC achieved record net income. High limit table games were the largest driver of this performance, with lower operating expenses being a factor due to cost management efforts and turnover. She reviewed the impact of the discount rate on the pension expense.

Discussion followed among Management and the Board.

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, 2015;

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, 2015, 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, 2015; 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.*

6.3 B.C. Lottotech Financial Statements (Unaudited) - F2014/15

Approval

Amanda Hobson presented the B.C. Lottotech International Inc. 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, 2015;

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, 2015, 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.*

6.4 Pension Plan Audited Financial Statements (yr end 31 Dec 2014)

Approval

Amanda Hobson provided highlights from the pension plan audited financial statements.

Management and the Board discussed the financial statements and pension plan performance.

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, 2014;

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, 2014, 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, 2014; 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.*

6.5 Draft Annual Service Plan Report – F2014/15

Approval

Amanda Hobson presented the draft annual service plan report, noting that Management would replace the numbers contained in the draft report with current numbers reflecting the approved financial statements.

Management and the Board reviewed the process for finalizing the annual service plan report.

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, 2015;

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, 2015, 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.*

6.6 B.C. Lottotech Annual Documentation

Approval

Jennifer Smith confirmed that consent resolutions for B.C. Lottotech International Inc. would be circulated in written format, addressing annual documentation and changes in officers.

6.7 Preliminary F16/17 – F19/20 Projections

Approval

Amanda Hobson presented the preliminary F2016/17 – F 2019/20 projections and explained the basis on which they had been prepared.

Management and the Board discussed the process for communicating with Government regarding the preliminary projections.

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

WHEREAS the Board has reviewed the Corporation's 2016/17-2019/20 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.*

6.8 Contract Approvals

Approval

6.8.1 Lang Ventures Inc.

Lynette DuJohn presented the business background on the proposed contract with Lang Ventures Inc. and responded to questions from the Board.

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

WHEREAS the Corporation proposes to enter into an equipment maintenance and support services agreement (the "Agreement") between the Corporation, B.C. Lottotech International Inc. and Lang Ventures Inc.;

AND WHEREAS the Board has reviewed the Agreement;

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

NOW THEREFORE be it resolved that:

1. *The Agreement, as presented to the Board, be and is hereby approved;*
2. *The Corporation be and is hereby authorized to enter into, and to perform its obligations under, the Agreement; and*
3. *Any officer or director be and is hereby authorized on behalf of the Corporation to execute and deliver the Agreement and 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.*

6.8.2 OPENBET Technologies Limited

Jim Lightbody reviewed the key financial terms of the proposed contract and summarized the nature of the OpenBet services and relationship with BCLC.

Management and the Board discussed key risks and noted the need for contingency planning in the event that a replacement for OpenBet may be required or desirable.

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

WHEREAS the Corporation proposes to enter into a software licence, development and support agreement (the "Agreement") between the Corporation, B.C. Lottotech International Inc. and OPENBET Technologies Limited;

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 final form of the Agreement.*
2. *The form of Agreement presented to the Directors of the Corporation, with such amendments thereto as may be approved by the CEO, be and is hereby approved.*
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 the Agreement, and the signature of the CEO will be conclusive evidence that the Agreement so executed and delivered is the agreement authorized by this resolution.*
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 this resolution.*

6.9 Executive/Management Holdback Plan Payout

Approval

Brad Desmarais described the process for determining whether or not the Executive/Management holdback is payable in any given year. He summarized corporate goal achievement and estimated overall average individual goal achievement for the prior fiscal year.

The Board and Management discussed the foregoing.

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

WHEREAS the Board has reviewed the corporate goal achievement and estimated overall average individual goal achievement for the fiscal year ended March 31, 2015;

AND WHEREAS the Board has received a recommendation from the Human Resources and Compensation Committee to approve the Executive/Management Salary Holdback Plan payout for the fiscal year ended March 31, 2015, estimated at \$1.3 million (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.*

6.10 SOEBC for Contractors

Approval

Brad Desmarais presented the proposed amendments to the Standards of Ethical Business Conduct ("**SOEBC**") for Contractors. BCLC's SOEBC training practices were discussed.

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

WHEREAS the Board has reviewed certain proposed amendments to the Standards of Ethical Business Conduct for Contractors and discussed them with Management;

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

NOW THEREFORE be it resolved that the amendments to the Standards of Ethical Business Conduct for Contractors, as presented to the Board, are hereby approved.

6.11 Board Manual Amendments

Approval

David Gillespie presented the proposed Board Manual amendments, including the additional request from the Audit Committee that the timing of the assessment of the external auditor in the Audit Committee Terms of Reference timetable be changed from May to July of each year.

Subject to this further revision requested by the Audit Committee, on motion duly made, seconded and carried, the following resolution was adopted:

WHEREAS the Board has reviewed the following proposed amendments to the Board Manual:

- *revisions to the Board of Directors Guidelines;*
- *revisions to Terms of Reference: Audit Committee;*
- *revisions to Terms of Reference: Governance and Corporate Social Responsibility Committee;*
- *revisions to the Strategic and Business Planning Process tab (formerly "Strategic Planning Process");*
- *revisions to the Communications Policy;*
- *addition of the New Director Orientation and Development tab; and*
- *deletion of the "Governance Framework" tab.*

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

AND WHEREAS the Audit Committee has confirmed that it agrees with the Governance Committee's recommendation to the Board that the Board approve the proposed amendments to the Audit Committee's Terms of Reference;

NOW THEREFORE be it resolved that the proposed amendments to the Board Manual listed above, as presented to the Board, are hereby approved.

6.12 PlayNow Sports Betting Game Conditions

Approval

Jim Lightbody provided background information on the revised PlayNow Sports Betting Game Conditions, and discussed the foregoing with the Board.

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

WHEREAS the Directors of the Corporation wish to approve the current form of the PlayNow Sports Betting Game Conditions and confirm the delegation of power to any one of the Vice President, eGaming or the President and Chief Executive Officer to make future amendments to the PlayNow Sports Betting Game Conditions;

NOW THEREFORE be it resolved that:

1. *The PlayNow Sports Betting 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, eGaming 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 PlayNow Sports Betting Game Conditions from time to time;*
3. *The signature of the Vice President, eGaming or the President and Chief Executive Officer on an amended version of the PlayNow Sports Betting Game Conditions will be conclusive evidence that the amended version is authorized by this resolution; and*
4. *Each of the Vice President, eGaming 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.*

7 CORPORATE OPERATIONS

7.1 Q4 Dashboard

Discussion

Amanda Hobson presented the Q4 Dashboard and noted changes which Management is proposing to make to the format and approach of the report.

Management and the Committee discussed BCLC's comprehensive cost ratio.

7.2 Q4 ERM Report

Discussion

Brad Desmarais confirmed the selection of a new Senior Manager, Risk Advisory Services, Jennifer Barbosa, and summarized her experience and background.

He reviewed the Q4 enterprise risk management (ERM) report. Management presented the high risks carried forward and discussed mitigation strategies underway with respect to those risks. Some previous high risks have been reduced to moderate due to mitigation efforts.

Plans are underway to complete an insurance review.

7.3 Crown Review Update

Discussion

Jim Lightbody confirmed that updates on the Crown recommendations had been presented and questions invited at each Committee.

7.4 Management Reports

Information Only

7.4.1 Finance & Corporate Services

Amanda Hobson commented on the Finance and Corporate Services report.

Discussion followed among the Board and Management regarding ongoing cost containment.

7.4.2 Casino & Community Gaming

Monica Bohm commented on the Casino and Community Gaming report, including major initiatives for the upcoming quarter. She noted that, although high limit tables were a key revenue driver, slot performance has also improved. Casino and Community Gaming continues to work closely with Corporate Security and Compliance.

The Board and Management discussed the foregoing.

7.4.3 Lottery Gaming

Kevin Gass commented on Lottery Gaming activities, including LottoExpress and the Costco pilot. Lottery Gaming performed relatively well during the prior fiscal year, considering the lack of high national game jackpots. Scratch and Win performance was ahead of budget.

7.4.4 eGaming

Jim Lightbody commented on the eGaming report, noting that the division now includes the Enterprise Digital Services department, which supports eGaming and the other BCLC divisions. He summarized new business initiatives.

7.4.5 Business Technology

Lynette DuJohn commented on Business Technology's ongoing initiatives to support the technology needs of BCLC.

7.4.6 Social Responsibility & Communications

Susan Dolinski commented on the Social Responsibility and Communications report, highlighting key activities planned and underway with respect to responsible gambling, customer support and BCLC's 30th anniversary.

7.4.7 Human Resources

Brad Desmarais commented on the Human Resources report.

7.4.8 Corporate Security & Compliance

Brad Desmarais commented on the Corporate Security and Compliance report, noting the creation of a manager position responsible for cash alternatives and special projects.

7.5 BCLC's Strategic Plan – 30 April 2015

Information Only

The report was taken as read.

8 OTHER BUSINESS

8.1 *In camera* Session

Discussion

8.1.1 CEO (including CEO Performance Review for F2014/15)

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

WHEREAS the Board has reviewed the corporate goal achievement and President and Chief Executive Officer ("CEO") goal achievement for the fiscal year ended March 31, 2015;

AND WHEREAS the Board has received a recommendation from the Human Resources and Compensation Committee to approve the CEO's goal achievement and salary holdback payout for the fiscal year ended March 31, 2015;

NOW THEREFORE be it resolved that:

1. The CEO's goal achievement and salary holdback payout for the fiscal year ended March 31, 2015 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.

8.1.2 Board

The Board adjourned from 11:50 am to 1 pm.

Upon return at 1pm, the Board went *in camera* sequentially with the above parties, concluding at 1:30 pm.

9 NEXT MEETING

Tuesday 28 July 2015 – Kamloops

10 TERMINATION OF MEETING

There being no further business, the meeting was terminated at 1:30 pm.

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Chair



BOARD OF DIRECTORS MEETING

8:30 am (PT) Tuesday 28 July 2015
Presentation Room – BCLC, 74 West Seymour Street
Kamloops, BC V2C 1E2

AGENDA

- 1. ADOPTION OF AGENDA**
- 2. APPROVAL OF MINUTES**
 - 2.1. 14 May 2015
- 3. REPORT BY CHAIR** **Verbal**
- 4. REPORT BY PRESIDENT** **Verbal**
- 5. COMMITTEE REPORTS**
 - 5.1. Audit..... [R. Holden – 5 mins] Discussion
 - 5.2. Governance & CSR [D. Gillespie – 5 mins] Discussion
 - 5.3. Human Resources & Compensation [T. Brown – 5 mins] Discussion
 - 5.4. Risk [M. Keith – 5 mins] Discussion
- 6. BOARD EDUCATION**
 - 6.1. Presentation: Sports Betting [C. Adams – 20 mins] Discussion
- 7. CORPORATE APPROVALS**
 - 7.1. Q1 Financial Statements F2015/16 [A. Hobson – 15 mins] Approval
 - 7.2. Q1 Revised Forecast & F2016/17 – F19/20 Projections [A. Hobson – 15 mins] Approval
 - 7.3. Financial Information Act Report [A. Hobson – 10 mins] Approval
 - 7.4. Board Manual Amendments [J. Smith – 10 mins] Approval
 - 7.5. Proposed 2016 Board & Committee Meeting Schedule [J. Keim – 10 mins] Approval
- 8. CORPORATE OPERATIONS**
 - 8.1. Q1 Dashboard..... [A. Hobson – 10 mins] Discussion
 - 8.2. Q1 ERM Report [B. Desmarais – 10 mins] Discussion
 - 8.3. Crown Review Update [J. Lightbody – 5 mins] Discussion
 - 8.4. Management Reports Information Only
 - 8.4.1. Finance & Corporate Services
 - 8.4.2. Casino & Community Gaming
 - 8.4.3. Lottery Gaming
 - 8.4.4. eGaming
 - 8.4.5. Business Technology
 - 8.4.6. Social Responsibility & Communications
 - 8.4.7. Human Resources
 - 8.4.8. Corporate Security & Compliance
- 9. OTHER BUSINESS**
 - 9.1. *In camera* Session [Directors – 30 mins] Discussion
 - 9.1.1. *Draft CEO Performance Goals – F2015/16*
- 10. NEXT MEETING**
 - 10.1. Thursday 29 October 2015 – Vancouver



Minutes of the Meeting of the Board of Directors held at 8:30 am (PT) 28 July 2015

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

Board Present:

Bud Smith	Chair
Art Willms	Vice Chair
Christina Anthony	
Trudi Brown	
David Gillespie	
Robert Holden	
Moray Keith	

Board Not Present:

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
Susan Dolinski	Vice President, Social Responsibility and Communications
Lynette DuJohn	Chief Information Officer
Kevin Gass	Vice President, Lottery Gaming
Cameron Adams	Director, Product & Business Development (for item 6.1 only)
Jennifer Keim	Corporate Secretary
Jennifer Smith	Associate Corporate Secretary
Suzanne Rowley	Assistant Corporate Secretary

Bud Smith took the Chair at 8:30 am with Jennifer Keim acting as recording secretary. As proper notice of the meeting had been given and a quorum was present, the Chair declared the meeting to be regularly constituted and open for the transaction of business at 8:31 am.

1 ADOPTION OF AGENDA

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

2 APPROVAL OF MINUTES

The minutes of the 14 May 2015 meeting were presented.

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

3 REPORT BY CHAIR

Bud Smith presented his report. He thanked BCLC Management for the good work being done in every division and challenged them to look for opportunities to take on more responsibility. In addition, he advised the Directors that he would be reaching out individually to each Director whose term will be expiring at the end of the year to determine their willingness to be considered for reappointment.

4 REPORT BY PRESIDENT

Jim Lightbody presented his report and highlighted the development of an innovation team which will help the Executive remain focused on growing the business. In addition, Mr. Lightbody advised that BCLC continues to support development – most recently, through the opening of Salmon Arm Chances and the relocation/redevelopment of the Kamloops casino.

Discussion ensued among the Directors and Management regarding the foregoing.

5 COMMITTEE REPORTS

5.1 Audit Committee Discussion

Robert Holden reported on each of the Audit Committee agenda items.

5.2 Governance Committee Discussion

David Gillespie reported on each of the Governance Committee agenda items.

5.3 Human Resources & Compensation Committee Discussion

Trudi Brown reported on each of the Human Resources & Compensation Committee agenda items.

5.4 Risk Committee Discussion

Moray Keith reported on each of the Risk Committee agenda items.

6 BOARD EDUCATION

6.1 Presentation: Sports Betting

Cameron Adams presented on sports betting and its role at BCLC. The vision is to make wagering among adults a part of the game experience and become part of the sports culture. Mr. Adams highlighted some successes and identified challenges which include offshore competitors, the lack of single event betting and the growth of Fantasy Sports.

Discussion ensued among the Directors and Management regarding the foregoing.

7 APPROVALS

7.1 Q1 Financial Statements F2015/16 Approval

Amanda Hobson presented the Q1 Financial Summary. Currently, Lottery is leading the way with several large jackpots helping to drive the results. Ms. Hobson advised that although operational costs are below budget, this is largely due to timing and Finance would have a better idea of cost management once the 2nd quarter was complete.

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

WHEREAS the Board has reviewed the financial statements for the first quarter of fiscal year 2015/2016;

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 2015/2016 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 & F2016/17 – F19/20 Projections Approval

Amanda Hobson provided an overview of the forecast which is due August 6th and noted that there were no changes from the May submission.

Discussion ensued among the Directors and Management regarding the foregoing.

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

WHEREAS the Board has reviewed the Corporation's forecast for the first quarter of fiscal year 2015/2016 and 2016/17-2019/20 projections (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 Financial Information Act Report

Approval

Amanda Hobson reported on the completed FIA Report and detailed the manual rigorous process undertaken to ensure the accuracy of the report. Next year Finance will plan to have the board approve the FIA Report at the September Strategy sessions which will enable Finance to complete its work without undergoing such extensive employee stress and significant overtime cost.

On motion duly made, seconded 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, 2015 (the "FIA Report");

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

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*

7.4 Board Manual Amendments

Approval

Jennifer Smith reviewed the proposed changes to the Board Manual. Discussion ensued among the Directors and Management regarding the foregoing.

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

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

- Terms of Reference – Audit Committee*
- Terms of Reference – Risk Committee*

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

AND WHEREAS the Audit Committee has confirmed that it agrees with the Governance Committee's recommendation to the Board that the Board approve the proposed amendments to the Audit's Committee's Terms of Reference;

AND WHEREAS the Audit Committee has confirmed that it agrees with the Governance Committee's recommendation to the Board that the Board approve the proposed amendments to the Audit Committee's Terms of Reference;

NOW THEREFORE be it resolved that the proposed amendments to the tabs of the Board Manual listed above, as presented to the Board, are hereby approved.

7.5 Proposed 2016 Board & Committee Meeting Schedule **Approval**

Jennifer Keim referred the Board to the draft calendar. Only item to note is the potential scheduling change for the Audit meetings in May 2016.

On motion duly made, seconded and carried, the meeting schedule was adopted.

8 CORPORATE OPERATIONS

8.1 Q1 Dashboard **Discussion**

Amanda Hobson presented the Q1 Dashboard and noted that BCLC would undertake a deeper analysis on player participation as it is softer than last year.

Discussion ensued among the Directors and Management regarding the foregoing.

8.2 Q1 ERM Report **Discussion**

Report taken as read. Request from Moray Keith for future reports to specify which risks have been moved along in the Exec Summary rather than just listing that '2 risks' have been moved.

Discussion ensued among the Directors and Management regarding the foregoing.

8.3 Crown Review Update **Discussion**

Jim Lightbody reported that 8 items are partially complete, 14 items are underway and 3 items are complete.

Discussion ensued among the Directors and Management regarding the foregoing.

8.4 Management Reports **Information Only**

8.4.1 Finance & Corporate Services

Report taken as read. Amanda Hobson provided an update on the Kamloops property.

Discussion ensued among the Directors and Management regarding the foregoing.

8.4.2 Casino & Community Gaming

Report taken as read.

Discussion ensued among the Directors and Management regarding the foregoing.

8.4.3 Lottery Gaming

Report taken as read. Kevin Gass advised that every category of Lottery revenue is exceeding budget projections so far and that the Lotto Express project continues to move forward.

Discussion ensued among the Directors and Management regarding the foregoing.

8.4.4 eGaming

Report taken as read. Monica Bohm reviewed the Wizards of Odds issue.

Discussion ensued among the Directors and Management regarding the foregoing.

8.4.5 Business Technology

Report taken as read. Lynette DuJohn discussed the high number of personnel changes and discussed her experience as a participant on the Council of CIO.

Discussion ensued among the Directors and Management regarding the foregoing.

8.4.6 Social Responsibility & Communications

Report taken as read. Susan Dolinski advised that the BCLC Responsible Gaming program had recently been recognized twice: on PlayNow as the first online system to receive RG Check accreditation and by the National Council for Problem Gambling for best problem gambling program.

Discussion ensued among the Directors and Management regarding the foregoing.

8.4.7 Human Resources

Report taken as read. Jamie Callahan highlighted recent communication from PSEC and the planned launch on August 17th of the employee engagement survey.

Discussion ensued among the Directors and Management regarding the foregoing.

8.4.8 Corporate Security & Compliance

Report taken as read. Jim Lightbody also briefly discussed the upcoming Board Strategy sessions.

Discussion ensued among the Directors and Management regarding the foregoing.

9 OTHER BUSINESS

9.1 In camera Session

Discussion

The Board went *in camera* at 12:00 pm, concluding at 12:45 pm.

WHEREAS the Board has reviewed an amended document entitled "CEO Performance Goals for Fiscal 2015-2016";

AND WHEREAS the Board has received a recommendation from the HR&C Committee to approve said document;

NOW THEREFORE be it resolved that:

1. "CEO Performance Goals for Fiscal 2015-2016" are hereby approved.

10 TERMINATION OF MEETING

There being no further business, the meeting was terminated at 12:45 pm.

NEXT MEETING

28 October 2015 – Vancouver

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Chair



BOARD OF DIRECTORS MEETING

8:30 am (PT) Thursday 29 October 2015
Boardroom – BCLC, 2940 Virtual Way
Vancouver, BC V5M 0A6

AGENDA

- 1. ADOPTION OF AGENDA**
- 2. APPROVAL OF MINUTES**
 - 2.1. 28 July 2015
- 3. REPORT BY CHAIR** **Verbal**
- 4. REPORT BY PRESIDENT** **Verbal**
- 5. COMMITTEE REPORTS**
 - 5.1. Audit..... [R. Holden – 5 mins] Discussion
 - 5.2. Governance & CSR [D. Gillespie – 5 mins] Discussion
 - 5.3. Human Resources & Compensation [T. Brown – 5 mins] Discussion
 - 5.4. Risk [M. Keith – 5 mins] Discussion
- 6. BOARD EDUCATION**
 - 6.1. Presentation: Centre for Gambling Research..... [L. Clark – 45 mins] Discussion
- 7. CORPORATE APPROVALS**
 - 7.1. Q2 Financial Statements [A. Hobson – 10 mins] Approval
 - 7.2. Q2 Revised Forecast & Projections..... [A. Hobson – 20 mins] Approval
 - 7.3. Compensation Philosophy & Plan [J. Callahan – 10 mins] Approval
 - 7.4. Compensation Review & Salary Planning (2016/17 merit)..... [J. Callahan – 10 mins] Approval
 - 7.5. BCLC Pension Plan (Restated) [J. Callahan – 10 mins] Approval
 - 7.6. Amended Whistleblower Procedures..... [J. Callahan – 10 mins] Approval
 - 7.7. Board Manual Amendments [D. Gillespie – 5 mins] Approval
 - 7.8. Revised 2016 Board & Committee Schedule [J. Keim – 5 mins] Approval
- 8. CORPORATE OPERATIONS**
 - 8.1. Draft Mandate Letter [B. Smith/S. Dolinski – 10 mins] Discussion
 - 8.2. Q2 Dashboard..... [A. Hobson – 10 mins] Discussion
 - 8.3. Q2 ERM Report [R. Kroeker – 10 mins] Discussion
 - 8.4. Employee Engagement Survey [W. Porterfield – 15 mins] Discussion
 - 8.5. Crown Review Update [J. Lightbody – 20 mins] Discussion
 - 8.6. Kamloops Land [A. Hobson – 45 mins] Discussion
 - 8.7. Management Reports Information Only
 - 8.7.1. Finance & Corporate Services
 - 8.7.2. Casino & Community Gaming
 - 8.7.3. Lottery Gaming
 - 8.7.4. eGaming
 - 8.7.5. Business Technology
 - 8.7.6. Social Responsibility & Communications
 - 8.7.7. Human Resources
 - 8.7.8. Corporate Security & Compliance
 - 8.8. Strategic Plan..... [J. Lightbody – 5 mins] Discussion
- 9. OTHER BUSINESS**
 - 9.1. *In camera* Session [Directors – 30 mins] Discussion
- 10. NEXT MEETING**
 - 10.1. Thursday 10 December 2015 – *if required* – Vancouver



Minutes of the Meeting of the Board of Directors held at 8:30 am (PT) 29 October 2015

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

Board Present:

Bud Smith	Chair
Art Willms	Vice Chair
Trudi Brown	
David Gillespie	
Robert Holden	
Moray Keith	
Wendy Lisogar-Cocchia	

Board Not Present:

Christina Anthony

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
Brad Desmarais	Vice President, Casino and Community Gaming
Susan Dolinski	Vice President, Social Responsibility and Communications
Lynette DuJohn	Chief Information Officer
Kevin Gass	Vice President, Lottery Gaming
Rob Kroeker	Vice President, Corporate Security and Compliance
Kahlil Philander	Director, Social Responsibility (Item 6.1 only)
Jennifer Keim	Corporate Secretary
Jennifer Smith	Associate Corporate Secretary
Suzanne Rowley	Assistant Corporate Secretary

Observers & Guests:

Dr. Luke Clark, UBC Centre for Gambling Research (Item 6.1 only)
Bill Elliott, Avison Young (Item 8.6 only)
Matt Walker, Avison Young (Item 8.6 only)
Matthew Craig, Avison Young (Item 8.6 only)

Bud Smith took the Chair at 8:30 am with Jennifer Keim acting as recording secretary. As proper notice of the meeting had been given and a quorum was present, the Chair declared the meeting to be regularly constituted and open for the transaction of business at 8:31 am.

1 ADOPTION OF AGENDA

The agenda was amended to add two items:

- Treasury Board Performance Metrics as Item 7.9; and
- Response to Minister's Letter as Item 9.1.1.

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

2 APPROVAL OF MINUTES

The minutes of the 28 July 2015 meeting were presented.

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

3 REPORT BY CHAIR

Bud Smith commented on the current relationship with Government, noting that recent meetings with the government Caucus, MLA David Eby, and other elected representatives were constructive.

4 REPORT BY PRESIDENT

Jim Lightbody reported on the performance of all three lines of BCLC's business for the fiscal year to date. BCLC's current focus is on innovation to drive new business opportunities in accordance with BCLC's strategy. He noted the strong engagement results received from the recent employee engagement survey.

5 COMMITTEE REPORTS

5.1 Audit Committee

Discussion

Robert Holden delivered the Audit Committee report, noting the attendance of Carol Bellringer, Auditor General of British Columbia. He advised that all items on the Audit Committee agenda had been successfully completed and several approval recommendations will be coming forward to the Board today.

5.2 Governance and Corporate Social Responsibility Committee

Discussion

David Gillespie delivered the Governance and Corporate Social Responsibility Committee report. All agenda items on the Governance and Corporate Social Responsibility Committee agenda were completed. David reported on the Board evaluation survey, noting overall positive results and areas of possible improvement.

5.3 Human Resources and Compensation Committee

Discussion

Trudi Brown delivered the Human Resources and Compensation Committee report, noting that certain items from the Committee meeting will be coming forward for Board approval.

5.4 Risk Committee

Discussion

Moray Keith delivered the Risk Committee report and noted concerns from the business continuity updates regarding the potential impact of a labour disruption on a service provider. All items on the Risk Committee agenda were completed.

6 BOARD EDUCATION

6.1 Presentation: Centre for Gambling Research

Discussion

Dr. Luke Clark, Director of the UBC Centre for Gambling Research, presented on operational progress made and research projects initiated during the Centre's first year in operation. Dr. Clark discussed the need to take a wider approach to analyzing gambling behaviors, considering the gambling environment, not just the gambler.

7 APPROVALS

7.1 Q2 Financial Statements

Approval

Amanda Hobson presented the report, highlighting that net win is ahead of budget and ahead of last fiscal year, driven by strong lottery and slots performance which is offsetting a decrease in table game net win. Discussion followed.

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

WHEREAS the Board has reviewed the financial statements for the second quarter of fiscal year 2015/2016;

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

NOW THEREFORE be it resolved that:

1. The financial statements for the second quarter of fiscal year 2015/2016 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 Q2 Revised Forecast & Projections

Approval

Amanda Hobson presented highlights from the report. Discussion followed.

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

WHEREAS the Board has reviewed the Corporation's forecast for the second quarter of fiscal year 2015/2016 and 2016/17-2019/20 projections (the "**Q2 Revised Forecast and Projections**");

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

NOW THEREFORE be it resolved that:

1. The Q2 Revised Forecast and Projections are hereby approved; and
2. Any officer or director is hereby authorized on behalf of the Corporation to execute and deliver all such documents and instruments, and to do all such other acts and things as in his or her opinion may be necessary or desirable to give full effect to the foregoing resolution.

7.3 Compensation Philosophy & Plan

Approval

Jamie Callahan reviewed the proposed Compensation Plan and confirmed that it meets all Public Sector Employers' Council ("**PSEC**") requirements communicated to BCLC. Discussion followed.

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

WHEREAS the Board has reviewed the Compensation 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 Compensation 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.

7.4 Compensation Review & Salary Planning (2016/17 merit)

Approval

Jamie Callahan provided an overview of the report and highlighted the cost effect of the proposed merit increases, which are informed by BCLC's external salary benchmarking. Discussion followed.

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

WHEREAS the Board has reviewed Management's proposal for a merit increase to salaries for fiscal year 2016/17 contained within the Compensation Review & Salary Planning (2016/17 merit) (the "**Increase**");

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 Increase is hereby approved; and*
- 2. Any officer or director is hereby authorized on behalf of the Corporation to execute and deliver all such documents and instruments, and to do all such other acts and things as in his or her opinion may be necessary or desirable to give full effect to the foregoing resolution.*

7.5 BCLC Pension Plan (Restated)

Approval

Jamie Callahan presented the report. Discussion followed and The Board requested that Management make certain grammatical revisions to ensure that the Pension Plan is gender neutral throughout.

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

WHEREAS the Corporation sponsors a pension plan known as The British Columbia Lottery Corporation Pension Plan (the "Plan");

AND WHEREAS Section 13 of the Plan authorizes the Corporation to amend, modify or terminate the Plan, provided that such action is carried out in accordance with the applicable legislation;

AND WHEREAS the Corporation desires to amend and restate the Plan effective September 30, 2015, in order to secure compliance with the requirements of the new Pension Benefits Standards Act and associated Regulation, and for clarity in Plan administration;

AND WHEREAS the Board has reviewed the proposed amended and restated Plan;

AND WHEREAS the Board has received a recommendation from the Human Resources and Compensation Committee to approve the proposed amended and restated Plan;

NOW THEREFORE be it resolved that:

- 1. Subject to all required approvals by the British Columbia Financial Institutions Commission and the Canada Revenue Agency, the amended and restated Plan is hereby ratified, confirmed and approved effective September 30, 2015; 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 Amended Whistleblower Procedures

Discussion

Jamie Callahan reported on proposed changes to the Whistleblower Procedures which may lead to the need to amend the Whistleblower Policy.

Currently under consideration are the implications of the ability to make anonymous complaints, which may affect both the privacy of the complainant and the rights of the subject of the complaint. The Board requested that Management review Crown and industry best practices and develop a recommendation regarding a position on anonymity.

No resolution was requested at this meeting.

7.7 Board Manual Amendments

Approval

David Gillespie advised that the Governance and Corporate Social Responsibility Committee recommends that the Board approve the proposed Board Manual amendments. Discussion followed.

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

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

- *Terms of Reference: Board of Directors;*
- *Board of Directors Guidelines;*
- *Terms of Reference: Governance and Corporate Social Responsibility Committee;*
- *Terms of Reference: Human Resources and Compensation Committee;*
- *Terms of Reference: President & Chief Executive Officer;*
- *Board Evaluation Process; and*
- *Management Succession and Development Planning Process;*

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

AND WHEREAS the Human Resources and Compensation Committee has confirmed that it agrees with the Governance Committee's recommendation to the Board that the Board approve the proposed amendments to the Terms of Reference: Human Resources and Compensation Committee; Terms of Reference: President and Chief Executive Officer; and Management Succession and Development Planning Process;

NOW THEREFORE be it resolved that the proposed amendments to the tabs of the Board Manual listed above, as presented to the Board, are hereby approved.

7.8 Revised 2016 Board & Committee Schedule

Approval

Jennifer Keim presented the revised schedule for 2016 which reflects the expansion of the meetings to two full days and some date changes to accommodate schedule commitments.

On motion duly made, seconded and carried, the Revised 2016 Board & Committee Schedule was approved.

7.9 Treasury Board Performance Metrics

Amanda Hobson presented the proposed new "Level 1" performance metrics which would enable BCLC to move away from a fixed cost containment ratio to a scale that would give the required flexibility to operate and develop the business. Discussion followed.

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

WHEREAS the Board has received Management's recommended Treasury Board Performance Measures ("Measures");

AND WHEREAS the Board has reviewed the Measures with Management;

NOW THEREFORE be it resolved that:

1. *The Measures 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.*

8 CORPORATE OPERATIONS

8.1 Draft Mandate Letter

Discussion

Bud Smith reported that the Mandate Letter is in draft and an update will be provided at a later date.

- 8.2 Q2 Dashboard** **Discussion**
- Amanda Hobson reviewed highlights from the report and invited questions. Matters discussed included the gaming management system project finalization and the need to celebrate completion under budget and on time.
- 8.3 Q2 ERM Report** **Discussion**
- Rob Kroeker commented on the two high risks identified in the Q2 ERM report, and noted that three risks ranked as high in the previous quarter had been reduced to moderate. The high risks are being actively managed. Discussion followed.
- 8.4 Employee Engagement Survey** **Discussion**
- Wayne Porterfield provided highlights from the employee engagement survey results, noting an upward trend in overall engagement. Discussion followed regarding BCLC's Advisory Committee of Employees ("ACE") Committee and its ability to help support improvement engagement and communication with employees. Discussion followed.
- 8.5 Crown Review Update** **Discussion**
- Jim Lightbody reported on status of all Crown Review recommendations. BCLC has addressed six recommendations and the rest are in progress. For the recommendations solely within BCLC's control, the corporation is on track to complete for March 2017. Discussion followed.
- 8.6 Kamloops Land** **Discussion**
- Avison Young presented the benefits and risks, including estimated costs, of five options relating to the future of the Kamloops office:
- s 17(1)
- 8.7 Management Reports** **Discussion**
- 8.7.1 Finance & Corporate Services**
- The report was taken as read without further discussion.
- 8.7.2 Casino & Community Gaming**
- Brad Desmarais noted that service providers are exploring projects outside of British Columbia due to the uncertainty created by the ongoing review of the service provider commission structure. This could impact the amount of capital investment made by service providers in British Columbia facilities in the near future.
- 8.7.3 Lottery Gaming**
- Kevin Gass highlighted that the initial pilot of LottoExpress 2.0 will commence in mid-November.
- 8.7.4 eGaming**
- Monica Bohm highlighted BCLC's recent management of the Wizards of Odds configuration issue and conveyed the challenges surrounding BCLC's plans to support Canucks for Kids Foundation 50/50 draws on PlayNow.
- Moray Keith declared for the record that s 22

8.7.5 Business Technology

The report taken as read without further discussion.

8.7.6 Social Responsibility & Communications

Susan Dolinski commented on the progress of BCLC's reputation management strategy. She also invited the Directors to the upcoming New Horizons in Responsible Gambling Conference.

8.7.7 Human Resources

The report was taken as read without further discussion.

8.7.8 Corporate Security & Compliance

The report was taken as read without further discussion.

8.8 Strategic Plan

Discussion

Jim Lightbody advised that due to the timing of the Board Strategy Sessions, the Strategic Plan would be presented in December or January.

9 OTHER BUSINESS

9.1 Response to Minister's Letter

Bud Smith reviewed issues arising from a recent directive received from the Minister. Discussion followed as to the most appropriate board response, given management estimates the effect of the direction for BCLC, if fully implemented, would be hundreds of millions of dollars. The Board directed that the Chair seek a meeting with the Minister to review implications of the directive.

9.2 *In camera* Session

Discussion

The Board went *in camera* at 1:56 pm, concluding at 2:19 pm.

10 TERMINATION OF MEETING

There being no further business, the meeting was terminated at 2:20 pm.

NEXT MEETING

10 December 2015 – Vancouver

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Chair



BOARD OF DIRECTORS MEETING

9:30 am (PT) Thursday 10 December 2015
Boardroom – BCLC, 2940 Virtual Way
Vancouver, BC V5M 0A6

AGENDA

- 1. ADOPTION OF AGENDA**
- 2. APPROVAL OF MINUTES**
 - 2.1. 29 October 2015
- 3. REPORT BY CHAIR** **Verbal**
- 4. REPORT BY PRESIDENT** **Verbal**
- 5. BOARD EDUCATION**
 - 5.1. Service Provider Commission Review.....[R. Scarpelli – 1 hour] Discussion
- 6. COMMITTEE REPORTS**
 - 6.1. Human Resources & Compensation Committee [T. Brown – 5 mins] Discussion
- 7. CORPORATE APPROVALS**
 - 7.1. Draft Service Plan – Financial & Forecast Information.....[A. Hobson – 15 mins] Approval
 - 7.2. Treasury Board Submission[A. Hobson – 15 mins] Approval
 - 7.3. Proposed Changes to Lottery/Online Gaming Rules & Regulations[K. Gass – 10 mins] Approval
 - 7.4. Pension Plan Funding Policy [J. Callahan – 15 mins] Approval
- 8. CORPORATE OPERATIONS**
 - 8.1. Table Rewards Pilot Program Update[B. Desmarais – 30 mins] Discussion
 - 8.2. Parq Update.....[B. Desmarais – 15 mins] Discussion
 - 8.3. Ministry of Finance Reviews[A. Hobson – 15 mins] Discussion
 - 8.4. Kamloops Land.....[A. Hobson – 15 mins] Discussion
- 9. OTHER BUSINESS**
 - 9.1. *In camera* Session [Directors – 15 mins] Discussion
- 10. NEXT MEETING**
 - 10.1. Tuesday 19 January 2016 – Vancouver



Minutes of the Meeting of the Board of Directors held at 9:30 am (PT) 10 December 2015

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

Board Present:

Bud Smith	Chair
Art Willms	Vice Chair
Christina Anthony	(joined at 10:18 am)
Trudi Brown	
David Gillespie	
Robert Holden	
Moray Keith	
Wendy Lisogar-Cocchia	

Board Not Present:

Matthew Watson

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
Brad Desmarais	Vice President, Casino and Community Gaming
Susan Dolinski	Vice President, Social Responsibility and Communications
Lynette DuJohn	Chief Information Officer
Kevin Gass	Vice President, Lottery Gaming
Jennifer Keim	Corporate Secretary
Jennifer Smith	Associate Corporate Secretary
Suzanne Rowley	Assistant Corporate Secretary
Abigail Ma	Director, Financial Planning & Analysis

Observers & Guests:

Rob Scarpelli, Managing Director, HLT Advisory Inc. (Item 5.1 only)

Bud Smith took the Chair at 9:38 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 9:38 am.

1 ADOPTION OF AGENDA

On motion duly made, seconded and carried, the agenda was adopted subject to the addition of Item 7.5 below.

2 APPROVAL OF MINUTES

The minutes of the 29 October 2015 meeting were presented.

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

3 REPORT BY CHAIR

Bud Smith commented on a recent meeting among himself, the Minister of Finance and the CEO. The Chair recognized the service of retiring board members, Art Willms and David Gillespie, and the ongoing efforts of Management.

4 REPORT BY PRESIDENT

Jim Lightbody presented his report and highlighted the positive financial performance for the fiscal year to date which is a function of both a favorable product mix and effective cost management. He provided an overview of upcoming new business initiatives in eGaming, Lottery and Casino, and updated the Board on the status of the \$50 million LottoMax prize and the Kamloops land purchase. In addition, the Board was provided with background on updates on: s 17(1)

, a new national lottery game in development and expression of interest process for a new gaming facility for Vancouver Island.

5 BOARD EDUCATION

5.1 Service Provider Commission Review

Rob Scarpelli presented to the Board the work that HLT Advisory recently undertook to review the service provider commission structure. Discussion followed.

6 COMMITTEE REPORTS

6.1 Human Resources and Compensation Committee

Discussion

Trudi Brown delivered the Human Resources and Compensation Committee report.

7 APPROVALS

7.1 Draft Service Plan – Financial & Forecast Information

Approval

Amanda Hobson advised that the substance and form of the Service Plan is similar to that of last year's Service Plan. Discussion followed and a revised draft resolution was reviewed.

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

WHEREAS the Board has reviewed the draft Service Plan for fiscal years 2016/2017–2018/2019 (the "Service Plan");

NOW THEREFORE be it resolved that:

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

7.2 Treasury Board Submission

Approval

Amanda Hobson presented the draft Treasury Board submission. Discussion followed.

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

WHEREAS the Board has reviewed the proposed Treasury Board Submission Request for Decision dated December 3, 2015 ("TBS");

AND WHEREAS the Board has received a recommendation from Management to approve the TBS which will permit Management to seek approval from the Treasury Board to:

- revise the financial projections for fiscal years 2015/16–2019/20; and
- replace the current Comprehensive Cost Ratio with a new metric;

NOW THEREFORE be it resolved that:

1. The TBS is hereby approved for submission to the Treasury Board; 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 Proposed Changes to Lottery/Online Gaming Rules & Regulations Approval

Kevin Gass presented the proposed changes to the BCLC Rules and Regulations Respecting Lotteries and Gaming.

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

WHEREAS the Board wishes to approve the BCLC Rules and Regulations Respecting Lotteries and Gaming as presented to the Board (the “Rules and Regulations”);

NOW THEREFORE be it resolved that:

1. The Rules and Regulations are hereby approved; and
2. The Vice President, Lottery Gaming 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.

Jennifer Keim presented the proposed change to the PlayNow Sports Betting Rules and Regulations.

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

WHEREAS the Board wishes to approve the PlayNow Sports Betting Rules and Regulations as presented to the Board (the “Rules and Regulations”);

NOW THEREFORE be it resolved that:

1. The Rules and Regulations are hereby approved; and
2. The Vice President, eGaming 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 Pension Plan Funding Policy Approval

Trudi Brown advised that this matter will be deferred and brought to the Board prior the March 31, 2016.

7.5 Written Instructions

The Chair provided the background to the provision of draft resolution. Discussion followed and revisions to the draft resolution were agreed.

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

WHEREAS the Board and Management are committed to achieving best practices for governance;

AND WHEREAS Management frequently receives advice, recommendations or Instructions from Government entities external to the Corporation ("**Instructions**");

AND WHEREAS Instructions are not always provided in written form;

AND WHEREAS best practices would require that Instructions be in written form to minimize any opportunity for misunderstanding or confusion;

NOW THEREFORE be it resolved that:

1. Management shall advise any Government entity providing Instructions that the Instructions must be provided to the Corporation in writing if the Government entity wishes the Corporation to consider the Instructions; and
2. Any officer or director is hereby authorized on behalf of the Corporation 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.

8 CORPORATE OPERATIONS

8.1 Table Rewards Pilot Program Update Discussion

Brad Desmarais reported that the draft document in the package will be replaced as BCLC is currently developing a new table rewards plan and he will bring that plan to the Board for approval at a later date.

8.2 parq Update Discussion

Brad Desmarais and Amanda Hobson commented on the current status of the project, including the upcoming AFDC payment. Discussion followed.

8.3 Ministry of Finance Review Discussion

Abigail Ma advised that BCLC has received the draft cost containment framework review from Ernst & Young and that it is expected to be finalized within the next month. She also provided an update on the service provider commissions review.

8.4 Kamloops Land Discussion

Amanda Hobson advised that BCLC s 17(1)

9 OTHER BUSINESS

9.1 In camera Session Discussion

The Board went *in camera* at 1:30 pm, concluding at 2:00 pm.

WHEREAS the Board Chair has recommended the following Committee memberships:

Audit Committee

Robert Holden, Chair

Trudi Brown

Moray Keith

Wendy Lisogar-Cocchia

Christina Anthony

Governance and Corporate Social Responsibility Committee

Matthew Watson, Chair

Wendy Lisogar-Cocchia
Trudi Brown
Christina Anthony
Andrew Brown

Human Resources and Compensation Committee

Trudi Brown, Chair
Wendy Lisogar-Cocchia
Moray Keith
Robert Holden
Matthew Watson

Risk Committee

Moray Keith, Chair
Christina Anthony
Robert Holden
Wendy Lisogar-Cocchia
Andrew Brown

NOW THEREFORE be it resolved that the foregoing individuals are appointed or reappointed, as the case may be, as members and, if indicated above, Chairs of the above-noted Committees effective from December 31, 2015 until their successors are appointed.

10 TERMINATION OF MEETING

There being no further business, the meeting was terminated at 2:00 pm.

NEXT MEETING

Tuesday 19 January 2016 – Vancouver
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Chair



BOARD OF DIRECTORS MEETING

10:00 am (PT) Tuesday 19 January 2016
Boardroom – BCLC, 2940 Virtual Way, Vancouver, BC

AGENDA

- 1. ADOPTION OF AGENDA**
- 2. APPROVAL OF MINUTES**
 - 2.1. 10 December 2015
- 3. REPORT BY CHAIR** **Verbal**
- 4. REPORT BY PRESIDENT** **Verbal**
- 5. COMMITTEE REPORTS**
 - 5.1. Audit..... [R. Holden – 10 mins] Discussion
 - 5.2. Governance & Corporate Social Responsibility..... [M. Watson – 10 mins] Discussion
 - 5.3. Human Resources & Compensation [T. Brown – 10 mins] Discussion
 - 5.4. Risk..... [M. Keith – 10 mins] Discussion
- 6. BOARD EDUCATION**
 - 6.1. Lotto Transformation & Lotto Express 2 Demo [K. Gass – 1 hour] Discussion
- 7. CORPORATE APPROVALS**
 - 7.1. Q3 Financial Statements [A. Hobson – 15 mins] Approval
 - 7.2. Q3 Revised Forecast & Projections..... [A. Hobson – 10 mins] Approval
 - 7.3. Business Plan, Operating & Capital Budgets [A. Hobson – 10 mins] Approval
 - 7.4. Treasury Board Submission [A. Hobson – 10 mins] Approval
 - 7.5. Annual Corporate Goals [J. Callahan – 20 mins] Approval
 - 7.6. Strategic Plan..... [J. Lightbody – 30 mins] Approval
 - 7.7. PlayNow Pools Game Conditions..... [M. Bohm – 10 mins] Approval
 - 7.8. Board Manual Amendments [M. Watson – 10 mins] Approval
- 8. CORPORATE OPERATIONS**
 - 8.1. Mandate Letter.....[B. Smith – 20 mins] Discussion
 - 8.2. Q3 Dashboard..... [A. Hobson – 10 mins] Discussion
 - 8.3. Q3 ERM Report [R. Kroeker – 15 mins] Discussion
 - 8.4. Crown Review Update [J. Lightbody – 10 mins] Discussion
 - 8.5. Management Reports Information Only
 - 8.5.1. Finance & Corporate Services
 - 8.5.2. Casino & Community Gaming
 - 8.5.3. Lottery Gaming
 - 8.5.4. eGaming
 - 8.5.5. Business Technology
 - 8.5.6. Social Responsibility & Communications
 - 8.5.7. Human Resources
 - 8.5.8. Corporate Security & Compliance
 - 8.6. Draft Service Plan – Financial & Forecast Information..... [A. Hobson – 10 mins] Discussion
- 9. OTHER BUSINESS**
 - 9.1. *In camera* Session [Directors – 20 mins] Discussion
 - 9.1.1. CEO Evaluation Process
 - 9.1.2. CEO Annual Goals & Objectives
- 10. NEXT MEETING**
 - 10.1. Thursday 12 May 2016 – Kamloops
 - 10.2. Revised 2016 Board & Committee Schedule



Minutes of the Meeting of the Board of Directors held at 10:00 am (PT) 19 January 2016

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

Board Present:

Bud Smith	Chair
Christina Anthony	
Andrew Brown	
Trudi Brown	
Robert Holden	
Moray Keith	
Wendy Lisogar-Cocchia	

Board Not Present:

Matthew Watson

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
Brad Desmarais	Vice President, Casino and Community Gaming
Susan Dolinski	Vice President, Social Responsibility and Communications
Lynette DuJohn	Chief Information Officer
Kevin Gass	Vice President, Lottery Gaming
Rob Kroeker	Vice President, Corporate Security and Compliance
Dennis Konasewich	Senior Manager, Lottery Transformation & Infrastructure (for item 6.1 only)
Nathan Kulczykcki	Product Manager, Lotto Express (for item 6.1 only)
Jordan Willms	Director, Lottery Strategic Development (for item 6.1 only)
Jennifer Keim	Corporate Secretary
Jennifer Smith	Associate Corporate Secretary
Suzanne Rowley	Assistant Corporate Secretary

Observers & Guests:

Bud Smith took the Chair at 10:07 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 10:07 am.

1 ADOPTION OF AGENDA

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

2 APPROVAL OF MINUTES

The minutes of the 10 December 2015 meeting were presented.

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

3 REPORT BY CHAIR

The Chair welcomed Andrew Brown to the Board and thanked Management for their efforts, which have contributed to this fiscal year's positive financial results to date.

4 REPORT BY PRESIDENT

Jim Lightbody reported on year-to-date financial results, discussions with the Treasury Board, and the anticipated launch of the PlayNow/Canucks for Kids Foundation 50/50 project.

5 COMMITTEE REPORTS

5.1 Audit

Discussion

Robert Holden reported on the Audit Committee meeting and advised that the Audit Committee will be bringing forth several recommendations.

5.2 Governance & Social Responsibility

Discussion

Trudi Brown, on behalf of Matthew Watson, reported on the discussions held during the Governance & Social Responsibility Committee meeting.

5.3 Human Resources & Compensation

Discussion

Trudi Brown reported on the Human Resources & Compensation Committee meeting.

5.4 Risk

Discussion

Moray Keith reported on the Risk Committee meeting, including the Committee's discussion of the Enterprise Risk Management strategy.

6 BOARD EDUCATION

6.1 Lottery Transformation and Lotto Express 2 Demonstration

Discussion

Kevin Gass, Jordan Willms, Dennis Konasewich and Nathan Kulczykcki provided the Board with an overview of the Lottery Transformation strategy, including plans for decommissioning current lottery purchase terminals. In addition, they provided an interactive demonstration of the current Lotto Express 2 system. Discussion followed.

7 APPROVALS

7.1 Q3 Financial Statements

Approval

Amanda Hobson presented the report and highlighted that the anomalous high cash balance at the end of the quarter was largely due to the pending payment of the March 2014 \$50 million LottoMax jackpot, which has now been paid out. No questions arose.

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

WHEREAS the Board has reviewed the financial statements for the third quarter of fiscal year 2015/2016;

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 2015/2016 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 Q3 Revised Forecast & Projections

Approval

Amanda Hobson reviewed BCLC's current instructions from Treasury Board and the ongoing discussions to finalize the Q3 Revised Forecast and Projections. Discussion followed.

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

WHEREAS the Board has reviewed the Corporation's forecast for the third quarter of fiscal year 2015/2016 and 2016/17-2019/20 projections (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.*

7.3 Business Plan, Operating & Capital Budgets

Approval

Amanda Hobson reviewed the report and invited the Board's comments or questions. Discussion followed.

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

WHEREAS the Board has reviewed the business plan, operating and capital budgets for fiscal year 2016/2017 (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.*

7.4 Treasury Board Submission

Approval

Amanda Hobson presented the revised Treasury Board submission including the rationale for the revisions. Discussion followed.

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

WHEREAS the Board has reviewed the revised Treasury Board Submission Request for Decision dated January 12, 2016 ("Revised TBS");

AND WHEREAS the Board has received a recommendation from Management to approve the TBS which will permit Management to seek approval from the Treasury Board to:

- revise the financial projections for fiscal years 2015/16–2019/20; and*
- replace the current Comprehensive Cost Ratio with a new metric;*

NOW THEREFORE be it resolved that:

- 1. The Revised TBS is hereby approved for submission to the Treasury Board; 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 Annual Corporate Goals

Discussion

Trudi Brown advised that the annual corporate goals are still being finalized and will be brought to the Board for approval in March, 2016.

7.6 Strategic Plan

Approval

Jim Lightbody presented the strategic plan and invited questions and comments from the Board.

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

WHEREAS the Board has reviewed the strategic plan;

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

NOW THEREFORE be it resolved that:

- 1. The strategic plan is hereby approved; and*
- 2. Any officer or director is hereby authorized on behalf of the Corporation to execute and deliver all such documents and instruments, and to do all such other acts and things as in his or her opinion may be necessary or desirable to give full effect to the foregoing resolution.*

7.7 PlayNow Pools Game Conditions

Approval

Monica Bohm provided background to the material included in the meeting package.

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 PlayNow Pools Game Conditions presented to the Board and confirm the delegation of power to any one of the Vice President, eGaming or the President and Chief Executive Officer to make future amendments to the PlayNow Pools Game Conditions;

NOW THEREFORE be it resolved that:

- 1. The PlayNow Pools 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, eGaming 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 PlayNow Pools Game Conditions from time to time;*
- 3. The signature of the Vice President, eGaming or the President and Chief Executive Officer on an amended version of the PlayNow Pools Game Conditions will be conclusive evidence that the amended version is authorized by this resolution; and*
- 4. Each of the Vice President, eGaming 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.*

7.8 Board Manual Amendments

Approval

Trudi Brown reported that the Governance & Social Responsibility committee is recommending that the Board approve the proposed board manual amendments.

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

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

- Terms of Reference: Audit Committee;*
- Terms of Reference: Risk Committee; and*
- Code of Conduct and Conflict of Interest Guidelines.*

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

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

8 CORPORATE OPERATIONS

8.1 Mandate Letter

Discussion

The Chair highlighted several aspects of the current draft, including: fiduciary responsibility of all Directors, quarterly reporting requirements of risk to the Minister, and challenges reconciling business operational needs within the current cost containment ratio format.

8.2 Q3 Dashboard

Discussion

Amanda Hobson advised that there were no substantial changes to the dashboard from the previous quarter. No questions arose.

8.3 Q3 ERM Report

Discussion

Rob Kroeker presented the report and discussed that one new risk has been identified relating to potential disruption of operations due to service provider employment issues. Discussion followed.

8.4 Crown Review Update

Jim Lightbody confirmed that BCLC is on track to meet the obligation to have the Crown Review recommendations substantially completed by March, 2017. The biggest challenge in completing the recommendations is that some of the recommendations require external stakeholders to undertake work before BCLC can proceed. Discussion followed.

8.5 Management Reports

Discussion

8.5.1 Finance & Corporate Services

Amanda Hobson advised that the reference contained within the report for a January 14th Treasury Board meeting is incorrect since the meeting has been rescheduled to later in January. No questions arising.

8.5.2 Casino & Community Gaming

Brad Desmarais took the report as read and invited questions. No questions arose.

8.5.3 Lottery Gaming

Kevin Gass emphasized the very positive results being experienced in Lottery this year. Discussion followed.

8.5.4 eGaming

Monica Bohm emphasized the growth being experienced in lottery online sales and confirmed that BCLC is now able to move forward with an initiative to act as a service provider for charities, such as the Canucks for Kids Foundation. Discussion followed.

8.5.5 Business Technology

Lynette DuJohn presented the report and highlighted the work being done to continually assess the changing nature of business technology and the increasing business technology needs of the various divisions. Discussion followed.

8.5.6 Social Responsibility & Communications

Susan Dolinski presented the report and invited questions or comments. Discussion followed.

8.5.7 Human Resources

Jamie Callahan presented the report and advised that BCLC will receive a written response from the Public Sector Employers' Council in the next few weeks regarding BCLC's submitted compensation plan. No questions arose.

8.5.8 Corporate Security & Compliance

Rob Kroeker presented the report and highlighted a recent anti-money laundering compliance issue that the BCLC staff identified at a service provider. Discussion followed.

8.5.9 Draft Service Plan – Financial & Forecast Information

Amanda Hobson presented the updated draft of the service plan so that the Board could review and consider the changes made since the December, 2015 Board meeting. Discussion followed.

9 OTHER BUSINESS

9.1 In camera Session

Discussion

The Board went *in camera* at 1:50 pm, concluding at 2:44 pm.

During the in camera session, on motion duly made, seconded 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, 2017 (the "CEO Objectives");

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

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

10 TERMINATION OF MEETING

There being no further business, the meeting was terminated at 2:45 pm.

NEXT MEETING

Wednesday 9 March 2016 – Vancouver

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Chair



BOARD OF DIRECTORS MEETING

11:00 am (PT) Wednesday 9 March 2016
Boardroom – BCLC, 2940 Virtual Way, Vancouver, BC

AGENDA

- 1. ADOPTION OF AGENDA**
- 2. APPROVAL OF MINUTES**
 - 2.1. 19 January 2016
- 3. REPORT BY CHAIR** **Verbal**
- 4. REPORT BY PRESIDENT** **Verbal**
- 5. CORPORATE APPROVALS**
 - 5.1. Annual Corporate Objectives [J. Callahan – 10 mins] Approval
 - 5.2. Pension Plan [J. Callahan – 40 mins] Approval
 - 5.2.1. Governance Policy
 - 5.2.2. Pension Plan Administration Manual
 - 5.2.3. Plan Text Change
 - 5.2.4. Funding Policy
 - 5.3. Board Manual Amendments [M. Watson – 10 mins] Approval
 - 5.4. Interim CIO Appointment [J. Keim – 5 mins] Approval
- 6. CORPORATE OPERATIONS**
 - 6.1. Ministry/TB Performance Metrics [A. Hobson – 45 mins] Discussion
 - 6.2. Table Rewards Program Update [B. Desmarais – 20 mins] Discussion
- 7. OTHER BUSINESS**
 - 7.1. *In camera* Session [30 mins] Discussion
 - 7.1.1. Legal Services Report
 - 7.1.2. Directors
- 8. NEXT MEETING**
 - 8.1. Thursday 12 May 2016 – Kamloops



**Minutes of the Meeting of the Board of Directors
held at 11:00 am (PT) 9 March 2016**

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

Board Present:

Bud Smith	Chair
Christina Anthony	
Andrew Brown	
Trudi Brown	
Robert Holden	
Moray Keith	
Wendy Lisogar-Cocchia	
Matthew Watson	

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
Brad Desmarais	Vice President, Casino and Community Gaming
Lynette DuJohn	Chief Information Officer
Kevin Gass	Vice President, Lottery Gaming
Pat Davis	Director, Enterprise Architecture, Business Technology
Sandra Austin	Director, Human Resources (for items 5.1 and 5.2 only)
Tom Powell	Director, Corporate Finance (for item 5.2 only)
Jennifer Keim	Corporate Secretary
Jennifer Smith	Associate Corporate Secretary
Suzanne Rowley	Assistant Corporate Secretary

Observers & Guests:

Jennifer Schoenfield	Morneau Shepell Ltd. (for item 5.2 only)
Tejash Modi	Morneau Shepell Ltd. (for item 5.2 only – by telephone)
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Bud Smith took the Chair at 11:00 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 11:00 am.

1 ADOPTION OF AGENDA

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

2 APPROVAL OF MINUTES

The minutes of the 19 January 2016 meeting were presented.

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

3 REPORT BY CHAIR

The Chair acknowledged Lynette DuJohn and thanked her for her contributions over many years of service to BCLC. The Chair reported on several recent meetings with government personnel, including a recent Treasury Board meeting.

4 REPORT BY PRESIDENT

Jim Lightbody reported that BCLC net income is over budget for the year to date. He noted that BCLC needs to find more effective ways to communicate the realities of its business with key government stakeholders, and remarked on the positive outcome of a recent two-day workshop undertaken by the BCLC Executive and GPEB.

Mr. Lightbody thanked Lynette DuJohn for her contributions to BCLC s 22

5 APPROVALS

5.1 Annual Corporate Objectives

Approval

Jamie Callahan presented the annual corporate objectives and provided detail about their contents. Discussion followed.

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

WHEREAS the Board has reviewed the Annual Corporate Objectives 2016/17, which include the CEO, Executive and Management goals;

NOW THEREFORE be it resolved that:

- 1. The Annual Corporate Objectives 2016/17 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.*

5.2 Pension Governance Policy

Approval

Jamie Callahan presented the Pension Plan Governance Policy and discussed the role that this policy would play with respect to the British Columbia Lottery Corporation Pension Plan (the "Plan"). Discussion followed.

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

WHEREAS the Corporation sponsors a pension plan known as The British Columbia Lottery Corporation Pension Plan (the "Plan");

WHEREAS the Corporation is required pursuant to section 42 of the Pension Benefits Standards Act to establish a formal governance policy for the Plan;

WHEREAS the Pension Committee recommends that the Board approve the Pension Plan Governance Policy (the "Governance Policy");

WHEREAS the Board has reviewed the Governance Policy;

NOW THEREFORE be it resolved that:

- 1. The Governance 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.*

5.3 Pension Plan Administration Manual

Approval

Jamie Callahan presented the Pension Plan Administration Manual and noted that the manual would help support BCLC in fulfilling its obligations with respect to the Plan. Discussion followed.

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

WHEREAS, on December 10, 2012, the Board approved a Pension Governance Policy and Framework (the "2012 Framework");

AND WHEREAS the Board has received a recommendation from the Pension Committee to approve the Pension Plan Administration Manual (the "**Manual**") to replace the 2012 Framework;

AND WHEREAS the Board has reviewed the Manual;

NOW THEREFORE be it resolved that:

1. The 2012 Framework is hereby rescinded;
2. The Manual 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.

5.4 Pension Plan Text Change

Approval

Sandra Austin presented the amended Pension Plan Text and explained the need for the change. Discussion followed.

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

WHEREAS the Corporation sponsors a pension plan known as The British Columbia Lottery Corporation Pension Plan (the "**Plan**");

AND WHEREAS on October 29, 2015 the Board ratified, confirmed and approved an amended and restated Plan effective September 30, 2015;

AND WHEREAS the Pension Committee is recommending additional amendments to the Plan to be effective as of September 30, 2015 (the "**Amended and Restated Plan Version 2.0**");

AND WHEREAS the Board has reviewed the proposed Amended and Restated Plan Version 2.0;

NOW THEREFORE be it resolved that:

1. Subject to all required approvals by the British Columbia Financial Institutions Commission and the Canada Revenue Agency, the Amended and Restated Plan Version 2.0 is hereby ratified, confirmed and approved effective September 30, 2015; and
2. Any officer or director is hereby authorized on behalf of the Corporation to execute and deliver all such documents and instruments, and to do all such other acts and things as in his or her opinion may be necessary or desirable to give full effect to the foregoing resolution.

5.5 Pension Plan Funding Policy

Approval

Jamie Callahan presented the Pension Plan Funding Policy and confirmed that BCLC continues to work closely with its pension advisors, Morneau Shepell Ltd., to achieve solid performance of the Plan fund. Discussion followed.

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

WHEREAS the Corporation sponsors a pension plan known as The British Columbia Lottery Corporation Pension Plan (the "**Plan**");

WHEREAS the Corporation is required pursuant to section 44 of the Pension Benefits Standards Act to establish a written funding policy for the Plan;

WHEREAS the Pension Committee recommends that the Board approve the Pension Plan Funding Policy (the "**Funding Policy**");

WHEREAS the Board has reviewed the Funding Policy;

NOW THEREFORE be it resolved that:

1. The Funding 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.

5.6 Board Manual Amendments

Approval

Matthew Watson provided context on the proposed Board Manual amendments and invited questions from the Board. The Board requested that one section of the Terms of Reference: Board of Directors be changed to read as follows:

C. Financial Oversight

The Board has the responsibility to:

- i. approve BCLC's quarterly revised forecast and projections;
- ii. approve BCLC's quarterly unaudited financial statements and the release thereof by Management
- iii. approve the annual unaudited financial statements of any BCLC subsidiary company;
- iv. approve BCLC's annual audited consolidated financial statements and the release thereof by Management;
- v. approve BCLC's Annual Service Plan Report;
- vi. appoint External Auditors¹ and approve their fees; and
- vii. approve BCLC's statements of financial information (*Financial Information Act* report).

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

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

- *Terms of Reference: Board of Directors*
- *Terms of Reference: Human Resources and Compensation Committee*
- *Performance Evaluation Process for the President and Chief Executive Officer*

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

5.7 Interim CIO/VP Business Technology Appointment

Approval

Jim Lightbody introduced Patrick Davis, who will serve in an interim role upon the departure of Lynette DuJohn, and summarized his knowledge and skills. Mr. Lightbody also described the planned search process to identify a permanent replacement for Lynette DuJohn as Chief Information Officer and Vice President, Business Technology.

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

WHEREAS Lynette DuJohn has tendered her resignation as Chief Information Officer and Vice President, Business Technology effective April 12, 2016;

AND WHEREAS the President and Chief Executive Officer has recommended Patrick Davis to act as Interim Chief Information Officer and Vice President, Business Technology;

NOW THEREFORE be it resolved that:

1. *Patrick Davis is appointed Interim Chief Information Officer and Vice President, Business Technology effective March 28, 2016; and*
2. *The President and Chief Executive Officer and the Vice President, Human Resources are each 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.*

¹ For the purposes of this Terms of Reference, "External Auditor" is defined as the independent firm of Chartered Professional Accountants that is specifically engaged to audit BCLC's annual consolidated financial statements.

6 CORPORATE OPERATIONS

6.1 Ministry/Treasury Board Performance Metrics

Discussion

Amanda Hobson presented an update on Treasury Board metrics and ongoing requirements from the Treasury Board for additional information and reports to be submitted by BCLC in 2016. Discussion followed.

6.2 Table Rewards Program Update

Discussion

Brad Desmarais provided the Board a review of the upcoming revised Table Rewards program. Discussion followed.

7 OTHER BUSINESS

7.1 *In camera* Session

Discussion

The Board went *in camera* at 11:35 am, concluding at 12:15 pm. The Board held an additional *in camera* session at 2:00 pm, concluding at 2:40 pm.

8 TERMINATION OF MEETING

There being no further business, the meeting was terminated at 2:45 pm.

NEXT MEETING

Wednesday 12 May 2016 – Kamloops

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Chair



BOARD OF DIRECTORS MEETING

10:00 am (PT) Thursday 12 May 2016
Presentation Room – BCLC, 74 West Seymour Street
Kamloops, BC V2C 1E2

AGENDA

1. ADOPTION OF AGENDA

2. APPROVAL OF MINUTES

2.1. 9 March 2016

3. REPORT BY CHAIR

Verbal

4. REPORT BY PRESIDENT

Verbal

5. COMMITTEE REPORTS

5.1. Audit.....	[R. Holden – 5 mins]	Discussion
5.2. Governance & CSR	[M. Watson – 5 mins]	Discussion
5.3. Human Resources & Compensation	[T. Brown – 5 mins]	Discussion
5.4. Risk	[M. Keith – 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. Voluntary Self-Exclusion Rules and Regulations	[S. Dolinski – 10 mins]	Approval
6.9. Board Manual Amendments	[M. Watson – 5 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. Service Provider Commission Review.....	[B. Desmarais – 15 mins]	Discussion
7.4. Crown Review Update	[J. Lightbody – 10 mins]	Discussion
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. <i>In camera</i> Session	[45 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. Wednesday 27 July 2016 - Kamloops



Minutes of the Meeting of the Board of Directors held at 10:00 am (PT) 12 May 2016

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

Board Present:

Bud Smith	Chair
Christina Anthony	(by teleconference)
Andrew Brown	
Robert Holden	
Moray Keith	
Matthew Watson	

Board Not Present:

Trudi Brown
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
Brad Desmarais	Vice President, Casino and Community Gaming
Susan Dolinski	Vice President, Social Responsibility and Communications
Kevin Gass	Vice President, Lottery Gaming
Rob Kroeker	Vice President, Corporate Security and Compliance
Jennifer Keim	Corporate Secretary
Jennifer Smith	Associate Corporate Secretary
Suzanne Rowley	Assistant Corporate Secretary

Bud Smith took the Chair at 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.

2 APPROVAL OF MINUTES

The minutes of the 9 March 2016 meeting were presented.

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

3 REPORT BY CHAIR

The Chair commented on BCLC's positive performance in the prior fiscal year. He updated the Board on his communications with Government and the status of the current Board vacancy.

4 REPORT BY PRESIDENT

The President presented highlights of BCLC's performance in the prior fiscal year, resulting in record net revenue. He updated the Board on BCLC's strategic priorities and strategy implementation.

5 COMMITTEE REPORTS

- | | |
|---|-------------------|
| 5.1 Audit Committee | Discussion |
| <p>Robert Holden delivered the Audit Committee report.</p> <p>He confirmed the Committee's fulfillment of its mandate for the preceding year.</p> | |
| 5.2 Governance and Corporate Social Responsibility Committee | Discussion |
| <p>Matthew Watson delivered the Governance and Corporate Social Responsibility Committee report.</p> | |
| 5.3 Human Resources and Compensation Committee | Discussion |
| <p>Matthew Watson delivered the Human Resources and Compensation Committee report.</p> | |
| 5.4 Risk Committee | Discussion |
| <p>Moray Keith delivered the Risk Committee report.</p> | |

6 APPROVALS

6.1 Audited Consolidated Financial Statements	Approval
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Amanda Hobson presented the audited consolidated financial statements. She noted the following changes to be made to Note 19 from the version of included in the Board package:

- short-term employee benefits for 2016 updated to replace "2,279" with "2,269";
- post-employment benefits for 2016 updated to replace "154" with "155";
- termination benefits for 2016 updated to replace "254" with "306"; and
- 2016 total updated accordingly from "2,687" to "2,730".

Subject to the foregoing changes and 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, 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 Corporation's Audited Financial Statements for the fiscal year ending March 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 Corporation's Audited Financial Statements for the fiscal year ending March 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.*

6.2 B.C. Lottotech Financial Statements (Unaudited)	Approval
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Amanda Hobson presented the B.C. Lottotech International Inc. unaudited financial statements.

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, 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 Unaudited Financial Statements of B.C. Lottotech International Inc. for the fiscal year ending March 31, 2016, 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, 2015;

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, 2015, 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, 2015; 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, which is prepared in the form required by Government and invited questions from the Board. She noted a revision to be made to page 8 from the version of included in the Board package, as follows:

- replace "Associate Deputy Minister" with "Ministry of Finance officials".

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, 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 Annual Service Plan Report for the fiscal year ending March 31, 2016, 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 2017/18-2020/21 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 to trigger 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, 2016;

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, 2016 (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 Voluntary Self-Exclusion Rules and Regulations

Approval

Susan Dolinski presented the background and proposed changes to the rules and regulations related to the voluntary-self exclusion program.

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

WHEREAS the Board wishes to approve the Rules and Regulations Respecting Jackpot Entitlement for Individuals who are Participants in BCLC's Voluntary Self-Exclusion Program as presented to the Board (the "Rules and Regulations");

NOW THEREFORE be it resolved that:

1. *The Rules and Regulations are hereby approved and replace the "Rules and Regulations Respecting Jackpot Entitlement for Individuals who are Voluntarily Self-Excluded or Prohibited by BCLC from Entering BC Gaming Facilities"; and*
2. *Each of the President and Chief Executive Officer and the Vice President, Social Responsibility and Communications 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.

7 CORPORATE OPERATIONS

7.1 Q4 Dashboard

Discussion

The Q4 dashboard will be deferred to the July meeting.

7.2 Q4 ERM Report

Discussion

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

7.3 Service Provider Commission Review

Discussion

Brad Desmarais updated the Board on BCLC's consultation process regarding service provider commissions. Management intends to present its recommendation to the Board in July 2016.

7.4 Crown Review Update

Discussion

Jim Lightbody updated the Committee on BCLC's progress in implementing Crown review recommendations. It is anticipated that BCLC's will have substantially completed its response to all Crown recommendations by the end of this fiscal year.

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, including an update on the Parq development, and responded to questions from the Board.

7.5.3 Lottery Gaming

Kevin Gass presented the report. He discussed plans with respect to lottery transformation, as well as work conducted to maintain the current business.

7.5.4 eGaming

Monica Bohm presented the report, including efforts to work collaboratively with the other divisions in order to best use digital resources.

7.5.5 Business Technology

Jim Lightbody presented the report.

7.5.6 Social Responsibility & Communications

Susan Dolinski presented the report.

Discussion followed regarding the positive performance of customer support centre staff.

7.5.7 Human Resources

Jamie Callahan presented the report. She confirmed that the human resources management system project is on track to be completed for June 2016.

7.5.8 Corporate Security & Compliance

Rob Kroeker presented the report.

He updated the board on a recent divisional reorganization.

8 OTHER BUSINESS

8.1 In camera Sessions

Discussion

8.1.1 CEO

8.1.1.1 CEO SOEBC Declaration Form & 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

The Committee went *in camera* sequentially with the above parties at 12:31 pm, concluding at 1:05 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, 2016;

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, 2016;

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, 2016;

NOW THEREFORE be it resolved that:

- 1. The CEO's incentive holdback plan payout for the fiscal year ended March 31, 2016 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 1:06 pm.

NEXT MEETING

27 July 2016 – Kamloops

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Chair



BOARD OF DIRECTORS MEETING

10:00 am (PT) Wednesday 27 July 2016
Presentation Room – BCLC, 74 West Seymour Street
Kamloops, BC V2C 1E2

AGENDA

- 1. ADOPTION OF AGENDA**
- 2. APPROVAL OF MINUTES**
 - 2.1. 12 May 2016
- 3. REPORT BY CHAIR** **Verbal**
- 4. REPORT BY PRESIDENT** **Verbal**
- 5. COMMITTEE REPORTS**
 - 5.1. Audit..... [R. Holden – 5 mins] Discussion
 - 5.2. Governance & CSR [M. Watson – 5 mins] Discussion
 - 5.3. Human Resources & Compensation [T. Brown – 5 mins] Discussion
 - 5.4. Risk [C. Anthony – 5 mins] Discussion
- 6. BOARD EDUCATION**
 - 6.1. Presentation: Freedom of Information [R. Madill – 45 mins] Discussion
- 7. CORPORATE APPROVALS**
 - 7.1. Appoint Chief Information Officer.....[B. Smith – 5 mins] Approval
 - 7.2. Q1 Financial Statements [A. Hobson – 15 mins] Approval
 - 7.3. Q1 Revised Forecast & Projections..... [A. Hobson - 15 mins] Approval
 - 7.4. Treasury Board Submission – Request for Decision..... [A. Hobson – 15 mins] Approval
 - 7.5. Appoint External Auditor & Approve Fees [B. Holden - 15 mins] Approval
 - 7.6. Appoint Pension Auditor & Approve Fees [B. Holden - 5 mins] Approval
 - 7.7. Extra Game Conditions..... [K. Gass – 10 mins] Approval
 - 7.8. Supplemental Daily Grand Game Conditions..... [K. Gass – 10 mins] Approval
 - 7.9. Board Manual Amendments [M. Watson – 5 mins] Approval
 - 7.10. Proposed 2017 Board & Committee Meeting Schedule [J. Keim – 10 mins] Approval
- 8. CORPORATE OPERATIONS**
 - 8.1. Q4 & Q1 Dashboards [A. Hobson – 10 mins] Discussion
 - 8.2. Q1 ERM Report [R. Kroeker – 10 mins] Discussion
 - 8.3. Facial Recognition Update..... [R. Kroeker – 10 mins] Discussion
 - 8.4. Crown Review Update [J. Lightbody – 10 mins] Discussion
 - 8.5. Management Reports Information Only
 - 8.5.1. Finance & Corporate Services
 - 8.5.2. Casino & Community Gaming
 - 8.5.3. Lottery Gaming
 - 8.5.4. eGaming
 - 8.5.5. Business Technology
 - 8.5.6. Social Responsibility & Communications
 - 8.5.7. Human Resources
 - 8.5.8. Corporate Security & Compliance
- 9. OTHER BUSINESS**
 - 9.1. *In camera* Session [Directors – 20 mins] Discussion
- 10. NEXT MEETING**
 - 10.1. 13 & 14 September 2016 – Board Strategy Sessions - Victoria
 - 10.2. 26 October 2016 – Vancouver



Minutes of the Meeting of the Board of Directors held at 10:00 am (PT) 27 July 2016

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

Board Present:

Bud Smith	Chair
Christina Anthony	
Andrew Brown	
Trudi Brown	(by teleconference)
Robert Holden	
Wendy Lisogar-Cocchia	
Matthew Watson	

Board Not Present:

Moray Keith

Management Present:

Jim Lightbody	President and Chief Executive Officer
Amanda Hobson	Chief Financial Officer and Vice President, Finance and Corporate Services
Monica Bohm	Vice President, 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
Kevin Gass	Vice President, Lottery Gaming
Rob Kroeker	Vice President, Corporate Security and Compliance
Bob Madill	Manager, FOI and Information Governance (item 6.1 only)
Jennifer Keim	Corporate Secretary
Jennifer Smith	Associate Corporate Secretary
Suzanne Rowley	Assistant Corporate Secretary

Bud Smith took the Chair at 10:06 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 10:06 am.

1 ADOPTION OF AGENDA

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

2 APPROVAL OF MINUTES

The minutes of the 12 May 2016 meeting were presented.

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

3 REPORT BY CHAIR

The Chair discussed recent meetings regarding the proposed development of a new gaming facility in Victoria and commended Susan Dolinski for the article submitted to the Victoria Times Colonist.

4 REPORT BY PRESIDENT

Jim Lightbody briefly discussed BCLC's financial performance over the past quarter, the work of the new innovation team, and highlights from several of BCLC's divisions.

5 COMMITTEE REPORTS

5.1 Audit Committee

Discussion

Robert Holden delivered the Audit Committee report, including an overview of work undertaken by Management and the Committee in connection with the recent Request for Proposal for various audit services.

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

Christina Anthony delivered the Risk Committee report and noted the proposed date of December 5, 2016 for the Board to participate in a strategic risk workshop.

6 BOARD EDUCATION

Discussion

6.1 Presentation: Freedom of Information

Bob Madill presented on the responsibilities and processes of BCLC's Freedom of Information department, and the application of the *Freedom of Information and Protection of Privacy Act* to BCLC. Discussion followed.

7 APPROVALS

7.1 Appoint Chief Information Officer

Approval

The Chair introduced Patrick Davis to the Board.

After discussion and on motion duly made, seconded and carried, the following resolution was adopted:

WHEREAS the President and Chief Executive Officer has recommended Patrick Davis to act as Chief Information Officer and Vice President, Business Technology;

AND WHEREAS the Board has discussed the foregoing with the President and Chief Executive Officer;

NOW THEREFORE be it resolved that:

- 1. The appointment of Patrick Davis as Chief Information Officer and Vice President, Business Technology effective June 27, 2016 is hereby ratified, confirmed and approved; and*
- 2. The President and Chief Executive Officer and the Vice President, Human Resources are each 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 Financial Statements

Approval

Amanda Hobson presented the Q1 Financial Statements.

After discussion and on motion duly made, seconded and carried, the following resolution was adopted:

WHEREAS the Board has reviewed the financial statements for the first quarter of fiscal year 2016/2017;

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 2016/2017 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 Q1 Revised Forecast & Projections

Approval

Amanda Hobson presented the Q1 Revised Forecast and Projections.

After discussion and on motion duly made, seconded and carried, the following resolution was adopted:

WHEREAS the Board has reviewed the Corporation's forecast for fiscal year 2016/2017 and projections for fiscal years 2017/18-2020/21 (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.

7.4 Treasury Board Submission – Request for Decision

Approval

Amanda Hobson detailed the reasons for and objectives of the Treasury Board submission.

After discussion and on motion duly made, seconded and carried, the following resolution was adopted:

WHEREAS the Board has reviewed the Treasury Board Submission Request for Decision dated September 30, 2016 ("**TBS**");

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

NOW THEREFORE be it resolved that:

1. The TBS is hereby approved for submission to the Treasury Board; 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 Appoint External Auditor & Approve Fees

Approval

Robert Holden reported on the Audit Committee discussion and relayed the Audit Committee's support of this motion. He abstained from voting.

After discussion and on motion duly made, seconded 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, 2017;

NOW THEREFORE BE IT RESOLVED THAT:

1. KPMG LLP is hereby appointed as External Auditor for the fiscal year ending March 31, 2017;
2. Payment by the Corporation to KPMG LLP of a maximum fee amount s 17(1) for its services as External Auditor for the fiscal year ending March 31, 2017 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.

7.6 Appoint Pension Auditor & Approve Fees

Approval

Robert Holden reported on the Audit Committee discussion and relayed the Audit Committee's support of this motion. He abstained from voting.

On motion duly made, seconded 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, 2016;

NOW THEREFORE BE IT RESOLVED THAT:

1. KPMG LLP is hereby appointed as Pension Auditor for the year ending December 31, 2016;
2. Payment by the Corporation to KPMG LLP of a maximum fee amount s 17(1) for its services as Pension Auditor for the year ending December 31, 2016 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.

7.7 Extra Game Conditions

Approval

Kevin Gass presented the proposed game conditions.

After discussion and on motion duly made, seconded and carried, the following resolution was adopted:

WHEREAS the Directors of the Corporation wish to approve the amended Extra Game Conditions and Prize Structure Statement 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 Extra Game Conditions and Prize Structure Statement;

NOW THEREFORE be it resolved that:

1. The Extra Game Conditions and Prize Structure Statement, 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 Extra Game Conditions and Prize Structure Statement 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 Extra Game Conditions and Prize Structure Statement 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.*

7.8 Supplemental Daily Grand Game Conditions

Approval

Jennifer Keim presented the proposed Supplemental Daily Grand Game Conditions with one suggested amendment such that s. 6 would read as follows:

CONSECUTIVE DRAWS

6.0 Consecutive draws are available to be played by selecting the appropriate number of consecutive draws and paying the appropriate amount according to the selection method.

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

WHEREAS the Directors of the Corporation wish to approve the proposed Supplemental Daily Grand Game Conditions presented to the Board and as amended 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 Supplemental Daily Grand Game Conditions;

NOW THEREFORE be it resolved that:

1. *The Supplemental Daily Grand 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 Supplemental Daily Grand 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 Supplemental Daily Grand 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.*

7.9 Board Manual Amendments

Approval

Matthew Watson presented the proposed Board Manual amendments.

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

WHEREAS the Board has reviewed certain proposed amendments to the Terms of Reference: Audit Committee;

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

AND WHEREAS the Audit Committee has confirmed that it agrees with the Governance and Corporate Social Responsibility Committee's recommendation to the Board that the Board approve the proposed amendments to the Audit Committee's Terms of Reference;

NOW THEREFORE be it resolved that the Terms of Reference: Audit Committee, as presented to the Board, are hereby approved.

7.10 Proposed 2017 Board & Committee Meeting Schedule **Discussion**

The Chair requested that each Board member advise the Assistant Corporate Secretary if there are any conflicts with the proposed schedule. Approval of the schedule was deferred to a future meeting.

8 CORPORATE OPERATIONS

8.1 Q4 & Q1 Dashboards **Discussion**

Amanda Hobson presented the Q4 & Q1 dashboards, noting that the corporation is working on a new approach to performance metrics that may impact the approach to the dashboard in future. Discussion followed.

8.2 Q1 ERM Report **Discussion**

Rob Kroeker briefly highlighted the items contained within the high-risk category. Discussion followed.

8.3 Facial Recognition Update **Discussion**

Rob Kroeker provided an update on the planned facial recognition pilot. Discussion followed.

8.4 Crown Review Update **Discussion**

Jim Lightbody provided a status update on BCLC's progress with respect to the Crown Review recommendations.

8.5 Management Reports **Information Only**

8.5.1 Finance & Corporate Services

Amanda Hobson presented the report.

8.5.2 Casino & Community Gaming

Brad Desmarais presented the report.

8.5.3 Lottery Gaming

Kevin Gass presented the report. **eGaming**

Monica Bohm presented the report and elaborated on several initiatives including the development of BCLC's mobile native app. She updated the Board on the private member's bill relating to single event sports betting.

8.5.4 Business Technology

Patrick Davis presented the report.

8.5.5 Social Responsibility & Communications

Jim Lightbody presented the report.

8.5.6 Human Resources

Jamie Callahan presented the report and highlighted the high percentage of management positions that had been filled from within BCLC.

8.5.7 Corporate Security & Compliance

Rob Kroeker presented the report and provided an update on the Joint Illegal Gaming Investigation Team.

9 OTHER BUSINESS

9.1 *In camera* Session

Discussion

The Board went *in camera* at 1:30 pm, concluding at 1:45 pm.

10 TERMINATION OF MEETING

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

NEXT MEETING

13 & 14 September 2016 – Board Strategy Sessions – Victoria
26 October 2016 – Vancouver

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Chair



BOARD OF DIRECTORS MEETING

11:00 am (PT) Tuesday 13 September 2016
North Pender Island Ballroom – Hotel Grand Pacific, 463 Belleville Street
Victoria, BC V8V 1X3

AGENDA

1. ADOPTION OF AGENDA

2. APPROVAL OF MINUTES

2.1. 27 July 2016

3. REPORT BY CHAIR

Verbal

4. CORPORATE APPROVALS

4.1. Live Dealer Contract	[M. Bohm – 10 mins]	Approval
4.2. FIA Report.....	[A. Hobson – 5 mins]	Approval
4.3. Treasury Board Submission Amendment.....	[A. Hobson - 30 mins]	Approval
4.4. Executive Compensation Business Case.....	[J. Callahan – 10 mins]	Approval
4.5. Proposed 2017 Board & Committee Meeting Schedule.....	[J. Keim – 5 mins]	Approval

5. OTHER BUSINESS

5.1. <i>In camera</i> Session	[Directors – 10 mins]	Discussion
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6. NEXT MEETING

6.1. 26 October 2016 – Vancouver



Minutes of the Meeting of the Board of Directors held at 11:00 am (PT) 13 September 2016

Location: North Pender Island Ballroom – The Hotel Grand Pacific, Victoria, BC

Board Present:

Bud Smith	Chair
Trudi Brown	
Andrew Brown	
Robert Holden	
Moray Keith	
Christina Anthony	(from Item 4.1 onwards)

Board Not Present:

Matthew Watson
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
Susan Dolinski	Vice President, Social Responsibility and Communications
Rob Kroeker	Vice President, Corporate Security and Compliance
Pat Davis	Chief Information Officer and Vice President, Business Technology
Brad Desmarais	Vice President, Casino and Community Gaming
Kevin Gass	Vice President, Lottery Gaming
Jennifer Keim	Corporate Secretary
Jennifer Smith	Associate Corporate Secretary
Suzanne Rowley	Assistant Corporate Secretary

Bud Smith took the Chair at 11:00 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 11:01 am.

1 ADOPTION OF AGENDA

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

2 APPROVAL OF MINUTES

The minutes of the 27 July 2016 meeting were presented.

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

3 REPORT BY CHAIR

Bud Smith presented his report and discussed the prevailing economic climate and its effect on BCLC operations.

4 APPROVALS

4.1 IGT Live Dealer Contract

Approval

Monica Bohm presented the business background to the proposed contract with IGT Global Solutions Corporation and answered questions from the Board.

After discussion and on motion duly made, seconded and carried, the following resolution was adopted:

WHEREAS the Corporation proposes to enter into a software licence, development and support agreement (the "Agreement") between the Corporation, B.C. Lottotech International Inc. and IGT Global Solutions Corporation;

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 final form of the Agreement.*
- 2. The form of Agreement presented to the Directors of the Corporation, with such amendments thereto as may be approved by the CEO, be and is hereby approved.*
- 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 the Agreement, and the signature of the CEO will be conclusive evidence that the Agreement so executed and delivered is the agreement authorized by this resolution.*
- 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 this resolution.*

4.2 Financial Information Act Report (FIA Report)

Approval

Amanda Hobson reported on the completed FIA Report and detailed the rigorous process undertaken to ensure the accuracy of the report.

After discussion and on motion duly made, seconded 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, 2016 (the "FIA Report");

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

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*

4.3 Treasury Board Submission

Amanda Hobson advised the Board that the Treasury Board Submission is on hold pending further direction from the Treasury Board.

4.4 Executive/President & CEO Compensation

Approval

Jamie Callahan updated the Board about the process that is being undertaken with the Public Sector Employer's Council (PSEC) to review the President & CEO's compensation.

Jamie Callahan presented the BCLC Pay Band Increase and answered questions from the Board.

After discussion and on motion duly made, seconded and carried, the following resolution was adopted:

WHEREAS the Board has reviewed the BCLC Pay Band Increase;

NOW THEREFORE be it resolved that:

- 1. Subject to receiving approval from the Public Sector Employer Council, the BCLC Pay Band Increase is hereby approved; and*
- 2. Any officer or director is hereby authorized on behalf of the Corporation to execute and deliver all such documents and instruments, and to do all such other acts and things as in his or her opinion may be necessary or desirable to give full effect to the foregoing resolution.*

Jamie Callahan then presented the VP Executive Compensation Business Case.

After discussion and on motion duly made, seconded and carried, the following resolution was adopted:

WHEREAS the Board has reviewed the VP Executive Compensation Business Case;

NOW THEREFORE be it resolved that:

- 1. Subject to receiving approval from the Public Sector Employer Council, the VP Executive Compensation Business Case 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.*

4.5 Proposed 2017 Board & Committee Meeting Schedule

Approval

Jennifer Keim referred the Board to the draft calendar.

On motion duly made, seconded and carried, the meeting schedule was adopted.

5 OTHER BUSINESS

5.1 In camera Session

Discussion

The Board went *in camera* at 12:00 pm, concluding at 12:02 pm.

6 TERMINATION OF MEETING

There being no further business, the meeting was terminated at 12:02 pm.

NEXT MEETING

29 October 2016 – Vancouver
s 22

Chair



BOARD OF DIRECTORS MEETING

10:00 am (PT) Wednesday 26 October 2016
Thompson Room – RiverRock, 8811 River Road
Richmond, BC V6X 3P8

AGENDA

- 1. ADOPTION OF AGENDA**
- 2. APPROVAL OF MINUTES**
 - 2.1. 13 September 2016
- 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 [M. Keith – 5 mins] Discussion
- 6. CORPORATE APPROVALS**
 - 6.1. Q2 Financial Statements [A. Hobson – 15 mins] Approval
 - 6.2. Q2 Revised Forecast & Projections..... [A. Hobson - 15 mins] Approval
 - 6.3. Compensation Review & Salary Planning (2017/18 Merit)..... [J. Callahan – 10mins] Approval
 - 6.4. Pension Plan Governance Documents..... [J. Callahan – 15 mins] Approval
 - 6.4.1. Pension Plan Text
 - 6.5. Strategic Plan..... [R. Fenster – 15 mins] Approval
 - 6.6. Risk Advisory Services Charter [R. Kroeker – 15 mins] Approval
- 7. CORPORATE OPERATIONS**
 - 7.1. TB Submission Update [A. Hobson – 10 mins] Discussion
 - 7.2. Mandate Letter [B. Smith – 10 mins] Discussion
 - 7.3. Q2 Dashboard..... [A. Hobson – 10 mins] Discussion
 - 7.4. Q2 ERM Report [R. Kroeker – 10 mins] Discussion
 - 7.5. Crown Review Update [J. Lightbody – 15 mins] Discussion
 - 7.6. Management Reports Information Only
 - 7.6.1. Finance & Corporate Services
 - 7.6.2. Casino & Community Gaming
 - 7.6.3. Lottery Gaming
 - 7.6.4. eGaming
 - 7.6.5. Business Technology
 - 7.6.6. Social Responsibility & Communications
 - 7.6.7. Human Resources
 - 7.6.8. Corporate Security & Compliance
- 8. OTHER BUSINESS**
 - 8.1. *In camera* Session [Directors – 30 mins] Discussion
- 9. BOARD EDUCATION**
 - 9.1. Casino Tour [R. Kroeker – 1 hour]
- 10. NEXT MEETING**
 - 10.1. 5 December 2016 – Vancouver
 - 10.2. 2017 Board & Committee Schedule



**Minutes of the Meeting of the Board of Directors
held at 10:00 am (PT) 26 October 2016**

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

Board Present:

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

Board Not Present:

Christina Anthony

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
Brad Desmarais	Vice President, Casino and Community Gaming
Susan Dolinski	Vice President, Social Responsibility and Communications
Pat Davis	Chief Information Officer and Vice President, Business Technology
Kevin Gass	Vice President, Lottery Gaming
Rob Kroeker	Vice President, Corporate Security and Compliance
Simona Forbes	Senior Brand Manager, Lotto 6/49 (for item 7.6.3 only)
Gurmit Aujla	Director, Audit Services (for item 8.1 only)
Jennifer Keim	Corporate Secretary
Jennifer Smith	Associate Corporate Secretary
Suzanne Rowley	Assistant Corporate Secretary

Bud Smith took the Chair at 10:07 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 10:08 am.

1 ADOPTION OF AGENDA

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

2 APPROVAL OF MINUTES

The minutes of the 13 September 2016 meeting were presented.

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

3 REPORT BY CHAIR

Bud Smith reported on a recent meeting with the Minister of Finance and provided an update on efforts being undertaken to fill the Board vacancy.

4 REPORT BY PRESIDENT

Jim Lightbody reported on the positive financial results for the fiscal year to date and provided an update on the expression of interest processes in various markets.

5 COMMITTEE REPORTS

- | | |
|---|-------------------|
| 5.1 Audit Committee | Discussion |
| Robert Holden delivered the Audit Committee report. | |
| 5.2 Governance & Corporate Social Responsibility Committee | Discussion |
| Matthew Watson delivered the Governance and Corporate Social Responsibility Committee report. | |
| 5.3 Human Resources & Compensation Committee | Discussion |
| Trudi Brown delivered the Human Resources and Compensation Committee report. | |
| 5.4 Risk Committee | Discussion |
| Moray Keith delivered the Risk Committee report. | |

6 APPROVALS

6.1 Q2 Financial Statements	Approval
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Amanda Hobson presented the report, highlighting that net win is ahead of budget and ahead of last fiscal year, driven by strong lottery and slots performance which is offsetting a decrease in table game net win. Discussion followed.

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

WHEREAS the Board has reviewed the financial statements for the second quarter of fiscal year 2016/2017;

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

NOW THEREFORE be it resolved that:

- 1. The financial statements for the second quarter of fiscal year 2016/2017 are hereby approved; and*
- 2. Any officer or director is hereby authorized on behalf of the Corporation to execute and deliver all such documents and instruments, and to do all such other acts and things as in his or her opinion may be necessary or desirable to give full effect to the foregoing resolution.*

6.2 Q2 Revised Forecast & Projections	Approval
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Amanda Hobson presented highlights from the report. Discussion followed.

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

WHEREAS the Board has reviewed the Corporation's forecast for the second quarter of fiscal year 2016/2017 and 2017/18-2020/21 projections (the "Q2 Revised Forecast and Projections");

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

NOW THEREFORE be it resolved that:

- 1. The Q2 Revised Forecast and Projections are hereby approved; and*
- 2. Any officer or director is hereby authorized on behalf of the Corporation to execute and deliver all such documents and instruments, and to do all such other acts and things as in his or her opinion may be necessary or desirable to give full effect to the foregoing resolution.*

6.3 Compensation Review & Salary Planning (2017/18 Merit)

Approval

Jamie Callahan provided an overview of the report and highlighted the cost effect of the proposed merit increases, which are informed by BCLC's external salary benchmarking and, in the case of management, subject to the approval of the Public Sector Employers' Council. Discussion followed.

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

WHEREAS the Board has reviewed Management's proposal for a merit increase to salaries for fiscal year 2017/18 contained within the Compensation Review & Salary Planning (2017/18 merit) (the "Increase");

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 Increase is hereby approved; and*
- 2. Any officer or director is hereby authorized on behalf of the Corporation to execute and deliver all such documents and instruments, and to do all such other acts and things as in his or her opinion may be necessary or desirable to give full effect to the foregoing resolution.*

6.4 BCLC Pension Plan (Restated)

Approval

Jamie Callahan presented the report and advised that the Human Resources and Compensation Committee provided helpful feedback on the circulated draft. Management will now take this document back for further revisions and bring it forward at a later date.

6.5 Strategic Plan

Approval

Richard Fenster presented the Strategic Plan, having taken into consideration the feedback received from the Board at the September strategic planning sessions. Discussion followed.

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

WHEREAS the Board has reviewed the proposed strategic plan for the Corporation dated October 2016 (the "Strategic Plan");

AND WHEREAS the Board has received a recommendation from Management to approve the Strategic Plan;

AND WHEREAS the Board has discussed the Strategic Plan with Management;

NOW THEREFORE be it resolved that:

- 1. The Strategic Plan is hereby approved; and*
- 2. Any officer or director is hereby authorized on behalf of the Corporation to execute and deliver all such documents and instruments, and to do all such other acts and things as in his or her opinion may be necessary or desirable to give full effect to the foregoing resolution.*

6.6 Risk Advisory Services Charter

Approval

Rob Kroeker presented a revised version of the Risk Advisory Services Charter, updated from the version in the original meeting package, and invited questions.

Subject to the changes reflected in the revised draft and on motion duly made, seconded and carried, the following resolution was passed:

WHEREAS the Board has reviewed Management's proposed the Risk Advisory Services Charter (the "Charter");

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

NOW THEREFORE be it resolved that:

- 1. The Charter 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 CORPORATE OPERATIONS

7.1 TB Submission Update **Discussion**

Amanda Hobson provided an update on the current status of the Treasury Board submission and invited questions.

7.2 Mandate Letter **Discussion**

Bud Smith summarized the current draft of the Mandate Letter and invited comments. Discussion followed.

7.3 Q2 Dashboard **Discussion**

Amanda Hobson reviewed highlights from the report and invited questions. Matters discussed included the completion of the gaming management system project under budget and on time.

7.4 Q2 ERM Report **Discussion**

Rob Kroeker commented on the two high risks identified in the Q2 enterprise risk management report, and noted that three risks ranked as high in the previous quarter had been reduced to moderate. The high risks are being actively managed. Discussion followed.

7.5 Crown Review Update **Discussion**

Jim Lightbody reported on status of all Crown Review recommendations. Nine recommendations are substantially complete and the other sixteen recommendations have been completed and closed. Discussion followed.

7.6 Management Reports **Discussion**

7.6.1 Finance & Corporate Services

The report was taken as read without further discussion.

7.6.2 Casino & Community Gaming

Brad Desmarais presented the report and updated the Board regarding the progress on two facilities currently under construction. Discussion followed.

7.6.3 Lottery Gaming

Kevin Gass presented the report and highlighted the recent launch of a new national lottery game called "Daily Grand". Simona Forbes shared with the Board recent marketing materials that were developed to promote Daily Grand. Discussion followed.

7.6.4 eGaming

Monica Bohm presented the report and highlighted the huge amount of interest in novelty betting on the United States election.

7.6.5 Business Technology

Pat Davis presented the report and highlighted the work done by Business Technology on both the launch of Daily Grand and the implementation of Lotto Express 2.0.

7.6.6 Social Responsibility & Communications

Susan Dolinski presented the report and spoke to the work being done on information transparency.

7.6.7 Human Resources

Jamie Callahan presented the report, noting upcoming plans to conduct a market analysis of the current employee benefits plan.

7.6.8 Corporate Security & Compliance

Rob Kroeker presented the report and highlighted the new processes regarding cash alternatives.

8 OTHER BUSINESS

8.1 *In camera* Session

Discussion

The Board went *in camera* at 1:05 pm, concluding at 1:55 pm.

9 TERMINATION OF MEETING

There being no further business, the meeting was terminated at 1:55 pm.

NEXT MEETING

5 December 2016 – Vancouver

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Chair

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BOARD OF DIRECTORS MEETING

2:00 pm (PT) Monday 5 December 2016
Boardroom – BCLC, 2940 Virtual Way
Vancouver, BC V5M 0A6

AGENDA

- 1. ADOPTION OF AGENDA**
- 2. APPROVAL OF MINUTES**
 - 2.1. 26 October 2016
- 3. REPORT BY CHAIR** **Verbal**
- 4. REPORT BY PRESIDENT** **Verbal**
- 5. BOARD EDUCATION**
 - 5.1. AML Training.....[R. Kroeker/R. Alderson – 1 hour] Discussion
- 6. CORPORATE APPROVALS**
 - 6.1. Draft Service Plan [A. Hobson – 15 mins] Approval
 - 6.2. Revised Strategic Plan [J. Keim – 5 mins] Approval
 - 6.3. Board Manual Amendments [M. Watson – 10 mins] Approval
 - 6.4. Appointment of Compliance Officer..... [R. Kroeker – 5 mins] Approval
 - 6.5. BCLC Mandate Letter F17/18..... [J. Keim – 5 mins] Approval
- 7. CORPORATE OPERATIONS**
- 8. OTHER BUSINESS**
 - 8.1. *In camera* Session[Directors – 60 mins] Discussion
- 9. NEXT MEETING**
 - 9.1. Thursday 26 January 2017 – Vancouver
 - 9.2. Revised 2017 Board & Committee Schedule



Minutes of the Meeting of the Board of Directors held at 12:00 pm (PT) 5 December 2016

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

Board Present:

Bud Smith	Chair
Andrew Brown	
Trudi Brown	Attended by phone
Matthew Watson	Attended by phone
Robert Holden	
Moray Keith	
Wendy Lisogar-Cocchia	
Christina Anthony	

Management Present:

Jim Lightbody	President and Chief Executive Officer
Monica Bohm	Vice President, eGaming
Jamie Callahan	Vice President, Human Resources
Pat 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
Amanda Hobson	Chief Financial Officer and Vice President, Finance and Corporate Services
Rob Kroeker	Vice President, Corporate Security and Compliance
Ross Alderson	Director, AML and Investigations (for item 5.1 only)
Jennifer Keim	Corporate Secretary
Jennifer Smith	Associate Corporate Secretary

Bud Smith took the Chair at 11:59 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 12:00 pm.

1 ADOPTION OF AGENDA

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

2 APPROVAL OF MINUTES

The minutes of the 26 October 2016 meeting were presented.

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

3 REPORT BY CHAIR

Bud Smith reported on the steps being undertaken to fill the remaining board vacancy and discussed his recent tour of the Kamloops facility.

4 REPORT BY PRESIDENT

Jim Lightbody reported on the financial results for the fiscal year to date, collaboration efforts with other Crown gaming corporations, and upcoming meetings with the Minister of Finance.

5 BOARD EDUCATION

5.1 AML Training

Rob Kroeker and Ross Alderson presented the annual anti-money laundering (AML) training program for the Board. The program is designed to educate the Board about anti-money laundering both in general and specific to BCLC. The training enables the Board to meet its annual due diligence requirement pursuant to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*.

The presentation began at 12:15 pm and concluded at 1:05 pm and provided the Board with opportunity to ask questions and discuss all aspects of BCLC's AML program. Topics covered included, without limitation, a review of:

- the stages of money laundering, and the difference between money laundering and terrorist financing;
- the legislative framework for anti-money laundering in Canada;
- the role of FINTRAC;
- compliance program requirements;
- casino reporting requirements; and
- the due diligence process in relation to high risk customers.

Those attending by phone were provided with an electronic copy of the presentation in advance so that they were able to fully participate in the program.

6 APPROVALS

6.1 Draft Service Plan

Approval

Amanda Hobson presented the report and discussed the steps remaining to the Service Plan approval process.

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

WHEREAS the Board has reviewed the draft Service Plan, including the financial information for inclusion therein, for F17/18 – F19/20;

AND WHEREAS the Board has received a recommendation from Management to approve the financial and forecast information included in the draft Service Plan;

NOW THEREFORE be it resolved that:

1. *The financial and forecast information included in the draft Service Plan is hereby approved; and*
2. *Any officer or director is hereby authorized on behalf of the Corporation to execute and deliver all such documents and instruments, and to do all such other acts and things as in his or her opinion may be necessary or desirable to give full effect to the foregoing resolution.*

6.2 Revised Strategic Plan

Approval

Jennifer Keim presented the revised strategic plan and the specific edits that occurred since the last version that was presented to the Board at the 26 October 2016 Board meeting. Discussion followed.

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

WHEREAS the Board has reviewed the revised BCLC Strategic Plan dated December 2016 for reference ("BCLC Strategic Plan");

AND WHEREAS the Board has received a recommendation from Management to approve the BCLC Strategic Plan;

NOW THEREFORE be it resolved that:

1. The BCLC Strategic Plan is hereby approved; and
2. Any officer or director is hereby authorized on behalf of the Corporation to execute and deliver all such documents and instruments, and to do all such other acts and things as in his or her opinion may be necessary or desirable to give full effect to the foregoing resolution.

6.3 Board Manual Amendments

Approval

Matthew Watson presented the Board manual amendments. Discussion followed.

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

WHEREAS the Board has reviewed certain proposed amendments to the Terms of Reference: Board of Directors (and Board Schedule);

WHEREAS the Board has reviewed certain proposed amendments to the Terms of Reference: Audit Committee;

WHEREAS the Board has reviewed certain proposed amendments to the Terms of Reference: Governance & Corporate Social Responsibility Committee;

WHEREAS the Board has reviewed certain proposed amendments to the Terms of Reference: Risk Committee;

AND WHEREAS the Board has reviewed certain proposed amendments to the Terms of Reference: President and Chief Executive Office.

(collectively "Board Manual Amendments")

NOW THEREFORE be it resolved that the **Board Manual Amendments**, as presented to the Board, are hereby approved.

6.4 Appointment of Compliance Officer

Approval

Rob Kroeker presented the report and discussed the statutory requirement for BCLC to formally approve a compliance officer. Discussion followed.

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

WHEREAS the Corporation is subject to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) (the "Act") and the Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations (Canada) (the "Regulation");

AND WHEREAS pursuant to the Act and Regulation, the Corporation is required to appoint a person who is to be responsible for the implementation of a program intended to ensure the Corporation's compliance with Part 1 and Part 1.1 of the Act (the "Compliance Officer");

NOW THEREFORE be it resolved that, for purposes of the Act and Regulation, Robert Kroeker is appointed Compliance Officer in addition to all other duties as Vice President, Corporate Security and Compliance.

6.5 BCLC Mandate Letter F17/18

Approval

Jennifer Keim circulated the final version of the BCLC Mandate Letter for fiscal year 2017-18. Discussion followed. Each Board member indicated their approval by signing the Mandate Letter.

7 CORPORATE OPERATIONS

8 OTHER BUSINESS

8.1 In camera Session

Discussion

The Board went *in camera* at 1:29 pm, concluding at 3:45 pm.

9 TERMINATION OF MEETING

There being no further business, the meeting was terminated at 3:45 pm.

NEXT MEETING

26 January 2017 – Vancouver

s 22

Chair



BOARD OF DIRECTORS MEETING

10:00 am (PT) Thursday 26 January 2017
Boardroom – BCLC, 2940 Virtual Way
Vancouver, BC V5M 0A6

AGENDA

- 1. ADOPTION OF AGENDA**
- 2. APPROVAL OF MINUTES**
 - 2.1. 5 December 2016
- 3. REPORT BY CHAIR** **Verbal**
- 4. REPORT BY PRESIDENT** **Verbal**
- 5. COMMITTEE REPORTS**
 - 5.1. Audit..... [R. Holden – 5 mins] Discussion
 - 5.2. Governance & Corporate Social Responsibility..... [T. Brown – 5 mins] Discussion
 - 5.3. Human Resources & Compensation [T. Brown – 5 mins] Discussion
 - 5.4. Risk [M. Keith – 5 mins] Discussion
- 6. BOARD EDUCATION**
 - 6.1. Diversity & Inclusion.....[J. Callahan – 1 hour] Discussion
- 7. CORPORATE APPROVALS**
 - 7.1. Q3 Financial Statements [A. Hobson – 15 mins] Approval
 - 7.2. Q3 Revised Forecast & Projections..... [A. Hobson – 15 mins] Approval
 - 7.3. Business Plan, Operating & Capital Budgets [A. Hobson – 15 mins] Approval
 - 7.4. Service Plan..... [A. Hobson – 15 mins] Approval
 - 7.5. CIBC Investment Services [A. Hobson – 15 mins] Approval
 - 7.6. Signing & Spending Authority Policy [A. Hobson – 5 mins] Approval
 - 7.7. Annual Corporate Goals [J. Callahan – 10 mins] Approval
 - 7.8. SOEBC Amendments [J. Callahan – 10 mins] Approval
 - 7.9. Amendments to Compensation & Expense Guidelines..... [T. Brown – 5 mins] Approval
 - 7.10. MediaCom Contract..... [K. Gass – 5 mins] Approval
- 8. CORPORATE OPERATIONS**
 - 8.1. Q3 Dashboard..... [A. Hobson – 10 mins] Discussion
 - 8.2. Crown Review Update [J. Lightbody – 15 mins] Discussion
 - 8.3. Q3 ERM Report Information Only
 - 8.4. Management Reports Information Only
 - 8.4.1. Finance & Corporate Services
 - 8.4.2. Casino & Community Gaming
 - 8.4.3. Lottery Gaming
 - 8.4.4. eGaming
 - 8.4.5. Business Technology
 - 8.4.6. Social Responsibility & Communications
 - 8.4.7. Human Resources
 - 8.4.8. Corporate Security & Compliance
- 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. Thursday 11 May 2017 – Kamloops



**Minutes of the Meeting of the Board of Directors
held at 9:30 am (PT) 26 January 2017**

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

Board Present:

Bud Smith Chair
Andrew Brown
Trudi Brown
Robert Holden
Christina Anthony
Wendy Lisogar-Cocchia

Board Not Present:

Matthew Watson
Moray Keith

Management Present:

Jim Lightbody	President and Chief Executive Officer
Amanda Hobson	Chief Financial Officer and Vice President, Finance and Corporate Services
Monica Bohm	Vice President, eGaming
Jamie Callahan	Vice President, Human Resources
Brad Desmarais	Vice President, Casino and Community Gaming
Susan Dolinski	Vice President, Social Responsibility and Communications
Patrick Davis	Chief Information Officer and Vice President, Business Technology
Kevin Gass	Vice President, Lottery Gaming
Rob Kroeker	Vice President, Corporate Security and Compliance
Wayne Porterfield	Director, Talent Management (for item 6.1 only)
Abigail Ma	Director, Financial Planning & Analysis (for items 7.2, 7.3, 7.4, and 7.7 only)
Cynki Taylor	Senior Manager, Business Planning (for items 7.2, 7.3, 7.4, and 7.7 only)
Jennifer Keim	Corporate Secretary
Jennifer Smith	Associate Corporate Secretary
Suzanne Rowley	Assistant Corporate Secretary

Guests:

Kristin Bower Consultant, Diversity and Inclusion, Vancity (for item 6.1 only)

Bud Smith took the Chair at 9:35 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 9:36 am.

1 ADOPTION OF AGENDA

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

2 APPROVAL OF MINUTES

The minutes of the 5 December 2016 meeting were presented.

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

3 REPORT BY CHAIR

Bud Smith reported on efforts to fill the Board vacancy, and spoke to the upcoming New Horizons in Responsible Gaming Conference.

4 REPORT BY PRESIDENT

Jim Lightbody reported on the financial results for the fiscal year to date, which are ahead of budget. He then highlighted several ongoing initiatives including preparation of the Service Plan, collaboration with the Joint Illegal Gaming Investigative Team, development of a new operating service agreement, and planning for Kamloops property development.

5 COMMITTEE REPORTS

5.1 Audit Committee Discussion

Robert Holden delivered the Audit Committee report.

5.2 Governance & Corporate Social Responsibility Committee Discussion

Trudi Brown delivered the Governance and Corporate Social Responsibility Committee report.

5.3 Human Resources & Compensation Committee Discussion

Trudi Brown delivered the Human Resources and Compensation Committee report.

5.4 Risk Committee Discussion

Christina Anthony delivered the Risk Committee report.

6 BOARD EDUCATION

6.1 Diversity & Inclusion Discussion

Kristin Bower provided information about Vancity's approach to developing diversity and inclusion within its workforce. Discussion followed and she responded to questions from the Board.

7 APPROVALS

7.1 Q3 Financial Statements Approval

Amanda Hobson presented the report, highlighting that net income is ahead of budget and the cost containment ratio is lower than budgeted. Discussion followed.

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

WHEREAS the Board has reviewed the financial statements for the third quarter of fiscal year 2016/2017;

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 2016/2017 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 Q3 Revised Forecast & Projections Approval

Abigail Ma presented a revised version of the Q3 revised forecast and projections, updated from the original version in accordance with the Audit Committee's instructions. Discussion followed.

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

WHEREAS the Board has reviewed the Corporation's forecast for the third quarter of fiscal year 2016/2017 and 2017/18-2020/21 projections (the "Q3 Revised Forecast and Projections");

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.

7.3 Business Plan, Operating & Capital Budgets

Approval

Abigail Ma presented a revised version of the business plan, operating and capital budgets, updated from the original version in accordance with the Audit Committee's instructions. Discussion followed.

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

WHEREAS the Board has reviewed the business plan, operating and capital budgets for fiscal year 2017/2018 (the "**Business Plan and Budgets**");

NOW THEREFORE be it resolved that:

1. The Business Plan and Budgets 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 Service Plan

Approval

Abigail Ma presented a revised version of the Service Plan, updated from the original version in accordance with the Audit Committee's instructions. Discussion followed.

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

WHEREAS the Board has reviewed a revised Annual Service Plan for F17/18 – F19/20 dated February 2017 for reference;

AND WHEREAS the Board has received a recommendation from Management to approve the said Service Plan;

NOW THEREFORE be it resolved that:

1. The Annual Service Plan for F17/18 – F19/20 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.

7.5 CIBC Investment Services

Approval

Amanda Hobson provided the background to the proposed changes, including comparative research done on alternative providers, and invited questions. Discussion followed.

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

WHEREAS the Board has received a recommendation from Management to transfer the management of the Corporation's overnight deposit and investment funds from bclMC to the Canadian Imperial Bank of Commerce Prime Investment Account ("**CIBC Investment Account**");

AND WHEREAS the Corporation already contracts with the Canadian Imperial Bank of Commerce for its everyday banking needs ("**CIBC Existing Accounts**");

AND WHEREAS Management recommends that the CIBC Investment Account be subject to the same signing authorities as CIBC Existing Accounts;

NOW THEREFORE be it resolved that:

1. *The Corporation is hereby authorized to enter into an agreement with the Canadian Imperial Bank of Commerce for the purposes of establishing a CIBC Investment Account;*
2. *The CIBC Investment Account shall be subject to the same signing authorities as the Corporation has in place for CIBC Existing Accounts; 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 Signing & Spending Authority

Approval

Amanda Hobson presented the report and discussed the work involved in updating the Signing & Spending Authority Policy. Discussion followed.

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;

AND WHEREAS the Board Manual contains Tab 25 – Levels of Spending Authority which is intended to be obsolesced and superceded by the Policy;

NOW THEREFORE be it resolved that:

1. *The Policy is hereby approved;*
2. *Tab 25 – Levels of Spending Authority of the Board Manual is hereby rescinded; 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.*

7.7 Annual Corporate Goals

Approval

Amanda Hobson presented a revised version of the Annual Corporate Goals, updated from the original version in accordance with the Audit Committee's instructions. Discussion followed.

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

WHEREAS, for purposes of the CEO/Executive/Management incentive holdback plans, the Board has reviewed the proposed annual objectives for the fiscal year ending March 31, 2018 (the "Corporate Goals");

NOW THEREFORE be it resolved that:

1. *The Corporate Goals 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.*

7.8 SOEBC Amendments

Approval

Jamie Callahan presented the report and highlighted the proposed amendments. Discussion followed.

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

WHEREAS the Board has reviewed the revised Standards of Ethical Business Conduct dated December 2016 for reference (the "SOEBC");

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 SOEBC 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.

7.9 Amendments to Compensation & Expense Guidelines

Approval

Trudi Brown presented the proposed amendments. Discussion followed.

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

WHEREAS the Board has reviewed certain proposed amendments to the Director Compensation & Expense Guidelines in 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 amendments to the Director Compensation & Expense Guidelines, as presented to the Board, are hereby approved.

7.10 MediaCom Contract

Approval

Kevin Gass presented the background to the contract and invited questions. Discussion followed.

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

WHEREAS the Corporation has entered into a Master Services Agreement (the "Agreement") made effective the 20th day of January, 2017 between the Corporation and MediaCom Canada;

AND WHEREAS the Board has reviewed the Agreement;

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

NOW THEREFORE be it resolved that:

1. The Agreement, as presented to the Board, be and is hereby ratified, confirmed and approved;
2. The Corporation be and is hereby authorized to enter into, and to perform its obligations under, the Agreement; and
3. Any officer or director be and is hereby authorized on behalf of the Corporation to execute and deliver the Agreement and 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.

8 CORPORATE OPERATIONS

8.1 Q3 Dashboard

Discussion

Amanda Hobson reviewed highlights from the report and invited questions. None arose.

8.2 Crown Review Update

Discussion

Jim Lightbody commented on the overall progress of all 25 Crown Review recommendations. 21 recommendations are closed, two are complete and two are substantially complete. BCLC is on track to meet its commitment to complete all of the recommendations within Government's timeline.

8.3 Q3 ERM Report

Discussion

The report was taken as read without further discussion.

8.4 Management Reports

Discussion

8.4.1 Finance & Corporate Services

Amanda Hobson presented the report and invited questions. None arose.

8.4.2 Casino & Community Gaming

Brad Desmarais presented the report and invited questions. Discussion followed.

8.4.3 Lottery Gaming

Kevin Gass presented the report and discussed the progress in implementing Lotto Express 2 at major retailers. Discussion followed.

8.4.4 eGaming

Monica Bohm presented the report, highlighted continuing business-to-business initiatives, and invited questions. Discussion followed.

8.4.5 Business Technology

Patrick Davis presented the report and invited questions. Discussion followed.

8.4.6 Social Responsibility & Communications

Susan Dolinski presented the report and reiterated an invitation for Board members to attend the upcoming New Horizons in Responsible Gambling Conference. Discussion followed.

8.4.7 Human Resources

Jamie Callahan presented the report and invited questions. None arose.

8.4.8 Corporate Security & Compliance

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

9 OTHER BUSINESS

9.1 In camera Session

Discussion

The Board went *in camera* at 1:25 pm, concluding at 1:28 pm.

During the session and on motion duly made, seconded 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, 2018 (the "CEO Objectives");

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

10 TERMINATION OF MEETING

There being no further business, the meeting was terminated at 1:55 pm.

NEXT MEETING

11 May 2017 – Kamloops

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Chair



BOARD OF DIRECTORS MEETING

12:30 pm (PT) Friday 3 February 2017

Via Conference Call

Local Dial-in: 604.681.0455 Toll Free (N. America): 1.877.291.3022

Access Code: 4912931#

AGENDA

1. ADOPTION OF AGENDA

2. CORPORATE APPROVALS

- | | | |
|---|----------------------|----------|
| 2.1. Q3 Revised Forecast & Projections..... | [A. Hobson – 5 mins] | Approval |
| 2.2. Service Plan..... | [A. Hobson – 5 mins] | Approval |
| 2.3. Annual Corporate Goals | [A. Hobson – 5 mins] | Approval |

3. OTHER BUSINESS

- | | | |
|--|----------------------|------------|
| 3.1. <i>In camera</i> Session | [Directors – 5 mins] | Discussion |
| 3.1.1. CEO – Annual Goals & Objectives | | |

4. NEXT MEETING

- 4.1. Thursday 11 May 2017 – Kamloops



**Minutes of the Meeting of the Board of Directors
held at 12:30 pm (PT) 03 February 2017**

Location: Via Teleconference

Board Present:

Bud Smith	Chair
Andrew Brown	
Trudi Brown	
Robert Holden	
Matthew Watson	
Christina Anthony	
Moray Keith	

Board Not Present:

Wendy Lisogar-Cocchia

Management Present:

Jim Lightbody	President and Chief Executive Officer
Amanda Hobson	Chief Financial Officer and Vice President, Finance and Corporate Services
Jennifer Keim	Corporate Secretary
Jennifer Smith	Associate Corporate Secretary

Bud Smith 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 12:32 pm.

1 ADOPTION OF AGENDA

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

2 APPROVALS

2.1 Q3 Revised Forecast & Projections

Approval

Abigail Ma presented a revised version of the Q3 revised forecast and projections, updated from the original version in accordance with the Audit Committee's instructions. Discussion followed.

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

WHEREAS on January 26, 2017, the Board reviewed and approved the Corporation's forecast for the third quarter of fiscal year 2016/2017 and 2017/18-2020/21 projections (the "Q3 Forecast and Projections");

AND WHEREAS the Board has been advised by the Treasury Board that there is insufficient time for Treasury Board to complete an analysis of the financial commitments made therein;

AND WHEREAS Management has prepared a revised Q3 Forecast and Projections for F17/18 – F20/21 which contains financial commitments that the Treasury Board has advised Management that the Treasury Board has reviewed and approved;

AND WHEREAS the Board has received written instructions from the Ministry of Finance to proceed with the Treasury Board approved financial commitments;

NOW THEREFORE be it resolved that:

1. The revised Q3 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.

2.2 Service Plan

Approval

Abigail Ma presented a revised version of the Service Plan, updated from the original version in accordance with the Audit Committee's instructions. Discussion followed.

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

WHEREAS on January 26, 2017, the Board reviewed and approved an Annual Service Plan for F17/18 – F19/20 dated February 2017 for reference;

AND WHEREAS the Board has been advised by the Treasury Board that there is insufficient time for Treasury Board to complete an analysis of the financial commitments made therein;

AND WHEREAS Management has prepared a revised Annual Service Plan for F17/18 – F19/20 which contains financial commitments that the Treasury Board has advised Management that the Treasury Board has reviewed and approved;

AND WHEREAS the Board has received written instructions from the Ministry of Finance to proceed with the Treasury Board approved financial commitments;

NOW THEREFORE be it resolved that:

1. The Annual Service Plan for F17/18 – F19/20 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.

2.3 Annual Corporate Goals

Approval

Amanda Hobson presented a revised version of the Annual Corporate Goals, updated from the original version in accordance with the Audit Committee's instructions. Discussion followed.

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

WHEREAS, for purposes of the CEO/Executive/Management incentive holdback plans, on January 26, 2017, the Board reviewed and approved the proposed annual objectives for the fiscal year ending March 31, 2018 (the "Corporate Goals");

AND WHEREAS the Board has been advised by the Treasury Board that there is insufficient time for Treasury Board to complete an analysis of the financial commitments made therein;

AND WHEREAS Management has prepared a revised Corporate Goals for the fiscal year ending March 31, 2018 which contains financial commitments that the Treasury Board has advised Management that the Treasury Board has reviewed and approved;

AND WHEREAS the Board has received written instructions from the Ministry of Finance to proceed with the Treasury Board approved financial commitments;

NOW THEREFORE be it resolved that:

1. The Corporate Goals 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.*

3 TERMINATION OF MEETING

There being no further business, the meeting was terminated at 12:55 pm.

NEXT MEETING

11 May 2017 – Kamloops

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Chair