

COMMISSION OF INQUIRY INTO MONEY LAUNDERING IN BRITISH COLUMBIA

The Honourable Mr. Austin F. Cullen, Commissioner

AFFIDAVIT

I, Sandy Austin, with a business address of 74 West Seymour Street, Kamloops, British Columbia, V2C 1E2 SWEAR THAT:

1. I am the Director, People Rewards & Recruitment for British Columbia Lottery Corporation (“BCLC”), a participant in this Commission of Inquiry (the “Inquiry”), and as such, have personal knowledge of the facts and matters hereinafter deposed to, save and except where such facts and matters are stated to be made upon information and belief, and as to such facts and matters I verily believe them to be true.
2. I make this affidavit to provide evidence to the Inquiry.

Employment with BCLC

3. I began working with BCLC in August 2000 as an executive assistant to the Vice President of Information Technology. I remained in my role as executive assistant for several years, working with two CEOs before transitioning to the Human Resources (“HR”) team in 2008 to work first as a compensation advisor, and then as a generalist. I moved from HR to a management role in the business team in 2010 for about four years, before returning to what is now known as People & Culture in 2014. I have remained with People & Culture since 2014, and am now the Director of People, Rewards and Recruitment.
4. I am a Chartered Professional in Human Resources (“CPHR”) and a Certified Compensation Professional (“CCP”).

5. By way of my employment in various roles with BCLC, I am familiar with BCLC's compensation scheme and how that scheme has changed throughout the duration of my employment.

Variable Incentive Compensation at BCLC

6. Prior to 2004, BCLC did not have a bonus compensation program in place. Instead, BCLC had a gainsharing program. Depending on the success of the organization in a given year, all employees would receive an additional gainshare cheque if the organization exceeded service plan targets. Gainshare cheques were issued in the same amount for every BCLC employee.
7. In 2004, BCLC implemented the Variable Incentive Pay Program, a bonus program approved by the Public Sector Employers' Council ("PSEC"). The Variable Incentive Pay Program applied to all BCLC employees, who were eligible for bonuses if they met certain annual personal and corporate objectives. The performance objectives for the Variable Incentive Pay Program were comprised of 50% personal objectives and 50% corporate objectives from 2004 to 2012. In 2012, BCLC changed the performance objectives for executives to 60% corporate objectives and 40% personal objectives.
8. Under the Variable Incentive Pay Program, BCLC was required to meet a certain financial threshold or "trigger" established by the Board of Directors in consultation with the Minister responsible in order to activate the incentive plan. The threshold was typically determined according to BCLC's Net Income before Taxes ("NIBT").

BCLC's Transition to a Holdback Scheme

9. In July 2012, PSEC issued a new Crown Corporation Executive Compensation Policy (the "2012 Policy") that made several changes to various aspects of employee compensation. Attached as Exhibit "A" is a copy of the 2012 Policy.
10. The 2012 Policy directed Crown corporations to phase out bonus plans for senior executives and replace the bonus plans with a salary holdback of up to 20 percent of their maximum base salary. The 2012 Policy provided that corporate performance criteria for

the holdback scheme would be determined by agreement between the board of directors and the Minister responsible for that Crown corporation and would reflect government priorities as outlined in the shareholder's letter of expectations. Corporations subject to the 2012 Policy were required to submit an implementation plan to transition to holdbacks by January 1, 2013.

11. The 2012 Policy directed Crown corporations to phase out incentive programs below the executive level, and provided that holdbacks should generally be used for executives only.
12. The 2012 Policy permitted public sector employers to seek exemptions by submitting a written proposal to the Minister responsible for the *Public Sector Employers Act* (the "PSEA") through the PSEC Secretariat.
13. On December 10, 2012, the BCLC Board of Directors (the "Board") approved the Executive Compensation Compliance Proposal made in response to the 2012 Policy. Attached as Exhibit "B" is a copy of the proposed agenda for the December 10, 2012 Board meeting containing a draft of the proposal. Attached as Exhibit "C" is a copy of the BCLC Compensation Plan Submission updated to January 25, 2013 (the "Compensation Submission"). The copy of the Compensation Submission attached as Exhibit C is missing pages 10 through 12. I directed my staff to locate the missing pages and after an exhaustive search of our records, we were unable to locate those pages.
14. For executive employees, the Compensation Submission proposed:
 - (a) for fiscal year 2012/13, current executives would remain on the current variable incentive plan;
 - (b) for fiscal year 2013/14, current executives would remain on the current variable incentive plan, and new executives would be subject to a 10% holdback incentive;
 - (c) for fiscal year 2014/15, current executives would transition to the holdback incentive at 15%.
15. The Compensation Submission proposed that the holdback performance objectives for executives would be determined by the "Corporate Incentive Trigger" and "Corporate

Objectives”, the metrics for which were selected from the Annual Service Plan and reviewed and approved by the Board in consultation with the Minister.

16. The Compensation Submission also addressed the elimination of the Variable Incentive Pay Program for non-executive employees. BCLC sought an exemption from the 2012 Policy to allow continued incentive pay below the executive level for managers and directors. The rationale for the exemption was as follows:
 - (a) if BCLC maintained the variable incentive plan for existing non-executive employees, and phased out plan the through attrition or promotion, the process would take place over an extended period of time, and would create additional accounting and human resources issues (such as the uneven application of compensation across BCLC);
 - (b) if BCLC phased out or eliminated variable incentive pay for non-executive employees, this would constitute a unilateral change to the employees’ individual employment contracts, and diminish BCLC’s ability to attract and retain employees.
17. In order to address the above issues, the Compensation Submission proposed that BCLC continue to pay incentive pay according to the holdback scheme to managers and directors.
18. In an email dated February 6, 2013, Tom Vincent, Vice President of PSEC, informed BCLC that the Minister responsible for the *PSEA* largely approved BCLC’s Compensation Submission. The Minister responsible approved the exemption and permitted BCLC to continue to pay a form of incentive pay to staff in salary ranges 7 (managers), 8 (senior managers) and 9 (directors) by transitioning those staff to a holdback model as described in the Compensation Submission. Attached as Exhibit “D” is a copy of the February 6, 2013 email (without attachment) from Tom Vincent.
19. BCLC’s holdback incentive plan was in effect from 2014 to 2019, after which it was phased out for both executive and non-executive employees.
20. Under the holdback incentive plan, managers, senior managers and directors transitioned to a holdback incentive scheme. The potential holdback incentive for non-executive employees was set at 10% for directors and 5% for managers.

21. In order to activate the holdback incentive plan, BCLC had to meet a NIBT threshold as determined by the Board on an annual basis. If the NIBT threshold was not met, no holdback incentive payments could be made, even if the employee met their individual objectives. BCLC met the NIBT each year that the holdback incentive program was in place.
22. If the NIBT threshold was met, non-executive employees qualified for payment of the holdback if they satisfied certain objectives established on an annual basis. The performance criteria for non-executive employees were comprised of 50% personal objectives and 50% corporate objectives. The performance criteria for executive employees were comprised of 60% corporate objectives and 40% personal objectives. The personal objectives for each employee were tailored to their particular position and job requirements.
23. BCLC met the NIBT threshold and paid out 100% of the holdback incentive for managers, senior managers, directors and executives every year up until the program was phased out, with the exception of fiscal year 2018, where 99% of the holdback incentive was paid out.

Performance Objectives

24. BCLC uses specialized HR management software to store, monitor and calculate achievement of employee performance objectives. Each performance objective is assigned a certain weight and the employee's ultimate performance of that objective is quantified as a "rating". The rating is multiplied by the objective's weight to calculate the employee's overall achievement of the performance objectives.
25. BCLC used myPerformance, a stand-alone system provided by Telus, to manage objectives and performance until fiscal year 2015/16. From fiscal year 2015/16 to present, objectives and performance are managed through the Performance module within a software program called SuccessFactors.
26. BCLC has exported the annual performance objectives and the respective weights assigned to each from its HR management software for certain employees who are

responsible for anti-money laundering and/or casino security and compliance for the period between FY 2007/08 to FY 2018/19 into the following:


- (a) attached as Exhibit “E” is a summary document containing the performance objectives of Bal Bamra, from FY2007/08 to FY2018/19 for her respective roles as Regional Manager, Manager of Cash Alternatives & Special Projects and Manager of AML Intelligence;
- (b) attached as Exhibit “F” is a summary document containing the performance objectives of Daryl Tottenham, from FY2011/12 to FY2018/19 for his respective roles as Casino Security Investigator, AML Specialist and Manager of AML Programs;
- (c) attached as Exhibit “G” is a summary document containing the performance objectives of Robert Kroeker, from FY2015/16 to FY2018/19 for his respective roles as Chief Compliance Officer and Vice President of Legal, Compliance and Security;
- (d) attached as Exhibit “H” is a summary document containing the performance objectives of Kevin Sweeney, from FY2007/08 to FY2018/19 for his respective roles as Manager of Casino Site Operations, Manager of Operational Gaming Audit, Manager of Lottery Investigations and Director of Security, Privacy and Compliance;
- (e) attached as Exhibit “I” is a summary document containing the performance objectives of Ross Alderson, from FY2008/09 to FY2016/17 for his respective roles as Lottery Security Investigator, Investigator, Manager of Lottery Security, Senior Manager of E-Gaming Investigations and Director of AML & Investigations;
- (f) attached as Exhibit “J” is a summary document containing the performance objectives of Brad Desmarais, from FY2013/14 to FY2015/16 for his respective roles as Vice President of Corporate Security and Compliance and Chief Operating Officer;
- (g) attached as Exhibit “K” is a summary document containing the performance objectives of Laird Robinson, from FY2007/08 to FY2018/19 for his respective roles as Operational Gaming Auditor, Assistant Manager Operational Gaming Unit, Manager of Operational Gaming Compliance and Manager of Corporate Security and Asset Protection;
- (h) attached as Exhibit “L” is a summary document containing the performance objectives of Gordon Friesen, from FY2007/08 to FY2013/14 for his respective roles as Casino Security Investigator, Assistant Manager Casino Surveillance, Manager of Casino Security and Manager of Casino Security and Surveillance. The exhibit contains some redactions for sensitive information related to BCLC’s security policies;

- (i) attached as Exhibit “M” is a summary document containing the performance objectives of Bryon Hodgkin, from FY2007/08 to FY2011/12 for his respective roles as Manager of Lottery Investigations and Director of Operational Compliance;
 - (j) attached as Exhibit “N” is a summary document containing the performance objectives of Terry Towns, from FY2007/08 to FY2011/12 for his respective roles as Director of Corporate Security and Vice President of Corporate Security and Compliance;
 - (k) attached as Exhibit “O” is a summary document containing the performance objectives of Doug Morrison, from FY2007/08 to FY2010/11 for his role as Manager of Casino Security & Surveillance;
 - (l) attached as Exhibit “P” is a summary document containing the performance objectives of Robert Leach for FY2007/08 for his role as Manager of Casino Security & Surveillance.
27. Exhibits D through O contain business records of annual employee performance objectives between fiscal year 2007/08 to 2018/19 inputted in the usual and ordinary course of business and extracted from the HR management software used at the relevant time.
28. In Exhibits D through O, the objectives, job titles and weighting information for personal objectives were inputted by the subject employees who were required to do so as part of the compensation scheme in consultation with their direct supervisor, in and around the beginning of each fiscal year. Management comments and ratings were generally inputted by the direct supervisor of the subject employee around the end of the fiscal year, following the employee’s annual review, as part of the supervisor’s duties.
29. Exhibits D through O were created by Andrea Earle, BCLC Senior Specialist for People Insights at my direction. Ms. Earle created the exhibits by conducting searches for particular employees in data previously exported from myPerformance and in the SuccessFactors program. Ms. Earle then exported the data from SuccessFactors and organized and formatted the data from both myPerformance and SuccessFactors in the manner presented. Unfortunately, Ms. Earle was unable to export all of the same categories of data (i.e. corporate objectives, weighting and results) from SuccessFactors that she was able to from the myPerformance program.

Phasing Out the Holdback Incentive Program

30. In September 2018, PSEC issued the *B.C. Public Sector Employers' Guide to Accountable Compensation* (the "Guide"). The Guide was intended provide a framework to increase compensation flexibility for public sector organizations. Attached as Exhibit "Q" is a copy of the Guide.
31. The Guide permitted public sector employers to consider phasing out their existing holdback plans by either phasing out the holdbacks over a period of time or eliminating the holdback structure all at once, subject to endorsement of the phase out by the Board.
32. In January 2019, BCLC submitted a recommendation to the Board with respect to the holdback incentive plan (the "Holdback Recommendation"). Attached as Exhibit "R" is a copy of the Holdback Recommendation dated January 4, 2019. Attached as Exhibit "S" are the appendices to the Holdback Recommendation, with the exception of the Guide, which is attached as Exhibit P.
33. The Holdback Recommendation set out three options:
 1. BCLC eliminate the holdback incentive plan for managers, senior managers, directors and executives effective April 1, 2019;
 2. BCLC eliminate the holdback incentive plan for managers and senior managers effective April 1, 2019; or
 3. BCLC maintain the status quo and all managers, senior managers, directors and executives would remain on the holdback incentive program.
34. The Holdback Recommendation sought approval for Option 1, eliminating the holdback incentive plan for managers, senior managers, directors and executives effective April 1, 2019.
35. The Holdback Recommendation was submitted to the Board in July 2019 and the Board requested a plan that set out how BCLC would ensure the alignment and focus of the organization with the holdback scheme eliminated. In January 2020, People & Culture

THIS IS **EXHIBIT "A"** TO THE
AFFIDAVIT OF **SANDY AUSTIN**
SWORN BEFORE ME AT KAMLOOPS, BC
ON THE 9th DAY OF SEPTEMBER, 2021.



A Commissioner/Notary Public for the
Province of British Columbia.

Crown Corporation Executive Compensation

Policy

July 2012

PURPOSE

This policy will result in a more rigorous approach to executive compensation in Crown corporations.

BACKGROUND

The legislative authority for this policy is the *Public Sector Employers Act*. The Act requires that employee compensation plans and contracts be approved by the Minister responsible for the Act prior to implementation. Contracts describe all elements of total compensation for an employee, including salary, salary holdbacks, bonuses, statutory and non-statutory benefits, employer pension contributions, transportation allowances / vehicles, and perquisites.

Early in 2012, a working group of Crown Corporation Board Chairs was formed at the request of government to propose revisions to the framework guiding executive compensation in Crown corporations. In particular, the government, in its role as shareholder, was concerned about levels of bonuses available in some Crown corporations, variations in their administration, and the number of executives in some Crown corporations. This policy follows from the recommendations of that working group.

PRINCIPLES AND OBJECTIVES

- Attract and retain the required skills, talent, and experience at an affordable cost to taxpayers and ratepayers.
- Use total compensation maximums for CEOs, and ensure all other executive salaries are less than that of the CEO in each Crown corporation.
- Eliminate bonuses. Implement salary holdbacks within a maximum base salary.
- Limit generic perquisites to transportation allowances, and only provide such an allowance where appropriate.
- Reimburse out-of-pocket expenses in adherence with BC Government policy.
- Organizational design, including the number of executives and number of organizational layers, that is satisfactory to Government.
- Transition to full implementation of this policy shall be consistent with employment law and therefore avoid incurring financial liabilities.

SCOPE

This policy will primarily affect Crown corporations where bonuses are available, bonuses or holdbacks are treated as pensionable income, perquisites are provided, expense reimbursement is not consistent with government expense reimbursement policy, other executives earn more than 85% of the CEO's total compensation, there are more than six organizational layers or there are more than seven executives reporting directly to the CEO.

While government aims to increase standardization across Crown corporations in the areas described in this policy, it recognizes that exceptions may be required due to special circumstances including unique industry practices. Exceptions may be sought from the Minister responsible for the Act through PSEC Secretariat and must be in the form of written proposals with rationale.

FRAMEWORK

Salary/Holdbacks/Bonuses for Senior Executives

Executive salaries are now frozen in all Crown corporations subject to the *Public Sector Employers Act*.

This freeze applies to all Crown corporation executives subject to the *Public Sector Employers Act*, whether or not they are currently at the top of their salary band.¹ As with unionized staff, salaries are often set within a limited range – or band – to allow modest increases according to performance and experience without re-setting salary. Where there is a legal requirement for movement within approved salary bands, Crown corporations should discuss the particular circumstances with PSEC Secretariat.

Where bonuses are now present, an implementation plan to move to holdbacks is to be provided to PSEC Secretariat by January 1, 2013.

When new staff or newly-promoted staff move to an executive position which currently has bonus pay available to it, a hold back up to a maximum of 20% of maximum base salary will be employed in place of bonuses. In this situation, the employer should discuss a revised compensation plan in detail with PSEC Secretariat before making an employment offer. The discussion will focus on how to adhere to the shareholder's principles and objectives described above. It will include discussion of a reduction in total base salary for senior executives of 10%. The reduction reflects either or both a reduced amount of pay at risk and compression with CEO compensation.

Awarding of holdback in the future and the administration of current arrangements in the interim will be subject to board assessment of performance against stretch targets tied to

¹ 'Executive' in this context refers to those executives who report directly to the CEO or who are vice-presidents, whether or not they report to the CEO. If there is doubt on whether or not this applies to a particular employee, contact the Public Sector Employers' Council Secretariat for clarification.

shareholder and board priorities. Performance criteria will be established by agreement between the Board and the Minister responsible for the Crown Corporation and will reflect government priorities as outlined in the shareholder's letter of expectations.

Holdbacks will not be treated as pensionable income for new employees or employees taking new positions.

Bonuses/holdbacks for other non-union employees

In general, holdbacks should be used for executives only. They will be phased out below the executive level. New or newly-promoted employees below the vice-president / executive level will not be eligible for holdbacks, bonuses or incentive pay. Elimination of bonuses and holdbacks where they apply to unionized staff is a bargaining issue and not within the scope of this policy.

Perquisites and Allowances

Where present, perquisite allowances and other perquisites will be discontinued for new employees or newly promoted employees. For existing employees, they will be eliminated as quickly as possible within the bounds of employment law. A plan for their removal is to be provided to PSEC Secretariat by January 1, 2013.

Transportation allowances are permitted where justified and will follow government rates and terms which may be found at

http://www.bcpublicserviceagency.gov.bc.ca/policy/Schedule/schedule_6.htm

Expense Reimbursement

Out of pocket expenses will be reimbursed at government rates for equivalent staff and by applying government policies. Where government rates and policy are not now employed, an implementation plan is required to PSEC Secretariat by January 1, 2013.

http://www.bcpublicserviceagency.gov.bc.ca/policy/terms_conditions/Part_06.htm

Salary Compression

If executives reporting to a CEO earn more than 85% of the CEO's total compensation, a plan to eliminate the compression will be developed in consultation with PSEC Secretariat for approval by the Minister responsible for the *Act*. This may entail red-circling existing compensation levels and addressing the compression through attrition. Plans should be provided to PSEC Secretariat by January 1, 2013.

Organizational Design

Crown corporations will restrict the number of organizational layers to six unless an exception is approved by the Minister responsible for the *Public Sector Employers Act*. Organization charts will be requested by PSEC Secretariat as part of the annual executive compensation disclosure process. Where more than six layers are currently present, an implementation plan is to be sent to PSEC Secretariat by January 1, 2013.

Vice-presidents and vice-president equivalents are to be in a direct reporting relationship to the CEO and will not exceed seven without approval of the Minister responsible for the *Act*. Where this is not currently the case, implementation plans to reach this level or requests for exceptions will require approval from the Minister responsible for the *Act*. Implementation plans are required by January 1, 2013 and should be sent to PSEC Secretariat.

COMPLIANCE

This policy supports a more consistent and rigorous approach to executive compensation in Crown corporations, consistent with the values of government. Where issues arise in specific circumstances that are not addressed by this policy, the Crown corporation will work with PSEC Secretariat to resolve those issues within the policy's intent.

The *Public Sector Employers Act* has a number of enforcement provisions including:

- Any compensation that is paid to an employee in excess of an approved compensation plan is a debt payable to government. This includes, for example, salary increases in excess of a compensation plan approved by the Minister responsible for the *Act*, or compensation paid under a compensation plan that has not been approved by the Minister. Severance payments that are in excess of the *Act* are also a debt payable to government.
- The *Act* provides public sector employers with one year to recoup payments made to employees that are in contravention of the *Act*.
- Any provision of a contract of employment that states that all or part of the contract is confidential is void under the *Act*.

THIS IS **EXHIBIT "B"** TO THE
AFFIDAVIT OF **SANDY AUSTIN**
SWORN BEFORE ME AT KAMLOOPS, BC
ON THE 9th DAY OF SEPTEMBER, 2021.



A Commissioner/Notary Public for the
Province of British Columbia.



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

Corporate Record.
BoD mtg
10 Dec 2012
In-camera session

Board Meeting – 10 December 2012

08. In-camera Session - Executive Compensation Compliance Proposal

Introduction

On behalf of the BCLC Board of Directors, the following plan is submitted in response to the Government's compensation policy change of July 2012. The policy makes six (6) specific recommendations: Salary/Holdbacks/Bonus for Senior Executive, Bonuses for other non-union employees, Perquisites, Organizational Layers, Number of Direct Reports to CEO and Salary Compression. We accept the intent of all policy changes, and are either in compliance or submitting a proposal for an implementation plan to comply with five (5) of the six (6) policy changes. BCLC is seeking an exception to the policy changes namely, "Bonus/Holdback for Other Employees".

Scope and Definition of Executive

"Executive" in this context refers to those executives who hold a VP title, serve on the Executive Committee, have responsibility for setting the strategic policy and direction for BCLC and report directly to the CEO or who are vice-presidents, whether or not they report to the CEO.

BCLC currently has 10 Vice Presidents who are defined as Executives.

Section I. Base Salary and Salary Compression – Executive

- Effective August 13, 2012 BCLC implemented a salary freeze to executive base salary and variable incentive plans in order to comply with the changes to the public sector executive compensation policy. The immediate salary freeze was communicated to all executive together with a statement of intent to transition from the current Variable Incentive Plan to a Holdback Incentive at the end of current fiscal year (April 1, 2013).
- Based on the fiscal year 2011/12 compensation, 8 out of 10 BCLC current executives are above the \$250k threshold. BCLC intends to leave unchanged compensation for current executive above \$250K, however, effective immediately, for any 'new' or 'newly promoted executive' we will consult with PSEC Secretariat to develop executive offers where current incumbent's total compensation exceeds \$250k to ensure compliance with Executive Compensation Policy (July 2012).
- There are currently no compression issues between the CEO and the Executive. BCLC will regularly monitor this issue to ensure that we remain in compliance.
- As the Holdback Incentive is implemented, the base salary will be adjusted to reflect the Holdback Incentive Model. See Appendix I.

Section III. Perquisite Allowances

Current State

In 2008, BCLC removed the PHH card (which covers operating maintenance and fuel costs) from Vice Presidents and eligible Directors. An adjustment to the existing allowance was made to ensure there is no loss to the employees impacted.

A generic perquisite allowance of \$12,000 per annum is currently provided for all 10 Executives.

Recommendation

Effective January 1, 2013 BCLC Perquisite Allowance will be phased out. All Executives will be transitioned off of the Perquisite Allowance Program and be served an 18 month notice.

During the noticed period BCLC will be evaluating the travel requirement for each executive on a case by case basis to determine the need for a transportation allowance. The requirement for a transportation allowance will be determined based on operational need and nature of travel that is required for the position.

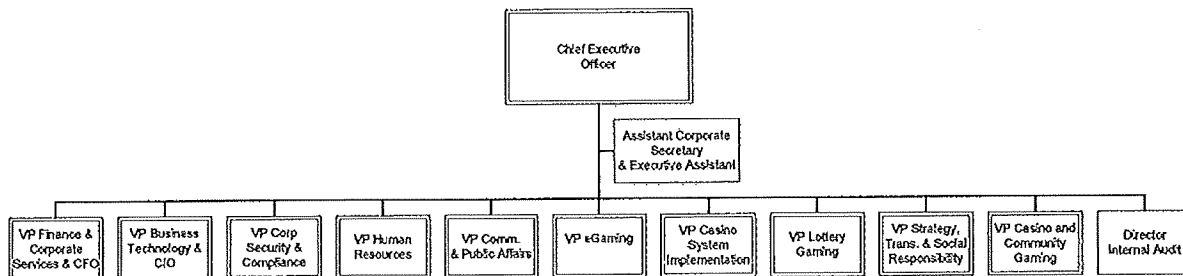
Name	Position	Length (months)	Notice Period	
			Start	End
Marsha Walden	VP, Strategy, Transformation and Social Responsibility	18.00	Jan 1, 2013	Jun 30, 2014
Tom Williamson	Chief Financial Officer	18.00	Jan 1, 2013	Jun 30, 2014
Lynette Hughes	Chief Information Officer	18.00	Jan 1, 2013	Jun 30, 2014
Peter Charlton	VP, Human Resources	18.00	Jan 1, 2013	Jun 30, 2014
Rhonda Garvey	VP, eGaming	18.00	Jan 1, 2013	Jun 30, 2014
Susan Dolinski	Vice President, Communications and Public Affairs	18.00	Jan 1, 2013	Jun 30, 2014
Kevin Gass	VP, Lottery Gaming	18.00	Jan 1, 2013	Jun 30, 2014
Jim Lightbody	VP, Casino & Community Gaming	18.00	Jan 1, 2013	Jun 30, 2014
Terry Towns	VP, Corporate Security and Compliance	18.00	Jan 1, 2013	Jun 30, 2014
Darryl Schiwe	VP, Casino Systems Implementation *	18.00	Jan 1, 2013	Jun 30, 2014

* Position will be eliminated on April 1, 2013

Section IV. Organizational Design – CEO Direct Reports

The CEO currently has 12 direct reports – 10 Executives (Vice Presidents) representing each major business unit within BCLC, 1 Director of Internal Audit and 1 Administrative staff.

Table 1 – CEO DIRECT REPORTS (CURRENT)



Over the past 5 years, the number of Executives reporting to the CEO has grown from 8 Executive reports to 10. The organization has grown 29% in the same period of time.

While the number of CEO direct reports has been relatively consistent, the roles and responsibilities of the business units have changed as a result of the natural evolution of the organization. In the current structure of 10 direct executive reports, the CEO has direct oversight into both revenue and non-revenue generating lines of business.

Recommendation

As of April 1, 2013, a reduction in the number of 'executive' direct reports to the CEO from 10 to 9 will occur with the upcoming retirement of "VP Casino System Implementation". BCLC is in year two (2) of a multi-year project to modernize, transform and replace our infrastructure and gaming system, upon completion of this project a further reduction in number of 'executive' direct reports to the CEO might be possible.

Lastly, BCLC will continue to work with the CEO and with the PSEC Secretariat over the next 18 months in order to develop and implement a further reduction in number of 'executive' direct reports to that allows the CEO to have direct oversight over \$2 billion in revenue as well as direct strategic oversight into all functional areas of the business.

Section II. Holdback Plan – Executive

Current Executive

Executive will continue to receive Variable Incentive under the current plan for the remainder for fiscal year 2012/13. Under the current Variable Incentive Plan, all VPs are entitled to receive variable pay with an opportunity to earn additional compensation up to a maximum amount. The range for variable incentive for senior executive is 0% - 30% of base salary with a target of 20%. Variable Incentive is currently considered pensionable income.

There is currently no guarantee of any set amount of variable incentive, however, executive of BCLC have received regular payments each year. Variable Incentive Plan is a two tier plan based on achievement of individual objectives (40% - determined between the Executive and the CEO based on organizational priorities and corporate objectives (60%). Payment of variable incentive is determined on the basis of certain financial criteria ("Net Win", "Net Income before Taxes") derived from the Shareholder Letter of Expectation and established each year by BCLC Board of Directors in discussion with the Minister responsible. The incentive plan is not active until BCLC meets the financial "trigger" which is typically Net Income before Taxes. For the past two fiscal years the financial "trigger" has been set at 95% of budget.

Transition Plan

FY2012/13 – Executives to remain on the current Variable Incentive Plan

FY2013/14 – Executives are moved to the Holdback Incentive

For fiscal year 2013/14, the Executive will be transitioned to the Holdback Plan. The holdback percentage will be 15% which will maintain overall compensation relatively whole.

Details on individual Executive Holdback calculation are included in Appendix I – Executive Holdback Calculation. The methodology used to calculate the Holdback Incentive is as follows:

$$\begin{array}{r}
 \text{Current Base Salary} \\
 + \text{ Avg. Incentive (4 years)} \\
 \hline
 \text{New Base Salary} \\
 \times \text{ 15\% - Holdback \%} \\
 \hline
 \hline
 \text{Holdback Incentive}
 \end{array}$$

The Holdback Incentive will continue to be pensionable income for existing Executives.

New or Newly Promoted Executive

New or Newly Promoted Executives will be eligible for the Holdback Incentive set at 10% maximum and the incentive will be non-pensionable income.

Holdback Performance Criteria

For fiscal 2013/14, the holdback performance objectives for Executives will be determined by the "Corporate Incentive Trigger" and "Corporate Objectives" (weighting 100%). Metrics for both the Corporate Incentive Trigger and the Corporate Objectives are selected from the Shareholders Letter of Expectation (Annual Service Plan) and is reviewed and approved by the Board of Directors in consultation with the Minister.

Section V. Organizational Design – Organizational Layers

Current State

BCLC delivers more than \$1 billion to the province and its operation is organized in 11 business divisions, each contributing an area of specialization and expertise to the organization.

- | | |
|------------------------------------|---|
| 1. Finance and Corporate Services | 7. Casino System Implementation |
| 2. Business Technology | 8. Lottery Gaming |
| 3. Corporate Security & Compliance | 9. Strategy, Transformation and Social Responsibility |
| 4. Human Resources | 10. Casino and Community Gaming |
| 5. Communications & Public Affairs | 11. Internal Audit |
| 6. eGaming | |

Divisions with regional or field based operations are:

1. Corporate Security & Compliance
2. Lottery Gaming
3. Casino and Community Gaming
4. Strategy, Transformation and Social Responsibility

The number of reporting layers varies by division and the function within each division.

Division	Headcount	Number of Org. layers	Org. Layer Compliance?
Casino and Community Gaming	201	7	No
Lottery Gaming	131	7	No
Strategy, Transformation and Social Responsibility	89	7	No
Business Technology	179	6	Yes
Finance and Corporate Services	114	6	Yes
Corporate Security & Compliance	84	6	Yes
Human Resources	34	5	Yes
eGaming	31	5	Yes
Communications & Public Affairs	28	5	Yes
Internal Audit	10	4	Yes
Casino System Implementation	6	4	Yes

Recommendation

For divisions with regional operations (Casino and Community Gaming, Lottery Gaming, and Strategy, Transformation and Social Responsibility) that are not in compliance, it is recommended that an additional layer is granted to allow for the appropriate management of the distributed professional workforce.

Section VI. Holdback Plan – Employee

Current State

BCLC is a commercial crown and to that extent its mandate is to conduct and manage gambling in a socially responsible manner for the benefit of British Columbians. In fiscal 2011/12, BCLC generated over \$1.1 billion in income for government. BCLC is a totally self-funding organization and receives no operating subsidies from government. BCLC has over 900 employees all of whom are non-unionized.

BCLC Variable Incentive Pay Program which extends to all employees is designed to link directly link employee performance to pay, ensuring that accountability cascades down through the organization from the CEO to front line employees. It also helps shift organizational cost structure from fixed to variable ("pay at risk") Payment of variable incentive is determined on the basis of certain financial triggers ("Net Win", "Net Income") derived from the Shareholder Letter of Expectation and established each year by BCLC Board of Directors in discussion with the Minister responsible.

The potential incentive earned (as a percentage of base salary) for non-executives varies based on organizational level with the target incentive ranging from 5% to 15% of base salary.

Organizational Level	Salary Range	Headcount	Incentive Range		
			Min	Target	Max
Administrative / Support	1 - 3	126	0.00%	5.00%	7.50%
Professional	4 - 6	621	0.00%	7.50%	11.25%
Manager	7	105	0.00%	10.00%	15.00%
Senior Manager	8	18	0.00%	15.00%	22.50%
Director	9	32	0.00%	15.00%	22.50%

Incentive pay is considered as pensionable income for all current BCLC employees.

Phasing out or elimination of Variable Incentive pay for 'non-executive' employees would be a unilateral change to an individual contract of employment and in a majority of cases, that unilateral change would constitute a fundamental breach of contract, which would amount to a constructive dismissal of employee with the resultant liability. While implementing ameliorating measures, BCLC could significantly reduce its exposure to liability, implementing such measures will prove to be onerous on BCLC. Each employee's working notice period will be different. If BCLC decides not to alter the variable incentive structure for existing non-executive employees, and elects to phase out bonuses through attrition or promotion, BCLC will eventually meet the goals of eliminating bonuses for employees. Unfortunately, this process will take a long time and create additional accounting and human resources issues over an extended period. Finally, there are other practical reasons such as harm to employee morale and productivity, departure of valuable employees, reduction in employee engagement, lack of internal equity, significant recruitment challenges and incentive to organize for union certification.

Due to legal and practical challenges posed by eliminating variable compensation for 'non-executive' employees, BCLC is requesting an exemption from this clause of the policy.

Recommendation / Transition Plan

FY2012/13 – Employees to remain on the current Variable Incentive Plan

FY2013/14 – Variable Incentive to be eliminated for clerical and administrative staff and all other management and professional staff will be transitioned to a Holdback Incentive

BCLC recruiting trends for the past three (3) years indicate that 84% of our external hires were recruited from the private sector with technology or technology related roles accounting for more than 40% of those hires. Industry standard for cash compensation for private sector, especially in the technology sector is base salary and a variable incentive component.

The following plan is in accordance with industry standards and will help avoid significant recruitment and retention challenges for BCLC.

Administrative and Support Staff

- Effective April 1, 2013, no longer eligible for the variable incentive.
- The average 4 year incentive payout will be added to the current base salary. Where an employee currently does not have 4 years of incentive history, the actual corporate objectives achievement and 100% achievement of individual objectives will be assumed to determine the increase to base salary.
- Increase to salary range in order to accommodate proportionate increases in base salary.

Professional / Manager / Senior Manager / Director

- Effective April 1, 2013, transition to Holdback Incentive
- The average 4 year incentive payout will be added to the current base salary. Where an employee does not current have 4 years of incentive history, the actual corporate objectives achievement and 100% achievement of individual objectives will be assumed to determine the increase to base salary.
- The potential holdback incentive for non-executive employees will continue to be based on organization level and will be set at:
 - Directors: 10%
 - Managers & Professionals: 5%
- For current employees holdback incentive will remain pensionable income. For new employees the holdback incentive will be non-pensionable income.
- Holdback performance criteria will remain unchanged for non-executive employees
- Increase to salary range in order to accommodate proportionate increases in base salary.

Appendix I – Executive Adjusted Salary

Name	Position	Base Salary	Average Incentive 4 years	Total Base Salary	Hibback		Guaranteed Base Salary
					Percentage	Amount	
Jim Lightbody	Vice President, Casino & Community Gaming	\$225,666	\$36,818	\$262,484	15%	\$39,373	\$223,111
Darryl Schiewe	Vice President, Casino System Implementation	\$213,117	\$28,884	\$242,001	15%	\$36,300	\$205,701
Kevin Gass	Vice President, Lottery Gaming	\$213,129	\$36,238	\$249,367	15%	\$37,405	\$211,962
Marsha Walden	Vice President, Strategy, Transformation and Social Responsibility	\$213,476	\$33,273	\$246,749	15%	\$37,012	\$209,737
Lynette Hughes	Vice President, Chief Information Officer	\$202,800	\$30,866	\$233,666	15%	\$35,053	\$198,633
Rhonda Garvey	Vice President, eGaming	\$186,375	\$31,497	\$217,872	15%	\$32,681	\$185,191
Peter Charlton	Vice President, Human Resources	\$190,550	\$36,138	\$226,688	15%	\$34,003	\$192,685
Susan Dolinski	Vice President, Communications & Public Affairs	\$170,000	\$29,410	\$199,410	15%	\$29,912	\$169,499

Average 4 year Incentive Calculation

Name	FY08/09			FY09/10			FY10/11			Average					
	Target	Achievement	Payout \$	Target	Achievement	Payout \$	Target	Achievement	Payout \$						
Jim Lightbody	20%	98.50%	\$38,772	20%	75.35%	\$30,840	20%	85.00%	\$35,808	20%	94.65%	\$41,850	20%	88.38%	\$36,818
Darryl Schiewe	20%	92.25%	\$32,117	20%	60.35%	\$22,588	20%	73.75%	\$29,653	20%	74.65%	\$31,177	20%	75.25%	\$28,684
Kevin Gass	20%	92.25%	\$33,203	20%	87.85%	\$33,195	20%	85.00%	\$33,810	20%	107.15%	\$44,745	20%	93.06%	\$36,238
Marsha Walden	20%	91.00%	\$32,981	20%	85.35%	\$32,166	20%	85.00%	\$33,220	20%	84.65%	\$34,726	20%	86.50%	\$33,273
Lynette Hughes	20%	101.00%	\$31,334	20%	82.85%	\$27,514	20%	80.00%	\$27,843	20%	94.65%	\$36,853	20%	89.62%	\$30,886
Rhonda Garvey	20%	101.00%	\$35,350	20%	85.33%	\$29,867	20%	95.00%	\$33,250	20%	81.65%	\$27,521	20%	90.75%	\$31,497
Peter Charlton	20%	106.00%	\$39,220	20%	91.60%	\$33,892	20%	95.19%	\$35,222	20%	99.65%	\$36,218	20%	98.11%	\$36,138
Susan Dolinski	20%	86.00%	\$29,240	20%	89.13%	\$30,305	20%	83.73%	\$28,469	20%	87.13%	\$29,625	20%	86.50%	\$29,410

Appendix II – Performance Criteria – Executive

Achievement of the Holdback Incentive will be determined based on a Corporate Financial Trigger and Corporate Financial Performance.

Corporate Financial Trigger

- BCLC must, at minimum, meet the threshold for 'Net Income before Taxes' in order to trigger the Holdback Incentive.
- The threshold is determined from the Service Plan and based on Government agreed Net Income Sensitivity Projections and Risk Factors.
- Not meeting this threshold level would result in no incentive payment to any employee.
- Once the threshold is met, the Holdback Incentive is active and the corporate and individual goal achievements are then calculated.

Corporate Performance Objectives

- Corporate Performance Objectives are weighted at 100%.
- Corporate Performance Objectives are set based on metrics selected from the approved Shareholder Letter of Expectations (Annual Service Plan) and are intended to align work teams throughout BCLC with the annual business plans.
- Each goal must have a minimum weighting of 10 percent.
- The Net Income before Tax and Net Win published in BCLC's Service Plan, are the target corporate financial goals. The performance levels for these goals are based on the Government agreed Net Income Sensitivity Projections and Risk Factors.
- The level of achievement is rated the same for all employees.

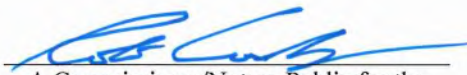
**Resolution of the Human Resources and Compensation Committee
of British Columbia Lottery Corporation**

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.

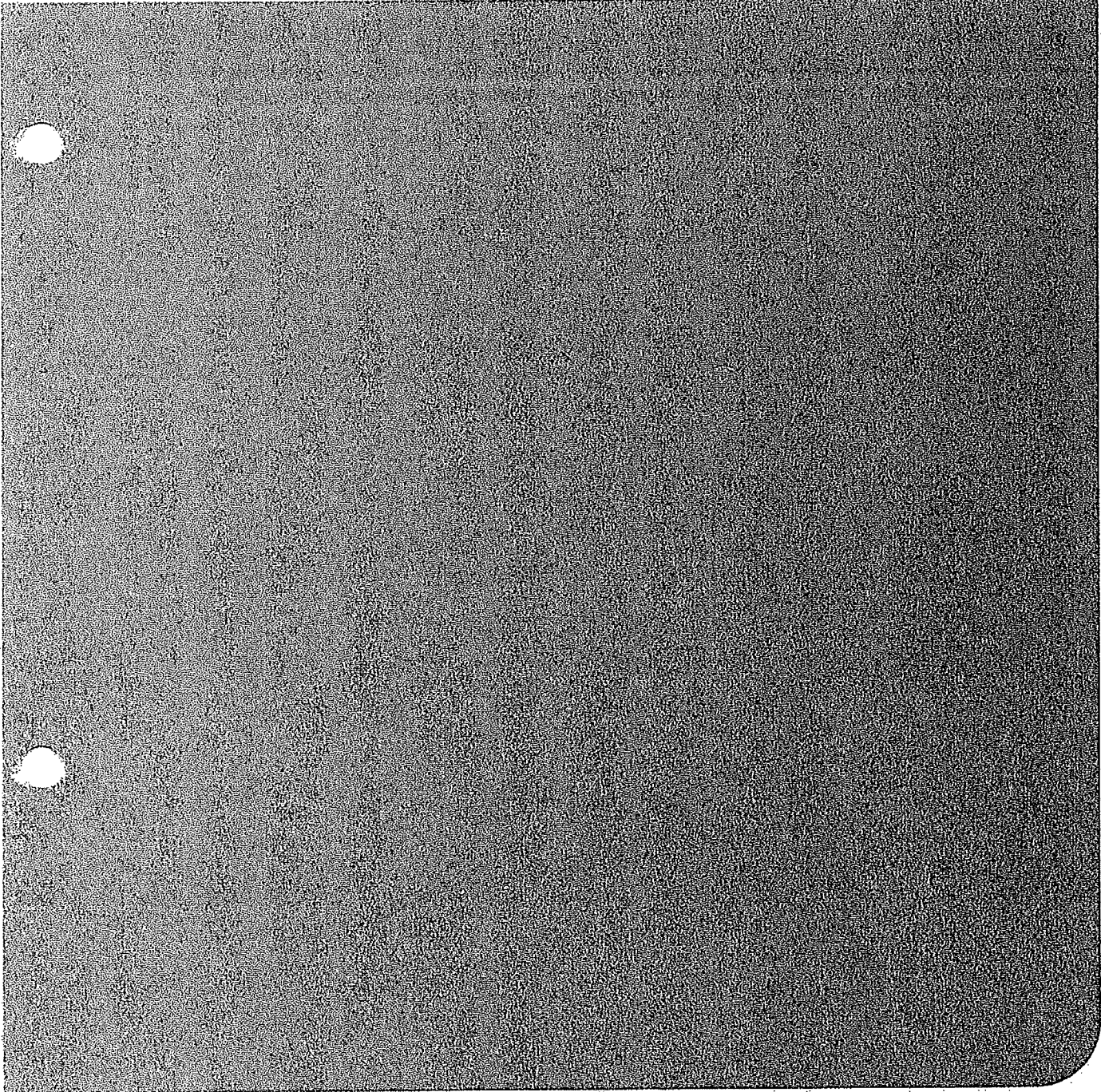
NOW THEREFORE be it resolved that:

- 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.*

THIS IS **EXHIBIT "C"** TO THE
AFFIDAVIT OF **SANDY AUSTIN**
SWORN BEFORE ME AT KAMLOOPS, BC
ON THE 9th DAY OF SEPTEMBER, 2021.

A handwritten signature in blue ink, appearing to be 'C. C. C.', written over a horizontal line.

A Commissioner/Notary Public for the
Province of British Columbia.



**British Columbia Lottery Corporation
Compensation Plan Submission**

Draft 3 – updated January 25, 2013.

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Board of Directors Resolution

The following Compensation Plan proposal was presented to BCLC's Board of Directors and subsequently reviewed and approved for submission to PSEC on December 10, 2012.

The Board of Directors Resolution is as follows:

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.*

About BCLC

BCLC is a Crown corporation governed by B.C.'s Gaming Control Act. The mission is to conduct and manage gambling in a socially responsible way for the benefit of British Columbians through:

- National and provincial lotteries
- Casino gambling
- Commercial bingo
- Online gambling

BCLC is a totally self-funding organization and receives no operating subsidies from government. In fiscal year 2011/12, BCLC achieved a record net income of \$1.1 billion, exceeding our target for the year by \$2.4 million and exceeding last year's net income by \$1.7 million.

Most BCLC products are sold by private-sector service contractors through more than 4,000 lottery outlets, 17 casinos, 17 community gaming centres and 10 bingo centres. Secure, regulated online gambling is offered on PlayNow.com. BCLC employs about 900 corporate staff with more than 37,000 direct and indirect workers employed in B.C. in gambling operations, government agencies, charities and support services.

BCLC recruits majority of its employees primarily from a niche labour market in the private-sector (over 84% of hires are in technology related fields). As such BCLC's cash compensation (base salaries and bonus) structure conforms to market practise in similar organizations in private sector.

Scope and Definition of Executive

"Executive" in this context refers to those executives who hold a VP title, serve on the Executive Committee, have responsibility for setting the strategic policy and direction for BCLC and report directly to the CEO or who are vice-presidents, whether or not they report to the CEO.

BCLC currently has 10 Vice Presidents who are defined as Executives.

was frozen on study

Section I. Base Salary and Salary Compression – Executive

Effective August 13, 2012 BCLC implemented a salary freeze to executive base salary and variable incentive plans in order to comply with the changes to the public sector executive compensation policy. The immediate salary freeze was communicated to all executive together with a statement of intent to transition from the current Variable Incentive Plan to a Holdback Incentive.

Based on the fiscal year 2011/12 compensation, 8 out of 10 BCLC current executives are above the \$250k threshold. BCLC intends to leave unchanged compensation for current executive above \$250K, however, effective immediately, for any 'new' or 'newly promoted executive' we will consult with PSEC Secretariat to develop executive offers where current incumbent's total compensation exceeds \$250k to ensure compliance with Executive Compensation Policy (July 2012).

There are currently no compression issues between the CEO and the Executive. BCLC will regularly monitor this issue to ensure compliance.

When the holdback incentive is implemented, the base salary will be adjusted to reflect the holdback incentive model. An example of the impact is outline in Appendix I and reflects the current executive group based on compensation as of April 1, 2012.

Section II. Holdback Plan – Executive

CURRENT EXECUTIVE

Executive will continue to receive variable incentive under the current plan for the remainder for fiscal years 2012/13 (April 1, 2012 – March 31, 2013) and 2013/14 (April 1, 2013 – March 31, 2014).

Under the current variable incentive plan, all executives are entitled to receive variable pay with an opportunity to earn additional compensation up to a maximum amount. The range for variable incentive for senior executive is 0% - 30% of base salary with a target of 20%. Variable incentive is currently considered pensionable income.

There is currently no guarantee of any set amount of variable incentive, however, executive of BCLC have received regular payments each year. The variable incentive is a two tier plan based on achievement of individual objectives (40%) - determined between the Executive and the CEO based on organizational priorities and corporate objectives (60%). Payment of variable incentive is determined on the basis of certain financial criteria ("Net Win", "Net Income before Taxes") derived from the Shareholder Letter of Expectation and established each year by BCLC Board of Directors in discussion with the Minister responsible. The incentive plan is not active until BCLC meets the financial "trigger" which is typically Net Income before Taxes. For the past two fiscal years the financial "trigger" has been set at 95% of budget.

TRANSITION PLAN

Fiscal Year	Action
FY2012/13 April 1, 2012 – March 31, 2013	- Current executive to remain on the current variable incentive plan.
FY2013/14 April 1, 2013 – March 31, 2014	- Current executives to remain on the current variable incentive plan. - New Executives will use a 10% holdback incentive.
FY2014/15 April 1, 2014 – March 31, 2015	- Current executives to transition to the holdback incentive at 15%.

Details on individual Executive Holdback calculation using current data are included in Appendix I – Executive Holdback Calculation. The methodology used to calculate the Holdback Incentive for current Executives is as follows:

$$\begin{array}{r} \text{Current Base Salary} \\ + \text{Avg. Incentive (4 years)} \\ \hline \text{New Base Salary} \\ \times 15\% - \text{Holdback \%} \\ \hline \text{Holdback Incentive} \end{array}$$

Variable incentive and holdback incentive will continue to be pensionable income for current executives.

NEW OR NEWLY PROMOTED EXECUTIVE

New or Newly Promoted Executives will be eligible for the Holdback Incentive set at 10% maximum and the incentive will be non-pensionable income.

HOLDBACK PERFORMANCE CRITERIA

The holdback performance objectives for Executives will be determined by the "Corporate Incentive Trigger" and "Corporate Objectives" (weighting 100%). Metrics for both the Corporate Incentive Trigger and the Corporate Objectives are selected from the Shareholders Letter of Expectation (Annual Service Plan) and is reviewed and approved by the Board of Directors in consultation with the Minister.

Section III. Perquisite Allowances

CURRENT STATE

In 2008, BCLC removed the vehicle expense card (which covers operating, maintenance and fuel costs) from Vice Presidents and eligible Directors. An adjustment to the existing allowance was made to ensure there is no loss to the employees impacted. A generic perquisite allowance of \$12,000 per annum is currently provided for all 10 Executives.

RECOMMENDATION

Effective January 1, 2013 BCLC Perquisite Allowance will be phased out. All Executives will be transitioned off of the Perquisite Allowance Program and be served an 18 month notice.

During the noticed period BCLC will be evaluating the travel requirement for each executive on a case by case basis to determine the need for a transportation allowance. The requirement for a transportation allowance will be determined based on operational need and nature of travel that is required for the position.

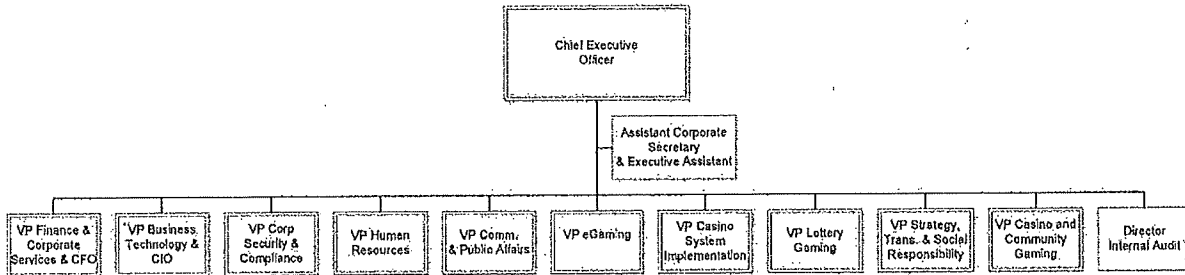
Name	Position	Length (months)	Notice Period		Amount paid during notice period
			Start	End	
Marsha Walden	VP, Strategy, Transformation and Social Responsibility	18	Jan 1, 2013	Jun 30, 2014	\$18,000
Tom Williamson	Chief Financial Officer	18	Jan 1, 2013	Jun 30, 2014	\$18,000
Lynette Hughes	Chief Information Officer	18	Jan 1, 2013	Jun 30, 2014	\$18,000
Peter Charlton	VP, Human Resources	18	Jan 1, 2013	Jun 30, 2014	\$18,000
Rhonda Garvey	VP, eGaming	18	Jan 1, 2013	Jun 30, 2014	\$18,000
Susan Dolinski	Vice President, Communications and Public Affairs	18	Jan 1, 2013	Jun 30, 2014	\$18,000
Kevin Gass	VP, Lottery Gaming	18	Jan 1, 2013	Jun 30, 2014	\$18,000
Jim Lightbody	VP, Casino & Community Gaming	18	Jan 1, 2013	Jun 30, 2014	\$18,000
Terry Towns	VP, Corporate Security and Compliance	18	Jan 1, 2013	Jun 30, 2014	\$18,000
Darryl Schiawa	VP, Casino Systems Implementation *	18	Jan 1, 2013	Jun 30, 2014	\$18,000

*Position will be eliminated on April 1, 2013

Section IV. Organizational Design – CEO Direct Reports

CURRENT STATE

The CEO currently has 12 direct reports – 10 Executives (Vice Presidents) representing each major business unit within BCLC, 1 Director of Internal Audit and 1 Administrative staff.



Over the past 5 years, the number of Executives reporting to the CEO has grown from 8 Executive reports to 10. The organization has grown 29% in the same period of time.

While the number of CEO direct reports has been relatively consistent, the roles and responsibilities of the business units have changed as a result of the natural evolution of the organization. In the current structure of 10 direct executive reports, the CEO has direct oversight into both revenue and non-revenue generating lines of business.

RECOMMENDATION

BCLC intends to reduce the number CEO direct reports in order to be in compliance with the Government mandate over the next 18 months.

- As of April 1, 2013, a reduction in the number of 'executive' direct reports to the CEO from 10 to 9 will occur with the retirement of "VP Casino System Implementation" – the position will not be replaced.
- BCLC intends a further reduction in the number of executives reporting to the CEO over next 18 to 24 month period. The reductions will likely come from the following two areas:
 1. BCLC is in year two (2) of a multi-year business transformation initiative, the objective of this initiative is to examine our operating models and business processes in order to improve the bottom line performance. Upon completion of this initiative a further reduction of one VP position to the CEO is feasible.
 2. The public relations and communications function is responsible for BCLC's government relations, media relations, public affairs and internal communications. Executive expertise and oversight into these areas is required especially in the guidance of BCLC's strategic communications as the organization looks to expand revenue streams through online channels as well as through new casino facilities. The public relations function is critical to BCLC's relationship with the public as well as within the communities where we currently operate and in communities where we wish to operate. BCLC social license is key to our growth but once these growth opportunities are realized there will be an additional opportunity to reorganize and reduce the number 'executive' direct reports to the CEO.

Section V. Organizational Design – Organizational Layers

CURRENT STATE

BCLC delivers more than \$1 billion to the province and its operation is organized in 11 business divisions, each contributing an area of specialization and expertise to the organization,

- | | |
|------------------------------------|---|
| 1. Finance and Corporate Services | 7. Casino System Implementation |
| 2. Business Technology | 8. Lottery Gaming |
| 3. Corporate Security & Compliance | 9. Strategy, Transformation and Social Responsibility |
| 4. Human Resources | 10. Casino and Community Gaming |
| 5. Communications & Public Affairs | 11. Internal Audit |
| 6. eGaming | |

Divisions with regional or field based operations are:

1. Corporate Security & Compliance
2. Lottery Gaming
3. Casino and Community Gaming
4. Strategy, Transformation and Social Responsibility

The number of reporting layers varies by division and the function within each division.

Division	Headcount	Number of Org. Layers	Org. Layer Compliance?
Casino and Community Gaming	201	7	No
Lottery Gaming	131	7	No
Strategy, Transformation and Social Responsibility	89	7	No
Business Technology	179	6	Yes
Finance and Corporate Services	114	6	Yes
Corporate Security & Compliance	84	6	Yes
Human Resources	34	5	Yes
eGaming	31	5	Yes
Communications & Public Affairs	28	5	Yes
Internal Audit	10	4	Yes
Casino System Implementation	6	4	Yes

RECOMMENDATION

There are currently four divisions that are operating with regional/field based structures. The requirement is due to the need to oversee field based operations with employees deployed throughout the province.

For divisions with regional operations (Casino and Community Gaming, Lottery Gaming, and Strategy, Transformation and Social Responsibility) that are not in compliance, BCLC is requesting an exemption to allow for an additional (total 7) reporting layers to ensure continuity of operations.

Section VI. Holdback Plan – Employee

CURRENT STATE

BCLC Variable Incentive Pay Program which extends to all (900+) employees is designed to link directly link employee performance to pay, ensuring that accountability cascades down through the organization from the CEO to front line employees. BCLC variable incentive plan has been very effective in reinforcing our most important objectives and has helped promote a sense of accountability and diminish an entitlement mentality. Finally, It also helps shift organizational cost structure from fixed to variable ("pay at risk") payment of variable incentive is determined on the basis of certain financial triggers ("Net Win", "Net Income") derived from the Shareholder Letter of Expectation and established each year by BCLC Board of Directors in discussion with the Minister responsible.

The potential incentive earned (as a percentage of base salary) for non-executives varies based on organizational level with the target incentive ranging from 5% to 15% of base salary.

Organizational Level	Salary Range	Headcount	Incentive Range		
			Min	Target	Max
Administrative / Support	1 - 3	126	0.00%	5.00%	7.50%
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Manager	7	105	0.00%	10.00%	15.00%
Senior Manager	8	18	0.00%	15.00%	22.50%
Director	9	32	0.00%	15.00%	22.50%

Incentive pay is considered as pensionable income for all current BCLC employees.

VARIABLE INCENTIVE PLAN FOR EXISTING EMPLOYEES

One option available to BCLC is to not alter the variable incentive plan for existing non-executive employees and elect to phase out the variable incentive plan through attrition and/or promotion. This would allow BCLC to eventually meet the goal of eliminating incentives for all non-executive employees. Unfortunately, this process will take place over a protracted period of time and will create additional accounting and human resources issues during the phasing out period. One particular difficulty will be that during the phasing out period, there will be uneven application of compensation across BCLC.

If BCLC does not opt for the above option the alternative is for BCLC to eliminate incentives to existing non-executive employees by implementing a phased approach. However, phasing out or elimination of variable incentive pay for 'non-executive' employees would be a unilateral change to an individual contract of employment and in a majority of cases, that unilateral change would constitute a fundamental breach of contract, which would amount to a constructive dismissal of employee with the resultant liability. While implementing ameliorating measures, BCLC could significantly reduce its exposure to liability, implementing such measures will prove to be onerous on BCLC. For example, BCLC could take a conservative approach and give all employees 24 month notice (upper limit for reasonable notice) or assess the relevant factors for each employee and provide a different notice period for each employee. This would require significant legal analysis and presents obvious practical problems, and would not eliminate legal liability.

Another significant challenge posed by elimination of variable incentive plan is in our ability to attract and retain employees from our niche labour market. BCLC recruiting trends for the past three (3) years indicate that 84% of our external hires were recruited from the private sector with technology or

Section VII. Expense Reimbursement

CURRENT STATE

BCLC does not differentiate between levels of the organization for expense reimbursements and as such all employees are eligible for the same expense reimbursement criteria.

All out of pocket business related expenses are reimbursed to the employees in accordance with the applicable policy. Expenses must be deemed reasonable and appropriate and requires proper documentation and manager approval prior to the reimbursement.

An analysis of BCLC's expense reimbursement against Government's Allowances and reimbursable expenses policy¹ indicates that while there are variations in the two expense reimbursement policies, overall BCLC meets or exceeds the policy standards – see Appendix III – Expense Policy Analysis.

MEAL ALLOWANCE

When comparing BCLC's meal allowance against Government's meal allowances (Employee Group III), BCLC meal allowance rates are below that of Government in all areas except 2 (see table below). The amounts exceeding Government rates are not substantial.

	BCLC	Government	Difference
Breakfast Only	\$10.00	\$22.75	(\$12.75)
Lunch Only	\$15.00	\$22.75	(\$7.75)
Dinner Only	\$30.00	\$30.50	(\$0.50)
Incidental Allowance	\$12.25	\$12.25	\$0.00
Full Day	\$55.00	\$51.50	\$3.50
Half Day	n/a	\$25.75	
B&L Only	\$25.00	\$24.75	\$0.25
L&D Only	\$35.00	\$41.00	(\$6.00)
B&D Only	\$40.00	\$41.00	(\$1.00)
International travel – Meals	Actual expense Incurred	130% of Federal Government "meal total" – rate varies by location	
Out of Province Travel – meals	Actual expense Incurred if exceeds allowance rate	Meal allowance	
US Travel – Meals	Actual expense Incurred	Meal allowance in US currency	

Time Restrictions

For BCLC meal allowances must meet the following time criteria in order to be claimed. The Government does not have any time criteria in this regard.

- Breakfast - absent from place of residence before 7am
- Evening meal - not expected to return to place of residence before 7pm

Incidental Allowance

The Incidental Allowance is provided by BCLC can only be claimed for overnight travel and is intended to cover minor expenses, such as bottled water, hotel gratuities or telephone calls.

¹ http://www.bcpublicserviceagency.gov.bc.ca/policy/terms_conditions/Part_06.htm#travel

RECOMMENDATION

Overall, BCLC's expense reimbursements do not vary widely from Government policy and as such BCLC recommends continuing its expense reimbursement policies in the current form.

Appendix I – Executive Adjusted Salary

Name	Position	Base Salary	Average incentive 4 years	Total Base Salary	Holdback		Guaranteed Base Salary
					Percentage	Amount	
Jim Lightbody	Vice President, Casino & Community Gaming	\$225,666	\$36,818	\$262,484	15%	\$39,373	\$223,111
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Peter Charlton	Vice President, Human Resources	\$190,550	\$36,138	\$226,688	15%	\$34,003	\$192,685
Susan Dolinski	Vice President, Communications & Public Affairs	\$170,000	\$29,410	\$199,410	15%	\$29,912	\$169,499

AVERAGE 4 YEAR INCENTIVE CALCULATION

Name	FY09/10			FY10/11			FY11/12			Average					
	Target	Achievement	Payout \$	Target	Achievement	Payout \$	Target	Achievement	Payout \$						
Jim Lightbody	20%	98.50%	\$38,772	20%	75.35%	\$30,840	20%	85.00%	\$35,808	20%	94.65%	\$41,850	20%	88.38%	\$36,818
Darryl Schiewe	20%	92.25%	\$32,117	20%	60.35%	\$22,568	20%	73.75%	\$29,653	20%	74.65%	\$31,177	20%	75.25%	\$28,884
Kevin Gass	20%	92.25%	\$33,203	20%	87.85%	\$33,195	20%	85.00%	\$33,810	20%	107.15%	\$44,745	20%	93.06%	\$36,238
Marsha Walden	20%	91.00%	\$32,981	20%	85.35%	\$32,166	20%	85.00%	\$33,220	20%	84.65%	\$34,726	20%	86.50%	\$33,273
Lynette Hughes	20%	101.00%	\$31,334	20%	82.85%	\$27,514	20%	80.00%	\$27,843	20%	94.65%	\$36,853	20%	89.52%	\$30,886
Rhonda Garvey	20%	101.00%	\$35,350	20%	85.33%	\$29,867	20%	95.00%	\$33,250	20%	81.65%	\$27,521	20%	90.75%	\$31,497
Peter Charlton	20%	106.00%	\$39,220	20%	91.60%	\$33,892	20%	95.19%	\$35,222	20%	99.65%	\$36,218	20%	98.11%	\$36,138
Susan Dolinski	20%	85.00%	\$29,240	20%	89.13%	\$30,305	20%	83.73%	\$28,469	20%	87.13%	\$29,625	20%	86.50%	\$29,410

Appendix III – Expense Policy Analysis

Government	BCLC
Source:	Source:
28. General payment provisions: All employees / appointees except OIC category D	Employees are reimbursed for all approved out of pocket business and travel expenses incurred while employed by BCLC.
29. Board and Lodging Expenses: All employees/appointees except OIC category D	<i>All board and lodging expenses for all employees are covered under BCLC's Travel and Expense Standard.</i>
30. Child care expenses: All employees/appointees except statutory term, OIC category C (who are not employed in a minister's office) and category D	<i>BCLC does not currently offer the reimbursement of any child care expenses.</i>
31. Expenses where illness, injury or death occurs outside British Columbia while on the employer's business: All employees/appointees except statutory term	Expenses pertaining to illness, injury or death occurrences outside of British Columbia while on BCLC business is administered through WorkSafeBC and the employees' health benefits plan.
32. Isolation provisions: All employees/appointees except OIC category D	<i>BCLC does not currently offer any isolation provisions.</i>
33. Pre-retirement leave/allowance	<i>BCLC does not currently offer any pre-retirement leaves / allowances.</i>
34. Professional association membership fee reimbursement: Regular employees, OIC categories A and C 35. Professional accounting fee reimbursement: Regular management employees, OIC categories A and C 36. Professional association membership fee reimbursement: Legal counsel	Reimbursement of professional membership fees will be considered on a case-by-case basis, based upon whether the membership is considered to be a benefit to both BCLC and the employee. Determination of the eligibility of requests for reimbursement of professional membership fees is at the discretion of the employee's leader. Reimbursements are paid from the budget of the department in which the eligible employee works.
37. Reimbursement for necessary foreign travel document and medicals: All employees/appointees except statutory term and OIC category D	<i>BCLC does not currently offer reimbursement for foreign travel documents and medicals.</i>
38. Relocation expenses	BCLC does not have a formal relocation policy but does have guidelines when relocating new employees and existing employees.
39. Travel expenses: all employees/appointees	Travel expense reimbursement governed according to BCLC's Travel and Expense Policy.

THIS IS **EXHIBIT "D"** TO THE
AFFIDAVIT OF **SANDY AUSTIN**
SWORN BEFORE ME AT KAMLOOPS, BC
ON THE 9th DAY OF SEPTEMBER, 2021.



A Commissioner/Notary Public for the
Province of British Columbia.

Vincent, Tom PSEC:EX

From: Vincent, Tom PSEC:EX
Sent: Wednesday, February 6, 2013 6:11 PM
To: 'Wajida Leclerc'; 'Peter Charlton'
Cc: Howatson, Evan PSEC:EX; Wilson, Barbara A PSEC:EX
Subject: BCLC Executive and Excluded Compensation Transition Plan
Attachments: Compensation Plan - Submission 3 (January 25 2013) v3 (2).docx

I am writing to convey the decision of the Minister responsible for the *Public Sector Employers Act* with respect to the transition plan to move executive and excluded compensation at the BC Lottery Corporation into compliance with the July 2012 government policy on executive compensation.

The proposed plan provided by BCLC and attached to this email is approved with the following exception:

- The request for an exemption to the July policy to allow continued incentive pay below the executive level was approved but only for excluded staff in salary ranges 7, 8 and 9.

BCLC may implement the transition of staff in ranges 1 to 6 who currently receive incentive pay to straight salary EITHER when a new employee joins BCLC or an existing employee is promoted position is newly filled OR by providing 18 months notice to affected staff. BCLC is asked to inform PSEC Secretariat of its intention and implementation plan in this area.

Those staff who will retain incentive pay are to move to a holdback model in the manner described in the BCLC transition plan provided to the Minister and attached to this email. Please contact PSEC Secretariat to discuss the implementation timeline for this change before announcing or implementing it.

Retention of seven organizational layers in the Casino and Community Gaming Division; Lottery Gaming Division; and the Strategy, Transformation and Social Responsibility Division is approved.

The proposed plan for dealing with perquisites and perquisite allowances, executive holdbacks, treatment of incentive pay for pension purposes, expense reimbursement, and vehicle allowances is approved.

The Minister understands that an aspect of this approval is not precisely the outcome that the BC Lottery Corporation hoped to obtain and thanked the Board and BCLC staff for facilitating an informed decision on this matter.

I would be happy to discuss this with you at your convenience.

Tom Vincent
 Vice-President
 Public Sector Employers' Council

THIS IS **EXHIBIT "E"** TO THE
AFFIDAVIT OF **SANDY AUSTIN**
SWORN BEFORE ME AT KAMLOOPS, BC
ON THE 9th DAY OF SEPTEMBER, 2021.



A Commissioner/Notary Public for the
Province of British Columbia.

Bal Bamra

FY07/08

REGIONAL MANAGER

Weight	Goal	Results	Manager Comments
30%	Lead and inspire high performance and a strong sense of engagement in BCLC members. Lead and develop people in a way that my team members are clear on where we are going, what is expected, how they are doing and what help is available to them. Components - Organization - Division/Department* - Individual*	Quarter 1 - Process of completing LPI; waiting to review results with HR Advisor. - Attended and completed Performance Leadership. - Attended the UNR program. - Attended CSOM Meetings and Manager Huddles. - Coordinated site meetings with the staff, as well as the Service Provider. - Helped Aaron find a Electronic Technicians Certificate Program at George Brown College. Quarter 2 - Continue to have one on one meetings with my staff. - Continue to have meetings with site staff. - Strive to provide training for my staff when requested. (ie NRT training) Quarter 3 - Attended Coachmasters Lite, the front line leadership forum, CSOM meetings and the various site meetings. - Spoke with Patrick in regards to Aaron working Duncan occasionally. Plan did not take effect due to Marks medical absence, and Al's acceptance of another job. We have staffing issues of our own that we need to rectify. - Worked with Player First with SST location and hook up. - Took the Commissioner of Oaths to help players	CORPORATE Q4 - Bal's leadership abilities have been recognized outside of Casino Division by her selection as a Regional Manager in the Community Gaming Division. Q3 - Bal is making the effort to make contacts outside the Casino Division - Attending the Richmond Christmas Party is a good way of broadening contacts within BCLC - positive role as COO for Lottery tickets Q2 - Bal does a great job of keeping up-to-date with corporate wide initiatives. The challenge this next quarter will be to keep informed of the latest developments of the Player First initiative, and determine how it integrates to View Royal. Q1 - Bal understands corporate vision, and strives to convey positive messaging to staff, peers and CSPs. Bal will seek clarification as needed DIVISION Q4 - Bal meets expectations for the completion of her own ePerformance template, plus setting the example for her direct reports by consistently completing the Manager's comments, and holding regular quarterly reviews. Q3 - Bal is build
10%	Lead View Royal team to develop and implement events and activities in support of Marketing Programs to increase BC Gold sign-ups	Quarter 1 - Met with team to discuss 2007/08 goals. - Assisted the site with 2 slot tournaments. Generated ideas on how to make the tournaments better and more enjoyable for the patrons. - Worked with Guest Services Manager to discuss and implement province wide marketing initiatives. Helped with advertising placement and procedures effecting the promotions. Quarter 3 - Team assisted with the Live Your Dreams Promotion and Dreaming of Dollars by being knowledgeable and available for customer questions. BC Gold sign ups were visibly noticed for the Live Your Dreams promotion by all the applications that were received. The next promotion that we will be participating in is BC Gold Extra rewards in January. - Numbers were tracked; final numbers are to be prepared. Quarter 4 - The three partnership events that were supported by the team was Live Your Dreams (April-October), Dreaming of Dollars (Sept 3-Sept 30), and BC Gold Extra Rewards (Jan 7-31). Live Your Dreams promotion was a huge success.	Q4 Bal and her team have successfully supported tournaments and promotions at View Royal, reflected in the targeted increase to BC Gold sign-ups. Q3 View Royal are hosting very innovative and exciting slot tournaments. I look forward to seeing the final reports and results Q2 - Bal's team are working with VR Guest Services for value added slot tournaments. Recommend Bal collaborate with Patrick on tournament support to ensure the 2 Island site strategies compliment one another. At Q3 review will review BC Gold sign up result documentation for tournament events. Good job Bal! Q1 - Bal proactive to begin bonus goals discussions and action with GSCs and herself. - Good job on setting goals
10%	Lead View Royal team to develop and implement training initiatives	Quarter 1 April 24, 2007 - Spoke with Darren on getting Cleopatra Keno for the Game King Machines. - Spoke with Darren on	Q4 Bal and her team will complete all 6 targeted educational centres, with CPSS results on target. Reserved sign

	on new games and promotions to raise the knowledge level of front line staff	relocating machine #430 (ASL 5-5-6) Enchanted Unicorn with #413 (ASL 14-1-8) Rich Uncle. As well, to convert Enchanted Unicorn to a \$1.00 game instead of a multi denom, and convert Rich Uncle to a multi denom, instead of \$1.00. Did some tracking and felt that this change would increase our numbers on these machines. May 1, 2007 - Spoke with Marcello to submit a PGI change request for the ability to specify a auto re-enable time when a machine is disabled through Machine Enable Disable to facilitate auto reservation/unreservation. Also suggest that a ?Reservation? flag be added to MED so that when a machine is disabled with the ?Reservation? flag set, ?Reserved? will appear on the PTM display. - Set dates for Educational Support Sessions: July 9, Sept 20, Oct 29, Dec 17, Jan 31 and Mar 12. Quarter 2 - Enhancement Request for Disable Timer is in the works with PGI. - Secon	recommendations have been submitted to Casino Systems, and are with PGI Q3 With Bal's encouragement View Royal have been very proactive at moving forward with their bonus goals. I look forward to reviewing the documentation on the training sessions. Q2 - I look forward to seeing the results of VR's initiative on reserved signs. A successful outcome would be tremendous for the entire Casino Division. - I also look forward to attending the 3rd or 4th training session - For the 3rd quarter review will review the training supporting documents. - Again, VR are showing tremendous initiative in bonus goals under Bal's direction! Q1 - Great start to these goals. Bal very proactive to research information information needed to accomplish objectives.
0%	Operational Goal - Ensure day to day responsibilities are maintained to a high degree	PRODUCT & SERVICE DELIVERY - Implement schedules to meet project deadlines such as installs, upgrades, and relocations. - Monitor customer comment cards to ensure follow up is done. - Follow up on customer issues that are escalated to the customer service desk at head office. - Ensure P&P's are read and understood by staff before implementation dates. - Work with Slot Manager to identify possible machine relocations to generate more revenue. BUSINESS SOLUTIONS - Continue to work autonomously under general direction; delegate issues to my team members and make them accountable for their projects. - Sticker designed in the previous fiscal year for slot machines was implemented across the province. - Work with Slot Manager on slot tournaments and advertising. We are looking into making slot tournaments different and more exciting for the player. - Work with Guest Services manager to deliver marketing initiatives better and with clarity so that customers are not confused. BUSINESS PLANNING & DECIS	PRODUCT AND SERVICE DELIVERY - follows up diligently on customer service issues, with the intent of resolving to a high degree of customer satisfaction -Leads diverse group of Gaming Systems Coordinators, who have different levels of experience and ability, but consistently demonstrate great work ethic and professionalism. Challenge is to help overcome frustrations where there is not a readily available solution. - Bal is very organized and prepared for all projects on site. Bal routinely completes tasks required ahead of time. I can rely on Bal to have her ePerformance up-to-date, which is such positive reinforcement for her staff. Bal also completes any task I request on time, and to a very high standard. - Bal is learning to find work-around solutions for issues where personalities and politics get in the way of common sense resolutions. - CSPPs are monitored by Bal, in collaboration with the OGA, John, investigating and resolving inconsistencies. BUSINESS SOLUTIONS - proactive at researchin
30%	Corporate Goal & Objectives ? To provide outstanding gaming entertainment, generating income for the public good. Target: > Total net income of \$1,033 million achieved > Total sales revenues of \$2,495 billion > General operating costs of \$114.5 million Stretch: > Net income of \$1,060 million met/exceeded Bonus Trigger: > Net income must exceed previous year?s net income plus \$5.0 million	n/a	n/a

10%	Corporate Goal & Objectives ? To provide outstanding gaming entertainment, generating income for the public good. Player satisfaction and participation ratings of the following are achieved: Target: > Lottery ? Player satisfaction of 90% and participation increase to 62% (past month) > Casino ? Player satisfaction of 92% and participation increase to 33% (past year) > Bingo ? Player satisfaction of 88% (new sites) and 67% (old sites) and participation increase to 11% (past year)	n/a	n/a
10%	Corporate Goal & Objective ? To be a respected organization that has a broad base of public support. Target: > Achieve public support ratings for BCLC of 65% > Achieve public support ratings for acceptance of gaming of 52% > Recognition of Social Responsibility 56% > Public Awareness of the Beneficiaries of Gaming 35%	n/a	n/a

FY08/09

REGIONAL MANAGER

Weight	Goal	Results	Manager Comments
25%	Corporate Goal & Objectives ? To provide outstanding gaming entertainment, generating income for the public good. Bonus Trigger (Threshold): - Net income must exceed \$1,033 million Net Income ? Target: - Total net income of \$1,110.0 million achieved (Threshold \$1,033) Stretch: - Net Income \$1,143.3 million Annual Revenue ? Target: - Annual revenue	n/a	n/a

	of \$2,648.0 million (Threshold \$2,568.6) Stretch: - Annual revenue of \$2,727.4 million		
15%	Corporate Goals and Objective - Demonstrate Social Responsibility in all of our activities Public Trust & Confidence in BCLC games ratings are achieved by the following: Target: - Public Trust and Confidence in BCLC Games ~ 64% (Threshold 61%) - Player Satisfaction ~ 90% (Threshold 84%)	n/a	n/a
10%	Corporate Goal & Objective - Demonstrate social responsibility in all of our activities Target: - Player Awareness of Responsible Gaming Activities ~ 84% (Threshold 82%)	n/a	n/a
10%	Provide leadership and direction to the business unit to develop and implement strategies that improve the entertainment value experienced by the player. Overall satisfaction result of 85% total of top 3 box scores in my region. Develop solid business relationships with all of the service providers to create a foundation for continued measured growth of facilities gaming in the province.	- Currently responding to the issues that are brought forth from the Customer Support Centre. When dealing with these issues, ensure information is relayed back to the site so that they are aware of what's going on, and work together towards a resolution. -Conduct monthly meetings with the Service Partners to learn the business and to establish a better rapport with them. - Conduct monthly phone calls with key people at the site to keep up with what's going on at the facility. - Try to ensure the Service Partner has information on upcoming projects and implementation dates so that they can prepare for it. - Worked with Planet Bingo site to resolve a payout issue with customer [PERSONAL INFORMATION] and barring of [PERSONAL INFORMATION]. Although both outcomes were not to the satisfaction of the patrons, the site was happy with the support provided by BCLC. Updated: [PERSONAL INFORMATION] excepted the cheque at a later date. When we spoke, [PERSONAL INFORMATION] was happy with the treatment I gave her and the follow up conducted. - Communicate cus	
20%	Provide leadership, direction and support to my team to achieve Casino/Community Gaming Division Revenue targets. Achieve Casino and Community Gaming Division Revenue of \$1.640 Billion by March 31, 2009. Achieve Casino and Community Gaming Division Net Income of \$857.4 Million by March 31, 2009. Threshold \$1.476 Billion Revenue \$771.66 Million Net Win.	- On the CMS training team which will be rolling out to the CGC's. - Worked with Mission on their slot mix by supporting the blackjack addition. Install completed December 12, 2008. - Review promotions from the various sites and ensure that they are adhering to the guidelines. - Follow up on promotions with the site to receive feedback on what the customers thought of the promo. - Working on Terrace opening for January 2009. Update: Terrace opening completed. - Coordinated the Edgewater upgrades throughout the year on various slot machines. - Coordinated the additional roulette table and the removal of texas shootout poker at Edgewater for December 18,	

	Stretch \$1.71 Billion Revenue \$891.70 Million Net Win.	2008. - Assisting in the coordination of the poker room and the addition of 15 tables at Edgewater Casino for January 2009. UPdate: Working with Edgewater to complete Poker Move by April 22, 2008. - Helped test and write a manual for balancing the tickets for the lottery promotion conducted in March 2009. - Worked with Edgewater to approve a 3 tie	
20%	Increase overall employee engagement among CCGC employees to 55% by providing strong leadership throughout the organization. Threshold 50% Stretch 60%	- Working with staff to give them the best environment to work in by empowering them to run their sites effectively and efficiently. - Conduct weekly calls with my staff to ensure that any issues they may have are discussed and to provide them with support. - Will work with RM's to identify training opportunities for the GOS's and the GSC's. - Researched ITRAK opportunity for home to free up office space for the CSOM's on site. Due to financial and resource issues, this project was put on hold. - Encouraged staff to complete employee engagement survey. - Leadership Development Project had our team working on a "who's who in the zoo" concept where a survey was administered to our respective teams on how to make finding people and their job roles easier. Developed some strategies to present to the board in April 2009. - Had discussions with other Regionals on what training and developmental opportunities need to be fulfilled. - Completed eperformances for all my staff.	

FY09/10

REGIONAL MANAGER

Weight	Goal	Results	Manager Comments
10%	Corporate Goal & Objectives ? Public Support for Gaming Threshold: 61% Target: 63% Stretch: Board Discretion		
5%	Corporate Goal & Objectives ? Public Trust and Confidence in BCLC games Threshold: 60% Target: 61% Stretch: Board Discretion		
20%	Corporate Goal & Objectives ? Net Income (millions) Bonus Trigger (Threshold): - Net Income must exceed \$1,050.0 million Net Income ? Target: - Total Net Income of \$1,130.0 million achieved Stretch: - Net Income \$1,150.0 million		

15%	Corporate Goal & Objectives ? Net Win (millions) Threshold: - Net Win must exceed \$1,941.3 million Target: - Total Net Win of \$2,030.3 million achieved Stretch: - Net Win exceeds \$2,061.5 million		
15%	To increase employee engagement with my staff. - Ensure recognition of at least one of my staff on a bi-weekly basis or when warranted via emails, nominations, or face to face meetings. - Have regular contact meetings with my staff via telephone or face to face meetings. - Review and analyze employee satisfaction survey results - Create action plans to address deficiencies identified in the employee satisfaction results - Identify training needs for staff and develop training opportunities for them to meet core competencies	<ul style="list-style-type: none"> - Conducted regular meetings with my staff one on one and group meetings - Had regular teleconference meetings with the GOS's in my region to discuss various issues - Gave recognition where recognition was due for projects completed at the site or individual goals met throughout the year - Helped GOS in Mission transfer to a GSC position to ensure that his level of comfort was met - Identified training needs of the new GOS's for Squamish and Mission and implemented a training plan for them to support them in their new roles. 	
10%	Drive improvements in customer loyalty and enable profitable growth. - Work with Service Partner in delivering marketing initiatives that drive customer loyalty. - Work with Customer Support on resolving customer issues in a timely manner. - Work with site to encourage BC Gold sign ups.	<ul style="list-style-type: none"> - Dealt with all customer service issues in an efficient and timely manner through out the year. - Handled all marketing initiatives from the various sites to ensure compliance with marketing guidelines. - Had marketing meetings to deliver feedback on the BC Gold initiative and how to drive sign ups. - Conduct monthly teleconference/site meetings to discuss marketing initiatives and ways to drive the business. 	
25%	Drive revenue so that divisional financial targets are met. - Work with site staff and Service Partners on the Slot Analytics Refresh Projects. - Assist with openings of new Casinos/CGC's on schedule (providing and coordinating resources) - Add new revenue generating devices to existing Casinos/CGC's that warrant it (ie slot mix, new equipment/product) - Approve, monitor and execute quality promotions (customer and	<ul style="list-style-type: none"> - Had meetings with various sites to discuss and implement the slot analytics refresh projects. Worked with them to ensure they were satisfied with the results. - Assisted with the opening of Squamish from training to operational issues. - Worked with Prince Rupert, Mission and Edgewater with requests for new machines, conversions, product placements etc. - Worked with various sites to ensure their promotions were within the parameters set by existing guidelines and standards. - Assisted with the coordination of multiple slot installs and conversions at various sites. - Ensured enough staffing at Planet Bingo's Kodiak conversions. 	

	site feedback and monitor attendance levels)		
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FY10/11

REGIONAL MANAGER

Weight	Goal	Results	Manager Comments
10%	Corporate Goal & Objectives - Player Satisfaction: Threshold: Board Discretion Target: 74.0% Stretch: Board Discretion		
20%	Corporate Goal & Objectives ? Net Win (millions). Bonus Trigger (Threshold): Net Win of \$1,905.1 must be exceeded. Target: Total Net Win of \$2,072.4 achieved. Stretch: Net Win \$2,137.5 exceeded.		
20%	Corporate Goal & Objectives ? Net Income (millions). Bonus Trigger (Threshold): Net Income of \$1,025.0 must be exceeded. Target: Total Net Income of \$1,115.0 achieved. Stretch: Net Income \$1,150.0 exceeded.		
25%	Determine the Divisional workflow process for relocations and conversion. The workflow must encompass every step of the process from buying to installation of product and include how the process will be measured and how it will be implemented.	<ul style="list-style-type: none"> - Had a few meetings with this group to define roles and accountabilities as they relate to slot machine new game install, relocation and conversion kits to identify gaps and overlaps. - Identified the what our current state is for workflow processes. - Some changes were done on a management level by having the Facilities team send out project emails. - Ensured all my sites were writing post mortems and distributing these to facilities that had the install/project next. - Although this process did not quite work the way it was supposed, there was some processes that were identified as resolved. 	
10%	Reduce the impact on the player and serve provider by delivering new and relocated product in the facilities with successful seamless project implementation. Measurements to be determined.	<ul style="list-style-type: none"> - Ensure feedback is received on projects completed on site. - Ensured projects on site were communicated across departments for seamless execution - Multiple conversion kits and new product installed on the gaming floors of various properties. - Sites had machines up and running within 24 hours of installs. - Electronic tables installed in Squamish and Edgewater 	

		<ul style="list-style-type: none"> - Live tournament poker tables installed in Squamish - Cash Explosion Slots installed at the various Chances properties. 	
15%	Implement a RM Succession Plan and supporting RM succession planning with one GOS in my region.	<ul style="list-style-type: none"> - Encouraged Chad to set up province wide GOS meetings to be held every 2 months to discuss issues - Created a development opportunity whereby Chad was the first point of contact with issues from GOS's in my region whereby allowing Chad to practice his leadership/management style - Set up weekly meetings with Chad to discuss decisions/actions for the week; how to improve on action steps, what went well, what could have been done better - Have Chad enrolled in courses to further develop communication and leadership skills - Had Chad take part in the Changes Committee during my absence. - Identified tasks that were immediately assumed by Chad such as reviewing PET's and Marketing proposals from the Service Providers. - Identified relevant leadership courses for Chad to take. Recommended him for leadership programs conducted by BCLC. - This initiative was successful as Chad as acted in the capacity of the RM, his peers across the province acknowledge that he is a "go to person". - Working towards having other CSOM's follow this plan to ensure someone in my Region is trained at all times to take over at any point. 	

FY11/12

REGIONAL MANAGER

Weight	Goal	Results	Manager Comments
25%	Corporate Goal & Objectives ? Net Win (millions) Trigger (Threshold): Net Win of \$1,985 must be exceeded. Target: Total Net Win of \$2,098 achieved. Stretch: Net Win \$2,160 exceeded		
25%	Corporate Goal & Objectives ? Net Income (millions). (Threshold): Net Income before taxes of \$1,135 must be exceeded. Target: Total Net Income before taxes of \$1,200		

	achieved. Stretch: Net Income before taxes of \$1,235 exceeded.		
15%	Develop and execute a recognition plan to ensure: - Ensure recognition of at least one of my staff on a bi-weekly basis or when warranted via emails, nominations, or face to face meetings. - Have regular contact meetings with my staff via telephone or face to face meetings. - Review and analyze employee satisfaction survey results - Create action plans to address deficiencies identified in the employee satisfaction results - Identify training needs for staff and develop training opportunities for them to meet core competencies - Coordinate 4 team building activities within my region.		
15%	Work with Customer Support Centre to improve relationships between operations and the customer support centre as well as work with Information Technology Department to create an application that will allow site techs to open cases, search the knowledge base, and post questions to an Answer page by March 31, 2012.		
20%	Drive revenue so that divisional financial targets are met. - Work with site staff and Service Partners on the Slot Analytics Refresh Projects. - Assist with openings of new Casinos/CGC's, and high limit areas, on schedule (providing and coordinating resources) - Add new revenue generating devices to existing Casinos/CGC's that warrant it (ie slot mix, new equipment/product) - Approve, monitor and execute quality promotions (customer and site		

	feedback and monitor attendance levels)		
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FY12/13

REGIONAL MANAGER

Weight	Goal	Results	Manager Comments
25%	Corporate Goal & Objectives ? Net Win (millions) Trigger (Threshold): Net Win of \$2,021.6 must be exceeded. Target: Total Net Win of \$2,135.8 achieved. Stretch: Net Win \$2,183.7 exceeded		
25%	Corporate Goal & Objectives ? Net Income before taxes (millions). Threshold: Net Income before taxes of \$1,159.5 must be exceeded. Target: Total Net Income before taxes of \$1,225.0 achieved. Stretch: Net Income before taxes of \$1,252.5 exceeded.		
10%	Develop & execute a strategy to support the financial targets for my region: - Work with site staff and Service Partners on the Slot Analytics Refresh Projects. - Assist with openings of new Casinos/CGC's, and high limit areas, on schedule (providing and coordinating resources) - Add new revenue generating devices to existing Casinos/CGC's that warrant it (ie slot mix, new equipment/product) - Approve, monitor and execute quality promotions (customer and site feedback and monitor attendance levels) Financial Targets to Achieve (Slots/Tables/Poker/Bingo) per site: Boulevard: \$144,358,273 River Rock: \$308,766,225 Prince Rupert: \$7,831,344 Terrace: \$10,948,108		

	Maple Ridge: \$14,937,106 Chilliwack: \$8,461,372 Regional Target: \$495,302,428		
10%	Develop and execute a strategy to improve morale and recognition in my region. - Create a vision that the field staff can identify with and sell the message by reviewing it with them, and having them understand why they exist in their roles. - Have monthly contact meetings with my staff via telephone or face to face meetings to discuss their development. -- Identify training needs for staff and develop training opportunities for them to meet core competencies. - Coordinate 3 team building activities within my region.		
10%	To design and implement a process that improves the operational effectiveness of property openings throughout the construction, product installation, and opening phases. Research, write, and submit a document related to the new property process to ensure that all requirements are determined and milestones are achieved. The requirements will encompass each step of the process from the initial Facility Business Plan review to facility public opening.		
20%	To assess, complete action plans, and implement the following projects: 1. Structure - Get structure ready and in place for April 29, 2013 2. Employee Engagement- Implement recognition and consistency strategy by April 1, 2013 3. Coaching Process - Have coaching forms fully in use by April 1, 2013 for direct reports. 4. Complete the GMS Resourcing Schedule for rollout to LM properties.		

0%	<p>Serge: As discussed, this personal goal was changed from strategic orientation to development because that was what was discussed early in the year when you were mentoring me. Personal Goal : The 1competency that I will concentrate on this year is Developing Others. By really focusing on developing on designing my team to handle the repetitive tasks so that I can get a head of the curve to think strategically in my role. This will incorporate looking at the reporting structure at each facility, looking at the processes in effort to streamline them and to focus on the vision to where we are heading and passing that focus down to the team. - Competency assigned and discussed with Serge May 2012.</p>		
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FY13/14

REGIONAL MANAGER

Weight	Goal
25%	<p>Corporate Goal & Objectives ? Net Income before taxes (millions). Threshold: Net Income before taxes of \$1,169.11 must be exceeded. Target: Total Net Income before taxes of \$1,240.00 achieved. Stretch: Net Income before taxes of \$1,274.91 exceeded.</p>
25%	<p>Corporate Goal & Objectives ? Net Win (millions) Trigger (Threshold): Net Win of \$2,034.44 must be exceeded. Target: Total Net Win of \$2,157.80 achieved. Stretch: Net Win \$2,218.56 exceeded</p>

10%	Revenue: Work with each facility SP management team to create a business strategy to meet financial targets set in your region. Boulevard - \$126,627,000 River Rock - \$330,041,000 Mission - \$10,876,600 Chilliwack - \$32,669,700 Maple Ridge - \$18,561,800 Prince Rupert - \$8,711,500 Terrace - \$12,017,300 Regional Total - \$539,504,900 Partially Met - 98%-99.9% Met - 100% - 101% Partially Exceeded - 101% - 103% Exceeded - 103% +
10%	Coaching: Implement and use the coaching process as a method for developing my team.
10%	Operational Audit: Work with SP to ensure compliance of policies and procedures; any issues that are operationally driven are dealt within 60 days after notification. Met - 0 issues at 60 days for each site Partially Exceeded - 10 issues at 30 days for each site Exceeded - 0 issues at 30 days for each each
10%	SP Relations - Foster SP relationship to build a partnership that results in maximizing business results and SP engagement. Partially Met - 80% of plan execution Met - 100% execution Partially Exceeded - exceeding execution Exceeded - Site hits revenue target
10%	Budget: Manage budget to maximize revenue and increase efficiencies by region. Met - at or under budget Not Met - Over budget without explainable variance
0%	Take on the challenge to create a "better" team; improving communication and efficiencies, forming relationships.

FY14/15

MGR CASH ALTERNATIVES & SPECIAL PROJECTS

Weight	Goal	Results	Manager Comments
25%	Corporate Goal & Objectives ? Net Win (millions) Threshold: Net Win of \$2,009.00 must be exceeded. Target: Total Net Win of \$2,143.9 achieved.		
25%	Corporate Goal & Objectives ? Net Income before taxes (millions). Threshold: Net Income before taxes of \$1,168.0 must be exceeded. Target: Total Net Income before taxes of \$1,246.0 achieved.		
10%	Work with each facility SP management team to create a Business Strategy to meet financial targets for each site. Foster SP relationship to build a partnership that results in maximizing business results and SP engagement. Manage site budgets to maximize revenue and increase efficiencies.	<p>March 2015</p> <ul style="list-style-type: none"> - Regardless of A,B, or C sites, all properties had a monthly Business Operations Meeting to establish the relationship and allow them to air any concerns in a timely manner. - All product installs/conversions/projects were discussed with the SP for them to recommend any changes to the plan. - All site business plans complete and stored in the shared drive for viewing. - Regionally, we should come in under budget; site by site, there were some accounting practices that did not allow sites to individually achieve budget (i.e. no budgets set for Esquimalt or Victoria Bingo, and the salary allocation of staff due to an accounting practice of giving back to the community). <p>- Vr - +\$5,87,349 Duncan - +\$361,760 Esquimalt - +\$685,015 Playtime - -\$169,365 Total - + \$1,464,759</p> <p>January 2015</p> <ul style="list-style-type: none"> - Continue to work with Hard Rock team to ensure their floor refresh is completed in a timely manner and that they have the support and tools needed to carry out final phases of this project. - Continue to get monthly budget updates from my direct staff. - Have discussions with View Royal on increasing their table business; MBO analyzing tables for them for the optimum mix. <p>December 2014</p>	<p>Great job on the delivery of this goal. Keep pushing hard to change the SP perspective to continue to share revenue forecast data and marketing plans.</p> <p>From Monica: I see great understanding for site plans and performance in your reports. Keep up the great work here and help us understand how to continue to enhance our ability to influence performance to achieve site targets and optimize performance.</p>

		<ul style="list-style-type: none"> - Completed the final risk to revenue for my region, and based action plans around this. - Removed Shufflemaster from Chances cowichan and recommended additional machines. - Influenced the bingo changes happening at Chances Cowichan; Sr. Tech working closely with the implementation of new programs. <p>November 12, 2014</p> <ul style="list-style-type: none"> - Continue to tweak the business plans as we move along the fiscal year, and discuss this with the SP's at our monthly meetings. <p>September 30, 2014</p> <ul style="list-style-type: none"> - Completed the third quarter risk to revenue information for all sites. - Brainstorming session with Esq Bingo on how to increase revenue; worked on new programming for bingo. <p>June 24, 2014</p> <ul style="list-style-type: none"> - Completed Business Plans for all facilities with the limited information we have. - Continue to have monthly discussions with all sites, regardless of ABC status. The SP's appreciate the regular contact to ensure consistency and build relationships. - completed the second quarter risk to revenue information for all sites. 	
20%	<p>Define and Implement a Management, Development and coaching process for all direct reports. Have defined development plans for each direct report and apply the coaching tool for feedback mechanism Complete 4 coaching forms for each direct report on a quarterly basis. Document progress and growth monthly in myperformance.</p>	<p>March 2015</p> <ul style="list-style-type: none"> - Completed 4 quarterly meetings with each of my direct reports. Bob joined my team in September and has demonstrated great leadership in his relationship skills and rapport with the sites and employees. He has come in where we did not have a strong leadership presence and turned that around for people that interact with him. I have been working with Bob on his communication and follow up, and trying to help him to reach out to his peers to elevate their game. He has done so with Mike Spoor on the island by providing him with table guidance to help the site make decisions. - Brett is ready for the next level of management. This year has been concentrated on demonstrating his skill set and exposing him to other managers and executive team. I have done this by including him in projects, recommending him for leads on projects for other departments, and talking about him to the higher ups so that his name is known. The RM team has all 	<p>Your attention to your team and their performance is to be commended. The progress in performance you have made with Brett and Bob stand out as examples of your talents and contribution in this area. Keep up the great work.</p>

		<p>agreed that Brett has grown and it's been through consistent coaching and pushing for him to realize his potential.</p> <ul style="list-style-type: none"> - Completed 4 coaching sessions with my Sr. Techs to ensure they were getting the support they needed with development from the MBO's. - Completed the last team meeting at Greek Taverna to celebrate all the work they had done for FY2014. <p>December 23, 2014</p> <ul style="list-style-type: none"> - completed Q3 conversations with my direct reports. - completed quarterly team meetings. <p>November 12, 2014</p> <ul style="list-style-type: none"> - Completed another team meeting today; focus on outstanding items, future issues, and a bit of team building activity. <p>September 23, 2014</p> <ul style="list-style-type: none"> - Continue to hold monthly development discussions with both my MBO's. - Structured coaching sessions with both Sr. Techs on the island until a replacement MBO was found. Put them on a plan and met with them bi-weekly to ensure traction on their development and finally transitioned that over to the MBO. - Completed Q2 conversations with both direct reports. <p>June 24, 2014</p> <ul style="list-style-type: none"> - Have continued meeting with direct reports for monthly development discussions. - First team meeting completed for all sites. - Completed Q1 discussions with both direct reports. - Set the expectation with my MBO's to have monthly developmental conversations or connection meetings with each of their direct reports. As well, training the Sr. Techs to delegate to the high potential technicians so that they can learn about the MBO role. - I set up my MBO's to ensure they are performing in my role, so that should anything happen, I am easily replaced. 	
10%	Create and implement a schedule for covering peak hours that meet the business needs of the site. Ensure machine downtime is 2 % for each site. Ensure Conversions are completed within 2 weeks upon receipt. Customer disputes are	<p>Q4</p> <p>Continue to review Salesforce to ensure my team has dealt with ourstanding customer concerns; zero outstanding.</p> <p>Continue to review the generated report from analytics around machine down time.</p> <p>Q3</p>	Could you please supply me with data on how you have calculated downtime and resolution and include them in your results above please.

	acknowledged and/or resolved within a 24 hr period. (Ensure strategy in place for team execution and appropriate documentation in place for review)	<p>Downtime measurement is provided by the zero revenue report; documentation is done on all machines that are OOS to ensure that we have tried everything we can control on site. If it falls to a delay in parts, then we track that time via Service Now as well as all other supporting documentation.</p> <p>Q2 Schedules implemented to cover peak hours. Machine downtime has been less than 2% for each site since April. Customer disputes have been resolved within 48 hours of receipt.</p>	
10%	To learn and grow in my new responsibilities of implementing and improving field processes that are consistent across all regions.	<p>March 2015 As you can see from the below list that I have worked with many different individuals to create processes that make things easier for the field staff, as well as the parties involved. It's been a challenging year getting people to agree and getting team buy in when everyone has an opinion. Nevertheless, it's been a year of learning as this hybrid role provided me the opportunity to take on something different.</p> <p>December 2015 In prep for the new structure, I would like to ensure that I understand my new role and the structure for the rest of the department? What are the expectations? What are my accountabilities? What is the Vision behind this structure change? What are we trying to achieve. Are we clear on the strategic priorities that will enable our division to achieve our desired impact over the next few years or is this a short term solution to get GMS operationalized? How does the new structure support succession planning? The key areas I need clarity on are: - A clear vision and priorities - Clear roles and accountabilities/objectives - Performance measures aligned to the objectives - Effective and efficient support processes</p> <p>November 14, 2014 - Had a meeting with Craig to discuss the new position. I introduced my 90 day plan which included:</p> <p>Day 1-30 - Discuss Craig's expectations/define clear goal/What are we</p>	I think that you have done a great job on implementing process and improving service delivery in the field. I would continue to challenge you to work closely with the RM team and ensure you look at process through the lens of multiple people. You are doing a great job at this but I always want to encourage to continue to build strong relationships both within and outside of the department to continue to be effective.

		<p>trying to achieve/ What does success look like.</p> <ul style="list-style-type: none"> - Initial meetings with team (Ray and Jeremy) - conduct needs assessment - Master product knowledge, setting up systems, learn internal processes - Conduct needs assessment for field - Field duty, define role, communicate role <p>Day 31-60</p> <ul style="list-style-type: none"> - Start to build brand of the team - Begin interacting with other groups - Fine tune knowledge - what do field staff want? - Prioritize tasks and projects - Define plan to address issues - Expand scope to other departments <p>Day 61-90</p> <ul style="list-style-type: none"> - Review with Craig if on the right track - Take on special projects - Contribute ideas / be more involved - Review goal, define success metrics further <p>As per our conversation Craig, you had no defined expectations for this role or a job description at this time.</p> <p>May 8 - Drafted and implemented goals for RM's, MBO's, Sr. Techs, and Techs.</p> <p>May 21 - Drafted a standard template for RM's to receive weekly status update reports from our sites.</p> <p>May 22 - Completed FAQ's and guiding principles for establishing 5/2 schedule for implementation on Sept 1, 2014.</p> <p>May 30 - Assisted with the leased credit billing in the field for finance.</p> <p>May 31 - Drafted and completed the travel expense memo for all regions.</p> <p>June 16 - Drafted and implemented SP satisfaction survey. After results were in, presented findings to each SP and our own BCLC team for action plans and execution of these plans.</p> <p>Top 5 Areas for Improvement for BCLC Casino Ops</p> <ul style="list-style-type: none"> ? Information sharing/communication ? Scheduling ? Customer service ? Business planning/understanding the business 	
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		<p>? Processes Top 3 Areas for Improvement for Service Providers ? Information sharing ? Business planning/understanding the business ? Communication</p> <p>We had organized several meetings with SP?s across the province, whereby we shared our results, got more clarification on some questions, and talked about action steps they would like to see as a result of this. In looking at the number of people that we wanted to reach, we decided to break it up into 7 different groups. These groups were between 4 ? 5 people and completed person when possible and over the phone for the remote locations. We grouped them up as follows:</p> <ol style="list-style-type: none"> GCC ? Casinos GCC ? CGCs Gateway ? Lower Mainland Gateway ? Lake City Playtime Edgewater Independents <p>We spent time reviewing the results, and then focused our discussion on the following 4 questions:</p> <ol style="list-style-type: none"> 1. What exactly are you looking for in the areas you considered most important and what does this look like for you? The top 3 factors were: collaboration, timeliness and information sharing. 2. What does consistency and reliability of information mean as it relates to the operations department? 3. How do we align our goals better? 4. How do we build our trust in this partnership; where are we failing? <p>July 7 - Risk to Revenue Sheet completed with RM's. July 8 - Working on naming convention to make things easier in the field, as well as standardizing forms across the field to be kept with our onboarding process. July 27 - Rolled out the PM and Asset Management trial with 5 sites before proceeding with the province. September - rolled out the PM and Asset Management system to all sites coordinating webex sessions with Jerry Crawley for field staff. July - Was the proxy to review the Divisional Business Cases; reviewed approximately 30+ cases in Craig's absence.</p>	
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		<p>October - Eliminated the operational review from the tech workload.</p> <p>October - working with Dave Gibbons to and Rick Magnell to create a tech forum for the field staff - in progress and on track to be ready for March 2015. Working on establishing the knowledge base and going through the records management piece of it.</p> <p>October 17 - Created/defined the process for replacing a slot machine on site; worked with CTS, Parts and Product.</p> <p>November 7 - Completed and sent out responses to SP concerns for action/implementatation. Will continue to work with internal departments to ensure follow up is done and report back to SP's on a quarterly basis.</p> <p>November 7 - Worked with Jerry Crawley to set up an easier template to release to the field staff so that they can review outstanding GMS defects being worked on by Bally.</p> <p>November 2014 - Worked with Dave Gibbons re: workstation replacement issues; when the new software is launched across all workstations, this should be of little concern. Due march 2015.</p> <p>December 2014 - Drafted and executed Employee survey to determine satisfaction in GMS, Training and Development, Scheduling and Processes and Communication. Survey distributed until Jan 16 and received 88% response rate. Collated and reported all information to team to draft action plans around it. Assigned individuals sections to work on it together. Have continued to send monthly updates to the field so that they are aware of what is going on and that there are no surprises along the way.</p> <p>In summary, the areas of focus that came out of the survey were:</p> <ul style="list-style-type: none"> - Job satisfaction/engagement - Communication - Workflow process - Schedule - GMS - Training and professional development - Recognition <p>January 2015 - Working with Lorne Finney and crew to determine Comm room procedures/audit.</p> <p>January 2015 - Work with Chris Lyth to introduce MP2 training to field with consistent messaging and reasoning.</p> <p>January 2015 - Working with Dave Gibbons to implement a process for casino/GMS access so that on site BCLC staff can be eliminated from this process. SP conversations had to support the change, working on final form for distribution.</p> <p>January 2015 - Working with HR to have a standardized list of</p>	
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		questions for Techs, Sr. Techs, and MBO's.	
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FY15/16

MANAGER, AML INTELLIGENCE

Objective Name
To complete the ACAMS certification program by November 15, 2015 with a pass of 70%.
Coordinated the completion of Statement of Work and assisted Ernst & Young to conduct the bi-annual independent AML review.
Submit 2 proposals by January 31, 2016 to GPEB for cashless alternatives.

FY16/17

MANAGER, AML INTELLIGENCE

Objective Name
Review and evaluate current processes with respect to monthly reporting, quarterly stats, OSINT reviews, and other data to improve the quality of the information being presented and make the data applicable for the decision makers.
Implement and operationalize delimiting the convenience cheque and international electronic transfers and support the rollout of SAS when implemented.

FY17/18

MANAGER, AML INTELLIGENCE

Objective Name

Create and distribute request for proposal for the independent audit to be conducted this year, and follow through on execution with the vendor.

Work with IPSA to help them document and draft a working paper for the time required to move cash through slot machines. Set up testing times and provide all documentation for a thorough paper designed to be published.

FY18/19

MANAGER, AML INTELLIGENCE

Objective Name

Provide various AML training re: Source of Funds, Reasonable Measures, Unusual Indicators, FINTRAC Exam Prep etc. for Service Providers by March 31, 2019.

Better relationships between JIGIT, GPEB and BCLC to support the working dynamics between all parties with intelligence sharing and increased intelligence gathering.

THIS IS **EXHIBIT "F"** TO THE
AFFIDAVIT OF **SANDY AUSTIN**
SWORN BEFORE ME AT KAMLOOPS, BC
ON THE 9th DAY OF SEPTEMBER, 2021.



A Commissioner/Notary Public for the
Province of British Columbia.

Darryl Tottenham

FY11/12

CASINO SECURITY INVESTIGATOR

Weight	Goal	Results	Manager Comments
25%	Corporate Goal & Objectives ? Net Win (millions) Trigger (Threshold): Net Win of \$1,985 must be exceeded. Target: Total Net Win of \$2,098 achieved. Stretch: Net Win \$2,160 exceeded		
25%	Corporate Goal & Objectives ? Net Income (millions). (Threshold): Net Income before taxes of \$1,135 must be exceeded. Target: Total Net Income before taxes of \$1,200 achieved. Stretch: Net Income before taxes of \$1,235 exceeded.		
20%	Establish a police working group with Starlight Casino and the New Westminster Police Service and arrange a preliminary meeting with both parties for introduction and establishment of goals and strategies for the group. Produce an established meeting calendar for the upcoming year to bring a consistent and effective approach to problem-solving issues within the neighbourhood and resolve any barriers or problems that have been encountered since the last meeting and discuss ways to improve services in the future. The involvement of community groups, partners and the public within this process will be undertaken if possible, to ensure all aspects of the community are taken into consideration in the problem-solving process. This will also allow		

	<p>us to foster a stronger and more personal relationship with the police members that attend the casino for a number of reasons in the course of their duties and ensure a smoother transition of information sharing and related evidence collection.</p>		
10%	<p>Review and initiate ongoing training and updating of AML issues for all Starlight staff members, including the use of the E-training modules for all employees and specialized face-to-face training for supervisors, cage staff and VIP staff. Ensure the monitoring of the new training requirements for updated programs and the emerging electronic LCT program that is currently being developed and will be put in place in the Fall of 2011.</p>		
20%	<p>Establish an updated method of record keeping and reviewing for LCT's and Fintrac reporting across the Province to ensure that BCLC is 100% compliant throughout the year and ready to respond without notice to GPEB and Fintrac audits at any time. Establish a system of record-keeping and form utilization that is consistent throughout all sites in the Province and establish a working document checklist for the preparation of LCT's by cage staff that is consistent and effective. Ensure that all previous 2011 LCT's have been maintained and thoroughly checked by BCLC Investigators to date and ensure that we are compliant with LCT entries, Verified win cheques and the use of PGF accounts and accountability of re-deposits for those accounts and accurate records are maintained by all sites.</p>		

FY12/13

AML SPECIALIST

Weight	Goal	Results	Manager Comments
25%	Corporate Goal & Objectives ? Net Win (millions) Trigger (Threshold): Net Win of \$2,021.6 must be exceeded. Target: Total Net Win of \$2,135.8 achieved. Stretch: Net Win \$2,183.7 exceeded		
25%	Corporate Goal & Objectives ? Net Income before taxes (millions). Threshold: Net Income before taxes of \$1,159.5 must be exceeded. Target: Total Net Income before taxes of \$1,225.0 achieved. Stretch: Net Income before taxes of \$1,252.5 exceeded.		
20%	Continue to build on the Police/Casino working group with Starlight Casino and the New Westminster Police Service and maintain consistency with meetings for both groups. Bring an effective approach to problem-solving issues within the neighbourhood and resolve any issues or problems that have been		

	<p>encountered since the last meeting and discuss ways to improve services in the future. The involvement of community groups, partners and the public within this process will be undertaken if possible, to ensure all aspects of the community are taken into consideration in the problem-solving process. This will also allow us to foster a stronger and more personal relationship with the police members that attend the casino for a number of reasons in the course of their duties and ensure a smoother transition of information sharing and related evidence collection. Since the initial establishment of this working group, we have met on a number of occasions and have quickly developed an information f</p>		
<p>10%</p>	<p>Review ongoing training and updating of AML issues for all Starlight staff members, including the use of the E-training modules for all employees and specialized face-to-face training for supervisors, cage staff and VIP staff. Ensure the monitoring of the new training</p>		

	<p>requirements for updated programs and the electronic LCT program for all new employees and provide face-to-face training on any component of the program that staff require.</p>		
<p>20%</p>	<p>Work with staff and management to ensure that all Fintrac reporting under the new electronic system is understood and collected properly to ensure Fintrac reporting is 100% compliant throughout the year and able to respond without notice to GPEB and Fintrac audits at any time. Work on establishing consistency in the forms used by the sites for reporting purposes that is consistent throughout all sites in the Province and utilize working document checksheet for the preparation of LCT's by cage staff that is consistent and effective. Establish a consistent and effective reporting system for Verified win cheques and PGF account re-deposits and get all sites in BC on board to ensure 100% coverage and compliance throughout BC.</p>		

FY13/14

AML SPECIALIST

Weight	Goal
0%	Corporate Goal & Objectives ? Net Income before taxes (millions). Threshold: Net Income before taxes of \$1,169.11 must be exceeded. Target: Total Net Income before taxes of \$1,240.00 achieved. Stretch: Net Income before taxes of \$1,274.91 exceeded.
0%	Corporate Goal & Objectives ? Net Win (millions) Trigger (Threshold): Net Win of \$2,034.44 must be exceeded. Target: Total Net Win of \$2,157.80 achieved. Stretch: Net Win \$2,218.56 exceeded
40%	Maintain and develop the Police/Casino working group with Starlight Casino and the New Westminster Police Service and ensure consistency with meetings for both groups. Bring an effective approach to problem-solving issues within the neighbourhood and resolve any issues or problems that have been encountered since the last meeting and discuss ways to improve services in the future. The involvement of community groups, partners and the public within this process will be undertaken if possible, to ensure all aspects of the community are taken into consideration in the problem-solving process. This will allow us to continue to develop a stronger and more personal relationship with the police members that attend the casino for a number of reasons in the course of their duties and ensure a smoother transition of

	information sharing and related evidence collection. We have developed an effective information flow during the past year with the Police Service and have had very positive feedback
20%	Review and re-work the WATCH flag system which identifies patrons of interest within the Itrak system. This system has not been updated since it was created and has become redundant due to the large number of old or irrelevant entries within the system which causes people to ignore when WATCH flags pop up in the system when dealing with patrons. These entries require updating and the guidelines for future use need to be established, drafted and eventually disseminated to all BCLC sites along with the required training to ensure proper use of the Flag system. The goal of this project is to ensure when a patron is checked and found to be flagged, it is for a relevant reason and provides the required information to explain why they are being watched, what needs to be done and who needs to be contacted. This also requires guidelines for staff to understand what qualifies a patron to be entered on the WATCH system and for how long. There is also a need to develop a diary date system for t
40%	AML policy and Regulation review and enhancement with proposed Legislative changes to Fintrac reporting Regulations. - Review of results of 2013 Fintrac audit for AML reporting, 2013 GPEB audit of AML systems and reporting and review final report of Price-Waterhouse external review to

<p>identify potential problematic areas of AML reporting and compliance. - Review and enhance the training program currently used system-wide for AML reporting and ensuring all staff and sites maintain 100% compliance with training requirements for Fintrac reporting and PCMLTFA Regulations.</p>

FY14/15

AML SPECIALIST

Weight	Goal	Results	Manager Comments
0%	Corporate Goal & Objectives ? Net Win (millions) Threshold: Net Win of \$2,009.00 must be exceeded. Target: Total Net Win of \$2,143.9 achieved.		
0%	Corporate Goal & Objectives ? Net Income before taxes (millions). Threshold: Net Income before taxes of \$1,168.0 must be exceeded. Target: Total Net Income before taxes of \$1,246.0 achieved.		
40%	Develop and maintain a new BCLC barring system that focuses on "extreme risk patrons" which reflects the intent of the Feb 2014 Legislative changes regarding the categorization of "business relationships" and the need to monitor high risks patrons closely. This program is designed to identify High risk patrons that exceed acceptable risks to BCLC, assess their behaviour and, if warranted, implement a 5-year BCLC barring and effectively terminate the business relationship between BCLC and the patron. This program will utilize our strong relationship with	<p>This goal has been accomplished but will continue to be part of my daily activities moving forward as there is a need to constantly review old barring's as they come due for renewal and there will be constant "new" patrons that will require investigation and possible barring's under the extreme risk program.</p> <p>To date we have barred approx 80 individuals and I currently have another 12 under review at this point for consideration. We have developed a great process with CFSEU to assist us in getting the required police information to make an informed decision regarding subjects that have extensive criminal histories and/or activities. We have also met again with the RCMP RTIC group to formalize a process with their unit to further expand our abilities to obtain pertinent information on subjects and to establish a close working relationship with RTIC for information-sharing purposes.</p> <p>This program will continue moving forward and a process has</p>	<p>2014/10/29 -Daryl was "drafted" to the newly formed AML Unit in December of 2013. Since coming on board he has been instrumental in assisting our unit to drive BCLC's AML program. Keeping our gaming facilities safe for all patrons and employees is paramount. Part of this process involves keep those patrons deemed to be undesirable out of our Casinos. In February 2014 BCLC signed an information sharing agreement with the RCMP. The sharing agreement has provided BCLC with insight into the worst of the worst in the criminal world in British Columbia. As indicated by Daryl this program will utilize our strong relationship with Law Enforcement and open-source data searches to identify such risks as criminal behaviour, public safety risks, gang involvement, and unacceptable behaviour by patrons. Those found to be exceeding an acceptable risk will be barred for 5 years and reported to local, Provincial and Federal Regulators. To date BCLC has banned approximately 40 individuals as a result of Daryl's hard work and research from our gaming venues for a</p>

	<p>Law Enforcement and open-source data searches to identify such risks as criminal behaviour, public safety risks, gang involvement, and unacceptable behaviour by patrons. Those found to be exceeding an acceptable risk will be barred for 5 years and reported to local, Provincial and Federal Regulators. Another component of this goal to ensure the appropriate policy and procedures are adopted that reflect the intent of the extreme risk b</p>	<p>been established for BCLC Investigators to follow if they come upon a potential subject in one of their working files. We are now currently looking at other Law Enforcement groups that we share a valuable information-sharing link with, including CBSA and Federal targeting groups and will continue keeping our sites as safe as possible.</p>	<p>period of 5 years. This number is expected to grow as we continue to collaborate with Law Enforcement. This will support BCLC's efforts to keep our gaming facilities safe for all those who attend, Excellent work Daryl.</p> <p>2015/03/14 - The AML Unit continues to utilize the BCLC/RCMP ISA to its benefit in order to keep our BC gaming facilities safe. As of this day Daryl single handily has completed barring documents and paper work to ban from all Bc gaming facilities approximately 90 individuals with significant criminal backgrounds or associations that meet the criteria as per the information sharing agreement. As part of the process Daryl has communicated with BCLC investigators, service providers as well as BCLC legal to execute the 5 year ban from our gaming sites. Removing these individuals from our gaming facilities is paramount from a reputational and legal risk management perspective. I cannot stress that BCLC as a good corporate citizen must do everything it can to ensure the safety of our patrons, employees at our gaming facilities. Although I consider this goal met this will continue to be an ongoing process moving forward. Great work!!</p>
30%	<p>Develop and maintain an effective Law Enforcement Liaison with RCMP and CFSEU targeting teams to focus on patrons or non-patrons involved with the facilitation of cash at or near BCLC sites and reduce or eliminate criminal activity including money-laundering and loan-sharking activities. This program will be based on Legislative requirements for enhanced monitoring of business relationships and maintaining an exit strategy for patrons that exceed an acceptable risk for the Corporation. This program will rely on continued meetings with our Law Enforcement partners and supplying police with target sheets, suspect and vehicle information and daily monitoring of patron activities to identify potential targets for CFSEU teams. This program will also require ongoing communication with BCLC</p>	<p>Over the past year we have developed an excellent working relationship with CFSEU which has been very productive for both parties and we are now in a "maintenance" role, ensuring updates and regular meetings occurs to further develop this program. We have met recently with the RCMP "RTIC" group now to try and establish a similar working relationship with them as they deal with another group/level of suspects that CFSEU does not track. The old reporting method with the RTIC group was proven to be in-effective therefore we are now updating that form and process and hope to have it in place within the next few weeks.</p> <p>We are also looking to establish a working relationship with CBSA as their work often overlaps with many of the VIP patrons that we deal with. We have also continued to pursue working relationships with the local police agencies where BCLC have sites within their jurisdictions and to maintain an efficient and effective system to pass any required photo, video, and reports between us to assist in ongoing investigations. We have also established a "process" for the AML group and BCLC Investigators to follow when we see any issues with a patron's activities that we feel might require escalation for interviews, sanctions or short and long term barring's if needed. This process has now been used on several occasions in the past month and not only have they found</p>	<p>2014/10/29 - Building Police relationships is at the top of our Corporate Security priority list. Daryl continues to do a tremendous job for us in this area. It is an integral part of BCLC investigator duties and services us well in our job functions Daryls' previous New West PD background has served him and our team very well due to the fact that he has retained a strong relationship with his former employer. Daryl has done a tremendous job in building new strategic relationships with both CFSEU and the RCMP.</p> <p>Police/BCLC meetings provide an excellent forum to effectively problem solve and share information when required. Daryl works to keep all lines of communication open with these policing agencies. As such he is able to regularly and seamlessly provide and receive information that benefits our manage and conduct duties within the gaming industry. As a result of a recent information sharing agreement BCLC has banned approximately 40 individuals classified as "undesireable" from our gaming sites because they pose a public safety risk, are a gang member or have been charged/convicted of proceeds of crime offences. We anticipate the work Daryl has put into building these relationships will benefit our manage and conduct gaming oversight for years to come. Great job !!</p>

	investigators at large sites and liaison between local police agencies, GPEB investigators and CFSEU contacts	to be effective in stopping the patron behaviour, it has also led to some very valuable insights on how the underground banking system works in the Lower Mainland. These processes will continue and all information will be documented moving forward.	2015/03/14 - Collaborative working relationships and information sharing with law enforcement is critical to BCLC Corporate Security success moving forward. The AML Unit and Daryl specifically has worked very hard to nurture existing law enforcement relationships as well as create new strategic relationships. Daryl has an excellent working relationship and direct line with all levels of the New West PD. Furthermore he has solidified working relationships with front line CFSEU target team members as well as intelligence analysts. Recently the AML Unit met with Inspector Sandro Calasaco, St.Sgt. Chris Bergevin and Sgt. Mark Tonner of the RCMP Real Time Intelligence center to establish process/procedure in relation to information sharing between BCLC & RTIC as it relates to the Information Sharing Agreement. BCLC was able to demonstrate to the RCMP how information received from CFSEU has lead to the banning of some 90 individuals from all BC gaming facilities that have significant criminal backgrounds or associations and pose a public safety risk. As such the RTIC has agreed that the working relationship between BCLC and RTIC will be mutually beneficial moving forward and should go a long way to keep our gaming venues safe for all. Another example of establishing working relationships with law enforcement involves a recent AML and investigator unit meeting that took place with RCMP Federal Serious Organized Crime Unit S/Sgt. Steve Wetter and his team to discuss an individual believed to be a significant cash facilitator for high level VIP patrons. We consider the person in question to be a major risk to the integrity of gaming. Daryl created target sheets and information for the purpose of educating the Police. It was learned that the individual in question is known to Police and that an investigation into the individual will be conducted and an update provided by Police. Daryl has volunteered to be the AML Units point of contact Excellent work Daryl. I consider this goal met.
30%	Reporting Overwatch review and AML training (Internal and External) Work towards developing a comprehensive overwatch program which covers all aspects of reporting by site investigators including Fintrac STR reporting, LCT filing and PGF activities involving VIP patrons. Monitor continuing technology changes and assist investigators utilize these changes to further enhance the effectiveness	As the AML enhanced training sessions to date has proven to be quite valuable to those supervisors and managers in various locations throughout the Province, John and I attended all locations on Vancouver Island and met with staff and provided the enhanced AML face-to-face training. To date we have trained over 700 employees many of which were supervisors, managers, and GM's and have received excellent feedback concerning the value of the information and the ability to discuss any details they are unsure of regarding all aspects of AML issues, LCT reporting and Fintrac reporting requirements. In the coming months I will be attending the sites in the Northern	2014/10/29 - AML oversight/due diligence is paramount from a regulatory standpoint. Since his arrival to the newly formed AML Unit as the AML Specialist Daryl has continued where he left off when in the investigator role. He continues to conduct an impeccable job in conducting due diligence in every aspect of our AML program and documents our oversight efforts. Part of a comprehensive AML program involves delivering ongoing AML training to both Service Provider and BCLC staff. Daryl has been an integral part of delivering the AML message since the new regulatory changes came into affect in February. With an impending Fintrac audit taking place next week, we hope that these training sessions will demonstrate BCLC's commitment to

	<p>and consistency of file reporting. Continue to enhance AML training opportunities for BCLC staff and service provider staff and utilize face-2-face training on a consistent basis to ensure cage and floor staff have a sound knowledge of AML requirements and duties. This will also include targeted face-2-face training with surveillance staff members to ensure a consistent approach to reporting on UFT incidents and utilizing the training guides provided to articulate their reasoning on every report. This approach will be lower-mainland focused but will also include all sites throughout the Province on</p>	<p>region to continue this face-to-face approach and ensure that all staff are absolutely comfortable with their reporting requirements and the processes used to maintain compliance with Fintrac reporting. This has also been a valuable exercise as it allows us to meet the cage staff, floor staff and surveillance/security employees and build strong working relationship with all sites, as we normally only converse over the phone or by email. As future changes evolve from Fintrac and Legislative requirements are amended, this process needs to continue to ensure we are constantly prepared to accept any new challenges by Gov't and to ensure we remain best in class and a model for others to follow.</p>	<p>AML requirements. Excellent work !!</p> <p>2015/03/14 - One of the essential elements of an overall AML strategy is to develop a Corporate Culture of Compliance both internally at BCLC as well as externally with our Service Provider partners. Although BCLC has already created and implemented an online AML training program the AML Unit felt it critical to conduct enhanced "face to face" AML training for service provider management and supervisory staff. We felt that the "tone" needs to be set at the top otherwise the "buy-in" at the front line could be compromised. As such Daryl and I over the past year embarked on several "face to face" AML training sessions throughout the province. During this time we have conducted training throughout the lowermainland, BC Interior as well as Vancouver Island targetting over 700 service provider managers and supervisors. Daryl worked with BCLC Investigators to co-ordinate all the training sessions. We worked towards completing 2 full sessions per day each typically 2 hours in length. There was also travel involved between the sessions making the training days very long. The training sessions were very well attended and received. Everyone one who attended and completed the training received recognition for the "enhanced training". Moving forward it is my opinion that this type of "enhanced" face to face training should continue in order to promote a culture of compliance throughout the gaming industry. I consider this goal met. Excellent work Daryl !</p>
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FY15/16

AML SPECIALIST

Emerging Leader Program 2016
Law Enforcement Relationships and Extreme Risk Program enhancements for 2016

FY16/17

MANAGER, AML PROGRAMS

DEVELOP WORKING RELATIONSHIP WITH RCMP (JIGIT) LAW ENFORCEMENT TEAM RESPONSIBLE FOR GAMING ENFORCEMENT IN BC.

EMERGING LEADER PROGRAM 2016

FY17/18

MANAGER, AML PROGRAMS

Continue to develop a working relationship with RCMP (JIGIT) Law Enforcement Team responsible for Gaming Enforcement in BC.

Manage and coordinate staff resources within the AML unit and continue to develop a close working relationship with the AML Analytics unit to develop an effective and robust AML program for BCLC.

FY18/19

MANAGER, AML PROGRAMS

Continue to develop a working relationship with RCMP (JIGIT) Law Enforcement Team responsible for Gaming Enforcement in BC. and GPEB to ensure a strong working relationship to further advance current AML programs.

Manage and coordinate staff resources within the AML unit and continue to develop a close working relationship with the AML Analytics unit to develop an effective and robust AML program for BCLC. This includes pursuing additional resources for the AML unit and the development of all unit staff in the area of E-Gaming with the ultimate goal of absorbing the E-Gaming platform into the AML unit.

THIS IS **EXHIBIT "G"** TO THE
AFFIDAVIT OF **SANDY AUSTIN**
SWORN BEFORE ME AT KAMLOOPS, BC
ON THE 9th DAY OF SEPTEMBER, 2021.



A Commissioner/Notary Public for the
Province of British Columbia.

Robert Kroeker

Chief Compliance Officer & VP Legal, Compliance, Security

FY15/16

Objective Name
ERM Framework
SAS AML Project
Divisional Reorganization

FY16/17

Objective Name
Increase sophistication and effectiveness of corporate AML capabilities
Compliance Quality Assurance -
Divisional Effectiveness and Engagement

FY17/18

Objective Name
Develop a 2 year Divisional Road Map with a focus on Cyber Security
Oversee development of cyber security plan.

FY18/19

Objective Name
Stabilize AML program and develop capability to meet change requirements.
Cyber Security

THIS IS **EXHIBIT "H"** TO THE
AFFIDAVIT OF **SANDY AUSTIN**
SWORN BEFORE ME AT KAMLOOPS, BC
ON THE 9th DAY OF SEPTEMBER, 2021.



A Commissioner/Notary Public for the
Province of British Columbia.

Kevin Sweeney

FY07/08

MANAGER CASINO SITE OPERATIONS

Weight	Goal	Results	Manager Comments
25%	Provide direction to the service providers to ensure the upgrade and usage of the IGWatch system at all casinos is fully implemented, documented and monitored by the Operational Gaming Audit Department. Pilot new software system at Kelowna Casino. If pilot successful, software and facial recognition Management system will be fully implemented at all BC Casinos.	First Quarter - Worked closely with the Boulevard Casino monitoring and educating staff in the use of the IG-Watch system. Assist Audry HILLIARD (Casino Security Administrator) with the guidelines and initial test of the system. Liase with I-View staff (Soren FREDERICKSON) with issues or comments on IG-WATCH exceptions. Second Quarter - Have assisted Jerry and Laird ROBINSON with the development and audit guidelines for the purpose of auditing and documenting the results of utilizing the face sacn feature of IG-Watch. Third Quarter - ROBINSON and I have completed the testing of the iG-Watch system at the Cascades Casino and submitted our results for review. Continue to work with the CSP to track the number of positive hits obtained during crowd scans. Fourth Quarter - All testing results and documentation was forwarded to Senior Corporate Security review. ROBINSON and I had completed all testing and await direction from Management. Work closely with sites that I oversee and monitor succesful hits uti	The IGWatch system is functioning but still requires more updating by the Iveiw Company to ensure it obtains the results we at BCLC require.
25%	Lead the Operational Gaming Audit team on the opening of the new Villa Casino.	First Quarter - Projected construction completion date of Spring 2008 is going to be met. Continually monitoring development and preparing for staffing requirments for the pre opening audit. Second Quarter - Have gathered relative experience with both the Mission and Prince Rupert pre-opening audit of their Community Gaming Centres. Will assist auditing team with the working plan for the opening of the Starlight Casino in late 2007 and will continue to liase with individuals involved in the process of opening facilities and gather information to assist and develop a schedule for staffing the Audit team for the new Villa Casino. Monitored and spoken with Gateway Representatives and timelines appear to be on schedule for Spring 2008. Third Quarter - Have spoken with Gateway Representatives regarding the timelines for the new villa. It appears the timeline for opening will be late Spring 2008. Have utilised experience from opening CGC's and assisting audit staff during opening of Starlight to assist in the	Your work and extra efforts dedicated into the successful opening of these facilities was very much appreciated and valued. Your involvement certainly helped to successfully open this facility to the Public. The Villa casino will open in the next fiscal year.
0%	Kevin's day to day responsibilities include, conducting operational gaming audits at the following	Third Quarter - Have completed 24 Operational Audits during this quarter which consisted of two casino closing audits, 2 CGC openings and one GPEB Audit review. Fourth Quarter - Have	1st Quarter Review - I met with Kevin in the Richmond office on August 15, 2007 to go over his 1st quarter performance. Kevin had a target of 16 priority one first quarter audits, 8 priority two

	<p>casinos and cgc/bingo halls; Coquitlam (Boulevard) Casino, Casino of the Rockies (SEM), Haney Bingo, Lucky Dollar Bingo, Rocky Mountain Bingo, Chances Prince Rupert and Chances Mission. The audits identified integrity issues which were recorded, resolved and tracked to ensure resolution. Answers were also provided for individual queries from service provider and BCLC staff regarding operational policy and procedures. GPEB audits were also responded to and complied with to ensure all exceptions identified were resolved. Daily office administration functions were also maintained though out the year.</p>	<p>completed 34 Operational Audits in addition to three GPEB Audits. I assisted 2 CGC's in the training of their staff on i-TRAK. I continued to assist Craig ROBINSON with issues relating to the CSO course. I have created step by step and easy navigating style tutorials to assist fellow Auditors and staff with their daily duties. I am also frequently called upon by fellow co-workers to assist them with their daily duties and or assistance with navigating through various programs, policies etc.</p>	<p>audits, and 3 priority three audits. Kevin completed all 16 1st quarter audits, 4 priority two audits and 1 priority 3 audit. Kevin was also able to identify 10 new issues at his facilities of those 10 he was able resolve 7 during the 1st quarter and is working on resolving the remaining issues. 2nd Quarter Review - On November 1, 2007 I met with Kevin in the Richmond Office to review his 2nd Quarter performance. During this Quarter, Kevin conducted 10 (ten) required Priority 1 (one) Casino/Bingo Audits; 10 (ten) Priority 2 & 3 Casino/Bingo Audits, along with 3 (three) Periodic Audits at the Holiday Inn on Broadway Casino; Boulevard Casino; Mission Bingo/CGC and the Haney Bingo facility. Kevin also conducted 6 (six) Priority 1 and 2 (two) Priority 2 Audits at the Casino of the Rockies in Cranbrook. As a result of</p>
30%	<p>Corporate Goal & Objectives ? To provide outstanding gaming entertainment, generating income for the public good. Target: > Total net income of \$1,033 million achieved > Total sales revenues of \$2,495 billion > General operating costs of \$114.5 million Stretch: > Net income of \$1,060 million met/exceeded Bonus Trigger: > Net income must exceed previous year?s net income plus \$5.0 million</p>	n/a	n/a
10%	<p>Corporate Goal & Objectives ? To provide outstanding gaming entertainment, generating income for the public good. Player satisfaction and participation ratings of the following are achieved: Target: > Lottery ? Player satisfaction of 90% and participation increase to 62% (past month) > Casino ? Player satisfaction of 92% and participation increase to 33% (past year) > Bingo ? Player satisfaction of 88% (new sites) and 67% (old sites)</p>	n/a	n/a

	and participation increase to 11% (past year)		
10%	Corporate Goal & Objective ? To be a respected organization that has a broad base of public support. Target: > Achieve public support ratings for BCLC of 65% > Achieve public support ratings for acceptance of gaming of 52% > Recognition of Social Responsibility 56% > Public Awareness of the Beneficiaries of Gaming 35%	n/a	n/a

FY08/09

MANAGER CASINO SITE OPERATIONS

Weight	Goal	Results	Manager Comments
25%	Provide leadership, direction and support to my team to help increase level of staff satisfaction and Employee Engagement results	During the course of the year I have continually met with my staff and regularly provide them with the tools and assistance necessary to complete their tasks. During the course of March 2009 the Casino Division had multiple projects and I stepped up to assist my staff with Ram Clears for the penny and two cent machines, slot machine moves, documenting data analysis from the slot machines. -I have received praise from the site staff along with the Service Provider staff for being available to them and assisting them with their day to day operations. I have been told that they appreciate me walking the floor daily and talking with all staff from the cleaners to the Managers. They really appreciate the extra effort. I like to have an idea of how the business is going and walk the floor daily, observing transaction, assisting patrons with concerns and floor staff with concerns regarding slot maintenance. -I have created a guide that will assist the site staff with their daily duties detailing all practices from s	Awaiting results of March 09 Pulse Check. Sandra Fritz, RM
25%	Provide leadership, direction and support to my team to achieve Casino / Community Gaming Division Revenue targets.	Q1 -Assisted site staff with the relocation of slot machines. Rented a truck and transported slot machines and bases from Nanaimo Casino to VRL Casino when staffing levels were affected due to holidays and short term disability. -Created guidelines for VRL BCLC staff on how to conduct daily review. -Created guidelines on shipping, tracking parts to and from the site. Q2 - Assisted site staff with the relocation of slot machines. Rented a truck and transported slot machines and bases from Nanaimo	Kevin has consistently demonstrated a commitment to maximize revenue by developing and implementing processes at site level to lower the down time of slot machines and games at both View Royal and Fraser Downs. Now awaiting final Revenue results to determine bonus eligibility Sandra Fritz, RM.

		Casino to VRL Casino when staffing levels were affected due to holidays and short term disability. -Created guidelines and quick reference guides for emergency evacuation, daily logs for techs and CSOM to be able to view what issues or concerns happen on a daily basis to keep everyone in the loop. -Organized file cabinet and simplified filing system to easily allow for tracking invoices, parts, shipments etc. Q 3 -Assisted Donnie with overseeing Operations at the Downs as well as View Royal to allow	
25%	Corporate Goal & Objectives ? To provide outstanding gaming entertainment, generating income for the public good. Bonus Trigger (Threshold): - Net income must exceed \$1,033 million Net Income ? Target: - Total net income of \$1,110.0 million achieved (Threshold \$1,033) Stretch: - Net Income \$1,143.3 million Annual Revenue ? Target: - Annual revenue of \$2,648.0 million (Threshold \$2,568.6) Stretch: - Annual revenue of \$2,727.4 million	n/a	n/a
15%	Corporate Goals and Objective - Demonstrate Social Responsibility in all of our activities Public Trust & Confidence in BCLC games ratings are achieved by the following: Target: - Public Trust and Confidence in BCLC Games ~ 64% (Threshold 61%) - Player Satisfaction ~ 90% (Threshold 84%)	n/a	n/a
10%	Corporate Goal & Objective - Demonstrate social responsibility in all of our activities Target: - Player Awareness of Responsible Gaming Activities ~ 84% (Threshold 82%)	n/a	n/a

FY09/10

MANAGER OPERATIONAL GAMING AUDIT

Weight	Goal	Results	Manager Comments
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10%	Corporate Goal & Objectives ? Public Support for Gaming Threshold: 61% Target: 63% Stretch: Board Discretion		
5%	Corporate Goal & Objectives ? Public Trust and Confidence in BCLC games Threshold: 60% Target: 61% Stretch: Board Discretion		
20%	Corporate Goal & Objectives ? Net Income (millions) Bonus Trigger (Threshold): - Net Income must exceed \$1,050.0 million Net Income ? Target: - Total Net Income of \$1,130.0 million achieved Stretch: - Net Income \$1,150.0 million		
15%	Corporate Goal & Objectives ? Net Win (millions) Threshold: - Net Win must exceed \$1,941.3 million Target: - Total Net Win of \$2,030.3 million achieved Stretch: - Net Win exceeds \$2,061.5 million		
30%	To ensure my staff overall job satisfaction is increased by supporting the company's common goals through leadership, innovation, integrity and high performance.	<p>I regularly stay in contact with all members of the OGA Team to solicit feedback on my performance and to help identify areas for my improvement that will improve their work progress. I ensure that they have all necessary equipment to do their job efficiently and effectively. Should new corporate focuses/initiatives become known, I ensure that this is communicated to the OGA team.</p> <p>I follow up on issues potentially required to be escalated with the appropriate person within BCLC and external contacts to ensure that they are aware of the situation after the Audit reports are submitted to help get the matters resolved in a timely manner. I have supported and encouraged the cross training of the 2 Lottery OGA's into the Casino/CGC & Bingo environments to expand their knowledge base and at the same time to assist the OGA Team in the field.</p> <p>I've encouraged all team members to maintain working relationships at their sites of responsibility and to work towards resolving all issues in a timely manner. We've established a file on a Shared Drive for all team members to input any Audit test concerns into which is routinely reviewed and followed up on for the benefit of the entire team, in which I continue to encourage all team members to complete and have shown them the benefits of this streamlining of the Audit work. I work hard to</p>	<p>09/11/02- Kevin has a very cohesive group with seasoned personnel for the most part. He meets with them regularly and has training plans for the new persons in his group. Kevin continues to participate in the UBC Leadership program.</p> <p>February 24, 2010 - Kevin is doing a great job in keeping his staff informed and engaged. We do not yet have the engagement scores but I know Kevin's group will score well. He lets his people become involved in helping design remedies and solutions and suggest policy changes. Kevin and Rick are accessible and available to their staff.</p> <p>Kevin is enjoying the Sauder program and it will be completed earlier than first anticipated. He is enjoying the project work and the interaction amongst the other students.</p> <p>March 10, 2010 Kevin has done a great job with his department in leading them. Overall job satisfaction rose from 65% to 77% . Engagement scores were at 86% from 83%. Kevin is a key contributor to the Sauder program. I consider this goal to be partially exceeded.</p>

		<p>provide feedback to all team members on their work and to follow up on any issues presented to me. I always treat each team member equally and acknowledge their contributions to the team publically during OGA Team meetings and ad hoc opportunities. Team members are routinely asked for input into various aspects of the OGA job/project completion and their suggestions are taken and evaluated seriously. When appropriate, I try to keep team members updated on initiatives/issues that effect them, in a timely manner. I try to work on actively developing myself daily to become a consistant and effective Manager of an engaged team of Operational Gaming Auditors and I make a point to solict/listen to team opinions/concerns.</p> <p>I regularly meet with OGA team in the field and observe their conduct during the course of the audits. In addition I meet with them and discuss non work related items and provide a forum which allows them to be able to be comfortable and seek assistance or advise in a non formal matter.</p> <p>February 2010</p> <ul style="list-style-type: none"> -Continually recognise staff members for innovation, job performance etc. -Rick TSANG was identified as one of ten staff members to be seconded for VANOC. -Kris GADE/Laird ROBINSON played a key role in developing and documenting Multi Site Surveillance Standards. -Deepak SAINI, Glen RICHDAL, Rick SENFT recognised for their achievement and participation during the opening of various CGC's. -Developed a site visit review in which I attend various locations along side the Gaming Auditor responsible for the site and conduct a review of the site. I meet with various CSP staff members, BCLC Site staff and have received very positive feedback regarding the interaction of the Gaming Auditors. -Developed and provide Service Providers Head Office and BCLC Senior Manager with monthly exception reports. The reports is a high level report outlining the various exceptions outstanding or escalated for the various locations. It was developed not only to bring exceptions to the forefront, but to assist the Auditors with timely resolution to the issues noted throughout their Operational Audits. 	
10%	Provide leadership, strategy and direction to ensure the upgrade and	- Met with Scott NASTIUK and Glen RICHDAL in July and August 2009 to review the project and documentation.	Met with Kevin on 09-11-02. The facial recognition is nearing the end of phase II and we are awaiting the results.

	<p>usage of the iG Watch system at the Kelowna Casino is fully implemented, documented and monitored by the OGA.</p>	<ul style="list-style-type: none"> - Corresponded with I- View Systems on a few occasions in Sept. 2009 to receive the results of the testing. - Received testing and compared information to the testing conducted by Laird ROBINSON and I in August 2007. Identified key areas in which the information provided by IVIEW systems was similar to our findings. - Met with ROBINSON and discussed the report. Will be attending Kelowna Casino with ROBINSON in November 2009 along with RICHDAL and NASTIUK and determine our next course of action for testing. <p>Updated February 2010</p> <p>As of date we are still awaiting for i-VIEW systems to report back on findings from our analysis of the 2007 report submitted by ROBINSON and I and the report analysis conducted by i-VIEW systems. Unfortunately due to budget restrictions, we were unable to conduct specific tests and consulting with i-TRAK.</p> <ul style="list-style-type: none"> - Have been in contact with NASTIUK and RICHDAL and am working on a 	<p>February 24, 2010 - This has been delayed due to Nastiuik's absence in Kelowna. Further tests will be done in March in conjunction with iView to test the threshold accuracy.</p> <p>March 10,2010 BCLC is currently using a very small database in Kelowna, however we have had some marked increase in success from 29% in September of 08 to 55-88% in June of 09. The plan is to use a new lo lux camera moving forward with a larger database. Although we are not done with this project a significant amount of work has been accomplished and I consider this project met.</p>
10%	<p>- Participate in the review of current financial control framework and controls conducted by Deloitte and Touche along with Casino Finance and Operations staff. - Participate in the GSAP (Gaming Systems Access Protocol) Committee. As a goal must have a weight of 10%, both goals are weighted at 5%.</p>	<p>GSAP Committee</p> <ul style="list-style-type: none"> - I meet regularly with the GSAP committee and participate weekly in reviewing Gaming Systems Access requests from both internal and external parties. - I act as the representative for the Corporate Security Management team and follow up and answer all related questions or concerns brought to the committee with my fellow colleagues to ensure all parties are on the same page and that the correct information is forwarded back to the group. <p>Financial Control Framework</p> <ul style="list-style-type: none"> - Provided feedback to the VP of Corporate Security with regards to the Deloitte and Touch audit/review. - Maintain contact with Karen GILBERT (Casino Finance) and continue to work closely with Sandra FRITZ (Casino Division) to work on documenting process required for the review. - As of October 1, 2009, GILBERT has advised that the review group is put on hold for the time being to work on the RFP for the GMS project. - I was one of two individuals that volunteered to be the Corporate Security rep. for the initial GMS project in which we met to document and provide the necessary requirements needed to ensure an appropriate system is developed. 	<p>09/11/02- Kevin continues with this project with Deloitte and is a key representative for the GMS project for Security.</p> <p>Meeting with OLG face to face.</p> <p>February 24, 2010 - GMS RFP is closing now and Kevin is one of the key Security representatives to evaluate this new system. Kevin is also the key SME on the Casino Controls project. Recently Kevin participated on a tour of a Casino with KPMG to outline the controls in place.</p> <p>March 10, 2010 The Casino control project has been put on hold due to the GMS project in which Kevin is a key contributor from a security perspective. I am rating this project as partially met.</p>

	<p>- I was contacted by Bill DEMUTH (BCLC Project Manager) and was advised that I was selected from the group to be a representative for BCLC when meeting with the Ontario Gaming Association on our joint partnership for RFA for the GMS system.</p> <p>February 2010</p> <p>-RFP for GMS is coming to a completion. Working with SME and Project Manager Bill DeMUTH on the requirements and forms required to be an Evaluator for the GMS vendor presentations to be conducted in May/June 2010.</p> <p>-Financial Contract Framework is to begin this month. Unfortunately due to other projects, Project Manager Karen GILBERT had to postpone the group/committee discussions until this time. Have identified, SME Kris GADE from our group to work alongside me during the review of current financial control framework.</p> <p>March 2010</p> <p>-We received the GMS RFP applications from the six vendors and will be conducting the individual scores over the next few weeks. Estimated time spent on the evaluations will be approximately two weeks.</p>	
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FY10/11

MANAGER OPERATIONAL GAMING AUDIT

Weight	Goal	Results	Manager Comments
10%	Corporate Goal & Objectives - Player Satisfaction: Threshold: Board Discretion Target: 74.0% Stretch: Board Discretion		
20%	Corporate Goal & Objectives ? Net Win (millions). Bonus Trigger (Threshold): Net Win of \$1,905.1 must be exceeded. Target: Total Net Win of \$2,072.4 achieved. Stretch: Net Win \$2,137.5 exceeded.		
20%	Corporate Goal & Objectives ? Net Income (millions). Bonus Trigger (Threshold): Net Income of \$1,025.0		

	must be exceeded. Target: Total Net Income of \$1,115.0 achieved. Stretch: Net Income \$1,150.0 exceeded.		
10%	To ensure my staff overall job satisfaction is increased by supporting the company's goals through leadership, innovation, integrity and high performance.	<p>I regularly stay in contact with all members of the OGA Team to solicit feedback on my performance and to help identify areas for my improvement that will improve their work progress. I ensure that they have all necessary equipment to do their job efficiently and effectively. Should new corporate focuses/initiatives become known, I ensure that this is communicated to the OGA team.</p> <p>I follow up on issues potentially required to be escalated with the appropriate person within BCLC and external contacts to ensure that they are aware of the situation after the Audit reports are submitted to help get the matters resolved in a timely manner. I have supported and encouraged the cross training of the 2 Lottery OGA's into the Casino/CGC & Bingo environments to expand their knowledge base and at the same time to assist the OGA Team in the field.</p> <p>I've encouraged all team members to maintain working relationships at their sites of responsibility and to work towards resolving all issues in a timely manner. We've established a file on a Shared Drive for all team members to input any Audit test concerns into which is routinely reviewed and followed up on for the benefit of the entire team, in which I continue to encourage all team members to complete and have shown them the benefits of this streamlining of the Audit work. I work hard to provide feedback to all team members on their work and to follow up on any issues presented to me. I always treat each team member equally and acknowledge their contributions to the team publically during OGA Team meetings and ad hoc opportunities. Team members are routinely asked for input into various aspects of the OGA job/project completion and their suggestions are taken and evaluated seriously. When appropriate, I try to keep team members updated on initiatives/issues that effect them, in a timely manner. I try to work on actively developing myself daily to become a consistant and effective Manager of an engaged team of Operational Gaming Auditors and I make a point to solicit/listen to team opinions/concerns.</p> <p>I regularly meet with OGA team in the field and observe their conduct during the course of the audits. In addition I meet with them and discuss non work related items and provide a forum</p>	<p>October 27, 2010 - Kevin continues to build a strong, comprehensive team on the OGA front. He has strengthened his relationships with GPEB and our internal lottery group. He meets with his staff regularly and provides guidance and leadership. Kevin is willing to work with his staff, and listen and address their concerns where he can. Good job, Kevin.</p> <p>Kevin has been heavily relied on by myself on various projects and processes, including GMS. His expertise in both Casino operation and policy has proved invaluable over and over. Great work, Kevin. Much appreciated!</p> <p>March 17, 2011 - Kevin has a strong group in this department. He has everyone onside and contributing. He deals with issues as they arise and meets with his staff on a regular basis. I have been relying on Kevin very heavily recently and he is a valued contributor to this Division. I am unable to rate this goal until the engagement scores are received.</p> <p>April 11, 2011 - I discussed the engagement survey results with Kevin today. He has one of the highest overall engagement departmental scores at 86%, overall job satisfaction is also high at 85%. However the department morale score dropped from 74 to 54%. Several other scores on the leadership have also fallen and we discussed ideas on how to reverse that trend. I believe Kevin is aware of the issues and has done a good job in managing this team. Given the one target measurement falling as it has i can only consider this goal partially met.</p>

		<p>which allows them to be able to be comfortable and seek assistance or advise in a non formal matter.</p> <p>I have worked with Casino Operations in attempt to alleviate numerous repeat concerns resulting from one property and address the ongoing frustrations from my staff involved in the following up of the exceptions.</p> <p>I have worked with RG to remove the requirement for ART training for back of house and cleaning staff working during non operating hours. This alone removed a significant amount of exceptions that resulted from GPEB and BCLC Audits and addressed the ongoing frustrations from my staff involved in following up on the exceptions.</p> <p>I have created a strong working relationship with the Casino Investigations department that has provided a strong cohesive, collaborative working relationship between the Investigators and Auditors.</p> <p>I have met with Casino Product Development and CTS Management over the last few months to identify concerns relating to RTP, Lock and Key Inventory and Secure Program controls. I have provided them regular reports based on our Operational Audits that will assist their team in identifying and resolving issues.</p>	
15%	<p>Provide leadership, strategy and direction to ensure the upgrade and usage of the iG Watch system at Kelowna Casino is fully implemented, documented and monitored by the OGA and i-Vlew systems.</p>	<p>May 2010</p> <ul style="list-style-type: none"> -while in Ontario for GMS RFP, attended i-VIEW systems and met with James HENDERSON and staff and reviewed new technology (cameras, id scanners) and discussed upcoming testing phase. -OLG identified Woodbine as a testing site. Attended Woodbine and met with Security team to review current tesing set up and technology utilised. <p>June 2010</p> <ul style="list-style-type: none"> -Arranged teleconference with i-VIEW systems, Scott N. (Lake City), Glen RICHDALÉ and Laird ROBINSON to discuss the results in phase 2 of the FR testing at LCC Kelowna. -identified some improvements to the system and possible solutions for the upcoming phase of testing to be scheduled in Summer 2010 <p>August/September 2010</p>	<p>October 27, 2010 - Servers have arrived and are in QA. Will be deployed in November 2010. Hastings Park is also commencing a Pilot shortly. Kevin continues to drive this Pilot forward.</p> <p>March 17, 2011 - Reconfiguration of entrance way will delay this program for two weeks. The results of this pilot have proved to be very successful. We will implement this in a Lower Mainland facility as we go forward. Kevin has done a gerat job in sorthing through the complexities of the pilot.</p>

		<p>-Corresponded and communicated with i-VIEW systems to arrange for the beginning of phase 3.</p> <p>-i-VIEW systems identified that due to projects currently being conducted, phase 3 would be set for October 2010.</p> <p>-met with BCLC Systems, i-VIEW and identified project timelines and rollout plan.</p> <p>-attended LCC Kelowna, met with Glen R. and Scott N. to discuss timelines, identify areas for improvement involving Surveillance staff, oversight and camera placement.</p> <p>FINAL UPDATE</p> <p>I have been involved with several Teleconferences prior to and during the test phase of IG Watch in LCC Kelowna. Participants involved in the teleconferences were: James HENDERSON, Soren FREDERICKSON (i-View Systems), Gord FRIESEN, Chad RUSSETT, Glen RICHDALÉ and at times, Scott NASTIUK.</p> <p>The equipment was installed at LCC Kelowna in December 2010 however we have a few issues with licenses for the system and due to construction at the site, the system was not fully functional until January 12, 2011. I was in attendance in Kelowna overseeing the installation of the cameras, identifying the locations, the lighting levels. In addition I supported Chad RUSSETT with the installation of the PC, and Server installation for the purpose of the test phase. I met with Scott NASTIUK (LCC Surveillance Manager) and Craig (LCC Surveillance Supervisor) and provided them with the information required to oversee in the enrolment and day to day monitoring of the test phase. I continued to have conference calls with the two staff along with RICHDALÉ. We discussed their observations and results from the test phase. They were responsible for reviewing the photos obtained by the system and either accepting or rejecting the hits on subjects who were in the data bank or enrolled by the site.</p> <p>During this test phase David HUGHES (Director, Privacy) identified that a BCLC Privacy Impact Assessment would have to be completed for this test phase to address privacy concerns and be forwarded to the OIPC.</p> <p>Glen RICHDALÉ and I collected the necessary information and completed the PIA. During the collection of the information, we had discussed the privacy and security concerns with Chad RUSSETT who was responsible for coordinating the IT portion of</p>	
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		<p>the IG Watch test phase for BCLC. There were several areas of concerns that were identified during these conversation related to the IP Cameras, iTrak sign in at the site and retention of photographs. These issues were identified and documented in the PIA and as well as solutions suggested by RUSSETT.</p> <p>During the teleconference on February 2, 2011, it was decided to set parameters for retention of photos obtained. RUSSETT was tasked with removing the images weekly. During the February 28, 2011 teleconference it was determined that up to the date of this meeting, there had been 2022 alerts generated with 1663 accepted and only 359 rejected.</p> <p>LCC Kelowna has gone through a few changes due to construction and as a result, I coordinated the repositioning of the cameras for the main entrance. I met with the site staff and RICHDALÉ on March 16th and because of the reconfiguration of the main entrance, it was determined that foot traffic was affected and as a result I have decided to contact the parties involved and extend the test phase by two weeks to gather more intelligence and results. Since the IG Watch has implemented for this test phase, we have seen a high number of positive hits far exceeding previous test phases. I View staff will prepare a formal report at the completion of the test phase for BCLC.</p>	
15%	<p>? Participate in the review of the Horse Racing Industry and provide feedback to the committee to identify opportunities to revitalize Horse Racing in the Province of BC?</p> <p>Participate in the GSAP (Gaming Systems Access Protocol) Committee. ? Participate in the GMS RFP (including the Vendor review, selection and presentations).</p>	<p>GMS RFP</p> <ul style="list-style-type: none"> -attended site visits of Oneida Casino in June 2010. Reviewed Operations and GMS system currently in place. Interviewed staff and identified shortcomings, workarounds and improvements for the purpose of our RFP. - provided written communication to the Project Manager at OLG and BCLC outlining my findings for the following areas: Security, Surveillance, Finance and Audit. <p>GSAP</p> <ul style="list-style-type: none"> -provide assistance and feedback to the group with regards to Gaming Systems and Access Protocols. -appointed Rick HUNTER as the main contact for the OGA group. Provide leadership and assistance with the overall processes forwarded to our team, assist with reviewing documentation and providing recommendations and expertise on areas in which we are SME's. <p>Casino Financial Controls</p>	<p>October 27, 2010 - Kevin has expertise around:</p> <ul style="list-style-type: none"> -access controls -setting management -tours of a location currently using this system from a Security and Auditing standpoint. <p>He has led the Security portion of the GMS review and I know this knowledge has been greatly appreciated by the entire project team.</p> <p>March 17, 2011 - RFD completed for GMS. Casino financial controls implemented with our huge operational impact.</p>

		<p>-attended two meetings (July, September 2010). Provide feedback and recommendations from a Security and Operational perspective to address concerns brought forward by Deloitte and Touche Audit.</p> <p>-provide leadership to the group in addressing matters more efficiently and providing shortcomings in current processes, eliminating unnecessary policies that are onerous and provide no operational and or security feasibility.</p>	
10%	<p>Provide leadership, strategy and direction to ensure the rollout and pilot of the Server Based Slot Machines at Chances Kelowna is implemented, reviewed and compliance policies are created and implemented to ensure gaming integrity and security for 24 hour operations and non 24 hour operations moving forward.</p>	<p>IServer Based Gaming</p> <p>Phase one for sever based conversions took place on September 8, 2010, which consisted of the GOS, Technical Support and Operational Gaming Auditor being on site. Technical Support was on site to complete conversion and be available for any issues that may arise. GOS confirmed that the conversion was completed properly with the proper denomination, payout percentage and game settings. OGA was on site to review the procedures and stated that there was a detailed log where he was able to review all the changes.</p> <p>Phase two occurred on September 24th 2010. Technical Support loaded the software from the BCLC Kamloops office with the assistance of the GOS at the site.</p> <p>On September 30th, 2010 I attended Chances Kelowna along with Glen RICHDALE (Operational Gaming Auditor) and spoke with Chad BLACKSTONE (GOS). The following observations were noted with regards to phase two of the SBG conversion:</p> <p>? Audit Log doesn't identify machines clearly. It identifies it by serial number. This would make it difficult to cross reference. Suggestion is to ask WMS to identify machines by machine number.</p> <p>? The GOS is not confirming the correct information was downloaded prior to bring the machine into service.</p> <p>? Email that GOS receives from Product Development should include percentage required for machine to alleviate any possible errors.</p> <p>Not specific to SBG</p> <p>? The slot machine candles were not changed accordingly to reflect the correct color associated with the denomination of the slot machine.</p>	<p>October 27, 2010 - Still in trial in Kelowna CGC, proceeding as per the project plan. Kevin has been meeting with project leaders.</p> <p>March 17, 2011 - SBG has been in place since June 2010. The trial is still running and will not be completed until June 2011. Kevin has done a lot of work on this project and his experience/knowledge has proved critical to this project. This project is very important to BCLC and Kevin's background has proven invaluable.</p>

		<p>? GOS reviewed ?R Casinos? with us. ?R Casinos? is the software program that BCLC Casino Division utilizes to track and update machine information. During our review it was noted that the changes that reflect the SBG were not updated. This process should be clearly identified in the policies to ensure there is no discrepancies between the list and what?s on the floor.</p> <p>? Upon further review of ?R Casino? it was noted that the SBG machine information was not updated correctly. There were machines listed with incorrect denominations as well the SBG machines themes are not identified. A recommendation is to track the themes and then each time a machine is edited, the original information is archived and the new information is obtained.</p> <p>- I will continue to meet with CTS and Product Development over the next phases and ensure that adequate policies are in place to ensure the integrity of gaming is upheld and to alleviate any customer concerns or negative public trust in our systems.</p> <p>FINAL UPDATE:</p> <p>Server Based Gaming was installed in June 2010 at Chances Kelowna for a Test Trail of this technology. The games were installed and play tested prior to going into operation on the 10 June 2010 by the Operational Gaming Audit. There was an audit conducted at the time of the set up and play testing on the 75 machines installed. After the audit, I met with Product development and CTS and advised them that they would need to create a document describing the process and procedures for monitoring the activities and changes to the SBG Slot Machines. This document was created June 2010 and updated in September 2010 after some concerns were brought forward. This document identified who, when, how the changes would be made (from where) and verification procedures. In a nut shell once the 75 Williams Bluebird Reel & Bluebird Video Slot Machines were installed on the gaming floor they were attached to Casino Link and CMS the same as any other Slot Machine. The advantages of this system are games can be downloaded without ever accessing the Slot Machine on the gaming floor. Numerous machine themes and settings can be made in a very short period of time.</p> <p>The OGA dept. identified the following:</p> <p>The settings are dictated by BCLC Product Development. Changes to the configuration can be monitored at anytime by BCLC</p>	
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Gaming Systems Senior Technical Analyst. The basic concept is that the games are all contained on DVDs with security features. The game is then loaded onto the hard drive in the BCLC Server Room; a secure numeric/alpha code is needed to confirm the game and software. This document also shows the number of licences for that game. If this number is not entered accurately the game cannot be installed or if the licenses are already in use another cannot be added. The games settings are then entered through the use of the WMS AOL after the settings are obtained through Product Development. Once the Changes have been made the GOS updates rCasino. The GOS retains copies of the project email and once the Changes are made they are confirmed and signed off by the other GOS or verified by one of the BCLC Gaming Systems Senior Technical Analyst.

There is an audit logger that can be accessed by users and every time the system is accessed or any changes have been made for any reason it logs who accessed it, what they did, the time they were in and what was done. This system uses a mac address for the machine and searching is difficult.

Once it was learned that the disc for these games were retained on site the BCLC Operations division was advised that any game disc need to be stored in the Prom Cabinet and made subject of an inventory list. This procedure would then be reviewed by OGA during the BCLC Internal P1 Audit.

The changes since the SBG has been in place have been forwarded by Product Development and the GOS is retaining the information as mentioned. This file has been reviewed by OGA and it has be noted that changes are documented as required. In addition since SBG was installed at Chances Kelowna, the GOS?s have been audited several times while making the changes to the games on line and the machines were physically verified to show the correct line bets, denomination setting and percentages.

Moving forward it is recommended that BCLC create Policy and Procedures if additional SBG products are utilized after the trial phase. This policy will have to deal with disc handling and shipment procedures. In the interim, BCLC OGA audit tests have been added to the CGC BCLC Option Testing Audit.

FY11/12

MANAGER OPERATIONAL GAMING AUDIT

Weight	Goal	Results	Manager Comments
25%	Corporate Goal & Objectives ? Net Win (millions) Trigger (Threshold): Net Win of \$1,985 must be exceeded. Target: Total Net Win of \$2,098 achieved. Stretch: Net Win \$2,160 exceeded		
25%	Corporate Goal & Objectives ? Net Income (millions). (Threshold): Net Income before taxes of \$1,135 must be exceeded. Target: Total Net Income before taxes of \$1,200 achieved. Stretch: Net Income before taxes of \$1,235 exceeded.		
25%	Provide leadership, strategy and direction to ensure the upgrade and usage of the iG Watch system at Grand Villa Casino is fully implemented, documented and monitored by the OGA and i-Vlew systems.		
25%	-Participate in the overall review of policy and procedures for implementation of GMS. - Participate in the review of the AML risk register. -Participate in the review of Surveillance policies and develop, create "Remote Monitoring" policies for Service Providers looking at monitoring sites from one central location.		

FY12/13

MANAGER LOTTERY INVESTIGATIONS

Weight	Goal	Results	Manager Comments
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25%	Corporate Goal & Objectives ? Net Win (millions) Trigger (Threshold): Net Win of \$2,021.6 must be exceeded. Target: Total Net Win of \$2,135.8 achieved. Stretch: Net Win \$2,183.7 exceeded		
25%	Corporate Goal & Objectives ? Net Income before taxes (millions). Threshold: Net Income before taxes of \$1,159.5 must be exceeded. Target: Total Net Income before taxes of \$1,225.0 achieved. Stretch: Net Income before taxes of \$1,252.5 exceeded.		
10%	Provide leadership, strategy and direction to ensure the 3D Facial Recognition pilot is fully implemented, documented and monitored by the Gaming Compliance team and USI.		
5%	-Participate in the review of the AML risk register. -Participate in the review of Surveillance policies and develop, create "Remote Monitoring" policies for Service Providers looking at monitoring sites from one central location.		
10%	Participate in the RFP for Retail Optimization for the Lottery Business Unit.		
25%	Participate in the VSE trial (ROSS vs BCLC)		

FY13/14

DIRECTOR OPERATIONAL COMPLIANCE

Weight	Goal
25%	Corporate Goal & Objectives ? Net Income before taxes (millions). Threshold: Net Income before taxes of \$1,169.11 must be exceeded. Target: Total Net Income before

	taxes of \$1,240.00 achieved. Stretch: Net Income before taxes of \$1,274.91 exceeded.
25%	Corporate Goal & Objectives ? Net Win (millions) Trigger (Threshold): Net Win of \$2,034.44 must be exceeded. Target: Total Net Win of \$2,157.80 achieved. Stretch: Net Win \$2,218.56 exceeded
25%	Provide leadership, strategy and direction to the following Corporate Security teams in an Acting Director capacity (Director, Operational Compliance): -E Gaming Investigations -Lottery Investigations -Operational Gaming Compliance -Casino Security and Surveillance -Building Security
10%	-Participate in the AML, Casino and Lottery Risk Register.
15%	Participate in the RFP for 3D Facial Recognition and LPR

FY14/15

DIRECTOR SECURITY, PRIVACY AND COMPLIANCE

Weight	Goal	Results	Manager Comments
25%	Corporate Goal & Objectives ? Net Win (millions) Threshold: Net Win of \$2,009.00 must be exceeded. Target: Total Net Win of \$2,143.9 achieved.		
25%	Corporate Goal & Objectives ? Net Income before taxes (millions). Threshold: Net Income before taxes of \$1,168.0 must be exceeded. Target: Total Net Income before taxes of \$1,246.0 achieved.		
25%	Provide leadership, strategy and direction during the development of the JIBC Investigations Assessment Centre.		

10%	Identify and execute a significant cross divisional opportunity for our high potential employees.		
15%	Provide leadership, strategy and direction during the reorganization of the Corporate Security and Compliance Division.		

FY15/16

DIRECTOR SECURITY, PRIVACY AND COMPLIANCE

Objective Name
Develop a program tracking tool to successful monitor and track the ancillary programs, projects and other related tasks completed by the Investigations, Compliance and Corporate Security teams.
To undertake the oversight of the Information, Privacy and Security groups in addition to the Compliance, Investigations and Corporate Security groups.

FY16/17

DIRECTOR SECURITY, PRIVACY AND COMPLIANCE

Objective Name
Lead a workforce planning review of the Security, Privacy and Compliance functional teams
Lead and excute the redevelopment of BCLC's Cyber Security Program
Lead and execute on a divisional restructure

FY17/18

DIRECTOR SECURITY, PRIVACY AND COMPLIANCE


Objective Name
Lead AML and Investigations team during Director absence as well as support AML Independent Review
Support the development and execution of a new Casino Operating Service Agreement and Standards
Lead the execution of the Cyber Security roadmap and strategy

FY18/19

DIRECTOR SECURITY, PRIVACY AND COMPLIANCE

Objective Name
Lead a workforce planning review of the Security, Privacy and Compliance functional teams
Lead the execution of the Compliance Transformation roadmap and strategy
Lead the development and organization of the LCS Divisional.

THIS IS **EXHIBIT "I"** TO THE
AFFIDAVIT OF **SANDY AUSTIN**
SWORN BEFORE ME AT KAMLOOPS, BC
ON THE 9th DAY OF SEPTEMBER, 2021.


A Commissioner/Notary Public for the
Province of British Columbia.

Ross Alderson

FY08/09

LOTTERY SECURITY INVESTIGATOR

Weight	Goal	Results	Manager Comments
25%	Corporate Goal & Objectives ? To provide outstanding gaming entertainment, generating income for the public good. Bonus Trigger (Threshold): - Net income must exceed \$1,033 million Net Income ? Target: - Total net income of \$1,110.0 million achieved (Threshold \$1,033) Stretch: - Net Income \$1,143.3 million Annual Revenue ? Target: - Annual revenue of \$2,648.0 million (Threshold \$2,568.6) Stretch: - Annual revenue of \$2,727.4 million	n/a	n/a
15%	Corporate Goals and Objective - Demonstrate Social Responsibility in all of our activities Public Trust & Confidence in BCLC games ratings are achieved by the following: Target: - Public Trust and Confidence in BCLC Games ~ 64% (Threshold 61%) - Player Satisfaction ~ 90% (Threshold 84%)	n/a	n/a
10%	Corporate Goal & Objective - Demonstrate social responsibility in all of our activities Target: - Player Awareness of Responsible Gaming Activities ~ 84% (Threshold 82%)	n/a	n/a
50%	Target date Mar 27, 2009 Reduction of procedure violations from retailers from 9.9 % to 5.9% of the targeted 25 retailers in the Burnaby area. Make personal visits to 25 retailers at least once and followed up by phone calls Work as a team with other investigators, TM's and		3rd Quarter. I met with Ross and reviewed the goal. We set a target of 25 retailers given the time left in the year. 4th Quarter: Ross has completed the visits to the 25 retailers and worked with the TM. He provided feedback to Hot Line and will prepare a report on the root causes of procedural failures.

	Training Staff to assist these retailers by support and training to correct these policy errors.		
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FY09/10

LOTTERY SECURITY INVESTIGATOR

Weight	Goal	Results	Manager Comments
10%	Corporate Goal & Objectives ? Public Support for Gaming Threshold: 61% Target: 63% Stretch: Board Discretion		
5%	Corporate Goal & Objectives ? Public Trust and Confidence in BCLC games Threshold: 60% Target: 61% Stretch: Board Discretion		
20%	Corporate Goal & Objectives ? Net Income (millions) Bonus Trigger (Threshold): - Net Income must exceed \$1,050.0 million Net Income ? Target: - Total Net Income of \$1,130.0 million achieved Stretch: - Net Income \$1,150.0 million		
15%	Corporate Goal & Objectives ? Net Win (millions) Threshold: - Net Win must exceed \$1,941.3 million Target: - Total Net Win of \$2,030.3 million achieved Stretch: - Net Win exceeds \$2,061.5 million		
40%	75% E-Lottery goal to assist in the Implementing of new Online Gaming Systems and reviewing existing procedures. Measure by these factors ? Attending meetings and liaise with Technical / sales staff relating to implementation of any new On line ?Pub? games such as Black Jack and to review procedures to address and Security concerns ? Review existing BCLC Policy relating to establishing IP Address procedures and Player start up	<p>Sept 2nd. I have been in contact with Richard FENSTER, Tom TAI, Rhonda STERNS, Terry TOWNS, Doug MORRISON and Graham CONNOR over this matter as we have already had 5 occurrences of suspicious transactions. I made the initial phone call to two of the players [REDACTED] and advised course of action in IRIMS. FENSTER is putting together a steering committee which I will be part of and policy reviewed especially in light of Fintrac reporting and the effects of On Line gaming limits being raised to \$9,999.99. I have kept all emails.</p> <p>Wed Sept 30th and Thurs Oct 1st. Facilitated all Richmond Auditors, Richmond Investigators and representatives from E-Business to attend training Session re: Fintrac and Suspicious</p>	<p>Goal approved. The E Gaming will speed up due to the recent modifications to the Corporate direction and the increase of weekly spending limit from \$120 to \$9999. 15 Sept 09: 2nd quarter review. This quarter Ross has been involved in the issues resulting from the increased limit. He has conducted investigations and is in the process of writing the procedures. The goal has been broken down into E Lottery, E Poker and E Casino. I have met with Ross and he is proceeding with meeting the goal. He will include other investigators and continue to meet with e gaming partners.</p>

	<p>Procedures. ? Develop Lottery Investigation policy for approval by management. ? Have addressed any Black Jack issues by implementation date in early 2010 ? Have reviewed and set up clear written investigators procedures to assist in E-Lottery Investigations by December 30 2009 - Review on line procedures for Playnow and anticipate any issues as Playnow wallet increased to \$9,999.00 per week on August 19th 2009.</p>	<p>Transactions and Legal requirements. Chaired by Casino Security Staff. 2 hrs meeting with round table discussion. Provided all with Investigators Procedures draft which I put together from scratch on Sept 22nd. Examples of recent SFT shown.</p> <p>Wed Oct 7th. Facilitated Fintrac Report Training for all Richmond Investigators. All investigators trained and equipped to fill out Fintrac Report. Updated E-Lottery procedures manual (15 page document)and copied to X\drive with information relating to reports. Did first 5 Fintrac Reports and copied to folder.</p> <p>Wed 14th Oct. Chaired meeting with All Lottery Investigators and Management regarding standard for reporting Fintrac and expectations bring everyone up to date with information on hand and discuss the current procedures I had set up. Folders set up in eLottery on x drive detailing procedures and how to obtain banking information, all other relevant information as well as keeping a copy of all Fintrac reports</p> <p>Continually in dialogue with E-Business regarding Playnow and made a number of requests regarding the application process. All emails saved. Advised that E-Casino would be another area for me to assist.</p> <p>Tues 27 th oct. Completed file for LADRET and READ and attended Richmond RCMP with copy of file for investigation. In turn file has gone to Campbell River as complainant has reported to police in Campbell River. I have liased with investigating member over this matter.</p> <p>Wed 28th Oct. Received JAY SFT file. Went through step by step with Investigator HAKIN on procedures and how to submit Fintrac report</p> <p>18 Jan 10 - Update. Attended E- business meeting in Richmond Dec regarding E- casino and the nature of the games.</p> <p>Have been heavily involved in training of other investigators in dealing with playnow files and called upon to assist in these files. I have become direct link between CSR and Security for many of these matters and am relied upon for guidance by the other investigators. Since last notes have continued to be involved in E-Business and touch on any issues raised. Have met all other partners within BCLC including Rhonda GARVEY and discussed Security issues relating to Playnow. In early Jan 2010 was notified</p>	
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		<p>by Doug MORRISON of the change in Fintrac Reporting requirements and I sent out a detailed email bringing investigators/admin up to date on this issue as well as providing an email response to Fintrac. During the previous few months I have updated the Playnow Investigators procedures to reflect the changes. Attended Knockout 21 training in Dec 2009 in readiness for the launch in Jan 2010. Constantly reviewing changes on playnow in relation to new games etc. Identified loophole in playnow with automatic bank transfers and ticket purchases when players are not residents of BC and brought this to the attention of manager who will further discuss with CSR. I have also been in constant contact with the E-business committee regarding new on line games and have requested to keep in the loop regarding E- Casino. E - Poker has been taken on board by Lynn COUSINS. A new investigator is to be hired and based in Kamloops (near IT) and their primary role will be E- Gaming due to the large expansion of games (and players) in Playnow.</p> <p>- 16 Feb 10 - - Attended meeting in Richmond as sole representative on behalf of Lottery Security with a number of representatives through Corporation in relation to E-Casino/Betware/Orbis. Basis of meeting was determining what training is involved and what each department requires and for department rep to assist with procedures. Ensured that training for Lottery Security is more comprehensive that first allocated. Added Registration process and CSR training to be added for all investigators. Training for "trainers" to begin April 26. On top of tha discussed with Rhonda STEARNS procedures in relation to current playnow files where name changes take place. Email sent to same detailing Security Procedures.</p>	
10%	<p>Goal 2 Operational Excellence 25% To lead in the development and implement the new PPO Interview process involving Computerized Tablets for statement taking ? Develop a written plan including Implementation timeline, projected cost, program features, and interaction with other users to initiate a paper free PPO Security Interview process. Break down and apply time lines in order that we can monitor by quarter. Thnx. - System is fully functional by 30</p>	<p>Sept 2 nd. I have met with Dawn AFFLECK (richmond ppo) , Kulbir GREWAL (IT) and spoken to Tony BAUER (Salesforce projects) in relation to this. There is an existing plan underway to get PPO on line however due to budget constraints this is unlikely to occur before summer 2010. I have copied all my correspondence in to a word document and saved any emails.</p> <p>Jan 2010 Received email from G.BOARD regarding this matter who was looking at implementing Tablets by end of Jan 2010. Spent full day contacting various parties throughout corporation including members of Salesforce Management Committee and provided Gord all documentation. I obtained business plan from Kevin SWEENEY and provided same to Gord. Most of the auditors are still using laptops and the use of tablets is still a lower priority</p>	<p>The tablets have been ordered.</p>

	<p>December 2009 include all investigators/staff in identifying the new system needs. Took part in the big picture implementation planning sessions.</p>	<p>on the salesforce rollout.</p> <p>18 Jan 2010 - had meeting with Cam DODSON in West Wing training room and went through test screens of Salesforce including PPO functions and familiarized myself with how tablets/laptops could be used for this function. Discussed with Gord. Stated he has made enquiries and it appears that due to cost it is unlikely this will be implemented in the time frame he was hoping.</p> <p>16 Feb 10 - Gord able to obtain a tablet for PPO and met with Cam DODSON who was trialling same for PPO interviews. I discussed during the previous week with Gord and other members of team re: setting up printers in interview room as current transition with Salesforce still requires PPO part of system to be handwritten.</p>	
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FY10/11

INVESTIGATOR

Weight	Goal	Results	Manager Comments
20%	<p>Corporate Goal & Objectives ? Net Win (millions). Bonus Trigger (Threshold): Net Win of \$1,905.1 must be exceeded. Target: Total Net Win of \$2,072.4 achieved. Stretch: Net Win \$2,137.5 exceeded.</p>		
10%	<p>Corporate Goal & Objectives - Player Satisfaction: Threshold: Board Discretion Target: 74.0% Stretch: Board Discretion</p>		
20%	<p>Corporate Goal & Objectives ? Net Income (millions). Bonus Trigger (Threshold): Net Income of \$1,025.0 must be exceeded. Target: Total Net Income of \$1,115.0 achieved. Stretch: Net Income \$1,150.0 exceeded.</p>		
40%	<p>Goal : To liaise with E- Gaming Investigator Gerard POITRAS in all matters involving Playnow and E- Gaming. To assist him in these</p>	<p>May 10, 11th 2010, Attended ECasino training course Kamloops Training room (with POITRAS) Chaired by Monica MAGRI and Jennifer GAVRIEL. Received knowledge of ORBIS system and capabilities. Tentative launch date given as June 28th 2010.</p>	

	<p>matters and provide training to LMD investigators regarding the launch of E-Casino in July 14th, the expected impacts and investigative needs through Orbis. To reach a level of expertise as to competently cover for POITRAS and provide direction to rest of investigative team. To attend meetings involving E-Business and link with internal departments in providing a successful transition. To assist in finalizing a comprehensive E-Lottery Investigative Manual. This goal is ongoing</p>	<p>Detailed (as per previous teleconference) what is required by Security to conduct investigations and waht aspects of ORBIS access is needed. Requested POITRAS to put together training package in Power Point so he can provide training for Kamloops Personel and I can do same for LMD investigators.</p> <p>June 7th - June 11th. Investigated a number of eLottery Files covering for POITRAS. Provided direction for LMD investigators.</p> <p>June 10th - Reviewed PP presentation E-Business and provided input</p> <p>July 6th - Conducted ORBIS training for Richmond and Island Staff. Coordinated Rick LAWRENCE to cover PPO.</p> <p>July 7th - Discussed pending issues with Gerard POITRAS and formulated responses for Q & A</p> <p>July 8th - Formulated plan delaing with re: VSE E Lottery files</p> <p>July 13th - Held Phone conference meeting touching with All investigators and team on E Business Launch tomorrow and subsequent media release July 15th.</p> <p>- Discussed case 314519 with Richard FENSTER regarding duplicate registration re: ██████████ who is current VSE from Jan 2010 and was able to re register via Equifax July 2010. Task sent to POITRAS to follow up with Equifax to confirm how this may have happened.</p> <p>- Email to FENSTER/Dean COOPER and requested Username/p/W access for all investigators to live ORBIS system</p> <p>- July 2010 E-casino launch.</p> <p>- August 2010 - Ecasino relaunch after data transfer issues. Sole SME while POITRAS and HODGKIN away in Ottawa. Provided guidance and advise to all investigators on elottery cases. Formulated procedures between CS and Finance.</p> <p>August 2010- Discussed eCasino/Fintrac and EPoker issues with Bryon and Gerard. Phone conference.</p> <p>Sept 28th - Facilitated (with Gerard POITRAS) Egaming meeting in Richmond with all investigators reviewing Ecasino issues to date and formulating plans to go ahead in preparation for EPoker etc. Put together an updated ELottery Investigative Guidelines manual and made available on X drive. Took lead in additional info to be added</p> <p>Oct 7th Proposal put to FENSTER (through manager) at Ebusiness for changes to Playnow website regarding CC disbursements changing wording on website. Recommendations agreed to.</p> <p>Oct 14th Attended Webex meeting re Equifax EID.</p> <p>Oct 20 Asked by manager to be Security contact for Equifax EID</p>	
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		<p>regarding what questions to be asked by CS agent. Oct -Nov 2010- Liaised with eBusiness Personnel and CS Manager re EID. Meeting listed for Nov 26th. Nov 26th - received following email from manager regarding my performance with eLottery</p> <p>Gerard, Cam and Ross: Thanks for all your work. Clearly you are taking the correct approach in dealing with our players and with our internal and external partners. I appreciate the frustration in dealing with some of these issues, but being pioneers in any endeavour results in a lot of trial by error and baptism by fire. Great job.</p> <p>Bryon</p> <p>From: Brad Romano Sent: Friday, November 26, 2010 10:47 AM To: Bryon Hodgkin Cc: Terry Towns; Rhonda Garvey; Greg Paolini Subject: your team</p> <p>Bryon, I wanted to pass along that it's been great to work more closely with you and your team on eCasino issues over the past few weeks. Your folks have been on the ball right from the get-go, knowing when to push back with players and closing issues; and knowing when to push myself, the OpenBet, and ELG teams on behalf of the players. It's a steep learning curve, and Ross, Gerard, and Cameron have asked great questions and been open to learning about the eCasino product and our new games. I know there is a lot of volume coming through but it feels to me like we're headed in the right direction.</p> <p>Cheers,</p> <p>Brad Romano Sr. eGaming Development Specialist ext. 6215</p> <p>- Jan 2011- March 2011. Established peramators for EID and discussed same with Richard FENSTER, Rhonda STERN and Equifax representatives. Several teleconferences/meetings took place. - Provided on going eLottery Support and assistance in investigations taking lead role in assisting LMD investigators with</p>	
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		<p>matters pertaining to eLottery.</p> <ul style="list-style-type: none"> - Attended weekly meetings with Security manager, POITRAS and DODSON /E-Business and Orbis representatives to address issues as they appeared. - Provided Cam DODSON with detailed and updated guidelines prior to my transfer to Casino Division. <p>March 2011 transferred to Casino Division. I am satisfied that I have shared my knowledge and provided adequate support to the investigative team as required and have fulfilled my goals and beyond.</p>	
10%	<p>Goal: To provide a security presence in relation to the possible implementation of a ?card account based gaming system.? To ensure that any possible business plan implemented has any possible security concerns addressed and potential issues are raised and noted to Security management. Possible launch date mid 2011</p>	<p>26 May 2010. Attended all day workshop in Richmond Presentation room representing Security. Highlighting potential security concerns and raising same. Discussed these with manager and provided bullet points for VP Security</p> <p>June 11th 2010 - Discussed with Terry TOWNS and Bryon HODGKIN in conference and reviewed Security recommendations. Provided to Bryon a detailed summary of Security concerns and comments June 14 which was forwarded to Jim LIGHTBODY</p>	

FY11/12

MANAGER LOTTERY SECURITY

Weight	Goal	Results	Manager Comments
25%	<p>Corporate Goal & Objectives ? Net Win (millions) Trigger (Threshold): Net Win of \$1,985 must be exceeded. Target: Total Net Win of \$2,098 achieved. Stretch: Net Win \$2,160 exceeded</p>		
25%	<p>Corporate Goal & Objectives ? Net Income (millions). (Threshold): Net Income before taxes of \$1,135 must be exceeded. Target: Total Net Income before taxes of \$1,200</p>		

	achieved. Stretch: Net Income before taxes of \$1,235 exceeded.		
25%	Goal: To facilitate on going communication with agencies such as Law Enforcement, Canada Border Services, GPE as well as the GCC Service Provider. To proactively identify issues as part of risk assessment and to address any issues which may occur pertaining to the River Rock Casino Resort. To report any suspicious activity to Fintrac/IPOC and to assure the Service Provider is compliant in their reporting duties also. To maintain a solid working relationship with all parties and address any potential and/or sensitive issues with RRCR management		
15%	Goal: To assist Daryl TOTTENHAM in LCT review at all Gaming locations and establish a process whereupon 100% review is conducted and feedback provided to BCLC Management and Service Providers. To review on daily basis at River Rock Casino Resort the LCT's at that location and liaise with BCLC Auditor on potential Issues. To address any potential issues with RRCR.		
10%	To maintain Fintrac Compliance. Ensure LCT compliance escalating suspicious activity in reports. To address Fintrac non compliance issues with RRCR Management.		

FY12/13

MANAGER EGAMING INVESTIGATIONS

Weight	Goal	Results	Manager Comments
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25%	Corporate Goal & Objectives ? Net Win (millions) Trigger (Threshold): Net Win of \$2,021.6 must be exceeded. Target: Total Net Win of \$2,135.8 achieved. Stretch: Net Win \$2,183.7 exceeded		
25%	Corporate Goal & Objectives ? Net Income before taxes (millions). Threshold: Net Income before taxes of \$1,159.5 must be exceeded. Target: Total Net Income before taxes of \$1,225.0 achieved. Stretch: Net Income before taxes of \$1,252.5 exceeded.		
10%	Goal: Oversee the successful Launch and on going integration of Sportsbetting into the eGaming suite.		
30%	Goal: To assist the Director with the ongoing operations of the Big Sky and eCasino Mobile Projects as it is incorporated into the eGaming suite.		
10%	To maintain Fintrac Compliance and keep involved in the Fintrac eGaming process. Ensure CDR compliance escalating suspicious activity and CDR reportings. To address Fintrac non compliance issues.		

FY13/14

SR MANAGER EGAMING INVESTIGATIONS

Weight	Goal
25%	Corporate Goal & Objectives ? Net Income before taxes (millions). Threshold: Net Income before taxes of \$1,169.11 must be exceeded. Target: Total Net Income before taxes of \$1,240.00 achieved.

	Stretch: Net Income before taxes of \$1,274.91 exceeded.
25%	Corporate Goal & Objectives ? Net Win (millions) Trigger (Threshold): Net Win of \$2,034.44 must be exceeded. Target: Total Net Win of \$2,157.80 achieved. Stretch: Net Win \$2,218.56 exceeded
20%	Goal: Oversee the successful Launch and on going integration of eMobile into the eGaming suite.
20%	Goal: Oversee the ongoing eGaming operations of the Big Sky Projects/6/49 3.0, Geo location and Fraud Detection as it is incorporated into the eGaming suite.
10%	To maintain Fintrac Compliance and keep involved in the Fintrac eGaming process. Ensure CDR compliance escalating suspicious activity and CDR reportings. To address Fintrac non compliance issues.

FY14/15

DIRECTOR AML & INVESTIGATIONS

Weight	Goal	Results	Manager Comments
25%	Corporate Goal & Objectives ? Net Income before taxes (millions). Threshold: Net Income before taxes of \$1,168.0 must be exceeded. Target: Total Net Income before taxes of \$1,246.0 achieved.		
25%	Corporate Goal & Objectives ? Net Win (millions) Threshold: Net Win of \$2,009.00 must be exceeded. Target: Total Net Win of \$2,143.9 achieved.		
30%	Goal: Oversee the PNiF (PlayNow in Facilities) project as SME and	April 2014 - Met with Stakeholders and identified major concerns with this project ranging from AML concerns , TGSS and Fintrac	

	ensure that all Security concerns are heard and addressed prior to launch.	<p>reporting implications. Issues ranged from, anon play, the proposed use cash in facilities with Playnow.com and a number of impractical operational processes proposed. Informed both Director and VP of CS & C regarding these concerns and they confirmed that the concerns I had raised were to be further raised with the project team.</p> <p>July 2014 after numerous meetings regarding this project, PNIF was descoped considerably into SBiF (sports betting in Facilities). worked extensively with Sara ELIESEN, Angela LABRUNE and Richard TURNER on finalising the processes</p> <p>Oct 2014 - Continue to work on this project as Security SME surrounding registration and operational processes.</p> <p>Planned launch date Nov 2014 at Starlight</p> <p>Nov 3 2014 - Launch date now looks like early 2015</p> <p>Jan 8th 2015 - Attended successful launch of SBiF at Match, Starlight.</p>	
10%	Goal: Represent BCLC at CAGRA conference in Gimli Manitoba Sept 15-18 and provide detailed presentation to the Gaming Regulators of Canada	Conference attended. Prepared and presented comprehensive Presentation with Noah TURNER on PlayNow.com as it relates to Compliance and Security. Presentation was well received and stimulated good conversation. Excellent networking opportunity with other jurisdictions including MB regulator LGA. Briefed VP CS&C and VP eGaming on return.	
10%	Oversee PlayNow.com Fintrac Compliance and keep involved in the Fintrac eGaming process as on line Casinos were defined as Casinos in June 2014 . Ensure CDR compliance escalating suspicious activity and CDR reportings. .	<p>July 2014 - Reached out to Federal Ministry of Finance (MOF) for information in July 2014. Received letter back indicating BCLC may be consulted.</p> <p>Draft Fintrac guidelines on Risk Based approach received Oct 2014. Reviewed same with John KARLOVCEC. Shared document and provided insight to eBusiness OPs Director and eGaming VP. At this time still no new regulations published for on line Casinos. Provided initial response to Derek RAMM from OLG who attended semi-annual Public-Private Sector Advisory Committee meeting.</p> <p>27- Feb 2015 - On going process. New draft guidelines were presented to BCLC in late 2014 and I have been involved in writing responses to Federal Department of Finance. As of this date the proposed changes are still not in action. I will continue to ensure that BCLC are kept abreast of any changes and that if possible BCLC can provide feedback and insight.</p>	

FY15/16

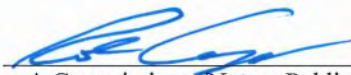
DIRECTOR AML & INVESTIGATIONS

Objective Name
Oversee a robust AML program which instills public trust in BCLC
Provide a safe gambling environment by working with Law Enforcement and Regulator to ensure patrons feel safe and there are minimal incidents of crime reported.

FY16/17

Objective Name
Oversee successful roll out of AML Enhancement program
Instill public trust in BCLC Investigative practices and provide a safe gambling environment in Casinos by fostering a successful working relationship with JIGIT
Maintain the employee job satisfaction rating and increase Department Morale in the Investigation Departments

THIS IS **EXHIBIT "J"** TO THE
AFFIDAVIT OF **SANDY AUSTIN**
SWORN BEFORE ME AT KAMLOOPS, BC
ON THE 9th DAY OF SEPTEMBER, 2021.



A Commissioner/Notary Public for the
Province of British Columbia.

Brad Desmarais

FY13/14

VP CORPORATE SECURITY & COMPLIANCE

Weight	Goal
30%	Corporate Goal & Objectives ? Net Income before taxes (millions). Threshold: Net Income before taxes of \$1,169.11 must be exceeded. Target: Total Net Income before taxes of \$1,240.00 achieved. Stretch: Net Income before taxes of \$1,274.91 exceeded.
30%	Corporate Goal & Objectives ? Net Win (millions) Trigger (Threshold): Net Win of \$2,034.44 must be exceeded. Target: Total Net Win of \$2,157.80 achieved. Stretch: Net Win \$2,218.56 exceeded
20%	BCLC must be fully compliant with the new FinTrac regulations by February 15, 2014 including enhanced "know your customer" and "business relationship monitoring" requirements

10%	Create an understanding of our players' habits, particularly with respect to large cash transactions and identify risks to the corporation arising therefrom.
10%	Establish and maintain a working relationship with the senior police leaders within the Province of BC including the RCMP and major municipal police departments in order to proactively address issues which may impact the reputation of BCLC. Continue to build positive working relationships with our regulators, GPEB and FinTrac.

FY14/15

Weight	Goal	Results	Manager Comments
30%	Corporate Goal & Objectives ? Net Income before taxes (millions). Threshold: Net Income before taxes of \$1,168.0 must be exceeded. Target: Total Net Income before taxes of \$1,246.0 achieved.		
30%	Corporate Goal & Objectives ? Net Win (millions) Threshold: Net Win of \$2,009.00 must be exceeded. Target: Total Net Win of \$2,143.9 achieved.		
20%	Continue building out AML Capacity by establishing alliances with strategic partners, conclude an information sharing agreement with RCMP and lead the establishment of a best in class	The Information Sharing Agreement with the RCMP in place and operating resulting in the proactive banning of over 100 subjects from casinos representing criminal risk to BCLC and our players. The ISA also resulted in a significantly enhanced due diligence capability with respect to high risk players. This is likely the first agreement of its nature in the country. A FINTRAC	

	automated risk based AML platform consistent with the financial industry	comprehensive review found no discrepancies in over 10,000 documents examined and later acknowledged BCLC is the "gold standard" in AML compliance in Canada. The automated AML system is on track and budget to commence operations in the 2015 calendar year; this system is consistent with those the financial institutions utilize to identify un usual transactions and is a first for a gambling company in North America and possibly the world.	
20%	Create a CS&C culture in alignment with BCLC culture; CS&C seen as an integral part of BCLC providing tangible value to Business Units	<p>As a result of my direction:</p> <p>CS&C is now providing tactical data on specific high value players demonstrating the fragility of our net win arising from the high limit tables. By providing this data BCLC is able to identify key attendance and spend drivers in this important customer segment as well as developing strategies to preserve this source of revenue.</p> <p>CS&C Compliance and Investigations have conducted a number of "Assessment Centres" in conjunction with the Justice Institute of BC as a means of identifying potential employees with out defaulting almost solely to candidates with past law enforcement experience. This has resulted in a workforce which is beginning to present as more age, gender and minority balanced. These new employees display a willingness to embrace BCLC culture as opposed to porting external workplace cultures into BCLC.</p> <p>CS&C is actively exploring mentoring and secondment opportunities for employees to experience other areas of the business as a means of facilitating a career lattice which contemplates movement laterally, diagonally and vertically as part of an employee's long term career. Management exchange opportunities have been identified and investigator shadowing of business unit employees have taken place.</p>	


FY15/16

Chief Operating Officer

Objective Name
Interim VP HR Division - Improve employee engagement, rebuild trust in management and create an environment where the incoming VP has a solid platform for success

Understand the Casino business and set a clear long term common objective for the Division in order to address ambiguity in roles and responsibilities
Casino and Community Gaming Division will achieve \$913 Million in Net Income

THIS IS **EXHIBIT "K"** TO THE
AFFIDAVIT OF **SANDY AUSTIN**
SWORN BEFORE ME AT KAMLOOPS, BC
ON THE 9th DAY OF SEPTEMBER, 2021.


A Commissioner/Notary Public for the
Province of British Columbia.

Laird Robinson

FY07/08

OPERATIONAL GAMING AUDITOR

Weight	Goal	Results	Manager Comments
25%	Provide direction to the service providers to ensure the upgrade and usage of the IGWatch system at all casinos is fully implemented, documented and monitored by the Operational Gaming Audit Department. Pilot new software system at Kelowna Casino. If pilot successful, software and facial recognition Management system will be fully implemented at all BC Casinos.	Commenced Employment with BCLC on 08 August 2007 2nd Quarter Results: Drawing upon extensive practical experience with the IGWatch system, and following consultation with other industry experts regarding their previous research into effective methods of use for this system, BCLC Operational Gaming Auditor Kevin SWEENEY and I formulated and implemented an action plan to enable controlled testing of Subject Enrolment methods at Cascades Casino and Boulevard Casino. A total of 15 (fifteen) Test Subject Profiles were enrolled into the system as of 26 September 2007, and testing will commence during the second week of October 2007 when all interested parties are available to attend the site together and commence with the documentation of test results. The casino personnel involved in this project have been extremely cooperative and generous with their time. 3rd Quarter Results: IGWatch System Testing was completed on October 10th and October 18th 2007 with the assistance of site Surveillance Personne	The IGWatch system is functioning but still requires more updating by the Ileviw Company to ensure it obtains the results we at BCLC require.
25%	Support the opening of the new Star Light Casino and Villa Casinos.	2nd Quarter Results: I have yet to be called upon to assist with the opening of the Star Light Casino in New Westminster or the Villa Casino in Burnaby. I look forward to assisting Gateway Casinos and BCLC with the opening of these facilities. I believe my recent experience in opening BC Casinos and Community Gaming Centers will assist these projects. 3rd Quarter Results: I attended Starlight casino on several occasions prior to the facility opening and assisted BCLC Operational Gaming Auditor Bill BOYD with Slot Options Testing and Play Testing, as well as a preliminary facilities walk-through, during November 2007. Bill and I identified numerous issues throughout the facility that were reported to Gateway Casinos Senior Management to be addressed.	Your work and extra efforts dedicated into the successful opening of these facilities was very much appreciated and valued. Your involvement certainly helped to successfully open these facilities to the Public. The Villa casino will not open until the next fiscal year.
0%	Laird's day to day responsibilities include, conducting operational gaming audits at the following casinos and bingo halls; Cascades Casino, Burnaby Bingo, and Langley Bingo. The audits identified integrity issues which are recorded, resolved	Following two weeks of training in the field, I began conducting Casino and Bingo hall audits without direct supervision. I have completed numerous audits during which I have identified a wide variety of Policy/ Procedure infractions and addressed them accordingly. By the end of Q2, there were a relatively small number of unresolved exceptions at the three sites for which I am currently responsible. I have been called upon several times by	2nd Quarter Review - On October 30, 2007 I met with Laird in the Richmond office to review his 2nd Quarter performance. Since joining the OGA Team in August, Laird conducted 4 (four) required Priority 1 (one) Casino/Bingo Audits and 1 (one) Priority 2 Casino Audit at the Cascades Casino and Langley Bingo facility. One (1) Bingo Priority 2 Audit was missed during this Quarter, however this will be captured during Q3. As a result of these completed

	and tracked to ensure resolution. Answers are also provided for individual queries from service provider and BCLC staff regarding operational policy and procedures. GPEB audits are also responded to and complied with to ensure all exceptions identified are resolved. Daily office administration functions are also maintained throughout the year.	my coworkers in both the Audit and Investigations divisions to clarify issues pertaining to various casino policies and procedures. I have also provided assistance of this nature to Bingo and Casino service providers. I worked extensively with OGA Kevin SWEENEY and Operational Gaming Audit Manager Jerry WILLIAMSON to complete testing of the latest version of the IGWatch Facial Recognition System at Cascades Casino in Langley. Q3 Results - To date, I have identified a total of 65 new policy issues at Cascades Casino, 64 of which appear to have been resolved as a r	Audits, Laird identified 25 (twenty five) new issues, of which he managed to resolve 23 (twenty three) of these new issues. Two (2) O/S Q2 issues will be carried over to Q3. Laird will continue to work on resolving all remaining O/S issues during Q3. 3rd Quarter Review: During this review period Laird conducted 8 (eight) Priority 1 Casino/Bingo Audits and 8 (eight) Priority 2 Casino/Bingo Audits. From these Audits, Laird identified 40 (forty) new issues while resolving 39 (thirty nine) of these new Q3 issues. Laird also resolved half of the Q2 "Carried Forward
30%	Corporate Goal & Objectives ? To provide outstanding gaming entertainment, generating income for the public good. Target: > Total net income of \$1,033 million achieved > Total sales revenues of \$2,495 billion > General operating costs of \$114.5 million Stretch: > Net income of \$1,060 million met/exceeded Bonus Trigger: > Net income must exceed previous year's net income plus \$5.0 million	n/a	n/a
10%	Corporate Goal & Objectives ? To provide outstanding gaming entertainment, generating income for the public good. Player satisfaction and participation ratings of the following are achieved: Target: > Lottery ? Player satisfaction of 90% and participation increase to 62% (past month) > Casino ? Player satisfaction of 92% and participation increase to 33% (past year) > Bingo ? Player satisfaction of 88% (new sites) and 67% (old sites) and participation increase to 11% (past year)	n/a	n/a
10%	Corporate Goal & Objective ? To be a respected organization that has a broad base of public support. Target: > Achieve public support ratings for BCLC of 65% > Achieve public support ratings for	n/a	n/a

	acceptance of gaming of 52% > Recognition of Social Responsibility 56% > Public Awareness of the Beneficiaries of Gaming 35%		
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FY08/09

OPERATIONAL GAMING AUDITOR

Weight	Goal	Results	Manager Comments
25%	Support the opening of the new Langley CGC and the expansion of the Cascades Casino by completing the required OGA pre-opening equipment testing/facility Audit work and follow up to ensure that these facilities open to the public on schedule.	2nd Quarter Results: I have met with Playtime Gaming Facilities Management Personnel, Site Management, and the Construction Project Manager at the site in order to answer and/ or direct inquiries on security matters. I will be attending the site late in this quarter to assist with slot testing and general compliance issues prior to the site's grand opening in Q3 2008. I review the weekly construction meeting minutes from Cascades Casino, and I will begin to be involved with this project in late October of 2008. In October of 2008, I conducted all pre-opening auditing duties related to the conversion of the Playtime Langley facility from a bingo hall to community gaming center. I worked closely with service provider senior management and BCLC Facilities Development to identify and subsequently rectify numerous site deficiencies during the pre-opening period. The opening of the facility was delayed several days due to the number of unresolved facility deficiencies, however the majority of the deficiency	Your work on the pre-opening of the Langley CGC and the Cascades expansion was not only very thorough, but very much appreciated which allowed these locations to open at their earliest opportunity.
25%	To reduce the number of repeat exceptions identified in all GPED Audits of the following facilities: Cascades Casino (FY07/08 GPED Audit identified 9 issues while the FY08/09 Audit is pending); Casino of the Rockies (FY07/08 GPED Audit identified 5 issues with 12 issued identified in the FY08/09 Audit); Rocky Mountain Bingo (FY06/07 identified 5 issues with 2 issues identified in the FY08/09 Audit) and the Langley Bingo (FY07/08 identified 11 issues with no further Audit information available).	1st Quarter Results: The most recent GPEB audit conducted at Cascades Casino Langley (GPEB COMM 272 REFERS) indicates that all policy exceptions identified by GPEB during their previous audit of that facility have been resolved. 2nd Quarter Results: There were no GPEB Audit Reports received during this quarter for any of the sites that I am currently responsible for, however several repeat policy exceptions were resolved at Casino of the Rockies during this quarter, and the number of new exceptions decreased from Q1. 4th Quarter Results: GPE submitted their annual (FY 2008/09) audit report for Casino of the Rockies during Q4 2008. Of the 12 policy issues cited by GPE during this audit, two repeat policy exceptions was cited. GPE also submitted a draft annual (FY 2008/09) audit report for Cascades Casino during Q4 2008. Of the 10 policy issues cited by GPE during this audit, only one repeat policy exceptions were cited.	GPEB Audits Exceptions for: Cascades Casino FY07/08 9 Issues ? 0 repeat issues FY08/09 10 Issues ? 1 was a repeat issue Playtime Langley FY07/08 11 Issues - 1 was a repeat issue FY08/09 Annual Audit is scheduled for FY09/10 Casino of the Rockies FY07/08 5 Issues - 0 repeat issues FY08/09 12 Issues ? 2 were repeat issues Rocky Mountain Bingo FY06/07 5 Issues - 0 repeat issues FY07/08 No Audit was conducted FY08/09 2 Issues ? 0 repeat issues Laird has identified many issues and has worked very hard at resolving most all site issues in order to remain consistent with 0 repeat issues at the Rocky Mtn Bingo, however both the COTR & Cascades Casino each increased from 0 repeat issues to 1 or 2 repeat issue. It is important to note that 1 of the COTR repeat issues relates to Security Guard training, which is required to be completed by May 1/09 and is still a date reachable for the Service Provider. In addition, travel to the COTR is done quarterly and Laird has followed up on issues while

25%	Corporate Goal & Objectives ? To provide outstanding gaming entertainment, generating income for the public good. Bonus Trigger (Threshold): - Net income must exceed \$1,033 million Net Income ? Target: - Total net income of \$1,110.0 million achieved (Threshold \$1,033) Stretch: - Net Income \$1,143.3 million Annual Revenue ? Target: - Annual revenue of \$2,648.0 million (Threshold \$2,568.6) Stretch: - Annual revenue of \$2,727.4 million	n/a	n/a
15%	Corporate Goals and Objective - Demonstrate Social Reponsibility in all of our activities Public Trust & Confidence in BCLC games ratings are achieved by the following: Target: - Public Trust and Confidence in BCLC Games ~ 64% (Threshold 61%) - Player Satisfaction ~ 90% (Threshold 84%)	n/a	n/a
10%	Corporate Goal & Objective - Demonstrate social responsibility in all of our activities Target: - Player Awareness of Responsible Gaming Activities ~ 84% (Threshold 82%)	n/a	n/a

FY09/10

OPERATIONAL GAMING AUDITOR

Weight	Goal	Results	Manager Comments
10%	Corporate Goal & Objectives ? Public Support for Gaming Threshold: 61% Target: 63% Stretch: Board Discretion		
5%	Corporate Goal & Objectives ? Public Trust and Confidence in BCLC games Threshold: 60% Target: 61% Stretch: Board Discretion		

20%	Corporate Goal & Objectives ? Net Income (millions) Bonus Trigger (Threshold): - Net Income must exceed \$1,050.0 million Net Income ? Target: - Total Net Income of \$1,130.0 million achieved Stretch: - Net Income \$1,150.0 million		
15%	Corporate Goal & Objectives ? Net Win (millions) Threshold: - Net Win must exceed \$1,941.3 million Target: - Total Net Win of \$2,030.3 million achieved Stretch: - Net Win exceeds \$2,061.5 million		
25%	To provide administrative and operational assistance to the OGA Team with the Audit Software roll out and provide ongoing maintenance in support of the OGA Team; and to develop and map the Operational Gaming Audit department's Policies and Processes.	<p>During the Q1/2 2009, I have completed significant amendments and additions to the MKInsight Software. Having recognized redundancy/ operational inefficiency with the Bingo P1/2/3 Working Papers, I opted to create separate working Bingo Working Papers for CGC's and Bingo facilities. I continue to review the content of the system on a daily basis, and I have made the majority of changes decided upon by OGA Managers on 04 September 2009. In Q2, I completed revisions to the content of the OGA Department Policies and Procedures. Although our deadline for completion of this project is April 01, 2010, I have completed the majority of the project and will continue to work with the OGA Manager to streamline the content of the policies to suit our needs.</p> <p>In August 2009, I completed a significant number of changes to MKInsight Working Papers in accordance with BCLC Policy Changes that took effect on August 17th and 31st 2009. In September 2009 I assisted in an investigation at Starlight Casino. During that month, I also drafted and submitted several policy change proposals which have been accepted by the BCLC Policy and Planning Division for future implementation. I frequently field questions from other Auditors with regard to policy clarification and best practices in Surveillance and other areas of gaming operations. I have assisted in the training of two other Auditors, and I completed the audits for a casino floor refresh and slot expansion at Cascades Casino in September 2009 as well.</p> <p>In October 2009 I provided the Manager, Operational Gaming Audit with a critical review of the recent report from our Facial Recognition System Service Provider on the status of the pilot project at LCC Kelowna. During this month, I will also be assisting in the formulation of CGC policy for multi-site Surveillance</p>	<p>As briefly mentioned in the Above Goal, Laird has played a significant role in the developing/designing of each test in the MKI Audit Software system currently in use by all members of the OGA Team. Laird has strong organization skills which allows him to complete his scheduled Audits and also to maintain the MKI Audit database on a regular basis.</p> <p>Laird's participation in the Policy Committee has also been to the benefit to the OGA Team as his seat on this committee helps to pass along the messages noted from the other team members and to be a part of the ongoing changes to the P&P's that our team Audits Service Providers on a daily basis.</p>

		<p>monitoring.</p> <p>In November and December 2009, and again in March 2010, I completed large-scale changes to MKInsight Working Papers for Casino and Community Gaming Centers. The Operational Gaming Audit Department's Policies and Procedures for inclusion in the BCLC Internal Standards, Policies and Procedures manual is completed. I also continued to assist another BCLC OGA with audits at Platime Langley CGC during this time frame.</p>	
<p>25%</p>	<p>Reduce the number of "repeat" exceptions identified in all GPE Audits of the following facilities: GPE Audit Exceptions: Cascades Casino.....FY08/09 noted 10 New Issues including 1 "Repeat" Issue Casino of the Rockies....FY08/09 noted 12 New Issues including 2 "Repeat" Issues Rocky Mountain Bingo... FY08/09 noted 2 New Issues and 0 "Repeat" Issues Playtime Langley CGC....FY07/08 noted 11 New Issues and 1 "Repeat" Issue. (NOTE: No Audit was conducted in FY08/09).</p>		<p>Laird's sites of responsibility continue to be the Cascades Casino; Playtime Langley; Casino of the Rockies and Rocky Mountain Bingo. During Q1 & Q2, Laird completed 74 (seventy four) Audits at these sites. As a result of these Audits, Laird identified approx. 283 (two hundred eight three) New Issues and worked to resolve 262 (two hundred sixty two) issues within each Quarter.....Great Work Laird!!! In addition, Laird resolved 10 (ten) issues that were C/O to that Quarter.</p> <p>Laird submits thorough, well researched and timely Audit reports and based on his experience is relied upon during our Monthly OGA Team meetings. Laird played a significant role developing and designing the Audit Guides in the new MKI Audit software which all team members currently use. These guides were developed with significant detail, thus the larger number of issues noted/resolved. Laird is actively involved in the review of these Audit Guides to reduce/eliminate possible duplications.</p> <p>Laird's has traveled on short notice during Q1 and Q2 to assist other Auditors and to work on the pre-opening requirements of the new Vernon Casino, in which his participation played an important role supporting this site opening to the Public on schedule.</p> <p>UPDATE on GPEB Audit Exceptions: Cascades Casino.....The GPEB Audit was recently conducted and no information has yet been received. Casino of the Rockies.....The GPEB Audit conducted during this FY identified 17 New Issues and 0 "Repeat" Issues Rocky Mountain Bingo.....The GPEB Audit for this site is not scheduled to be conducted until FY10/11. Playtime Langley CGC.....The 1st GPEB Audit (since this site becoming a CGC) was conducted this FY & identified 22 New Issues and 0 "Repeat" Issues</p>

FY10/11

OPERATIONAL GAMING AUDITOR

Weight	Goal	Results	Manager Comments
20%	Corporate Goal & Objectives ? Net Income (millions). Bonus Trigger (Threshold): Net Income of \$1,025.0 must be exceeded. Target: Total Net Income of \$1,115.0 achieved. Stretch: Net Income \$1,150.0 exceeded.		
10%	Corporate Goal & Objectives - Player Satisfaction: Threshold: Board Discretion Target: 74.0% Stretch: Board Discretion		
20%	Corporate Goal & Objectives ? Net Win (millions). Bonus Trigger (Threshold): Net Win of \$1,905.1 must be exceeded. Target: Total Net Win of \$2,072.4 achieved. Stretch: Net Win \$2,137.5 exceeded.		
25%	Work with BCLC Risk Management/Enterprise Architecture to identify acceptable margins of error for low risk compliance issues by: - identifying compliance issues commonly cited by Auditors which have limited bearing on regulatory compliance or risk to the integrity of gaming/ protection of assets - Meet with Risk Management Personnel to determine standards for acceptable margins of error	<p>On 03 May 2010, I submitted a proposed list of BCLC casino policies and procedures for Casinos that should qualify for acceptable margins of error when Operational Gaming Auditor are assessing Service Providers' compliance with the procedures. On 19 May 2010, I repeated this process in relation to BCLC policies and procedures for Community Gaming Centers and Bingo Halls. On 04 June 2010, I met with the Assistant Manager, Operational Gaming Audit to discuss and finalize the proposed list of casino policies and procedures to be considered for acceptable margins of error.</p> <p>Q2 2010 Update</p> <p>On 07 July 2010, with the assistance of the Assistant Manager Operational Gaming Audit, a proposed list of BCLC Casino Policies and Procedures deemed eligible for the allowable variance initiative was submitted to the BCLC Risk Management Specialist for review. In August 2010, Risk Management provided feedback on how to proceed with applying standards to certain BCLC procedures. In September 2010, I met with the Assist Manager and discussed the feedback. We are satisfied at this point that we consulted sufficiently with Risk Management in order to proceed</p>	Completed on schedule with good documentation.

		<p>with the next step in this project, which is to review completed Casino and CGC audits and begin to establish percentile margins of error/ variance based upon the quantified results of applicable audits. We will meet again on 08 October 2010 to compare proposed figures and work toward implementing same by the end of the fiscal year.</p> <p>Q3 2010 Update</p> <p>I met with the BCLC Assistant Manager, Operational Gaming Audit on 08 October 2010 to discuss our progress on this initiative. During this meeting we determined that the best approach for our next step would be to contemplate standardized priority ratings (i.e. High/ Medium/ Low) before implementing the allowable variance margins in the applicable audit tests. The OGA department was canvassed for their input on standardizing the priority ratings, and the Assistant Manager and I will meet in November 2010 to discuss the implementation of these ratings along with the assignment of allowable variance margins to the applicable audit tests. In November and December 2010, the OGA department Assistant Manager and I met to finalize the allowable variance figures for presentation to the OGA Manager. Once finalized and approved, I will enter the data into the MKI Working Paper Templates prior to start of FY2011 and the project will be completed.</p> <p>Q4 2010 Update</p> <p>On 21 January 2011, I met with the OGA Assistant Manager to finalize the details of this proposal to the OGA Manager. On 27 January 2011, during the OGA Teleconference, I explained the project to the OGA team and answered questions/ concerns regarding this initiative. The following day, I compiled and distributed a detailed document, to all Gaming Auditors, outlining the details of each audit test that is affected by this initiative. On 30 January 2011, I completed the implementation of all data into the MKI system. This project is now complete.</p>	
10%	To be responsible for maintaining the Operational Gaming Auditor Casino Procedural Audit templates within MK Insight. This will be accomplished by regularly liaising with the BCLC Policy Analyst and through participation in BCLC	On April 07/ 08 2010, I completed large-scale amendments to the MKInsight Working Papers to coincide with the changes to the BCLC Casino Standards, Policies and Procedures that became effective during the month. On 26 April 2010, I took part in a BCLC Policy Team Conference Call to discuss upcoming changes to the CSPP. On June 16/ 17 2010, I formed a working group with two other Operational Gaming Auditors to complete the large-scale amendments to the MKInsight working papers for Casino,	Does a great job maintaining the MKI Casino Audit working papers to changes submitted by all team members and for NTI?S.

	Casino Policy Team Conference Calls.	<p>Community Gaming Centers, and Bingo Halls in accordance with the relevant policy changes that would become effective on 05 July 2010. This working group also accomplished the task of reorganizing and re-prioritizing the Casino and CGC Casino Working Papers to coincide with the significant amendments to the BCLC Surveillance Standards that I proposed earlier in this fiscal year.</p> <p>In October 2010, I completed large-scale changes to the Casino Working Papers in the MKI system to bring them into alignment with the policy changes implemented as per the quarterly BCLC NTI</p> <p>In January and February 2011, I completed required changes to the Casino Working Papers in the MKI system in accordance with policy changes implemented by BCLC. I also completed several changes to the working paper templates in order to maintain operational efficiency.</p>	
15%	Review BCLC Surveillance SPP's and draft proposed changes for submittal to the BCLC Manager, Casino Security & Surveillance for approval and implementation based on the review of current Surveillance practices and assess the impact of current BCLC Surveillance SPP's on the sites' ability to streamline evidence storage and documentation processes.	<p>On 27 January 2010, after discussing this issue with the BCLC Manager, Operational Gaming Audit, I approached the BCLC Manager, Casino Security & Surveillance regarding the need for large-scale changes to the BCLC Casino and Community Gaming Center Standards in accordance with current technology and industry best practices. I commenced work on the Draft changes immediately, and submitted them for approval on 21 April 2010. The changes were accepted as submitted and were incorporated into BCLC Policy on 05 July 2010. Prior to the implementation date, I and two other Operational Gaming Auditors formed a working group in the Richmond Office and restructured the Casino and CGC Surveillance Working papers to coincide with the changes.</p> <p>The two (2) Service Provider Surveillance Managers with whom I have discussed the changes (Cascades Casino and Casino of the Rockies) expressed overwhelming support for the policy amendments. I have spoken with several Surveillance Operators who have expressed similar sentiments, citing the removal of several previously onerous tasks and the strengthening of protection of video footage as the most favourable changes.</p>	

FY11/12

ASSISTANT MANAGER

Weight	Goal	Results	Manager Comments
25%	Corporate Goal & Objectives ? Net Win (millions) Trigger (Threshold): Net Win of \$1,985 must be exceeded. Target: Total Net Win of \$2,098 achieved. Stretch: Net Win \$2,160 exceeded		
25%	Corporate Goal & Objectives ? Net Income (millions). (Threshold): Net Income before taxes of \$1,135 must be exceeded. Target: Total Net Income before taxes of \$1,200 achieved. Stretch: Net Income before taxes of \$1,235 exceeded.		
10%	Maintain MKI Casino Working Paper Templates		
15%	Revise BCLC Draft Policies and Procedures for Remote Surveillance Monitoring		
15%	Merge Casino/ CGC/ Bingo Priority 3 Working Papers into Priority 1 and 2 Templates		
10%	Represent BCLC Corporate Security as a SME during the GMS roll-out process		

FY12/13

MANAGER OPERATIONAL GAMING COMPLIANCE

Weight	Goal	Results	Manager Comments
25%	Corporate Goal & Objectives ? Net Win (millions) Trigger (Threshold): Net Win of \$2,021.6 must be exceeded. Target: Total Net Win of \$2,135.8 achieved. Stretch: Net Win \$2,183.7 exceeded		
25%	Corporate Goal & Objectives ? Net Income before taxes (millions). Threshold: Net Income before taxes of \$1,159.5 must be exceeded. Target: Total Net Income before taxes of \$1,225.0 achieved. Stretch:		

	Net Income before taxes of \$1,252.5 exceeded.		
25%	Update the content of the Casino, Community Gaming Center, and Bingo working paper templates within the MKInsight software for all BCLC Gaming Compliance Officers in the province. Update the content in alignment with policy change implementation dates.		
25%	Assume a lead role on behalf of BCLC Corporate Security & Compliance to complete all pre-opening compliance inspections of the new Chances Chilliwack Community Gaming Centre (CGC), in order for the facility to open on schedule (01 November 2013)		

FY13/14

MANAGER OPERATIONAL GAMING COMPLIANCE

Weight	Goal
25%	Corporate Goal & Objectives ? Net Income before taxes (millions). Threshold: Net Income before taxes of \$1,169.11 must be exceeded. Target: Total Net Income before taxes of \$1,240.00 achieved. Stretch: Net Income before taxes of \$1,274.91 exceeded.
25%	Corporate Goal & Objectives ? Net Win (millions) Trigger (Threshold): Net Win of \$2,034.44 must be exceeded. Target: Total Net Win of \$2,157.80 achieved. Stretch: Net Win \$2,218.56 exceeded
25%	Re-align activities of Operational Gaming Compliance department with Divisional mandate by shifting responsibility for Internal Quality Assurance Reviews (QAR's) and

	GPEB Audit Coordination to Internal Audit Services, and by revising Term 3 Compliance Reviews to focus upon high-risk processes and issues.
25%	Oversee the development and implementation of a GPEB Audit Protocol Document and GPEB Audit Response Guidelines for all BCLC Office Staff

FY14/15

MANAGER, CORPORATE SECURITY AND ASSET PROTECTION

Weight	Goal	Results	Manager Comments
25%	Corporate Goal & Objectives ? Net Win (millions) Threshold: Net Win of \$2,009.00 must be exceeded. Target: Total Net Win of \$2,143.9 achieved.		
25%	Corporate Goal & Objectives ? Net Income before taxes (millions). Threshold: Net Income before taxes of \$1,168.0 must be exceeded. Target: Total Net Income before taxes of \$1,246.0 achieved.		
25%	Successful completion of the UBC Sauder School of Business Leadership Program.	On 19 February 2015, I graduated from the UBC Business Leadership program, having presented a final project relating to Cash Alternatives in BC Casinos. Our final project was very well received by BCLC Executives. The Gaming Policy Enforcement Branch has expressed interest in moving forward with a joint proposal to the Minister as a result of this project, which we are in the process of planning as of 01 March 2015	
25%	In addition to my current duties, assume the majority of duties previously performed by the outgoing BCLC Manager of Security & Surveillance, including approvals for CCTV system changes, assessment and rulings on variance requests relating to security & surveillance for all casinos and community gaming centres in BC,	Since assuming these additional responsibilities in June 2014, I have reviewed, evaluated, and responded to an average of two (2) variance requests or CCTV system change requests per day. In addition to the foregoing, I have provided innumerate consultations with regard to the risks and overall security/surveillance concerns in relation to various BCLC and Service Provider projects and initiatives. I recorded approximately 330 additional work hours in calendar 2014, the majority of which are attributable to these additional duties.	

	and providing input on behalf of BCLC Corporate Security & Compliance in relation to various projects and initiatives		
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FY15/16

MANAGER, CORPORATE SECURITY AND ASSET PROTECTION

Objective Name
Lead a BCLC/ Casino & CGC Service Provider collaboration project to commence large-scale update and redesign of BCLC Surveillance Standards, Policies and Procedures
Lead a project in partnership with Casino/ CGC Service Partners and the Justice Institute of BC (JIBC) to update the content and re-format the Casino Surveillance Officer (CSO) Training Program

FY16/17

MANAGER, CORPORATE SECURITY AND ASSET PROTECTION

Objective Name
Develop a Corporate Security & Compliance (CSS) Structure Document and Presentation, and deliver to Internal Stakeholders and Service Provider Executives
Develop and Implement Security & Surveillance Standards for Live-Dealer Facility Component of playnow.com

FY17/18

MANAGER, CORPORATE SECURITY AND ASSET PROTECTION

Objective Name
Finalize Policy Framework for Remote CCTV Surveillance Monitoring in Casinos and Community Gaming Centres

Increase Employee Satisfaction Ratings in Personal/ Meaningful Recognition by approximately 10% by 2018.

FY18/19


MANAGER, CORPORATE SECURITY AND ASSET PROTECTION

Objective Name

PLACEHOLDER FOR CASCADED OBJECTIVE RE: COMPLIANCE AWARENESS PRESENTATION FOR GAMING INDUSTRY STAKEHOLDERS

Submit Proposal to Allow Use of CRS Program in Public Areas of Gaming Facilities
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THIS IS **EXHIBIT "L"** TO THE
AFFIDAVIT OF **SANDY AUSTIN**
SWORN BEFORE ME AT KAMLOOPS, BC
ON THE 9th DAY OF SEPTEMBER, 2021.


A Commissioner/Notary Public for the
Province of British Columbia.

Gordon Friesen

FY07/08

CASINO SECURITY INVESTIGATOR

Weight	Goal	Results	Manager Comments
25%	Support the opening of the Gateway Villa Casino in Burnaby, BC by providing guidance where necessary but particularly in the areas of Security and Surveillance and to ensure casino security and surveillance staff are trained sufficiently in the areas of iTrak reporting, LCT training and the Voluntary Self-exclusion program. The support is to include the setting up of a permanent BCLC Casino Security and Surveillance Investigator presence at the Gateway Villa Casino. Co-ordinate and maintain weekly meetings involving BCLC and Gateway site staff at the Gateway Villa Casino to address issues of mutual concern and interest. Develop a working group and chair minimum monthly meetings involving Gateway Villa Casino management staff, Burnaby RCMP, GPEB and other internal departments that have interests and concerns at the Gateway Villa Casino.	Q1/Q2 - Any progress on this goal is tentively expected for the Spring of 2008.	This investigator has provided direction and knowledge to the gaming industry through his past experiences with the RCMP. He has tremendous insight into money laundering and proceeds of crime investigations and had been able to oversee and develop the reporting to Fin Trac of all the LCT for the province. While this particular goal has been set off until the fall of 2008 when the Villa Casino opens - Gord has been instrumental of the development of investigators within the casino and continues to lead and to be the leader in this area of development.
25%	Develop a comprehensive overview of "loan sharking/illegal chip passing" activity at the River Rock Casino and Resort. This overview will include but not be limited to identifying individuals and groups, identifying trends that are unique to the lower mainland area casinos and tracking individuals who have	Q1/Q2 - A comprehensive overview of 'Loan Sharking' activity in the River Rock Casino has been developed. This process has been continual and based on experiences over the previous eighteen months as a result of the 'River Rock Porject' initiated by BCLC. In order to accumulate, assess and corollate this material, BCLC Investigators have partnered; liaised on a continual basis and shared infor\mation and intelligence with the local Richmond RCMP; Police Intelligence Units; Integrated Proceeds of Crime Units and key Great Canadian Security resources familiar with	I have had the opportunity of reading this report submitted by both Gord and his associate John from my unit. The report is a comprehensive review of the loan sharking activities at the RRRCR and identifies the various groups and associates. Gord has been able to develop solid relations with a number of law enforcement agencies as a result of their work. Gord is a leader in developing cooperation and his abilities to go to the heart of the issue is an ability few have. He is a tremendous asset to this organization. This goal has been met.

	been barred for this type of activity from the River Rock Casino and Resort.	these groups, their operational strategies and the individuals that comprise these groups. During this period, four significant groups of organized criminals have been identified and documented, complete with an individual membership components. These include the most significant the PERSONAL INFORMATION Group; the PERSONAL INFORMATION Group; the Pawn Shop Boys and the Transfer Company. One significant trend noted during this period is the ability of these groups	
30%	Corporate Goal & Objectives ? To provide outstanding gaming entertainment, generating income for the public good. Target: > Total net income of \$1,033 million achieved > Total sales revenues of \$2,495 billion > General operating costs of \$114.5 million Stretch: > Net income of \$1,060 million met/exceeded Bonus Trigger: > Net income must exceed previous year's net income plus \$5.0 million	n/a	n/a
10%	Corporate Goal & Objectives ? To provide outstanding gaming entertainment, generating income for the public good. Player satisfaction and participation ratings of the following are achieved: Target: > Lottery ? Player satisfaction of 90% and participation increase to 62% (past month) > Casino ? Player satisfaction of 92% and participation increase to 33% (past year) > Bingo ? Player satisfaction of 88% (new sites) and 67% (old sites) and participation increase to 11% (past year)	n/a	n/a
10%	Corporate Goal & Objective ? To be a respected organization that has a broad base of public support. Target: > Achieve public support ratings for BCLC of 65% > Achieve public support ratings for acceptance of gaming of 52% > Recognition of Social Responsibility	n/a	n/a

	56% > Public Awareness of the Beneficiaries of Gaming 35%		
0%	OPERATIONAL GOAL: Ensures day to day responsibilities are maintained to a high standard.		this investigator comes charged each and every day that he works. He is a high energy individual that not only seeks to identify weakness but seeks to ensure that the weakness is addressed and rectified. He continue to strive to develop the cooperation between the Service Provider and this agency and he has an open and friendly method to approach issues. Gord is a tremendous asset who love to attack an issue with resolve. His written and investigative work is beyond reproach.

FY08/09

ASSISTANT MANAGER

Weight	Goal	Results	Manager Comments
20%	To creat and deliver a course of instruction targeted at BCLC Corporate Security Casino Investigators on how to identify and successfully file any Suspicious Financial Transactions and Large Cash Transactions in accordance with FinTrac guidelines. To base this course of instruction with a focus on 'Risk Management' principals.	Completed. A course of instruction targeted at all BCLC corpoate Security Casino Investigators was created and delivered to them in Kamloops on the 2008JUN19/20. As new investigators are hired by BCLC, this training will be scheduled into their course of instruction as well. 2009MAR25 - Since this course of instruction was developed and delivered to all Corporate Security Investigators in JUNE 2008, there has been a significant increase in STR filings to FinTrac and the RCMP Proceeds of CRime Section. Investigators have become very familiar with the elements of an STR and few if any require any further assistance to create and file an incident. Since the initial course of instruction, BCLC Corporate Security has until 2009MAR01, hired four new Investigators. To date, all have been trained at their respective sites by their "mentors" and are successfully filing STRs accordingly. This onerous task has now become accepted by BCLC Investigaors as a matter of course, part of their duty function. The writer will	2008/07/04 - Again, this investigator has devoted a huge amount of time and effort to assist in training all of our investigators to take over this function for their sites. This will be a continuous learning project as new staff come and go. This coupled with the fact that Gord is responsible for the largest casino and the LCT - FinTrac reporting still remains paramount. 2009/02/12 - Gord continues to be the go to guy with FinTrac and training issues for our newly hired security personnel. Gord is well versed in the job duties and in his approach to casino management and staff. He has been there and knows the ropes. He continues to excel. 2009/03/14 - He continues to be a huge strength with FinTrac and his dedication is just great. He knows his stuff and he's not afraid to call a spade a spade. He is a huge plus for this unit and a huge plus because of his man-management capabilities. 2009/03/25 - have reviewed the further comments and I agree that this employee has far exceeded what the demands th
15%	Continue to develop reliable contacts and resources within the RCMP Richmond Detachment, Vancouver Integrated Proceeds of Crime Section, Gang Crime Intelligence Units, Revenue Canada, Canada Customs and Immigration and the British Columbia Transit Police and maintain a consistant liason with those resources.	Completed. Contact with Richmond Det. RCMP 'Working Group' members takes place at a minimum once every calender month. This process is ongoing and encourages new contacts to attend these scheduled events. New people from the Serious Crime Unit have attended as well as the new Media Liaison designate. I have attended the RCMP Integrated Proceeds of Crime unit on a number of occaisions during the past year. In particular, to meet and welcome the FinTrac/Proceeds of Crime Section reports contact as she is new to the job as well as the OIC Operations for the Unit. I have met with the BC Transit Police Chief, Ward	2008/07/04 - This is a very important initiative and the results certainly surface after a major incident at RRCR. Gord is the driving force for this working group to ensure that both the law enforcement agency. SP management and BCLC are able to sit and discuss issues to bring resolve. This was Hugh demonstrated just last week when an Asian female was abducted following an evening at the casino. As it now appears, her abduction had nothing to do with the casino but because of these contacts - BCLC was kept informed. 2008/08/13 - Again, Gord continues to be the mainstay in this developmental project and continues to

		CLAPHAM and initiated contact with that organization and opened the first invitation to attend our BCLC/Richmond RCMP Working Group forum, to which he gladly accepted. 2009MAR25 - BC Transit Police have selected and are now deploying their representative to attend Working Group meetings to be hosted at the RCMP Richmond Det. this date. 2009MAR26 - We (BCLC Corp. Sec. Managers) are hosting a forum made	look for buy-in from all SP and law enforcement agencies. Continues to do a great job. 2009/02/12 - this really is Gord's strength in dealing with outside agencies to ensure a smooth transition and a smooth delivery of information. Gord will be moving onto a new role next week and he is well suited for these new challenges. He is a bright light and will continue to grow in casino knowledge
15%	To deliver a course of instruction on 'Report Writing' to be delivered to any and all Security and Surveillance staff at River Rock Casino. To make this course of instruction available to all BCLC Corporate Security Investigators for delivery at their respective Casino/CGC sites, if upon assessment this Course of Instruction is deemed worthwhile.	Q1thruQ3/2008NOV14 - Completed. The course of Instruction on 'Report Writing' was completed on this date. The instructional package was delivered to GCC Management at River Rock and ready to roll out to their staff at their convenience. The package was also sent to all BCLC Investigators within the Province. 2009MAR19 - The writer met with GCC River Rock GM Rick DUFF and Dir. Ops. Darlene DOYLE. Discussed presenting this course of instruction to GCC employees. Both appeared to be under the misconception that this was another BCLC mandated course of instruction such as they were with FinTrac training. Thus the 'push back' by them when it came to delivering the module to employees. It was explained that this was not the case and memories refreshed regarding the fact it was GCC River Rock management who requested this module be developed for the benefit of everyone. The module, purposely does not contain any reference to BCLC and is for the sole use of the site(s) as they deem necessary. BCLC had offered to	2008/07/04 - this is an important initiative to undertake and roll-out to all security and surveillance staff for all our gaming locations. It appears from my review of the various ITrak entries that anything that will help provide these staff members is guidance on how to complete a solid well-founded report is extremely important. 2009/02/12 - I have read this document and it was well done and well presented. Unfortunately, like a number of issues - unless it is thought up by casino management it seems to die on the cutting room floor. It is available and slowly over time - it will become a valuable tool for both security and surveillance. Gord continues to be a tower of power. 2009/03/14 - Gord applied and was the successful candidate to become my assistant and he will after our discussions take the lead role in a number of critical areas to develop staff and ensure a proper mentorship is established. He will develop a risk matrix for criminal issues within our LMD casino locations and ensure a prop
25%	Corporate Goal & Objectives ? To provide outstanding gaming entertainment, generating income for the public good. Bonus Trigger (Threshold): - Net income must exceed \$1,033 million Net Income ? Target: - Total net income of \$1,110.0 million achieved (Threshold \$1,033) Stretch: - Net Income \$1,143.3 million Annual Revenue ? Target: - Annual revenue of \$2,648.0 million (Threshold \$2,568.6) Stretch: - Annual revenue of \$2,727.4 million	n/a	n/a
15%	Corporate Goals and Objective - Demonstrate Social Responsibility in all of our activities Public Trust & Confidence in BCLC games ratings are achieved by the following: Target: - Public Trust and Confidence in BCLC Games ~ 64%	n/a	n/a

	(Threshold 61%) - Player Satisfaction ~ 90% (Threshold 84%)		
10%	Corporate Goal & Objective - Demonstrate social responsibility in all of our activities Target: - Player Awareness of Responsible Gaming Activities ~ 84% (Threshold 82%)	n/a	n/a

FY09/10

ASSISTANT MANAGER

Weight	Goal	Results	Manager Comments
10%	Corporate Goal & Objectives ? Public Support for Gaming Threshold: 61% Target: 63% Stretch: Board Discretion		
5%	Corporate Goal & Objectives ? Public Trust and Confidence in BCLC games Threshold: 60% Target: 61% Stretch: Board Discretion		
20%	Corporate Goal & Objectives ? Net Income (millions) Bonus Trigger (Threshold): - Net Income must exceed \$1,050.0 million Net Income ? Target: - Total Net Income of \$1,130.0 million achieved Stretch: - Net Income \$1,150.0 million		
15%	Corporate Goal & Objectives ? Net Win (millions) Threshold: - Net Win must exceed \$1,941.3 million Target: - Total Net Win of \$2,030.3 million achieved Stretch: - Net Win exceeds \$2,061.5 million		
15%	To attend all Casino and CGC sites within the Province with the Corporate Security Investigator assigned to that Casino or CGC. Determine and assess any and all respective strengths and weaknesses found within those sites and report them to the Manager, corporate Security and	2009APR02 - The deployment of BCLC Investigator resources was completed and documented on this date. This deployment list was also delivered to all Investigators on this date for their review. Ongoing assessments of the respective strengths and weaknesses at individual Casino and CGC sites were factors in determining the Investigators assigned. These assessments were aas a result of ongoing discussions with the Manager, Corporate Security and Surveillance and the individual Investigators themselves. 2009APR29 - The above noted Investigator 'duty	Gord is moving this division forward and ensuring that corporate security is foremost. Again, he is a tower of power. What more can I say. this is a huge initiative that both Gord and I developed for his goals and he is well along in completing them. Once the Island is covered - Gord will be spending more time with LMD staff to ensure that they are adjusting well to new initiatives with FinTrac, training, and covering shifts.

	<p>Surveillance. Subsequently, determine the most effective and efficient way of deploying BCLC Investigator manpower requirements to Casinos and CGC sites based on this assessment process. To be included and taken into account in these assessments will be work loads; special Investigator skills; hours of coverage and shifting requirements; development and documenting of individual goals as it relates or pretains to e-performance.</p>	<p>assignment' list was brought forward and implemented this date at the scheduled Corp. Security Investigators meeting. 2009JUN23 thru 26 - Attend all Casino and CGC sites assigned to BCLC Investigator Stan YAHOLKOSKI. Kamloops CGC - Met with GM. Dez OLSON and staff. This site was found to be well managed and compliant within BCLC Policy guidelines. The only issue identified requiring immediate attention was further FinTrac/Proceeds of Crime training. Kamloops Casino - Met with GM. Fred RAMGREN and Surv. Mgr. Mark OLDHAM. A number of issues were discussed, including Security manpower and shifting. The Srv. Mgr. was questioned about lack of resources in the Surv. room and it appeared this was not an isolated issue but endemic to LCC properties and required immediate attention. Otherwise this Casino appeared to be well managed but very overdue for an upgrade. Vernon Casino - Met briefly with GM Bridgette ARMSTRONG, Surv. Sup. Christine OLIVIER and CSOM Corrine CROSS. This is a very new facility and numerous issues were discovered requiring immediate attention, including the lack of Security resources at public access areas; Surveillance cameras requiring relocation or adjustment and shortcomings involving staff training in table games and equipment operations. There also appeared to be a significant lack of communication between service provider management staff and BCLC staff. Kelowna Casino - Met with GM Pat SHANNON, Surv. Mgr. Scott NASTIUK, CSOM Don KLETTKE. Overall a very well run stable environment. The only urgent issue and one of concern was the lack of Surveillance resources. Kelowna CGC - Met with Security Mgr. Bill COOK, Surv. Operator Don MacLEAN and BCLC Trevor SHARKEY. Overall it appeared to be well managed. Security required a more enhanced relationship with the local Police. Surveillance, however, required some immediate attention as several issues were uncovered realting to insufficient camera coverage in a number of areas both within the site and over the property footprint. 2009AUG17 - The tour commenced Monday AM AUG 17 and was completed Friday PM AUG 21. Mike GIGNAC and I made five stops that included in order; Chances Williams Lake; Billy Barker Casino, Quesnel; Treasure Cove in Prince George; Chances Dawson Creek and Chances Ft. St. John. Again our objectives for the trip were to assess BCLC Corp. Security effectiveness; detail or deal with any issues BCLC Investigator(s) may identify; detail or deal with any issues brought up by site management, assess FinTrac/Itrak training and assess our relationship with the local Policing authorities. It is important to note that from the outset Mike GIGNAC is very well respected by all management and personnel at all the sites we visited. He has a</p>	<p>2010.03.12 - Gord has met and exceeded this goal and continues to mentor and oversee all of our investigations throughout the province. Again, a huge success and our engagement scores have continued to rise based alot on his determination and personality.</p>
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very good and trusting relationship with all the people I had the pleasure of meeting. He has a very good understanding of how these sites function and operate and the issues that confront them. He is well posted and doing a very credible job. Williams Lake: Met with the owner Merle GARDINER and spent approx. three hours at the site, either touring specific areas such as Surveillance, Security and the gaming floor. We had a couple of issues to be resolved with Merle. One was the surveillance system. It is very old and out of date. It is constantly breaking down and in need of repair. Merle promised to have the necessary repairs completed and commence checking the surveillance room for breakdowns from once a shift to every four hours. She also showed us her intended purchase order/estimates to install new updated equipment in the form of the latest Pelco Spectra 4 cameras and DVRs. She expressed only two issues with BCLC; one was the installation of a new flooring system to be raised by one and a half inches to accommodate any additional or new wiring required for additional slot machines with a cost attached of approx. \$150,000.00. This was out of our area of influence, so the only thing we could offer was sympathy. The other issue she wished to have brought to Daryl SCHIEWE and Rod BAILEY's attention was that last year they initiated a "consultation committee" made up of BCLC Operations personnel and Service Providers management. This committee seems to have fallen of the plate for some reason but she would like it re-instituted as she felt it very worthwhile. Mike advises that FinTrac training is current. As far as Policing issues are concerned there are very few. Regular scheduled meetings with Police are not necessary but he will continue contact with the local Detachment Quesnel ? Billy Barker Casino: Met with Surveillance Manger, Blake SHARP, Security Manager Al WHITTINGHAM and owner Brad KOTZER. A well operated site and very few issues here, however Blake SHARP wished BCLC permission to have a company Human Resource allowed to take up duties in the Surveillance room while maintaining their position in Human Resources. This is not about to happen. Mike GIGNAC was fully aware of this issue as well as the BCLC Regional Mgr. Carl SEVERSON. SEVERSON has had a letter drafted detailing the BCLC position and will be sent to the owner, Brad KOTZER in due course. Spoke with Brad at length about a host of different topics. Very well adjusted individual and good meeting. Mike advises FinTrac training is current and no other issues to deal with. Our relationship with the Police is very good. Again, they are called very infrequently and regular, scheduled meetings are not necessary. Mike has a very good relationship with all

personnel at this site. Prince George ? Treasure Cove: Met briefly with the owner John MAJOR. This is also a very well operated site with very few issues. Mike is well known by all personnel and has a very stable relationship with them. We spent the bulk of our time with the Security Manager Bart HOBSON and the GM Jerry EARLS. They took us for a tour of the new addition and the revamped gaming floor. Very nice site, quite impressive. Surveillance Manager Michelle PALUMBO was not in when we attended the Surveillance room. We also had an opportunity to discuss the site with BCLC Donna STURGEON. Mike advises that more FinTrac refresher training is due and will be scheduling that in the very near future. Dawson Creek: Met with CGC GM Candace OLSEN-WHETTER. She was a very positive individual with few issues to discuss. The focus of discussion was clearly not on BCLC attendance but more the lack of Great Canadian attendance at the site. Also met with Security Supervisor Rex NESS. We toured the Surveillance room and then assisted him with some LCT problems he had encountered. Mike then conducted some planned FinTrac training with site staff. We also had some discussion with BCLC Auditor Kris GADE, who was in the midst of a site audit. He advised that there were a number of issues that required attention. This included some errors on LCTs. I had already assisted Rex NESS in this area. We asked that once he (Kris GADE) was completed, we be made aware of the results of the audit. I will follow up with Kevin SWEENEY to ensure any areas identified involving Corp. Security are dealt with. Ft. St. JOHN: This was a very impressive site with a lot of potential. Met with Bruno BOURASSA and a number of his staff. This site is well operated with few issues. Again, they were under a BCLC Audit conducted by BCLC Auditor Rob GRINAM. BOURASSA readily admitted that he is not 100% compliant with stationing a Security resource at the front entrance door 100% of the time. However, the smaller sites are very in tune with who enters their Casino. They have an advantage over the larger lower mainland sites in that they know nearly everyone, particularly their patrons. Guest services people are stationed at the door throughout the day. Clearly Bingo is suffering and management is looking hard at other options. Bruno, needless to say has a lot on the go. He is in the midst of preparing for the charity poker and gold tournament. He has a ?state of the art? surveillance room and system. Mike conducted two well attended FinTrac training sessions, which included Bruno himself and the majority of his management staff. Plenty of good questions and feedback. Again Mike?s relationship with staff is very good. I will ensure that we have access to the Auditor?s report.

2009DEC09 - BCLC Investigator Steve BEEKSMA and myself proceeded to Prince Rupert CGC.

Upon arrival we had an interview with the following personnel within the Prince Rupert site:
 General Manger Fred FEDDEMA
 Assistant Manager Kelly TUBB
 Security/Surveillance Manager Coreen DAVIES

I advised them that the reason we were attending the site was the fact BCLC had a number of concerns regarding their performance in a number of key areas. As such, we wished to conduct a full review into four fundamental areas and resolve issues identified:

- 1) The Audit recently conducted at Prince Rupert surfaced issues in Surveillance, specifically with sufficient preventive maintenance not being done on equipment; DVRs not able to record for the required [REDACTED] Camera resolutions lacking; no digital loss of DVR alert; DVR system not regularly checked by Security staff in accordance with Policy; site component plan not updated.
- 2) ITrak ? Staff not sufficiently trained in its use; management not sufficiently trained and competent with Itrak; Incident details not recorded properly; supplements not being applied by staff where and when necessary.
- 3) FinTrac/LCTs ? LCTs not being properly recorded in hard copy; LCTs not being entered into the LCT electronic module properly; Patron identification not being scanned into media as required; Supervisor attestations not being applied as it pertains to verified wins and the issuing of cheques.
- 4) Training ? insufficient staff competence in both ITrak and the LCT electronic module; insufficient amount of total staff up loaded into the on line FinTrac training module thus affecting training percentages; no compliance officer assigned.

These areas of concern were identified to management with the following results:

BCLC Investigator Steve BEEKSMA's comments:
 2009-DEC-09 Following our meeting with Fred FEDDEMA, Kelly TUBB and Coreen DAVIES (of which GOS Merv WRIGHT was present) I went to surveillance with FEDDEMA to address the issues identified there. We were accompanied by the surveillance tech/maintenance man David BELANGER. The following issues were discussed/reviewed:

-Door fixed cams for identifying patrons coming and going have been adjusted/zoomed in. I was shown a before and after example of the change and the change is significant. They're getting excellent face shots of patrons coming to the CGC.

-BELANGER did some fine adjustments on the cage transaction cams although there is room for improvement which was relayed to FEDDEMA in our closing debriefing for the purposes of identifying bills the cameras looked fine to me. The different colours/denominations were identifiable and the open cashier drawer was fully visible. I was able to determine which sot had the 10?s, 20?s 50?s etc. BELANGER was also in the process of completing a renewed camera floor/site plan.

-FEDDEMA advised they are in the process of getting quotes for the installation of security bars on the cage. It?s estimated that early next year this will be done (FEB/MARCH-2010).

-I did a random check of footage retention/DVR storage capacity and found that the cameras in most cases are recording for [REDACTED] days [REDACTED]. BELANGER is tweaking the camera qualities to find the best image while still retaining [REDACTED]. The vault cameras are of particularly high quality.

-Surveillance system checks are being done every 8 hours as required. FEDDEMA advised that these are done by the security officers and logged into ITrak. I confirmed in ITrak that between 3 and 5 surveillance equipment checks are done during operating hours.

-BELANGER showed me his preventative maintenance records. All major repairs with the system are logged on this sheet. He advised that he won?t always log minor repairs. I advised and FEDDEMA agreed that even minor changes/repairs should be logged as it demonstrates regular attention to the system.

-BELANGER advised that the system is set up to display an alarm on the main monitor in surveillance if there is a problem with a DVR/Hard drive. I was advised that SO?s are in and out of surveillance all day doing reviews etc and these alarms would be caught in a timely fashion. BELANGER also advised that the system has the capability to assign a phone number that would be called in the event of a failure but was hesitant to utilize it as he had some concern regarding broadcasting that over open air?

		<p>Basically there are more options with regards to DVR alarms that come down to a matter of cost and knowledge.</p> <p>-75/80% of staff has taken the online PCMLTFA training (and counting). Those that had the face to face this past summer have taken it again on-line.</p> <p>-Access cards are secured in a Traka like key cabinet. Certain keys/access cards are only accessible by specified individuals and are removed via a hand scan/key code combination. This is a very secure method of keeping the keys/access cards.</p> <p>Following this I attended an ITrak work station with Security mgr Coreen DAVIES. It appears to me that she has a very strong grasp of the system and reporting requirements. She advised that she will review incidents/daily logs regularly and address with her staff any issues to be corrected. She?s actually had issues with some staff complaining about her changing Daily logs. On a daily log if she feels its lacking detail she will make the necessary adjustments and add herself as a secondary operator. I advised her that this is exactly what she should be doing as a manager; reviewing he staff?s entries and addressing them accordingly. The only area she admitted she was week was in LCT reporting which we were scheduled to cover the following morning.</p> <p>2009-DEC-10 met with FEDDEMA, DAVIES and TUBB to discuss the plans for the day. All three were taken to an ITrak workstation and shown how to report disbursements. I believe they are clear on how these should be entered now.</p> <p>-I tested the VSE enrollment station and found it all to be functioning as it should be (signature pen/web cam etc). I showed DAVIES a simpler way to added photos from the web cam which was the only issue her and her staff had had in the past. The instructional document they were following was a long convoluted process and she was appreciative of the simplified method I showed her.</p> <p>-Newly appointed Cage Mgr Peter MEUSE was taught how to report disbursements also.</p> <p>-Taught AGM TUBB the basics of the ITrak system (refresher).</p>	
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		<p>In the closing debrief we stressed the fact that DAVIES is a valuable asset to them and that she needs FEDDEMA and TUBBS support. We also set up monthly teleconference calls for the first Tuesday of every month at 1400hrs of which I or SLOBODIAN will participate. LCT hard copy errors were discussed with appropriate corrections noted. All said and done a very productive/positive visit.</p> <p>Gord FRIESEN further comments:</p> <p>I reviewed every LCT created and submitted by Prince Rupert CGC since 2009SEP28. I found that they required a significant amount of work in every area, from inputting a simple postal code to supervisor attestations, particularly the lack of supervisors attesting to ?verified wins? when cheques are issued and loading this info into the ?notes? portion of the electronic LCT to accurately transposing win amounts from hard copy to the electronic module. Every LCT created had inaccuracies and issues. All these issues were brought to Management attention and discussed. Therefore, all management in the form of Fred FEDDEMA, Kelly TUBB, Coreen DAVIES and Cage Manager Peter MEUSE were given detailed, hands on instruction into how to create an LCT in hard copy and electronically.</p> <p>LCT/FinTrac Training ? Assistance Manager Kelly TUBB was appointed the compliance officer for the site. During the course of our visit any staff remaining who had not been loaded into the system for on line training were loaded into the system. Kelly TUBB advised that approx. 70/80% of all 44 employed staff had completed on line training in the module. She advised that by the end of the following week all staff will have completed on line training.</p> <p>During the interview process GM Fred FEDDEMA expressed that ?they want to ensure compliance? in every facet of operation. They do not want to fall behind in this regard. I pointed out that I felt that there were two other key issues that had to be resolved and that was the fact Prince Rupert was significantly isolated and as such it appeared they operated in isolation. Which led us to the next issue, regular communication between BCLC and Prince Rupert. There seemed a significant lack of communication and steps had to be taken to rectify this. FEDDEMA advised he wished to conduct regular scheduled conference calls with BCLC</p>	
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Investigators the first Tuesday of every month which would include his Assistant GM and Security/Surveillance Manager. Any and all issues could be tabled, discussed and rectified in a more timely, efficient manner, precluding any further

FEDDEMA also requested assistance in dealing with the local Police on matters such as access to Surveillance and reports. I advised him that our Investigators will approach the local Police and set up a meeting with them to address this issue. We will host this meeting in Prince Rupert, with FEDDEMA and his management team in attendance at the first practical opportunity and set up protocols similar to those we have in place in our other communities.

We then attended TERRACE CGC:

2009-DEC-10 arrived in Terrace at 1830hrs. Attended the CGC and met with AGM Sean BUJTAS. We arranged to meet with staff the following morning at 1000hrs to administer some LCT Disbursement/ITrak training.

2009-DEC-11 1000hrs at CT. BUJTAS had arranged for all 3 of his managers plus the security manger to be present to learn how to properly report disbursements. Shift managers Willy SEYMOUR, Connie CRUISHANKS, Brent BUELL, Josh KRAUSE Sean BUJTAS and Sandra DA SILVA were all present. Gord FRIESEN obtained all the hard copies of the LCTs and noted all the errors. Steve BEEKSMA taught them how to report disbursements in the electronic module. Following the disbursement training Beeksma offered refresher ITrak training to the security staff in attendance. They advised that they're comfortable with how to report/add supplemental etc.

Beeksma then tested their VSE enrollment station and all aspects appear to functioning normally.

We concluded our session with a discussion on LCTs and the errors encountered. There were many and we left the hard copy LCTR?s with the noted errors with BUJTAS to have corrected. BUJTAS assured us that with our discussions and refresher training in recording and up loading LCTs into the electronic module, there would be significant improvements.

Casino/CGC site visits on Vancouver Island:

2009NOV24 ? Nanaimo Casino

Met with Casino Manager Jim SLATER. We discussed issues of importance from his perspective and they were more focused on

concerns with BCLC Operations than Corporate Security. His relationship with BCLC Investigator Phil Humphries was obviously very good and communication between the two was open between and bilateral. There were no topics that could not be discussed. Conversations focused mainly on a Vietnamese gang member frequenting the site and disregarding the rules relating to chip/cash passing, even after repeated warnings. There was also Police interest in this individual and co-operation with them in information sharing. We also discussed some of the latest FinTrac issues and site training, which is in good shape. Slater commented on how positive the 'on-line' training modules are and a relief over the burdens of continually scheduling staff, etc. for face to face. Slater was concerned with how slow BCLC operations staff, like Rod Bailey were to entertain movements of machines and tables or replacement of same on the gaming floor. He had been calling BCLC in order to determine what had become of a request to change some table/slot games but advised Bailey was on holidays. It did not appear he left anyone else to take his place, resulting in delays and potential revenue loss. Slater will take this up with Bailey himself. The other issue he discussed was BCLC allowing the opening of new CGCs in the area and 'on line' gaming. He saw these as a threat to his business particularly when revenues are down generally. Otherwise a very positive encounter.

Also spoke with Surveillance Manager Mickey MENTANKO. She is a very positive person who tries very hard to be helpful and co-operative with BCLC. She is in contact with Phil on nearly a daily basis, updating him on events or incidents or seeking his advice.

Chances Port Alberni CGC

Met with the General Manager Susan MERIVIRTA, second in command Linda BYRD and the Security Supervisor Harry DOWN. All three expressed a very positive outlook, particularly with the relationship with BCLC. However, they all expressed a significant downturn in the economy which was having a significant effect on revenues. Another large sawmill just closed in the town with more jobs lost. All struggle with staffing issues but seem to be coping well under the circumstances. The site attempts to initiate seasonal in house promotions in order to generate public interest even with the restaurant. The big item is Bingo. Bingo is steadily dying and they are seeking alternatives. However, the answers do not come easy. They still have a portion of their clientele who patronize the Bingo floor and it is difficult to deny or forget about

		<p>them. One option is to take advantage of any Slot expansion(s) in the works for CGCs.</p> <p>2009NOV25 Chances Cowichan Met initially with the Security Manager Daniel McGONIGAL. He was quite interested in the new Slot expansion(s) in the works. We toured the DVR room where he explained his expansion plans and the new surveillance equipment he had in mind to replace the old outdated machinery. He is dealing with LASER Star out of Victoria. He had several questions about Policy with regards to manned and unmanned surveillance levels. He wished to know if they were allowed 125 or 150 machines would this require manned surveillance and if he could adopt the role of Security Manger and Surveillance Manger.</p> <p>He was advised that this was still a work in progress but if the numbers required manned Surveillance, I would doubt he would be able to assume both positions.</p> <p>Met with GM Dave CLARKE. He was eagerly preparing for the Slot expansion and getting locations mapped on the floor to handle more machines. He also expressed the fact Bingo revenues were dwindling and alternatives had to be explored.</p> <p>2009NOV25 ? View Royal Casino Proceeded directly to Surveillance and interviewed the Manager Dave LaROCQUE. We advised him of the main purpose of the visit was to prepare him and the GM for the upcoming FinTrac audit. We wished to begin with reviewing a random sampling of approx. 50/60 LCTs from JAN01?09 until present. We found them to be of exceptional quality and accuracy. LaROCQUE explained he had a regimen in place where he logged all LCTs separately when received from cage and shift managers, as well as any errors noted. He would send LCT back for amendments and diary date their return so as not to be late, thus non compliant.</p> <p>Spoke with GM Kwai LAM and discussed expectations of the FinTrac Audit and how pleased we were with our findings with Surveillance and his manager Dave LaROCQUE. LAM had no issues with BCLC that required attention. View Royal FinTrac training is up to date and Phil HUMPHRIES has devoted considerable time to this. Otherwise, all was very positive at View Royal.</p> <p>2009NOV26 ? Courtney CGC Met with Security Manager Jacqueline BARISAN. She was a very positive individual who expressed the only issue she had was</p>	
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		<p>manpower or the lack thereof. However, this was an internal issue with Playtime and Tom NELLES. Not much could be done at their end at this point. We briefly discussed ?compliance? with Policy and they appear to be coping under the circumstances. Also met with area manager for Playtime, Mike LAMONT. He expressed the same issue with the difficulty with manpower at all Playtime sites and again the fact this was more an internal issue. He alluded to attempting to obtain certain ?variances?, without being specific, in order to save money.</p> <p>2009NOV26 ? Campbell River Met with Security Manager Steve TODD. He was a very positive individual who expressed little in the way of issues other than the CGC was quiet. Bingo was also suffering and alternatives needed to be explored. Overall the same problems experienced as everyone else at Playtime CGCs.</p> <p>Conclusion: Overall this was a very positive experience. The big issues were the possibility of Slot expansion from the CGCs, manpower cut backs due to a lean economy and Bingo is dying. View Royal Casino is prepared for the FinTrac Audit and should do well. It was made abundantly clear from the outset that BCLC Investigator Phil HUMPHRIES has been very successful on the Island. He is highly respected by all and very well liked. All Service provider personnel have a tremendous amount of confidence and faith in him. He handles all levels of staff with mutual respect and concern and they in turn regularly seek his counsel and advice. He is doing a terrific job! Definitely a star in the BCLC constellation.</p>	
15%	Supervise Corporate Security Investigators to ensure they develop sound relationships with local Policing authorities having jurisdiction over their respective Casino or CGC locations. Ensure that BCLC Corporate Security Investigators assigned to those sites	2009MAR25 - Attend the "working Group" meeting hosted by the Richmond RCMP Det. and River Rock BCLC Investigators. Numerous Policing and site issues discussed as well as the need to establish a 'Gang Task Force' protocol to govern Police Gang Squad members entering Casinos and requesting information and/or assistance. This 'Working Group' remains highly functional and achieving all objectives. The interaction between BCLC Investigators, Great Canadian Management and the Police is very	Continues to strive in this area and will be taking this on for all LMD locations to ensure the current and right message is delivered. Continues to be a huge strength and is actively working towards this goal and goal completion. 2010.03.12 - I could write a page on the development and engagement that Gord has done with all of our investigators, law

	<p>establish a regular, continuous liaison with local Police consistent with current objectives. Develop a system and protocol(s) for Information/Intelligence sharing with Policing authorities both at the local and global level. Information and Intelligence sharing shall be targeted at those individuals or groups requesting our Casinos who are suspected to be involved in criminal activities such as money laundering, loan sharking and/or any other related criminal enterprise.</p>	<p>good. 2009APR21 - Meet with BCLC Investigators Mike HILLER and Duncan GRAY to assign them as the liaison and contacts for Intelligence sharing with RCMP 'E' Div. Intell. Also as part of this assignment, they were provided instruction and guidance for the development and preparation of an internal BCLC Policy document designed as a 'guide to investigators' detailing what information can be shared and subsequently outlining the process to be followed in order to share information and intelligence with authorities in keeping with BCLC Policy, Criminal Law and Freedom of Information.</p> <p>2009SEP30 - Attended Penticton Casino with BCLC Investigator assigned to that site, Don MERKEL. Commenced the operations of a new 'Working Group' relationship with the local RCMP and Lake City Service Provider Management staff. the OIC RCMP Region Insp. Brad HAUGLI was in attendance to offer his enthusiasm and support to the program. He immediately assigned his Serious Crime Sgt. stephan LACROIX as the RCMP contact and permanent member to the group. A total of three BCLC, five RCMP and four Lake City members attended. Very positive and enthusiastic response from all. Regular scheduled meetings will now be held in Penticton by all participants.</p> <p>2010JAN13 - Contacted Burnaby RCMP Serious Crime Sgt. Scott RINTOUL and determined that our regular contact S/Sgt. Brian McDONALD had retired and moved to BC Transit Police. We agreed to meet in February/March after the Olympic to re-establish regular schedule meetings.</p> <p>As of this date we continue to liaise with our Policing partners on a regular basis, whether in person or via telephone. We have welcomed new ones into the fold such as new contacts with Revenue Canada. We have shared information with them of a strategic nature involving organized crime types and established protocols with them in keeping with our established criteria and internal policies.</p> <p>2010MAR10 - BCLC Investigators Duncan GRAY and Mike HILLER provided me with a document detailing 'protocols for information sharing with Policing authorities' developed by them for dissemination to all BCLC Corporate Security Investigators. This satisfies a task delegated to them by myself. This document will be reviewed and assessed by me to ensure it captures all the components required in keeping with BCLC policies and FOI legislation.</p>	<p>enforcement officials and gaming professionals across the province. Gord has met and far exceeded my hopes when he took on this new role and he continues to be just a tremendous resource for me and all BCLC employees. He is a common sense type of person who loves to engage people to ensure they are performing at their utmost.</p> <p>He is a true resource and well respected with the other investigator's.</p>
20%	<p>Continue to develop, co-ordinate and deliver a more effective, simplified regime of FinTrac and Proceeds of Crime training.</p>	<p>2009APR23 - Complete the accumulation of content and material to be utilized in the new version of 'On Line' FinTrac and Proceeds of Crime training manuals. Discuss the incorporation of the material into three 'on line modules with the software</p>	<p>Had led the initiative of FinTrac modular training with ICOM. Has lead the initiative with FinTrac legislative change. Has lead the initiative with FinTrac training province wise.</p>

	<p>Continue to liaise with the Service Providers, GPEB and FinTrac on all aspects of FinTrac training delivery and compliance issues, which includes the training Audit process.</p>	<p>development company, ICOM, of Calgary, Alta. They will be implemented as the 'New Hire' module; Advanced Module and 'Refresher Module'. 2009JUL15 - Complete the final version and corrections to be made by ICOM in order to facilitate the next phase of the roll out. BCLC IT to ensure the modules can be accessed by the Service Providers via the BCLC web site. 2009OCT09 - BCLC Cathy ANISTASIO will administer the next phase of the electronic module training process. as of this date she had hosted administrative training for all Casino service providers and the appointed on site 'compliance' personnel. Approx. 1600 employees had been registered in the on line system and approx. 300 had taken some level of on line training. CGC sign up and training was the next step. 2009DEC17 - Met with Nousha BEHBAHANIAN, H/R talent management in company with Mgr. Doug Morrison and discussed the next phase of the development of online training for all FinTrac modules. 2010FEB01 - A new training and development committee formed, made up of Investigators Don MERKEL, Murray ROSS and Steve BEEKSMA, supervised by John Karlovcec to develop a new standard of three FinTrac training modules, targeted for delivery to the service providers throughout the Province. These three modules will be completely updated and refreshed, comprised of information for newly hired employees, advanced material for employees and refresher material for those that have taken the advanced module. This committee will work in conjunction with and collaboratively with our Richmond BCLC Talent Unit and software developer ICOM out of Calgary. All modules are destined to be on line and functional with "learn BC" by 2010JUNE. Training data will be available from the web site and accessible to BCLC as employees participate and roll through the process. We will be able to fully monitor and determine who took the training, when they took training, percentages of employees required to train as well as diary dating for those requiring further training. BCLC will be able to update these modules as required.</p>	<p>2010.03.12 - Gord along with John Karlovcec have taken this initiative and pushed it onwards with Gord overseeing the program development. Since September 2009 - our FinTrac training aspect has increased by 150% over our 2008 training which by the way was 112 training sessions with some 1850 gaming staff trained. thus, from this simple feature - you can see the amount of training and effort that Gord put forward. Without his drive - this goal and major initiative for BCLC would never have been met. Again, well done Gord and thank you!</p>
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FY10/11

MANAGER CASINO SECURITY

Weight	Goal	Results	Manager Comments
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20%	Corporate Goal & Objectives ? Net Income (millions). Bonus Trigger (Threshold): Net Income of \$1,025.0 must be exceeded. Target: Total Net Income of \$1,115.0 achieved. Stretch: Net Income \$1,150.0 exceeded.		
10%	Corporate Goal & Objectives - Player Satisfaction: Threshold: Board Discretion Target: 74.0% Stretch: Board Discretion		
20%	Corporate Goal & Objectives ? Net Win (millions). Bonus Trigger (Threshold): Net Win of \$1,905.1 must be exceeded. Target: Total Net Win of \$2,072.4 achieved. Stretch: Net Win \$2,137.5 exceeded.		
10%	As part of my goal to increase leadership for this department ? I will increase employee engagement and for 2010/11. Maintain department morale at 94%. Increase department Job Satisfaction from 81% to 84% Increase department Frequent Recognition from 69% to 73%	The goal of increasing employee engagement and morale in my opinion are linked and not a separate process. This process is also ongoing. As part of the strategy to increase these elements effectively, management must actively involve their employees, not only in the delegation of tasks or work loads but in decision making as to how to prioritize and accomplish tasks. During the past year our unit has been called upon to perform over and above the norm. A good example of this has been in how we have prepared ourselves for the latest GPEB Fintrac Audit. Myself and the Assist. Mgr. have identified critical areas where significant scrutiny of Large Cash Transactions, Player Accounts, Cheque reviews and Suspicious Financial Transactions were required by our Investigators. Once these issues were identified, a meeting was arranged with all investigators and a work plan developed and implemented. Although the results of the GPEB audit have not been released as yet, all indications appear very positive. Most job challenges and concerns are discussed and resolved at regular scheduled monthly staff meetings. All Investigators have the opportunity to bring issues, other than those identified by managers, to the table for discussion and resolution. This philosophy has also been effective in the development and creation of Policy documents including job function guidelines. Investigators have freely and voluntarily offered to participate in this process, developing policy and best practises on a variety of job functions including teh development of guidelines on how to create a Large Cash Transaction Report in Itrak; developing a step by step guide to creating Player Accounts; create a Suspicious Financial Transaction Report as well as develop job profiles and	<p>10-10-25 - Gord has just taken over this group as the Manager, Casino Security & Surveillance having been promoted with the role of Doug Morrison's retirement. Gord is a welcome addition as the leader of this group who are integral to BCLC's compliance regime. Welcome aboard, Gord! Gord is very familiar with the group and its function, he will provide leadership and guidance through regular meetings and contact with his direct reports. It has not yet been decided if an engagement survey will be done this year, so other methods to measure engagement and morale of this unit may be necessary.</p> <p>March 17, 2011 - Engagement scores for this division are not yet completed, however Gord has transitioned to the management of this team in proficient and self-assured manner. Gord is well liked by this team and leads in a fair and equitable manner. Although we have not yet seen the scores, I believe after meeting and talking with this group they are highly motivated and engaged.</p> <p>April 11, 2011 - The engagement score for this department was extremely high at 90%. Two areas of measurement dropped some, morale from 94 to 75% and job satisfaction from 81 to 75%. The third measurement of frequent recognition rose beyond the target from 69 to 75%. Even though a couple of the targets were missed, I am very pleased with the extremely high overall engagement scores and significant increase in frequent recognition. Gord has only managed this group a short time but i consider this goal as met.</p>

		<p>daily work functions for Investigators. As managers we are responsible to assess each Investigator's skill set and attempt to align these employee skill sets to a particular task. However, most Investigators volunteer to accomplish particular tasks as well as participate in different committees, whether it be to overhaul and develop a new version of the Fintrac Training Module or volunteer to be contacts for Police inquiries. Another good example of how Investigators are engaged is through their own initiative in identifying other areas that require upgrading or attention. The Gaming Security Officer training and Policy requires review and overhaul as it is becoming dated. One Investigator has recently identified this as an area requiring attention and volunteered to accomplish this task.</p> <p>I believe that this is a very strong and true indicator of morale in this unit. Our Investigators continually step up to the plate when required.</p> <p>During the past year, all of our Investigators have been interviewed, either formally or for the most part informally by myself, the previous Manager and the present Assistant Manager. Job satisfaction is assessed on an individual basis as well as individual strengths and weaknesses. Investigators demonstrating willingness to participate in long term courses offered by BCLC are also identified in this process. One Investigator is presently enrolled in the 'Leadership' training course. The Assist. Mgr. is presently enrolled in the two year business development course at the Sauder School of Business. Budget concerns have precluded offering any further opportunities to staff this year. Overall the engaging of our employees to volunteer, get involved and participate in projects has reaped benefits. The greatest benefit has been the high morale we enjoy in this unit.</p> <p>The other indicator that I wished to assess was the recent 'Engagement Survey' conducted by BCLC. Although I believe employee participation in the survey was high, I understand these engagement scores are not yet available to managers as yet.</p>	
20%	To provide planning, direction, guidance to the further rollout of implementing a further aspect of the Voluntary Self Exclusion program with the phase 2 License Plate Recognition (LPR) System	<p>Phase I Rollout ? May 25th to May 29th, 2009</p> <ul style="list-style-type: none"> - 2 Camera?s River Rock - 2 Camera?s Starlight - 1 Camera?s Villa <p>Phase II Rollout - September 21st to October 2nd, 2009</p> <ul style="list-style-type: none"> - 1 Camera added at River Rock - 2 Camera?s added at Villa - 1 Camera View Royal - 3 Camera?s Boulevard - 1 camera at Edgewater 	<p>10-10-25 - LPR has been completed at ten casinos and three CGC's. This has been a very successful program and has been well received by the Service Providers. Further installs will be completed at remaining properties for 2011/12.</p> <p>March 17, 2011 - Gord has taken over the leadership of this project from Doug Morrison and has kept it on track. LPR has been implemented at all casinos that do not share parking venues, as well as Abbotsford and Kelowna CGC's. Gord has</p>

		<p>Phase II Rollout Con't...</p> <ul style="list-style-type: none"> - Cascades Casino: 3 LPR Cameras - Lake City Casino Vernon: 1 LPR Camera - Lake City Casino Penticton: 1 LPR Camera - Treasure Cove Casino (Prince George): 1 LPR Camera - Playtime Gaming Abbotsford: 1 LPR Camera - Kelowna CGC 1 LPR Camera <p>2010DEC13 An additional camera ordered via IView Systems for the second install slated fro Penticton Casino. Treasure Cove is scheduled for the second camera install after the new parking lot configuration is completed in the spring of 2011.</p> <p>2011MAR02 - The second camera installed and operational at teh Penticton site. this completes the scheduled camera installations for this fisxcal year.</p> <p>Treasure Cove Casino remains the only installation left in the rollout. This additional camera will be ordered and installed in the Spring when Treasure Cove completes the parking lot renovations.</p> <p>2011MAR10 - BCLC and Genetec Systems have completed negotiations on a cable replacement project to include View Royal, River Rock, Boulevard, Edgewater, Abbotsford, Starlight, Prince George, Vernon, Kelowna and Penticton. Cables utilized in the first and second phase rollout were determined to be subject to the effects of moisture and required replacement. This will be conducted by BCLC's installation and maintenance vendor Advanced Audio in Vancouver, at no cost to BCLC. This process has commenced as of this date and scheduled for completion approx. mid April.</p> <p>This should prevent any further breakdown of equipment due to moisture infringement on equipment at the sites.</p>	<p>provided excellent leadership on this project and it has been very successful.</p>
10%	<p>To develop and implement a corporate strategy in relation to the development and rollout of RFID gaming chips and RFID technology to our LMD casino division.</p>	<p>2010NOV24:</p> <ol style="list-style-type: none"> 1. RFID Server Ordered ? Oct 6, 2010 2. Estimated Server arrival date to BCLC ? Nov 3, 2010 3. Estimated Server Install Date ? Nov 10, 2010 4. Move River Rock to point to new server ? Nov 17, 2010 5. Site Installations - Sites must be brought on one at a time and analysis between each install to ensure overload of server does not occur: <ol style="list-style-type: none"> a. Site 1 Install ? Dec 17, 2011 b. Site 2 Install ? Jan 17, 2011 c. Site 3 Install ? Feb 17, 2011 d. Site 4 Install ? Mar 17, 2011 <p>2010NOV30 - The manufacturer delivery of the RFID chip reader</p>	<p>10-10-25 - RFID chips installations are proceeding along with the cash cage readers. This will be further developed to include table readers over the next year.</p> <p>March 17, 2011 - Cash cage installs will be completed in March/April 2011. The delay in implementation of this program has been as the result of a manufacturer's supply issue. Gord has continued to drive this initiative and keep it moving forward in spite of hurdles.</p>

		<p>system is delayed until the end of January ? beginning of February. It would now appear it may well be February before the systems start to roll out to the field. With a two-three week gap in installations we're looking at March before all the sites will be completed.</p> <p>2010MAR08 - The revised scheduled for the RFID hardware install is as follows: Grand Villa Burnaby, BC March 21/22/23 Starlight New Westminster, BC March 28/29 Boulevard Coquitlam, BC March 30/31 Edgewater Vancouver, BC April 4/5 Once these installs are completed as scheduled the project should be complete and up to date.</p>	
10%	<p>To participate in the development of an electronic form of the current hard copy Large Cash Transaction Report with software developer IView Systems. To implement the use of the newly developed electronic Large Cash Transaction form by all service providers in the Province and thus eliminate the current hard copy version. To participate in the development and delivery of training required to all the necessary service provider staff in the rollout process.</p>	<p>To date, each and every Fintrac and/or GPEB audit has identified errors between the hard copy version of the Large Cash Transaction Report (LCTR) and the electronic version of the LCTR that was subsequently sent to Fintrac. These errors are seen by Fintrac as compliance issues and when an error is identified in an LCTR, BCLC is deemed to be in 'non compliance'. As such, it became apparent that in order to reduce the amount of errors identified in these audits, BCLC would have to rely more on technology. It was quite apparent that human error was never going to be eliminated from the filing process.</p> <p>2010JUN18 - A dedicated overall quality assurance program implemented with respect to the review and submission of all LCTs at the site level.</p> <p>2010JUL21 - Software developer IView Systems was engaged to develop an electronic version the hard copy of the existing Large Cash Transaction form. IView Systems was asked to create and develop an electronic version that could be uploaded into the Itrak data base and accessed by Casino staff. All LCT data could be uploaded on the form from tracking documents accumulated from the Casino floor. Once data was loaded into the electronic LCT form it would send to Fintrac. A hard copy could then be extracted from Itrak. This would essentially eliminate transitional errors presently experienced with the hard copy version.</p> <p>2010AUG05 - IView Systems, Pres. Martin Drew confirmed he was the project head and progress was being made on the development of the electronic version of the LCTR. All elements of the new form were discussed that should appear in the new form. The new form would also include a 'drop down' for occupations. The entry of occupations would become a mandatory item, drawn from a self contained library created within the data base.</p> <p>2010SEP07 - IView Systems, Martin Drew confirmed the new</p>	<p>10-10-25 - This is a new program that Gord can lead to assist with our FINTRAC reporting program. The system is currently under development and will be ready for deployment in early 2011/12.</p> <p>March 17, 2011 - This will be available in mid-May with the next iTrak release. This is a unique project with a concept to design, build and implementation. No other jurisdiction in North American has this system. Although the implementation will be in the coming year, this is of no fault of BCLC. Gord has continued to drive the project forward with commitment and enthusiasm. I am sure other jurisdictions will adopt this technology once it is implemented in BC.</p>

		<p>form would be completing a final edition by weeks end. IView would target testing and implementation to coincide with a scheduled ITrak upgrade early in the new year.</p> <p>2011MAR08 - IView System Paul Pannozzo advises that the electronic LCTR will be ready for testing and scheduled for implementation approximately the middle of May.</p>	
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FY11/12

MANAGER CASINO SECURITY & SURVEILLANCE

Weight	Goal	Results	Manager Comments
25%	Corporate Goal & Objectives ? Net Win (millions) Trigger (Threshold): Net Win of \$1,985 must be exceeded. Target: Total Net Win of \$2,098 achieved. Stretch: Net Win \$2,160 exceeded		
25%	Corporate Goal & Objectives ? Net Income (millions). (Threshold): Net Income before taxes of \$1,135 must be exceeded. Target: Total Net Income before taxes of \$1,200 achieved. Stretch: Net Income before taxes of \$1,235 exceeded.		
20%	To provide planning, direction, guidance to the further rollout of implementing a further aspect of the Voluntary Self Exclusion program with the phase 3 License Plate Recognition (LPR) System. Implement License Plate Recognition technology to the following Casinos and Community Gaming centres in the Province; Edgewater, Prince George, Chances Cowichan, Chances Courtney and Chances Campbell River, thus completing phase three of the overall project, as planned, for the fiscal year 2011/2012.		
20%	To support the BCLC Policy position as it relates to preventing minors or		

	Voluntary Self Exclusion patrons into Casino or Community Gaming Centres by implementing kiosk style scanners in all Casinos and Community Gaming Centres in the Province.		
10%	As part of my goal to increase leadership for this department ? I will maintain or increase employee engagement at 90% for 2011/12. Increase department morale from 74%. Increase department Job Satisfaction from 75% Increase department Frequent Recognition from 73%		

FY12/13

MANAGER CASINO SECURITY & SURVEILLANCE

Weight	Goal	Results	Manager Comments
25%	Corporate Goal & Objectives ? Net Win (millions) Trigger (Threshold): Net Win of \$2,021.6 must be exceeded. Target: Total Net Win of \$2,135.8 achieved. Stretch: Net Win \$2,183.7 exceeded		
25%	Corporate Goal & Objectives ? Net Income before taxes (millions). Threshold: Net Income before taxes of \$1,159.5 must be exceeded. Target: Total Net Income before taxes of \$1,225.0 achieved. Stretch: Net Income before taxes of \$1,252.5 exceeded.		
25%	To facilitate the successful roll out of the 5.4 iTrak upgrade and subsequently facilitate the successful roll out of the iKiosk identification scanner program throughout the province.		
25%	To create and monitor at least two 'team building' initiatives both		

	internally and externally between BCLC Casino Security and other business unit(s).		
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FY13/14

MANAGER CASINO SECURITY & SURVEILLANCE

Weight	Goal
25%	Corporate Goal & Objectives ? Net Income before taxes (millions). Threshold: Net Income before taxes of \$1,169.11 must be exceeded. Target: Total Net Income before taxes of \$1,240.00 achieved. Stretch: Net Income before taxes of \$1,274.91 exceeded.
25%	Corporate Goal & Objectives ? Net Win (millions) Trigger (Threshold): Net Win of \$2,034.44 must be exceeded. Target: Total Net Win of \$2,157.80 achieved. Stretch: Net Win \$2,218.56 exceeded
25%	To create and implement a more current, streamlined and efficient process for Contest and Promotions approvals between BCLC Marketing, Operations and Casino Security and Surveillance..
25%	To participate in and successfully implement a solution in support of the Voluntary Self Exclusion program by exploring all aspects of Facial Recognition, including pilot research. To participate in and successfully implement a solution in support of the Voluntary Self Exclusion program targeted at the re-greening of cameras and related technology to the established License Plate Recognition Program.

THIS IS **EXHIBIT "M"** TO THE
AFFIDAVIT OF **SANDY AUSTIN**
SWORN BEFORE ME AT KAMLOOPS, BC
ON THE 9th DAY OF SEPTEMBER, 2021.



A Commissioner/Notary Public for the
Province of British Columbia.

Bryon Hodgkin

FY07/08

MANAGER LOTTERY INVESTIGATIONS

Weight	Goal	Results	Manager Comments
30%	Leadership Goal: To mentor, lead, coach staff in their daily performance of duties to a high performance level. To ensure all BCLC employees are actively engaged by supporting the company's common goals through leadership, innovation, integrity and high performance.	Quarter 1: First semi-annual meeting held in Chase, BC. First quarter e-performance reporting will be completed. One day workshop held to outline manager/Investigator expectations and risk identification. Each investigator assigned a particular area of responsibility as well as develop audit check sheets for those areas. LPI Survey completed and work plan for two areas of improvement will be drafted. Quarter 2: Two day training session held for existing, new employees and contractors. Quarterly (#2) reviews are completed for all personnel. Several one-on-one meetings to discuss and set performance expectations. All new employees have been met and expectations set. Quarter 3: Have involved the investigators in developing the PPO procedures to enhance the Investigation process as well as the Player experience. 3rd quarter reviews have been completed and investigators have been coached on reaching their goals. Quarter 4: The Employee Engagement survey was reviewed with all of my reportees	Bryan is an excellent leader who holds people accountable. Quarter 4 - Security Engagement scores were at 43%, but I believe a large part of the decline is due to the Ombudsman reports and audits. Bryon meets regularly with staff and has excellent leadership qualities. The feedback I have from staff for Bryon is very favourable.
20%	LOTTERY SECURITY POLICY DEVELOPMENT - develop policies that address Player First security initiatives including: ? Consumer Complaints AUDIT PROGRAM DEVELOPMENT - development of audit programs that ensure the policy objectives of the Player First Program are achieved, including: ? Mystery Shopper ? Consumer Complaint Management ? Retail Validations AUDIT EXECUTION: ? Security to conduct regular, random and comprehensive audits of BCLC retail outlets to ensure compliance with all post point of sale security policies through a mystery shopper program INVESTIGATIONS: ? Security to implement a formalized	POLICY DEVELOPMENT: 1st Quarter - Process flow is completed. Policy in progress will be completed end of September 2007. 2nd Quarter - Initial policies have been drafted and will be refined with Telus. New policy developed on Altura Freeze and new exhibit handling policy in place. 3rd Quarter - Lynn has been met with and is in the process of gathering all the policy/procedures from the other investigators for compilation. The Telus review has been evaluated to ensure we are in alignment with them and the rest of the Corporation. 4th Quarter - The policy manual has been completed in draft form and updates for PPO RT Associate and BCLC Employee wins have been made. Lynn has been put in contact with the Policy Committee headed by Brenda Harcourt to meet Corporation numbering systems and other requirements. Links to other policy and procedures have been identified and will be made once all policies are completed. AUDIT PROGRAM DEVELOPMENT: Mystery Shop program is in final stages of development	Trend Analysis has been developed and reported to Senior Executive and the Board Audit Committee at end of each quarter. Bryon has done a good job in keeping all of these balls in the air. 4th Quarter - Bryon has taken over this responsibility and put in place policies and procedures to ensure timeliness, completeness and effectiveness of reporting. He is a team player and has pitched in when he has seen the need. He has done quarterly reporting for the Board, reporting for myself and Executive, re-designed the Mystery Shops and participated in policy development.

	<p>process for investigating and reporting on all consumer complaints ? Standards developed to ensure consistency of file documentation REPORTING: ? Categorize customer complaints by appropriate categories to enhance tracking and reporting ? Track, analyze and provide reports on all consumer complaints to the Director of Security ? Track, analyze and report on</p>		
30%	<p>Corporate Goal & Objectives ? To provide outstanding gaming entertainment, generating income for the public good. Target: > Total net income of \$1,033 million achieved > Total sales revenues of \$2,495 billion > General operating costs of \$114.5 million Stretch: > Net income of \$1,060 million met/exceeded Bonus Trigger: > Net income must exceed previous year's net income plus \$5.0 million</p>	n/a	n/a
10%	<p>Corporate Goal & Objectives ? To provide outstanding gaming entertainment, generating income for the public good. Player satisfaction and participation ratings of the following are achieved: Target: > Lottery ? Player satisfaction of 90% and participation increase to 62% (past month) > Casino ? Player satisfaction of 92% and participation increase to 33% (past year) > Bingo ? Player satisfaction of 88% (new sites) and 67% (old sites) and participation increase to 11% (past year)</p>	n/a	n/a
10%	<p>Corporate Goal & Objective ? To be a respected organization that has a broad base of public support. Target: > Achieve public support ratings for BCLC of 65% > Achieve</p>	n/a	n/a

public support ratings for acceptance of gaming of 52% > Recognition of Social Responsibility 56% > Public Awareness of the Beneficiaries of Gaming 35%		
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FY08/09

MANAGER LOTTERY INVESTIGATIONS

Weight	Goal	Results	Manager Comments
20%	Facilitate development and implementation of both Corporate and Divisional employee engagement initiatives. Corporate Leadership Goal - increase employee engagement among BCLC employees by providing strong leadership throughout the organization. Divisional Goal - increase employee engagement among Corporate Security and Compliance employees by providing strong leadership throughout division.	Have met regularly with employees to discuss issues of importance and to provide direction. New employees have been brought on board and provided with close guidance and mentoring by myself and others. Utilized all investigators to provide assistance and direction to new employees. File work and extra effort has been recognized by both written and verbal affirmation of work well performed. Recognized employees with lunches and other meeting. Training plan developed for new investigator to provide investigation/interview related training. Training plan developed and partially carried out for Admin Support to provided skills in Excell, Powerpoint and Work programs. 3rd quarter: Hired three new staff, one investigator and two support staff. On boarded the new employees as per our procedures. Set up a meeting with all support staff and managers to identify all administrative duties to be conducted, set up a schedule to train all three new staff on main duties. Shift schedule implemented to ensure	Q3: Bryon has done a good job in turning the attitude of the department to a more positive note. Bryon will continue to have to work on the corporate culture of this group. Q4: Bryon has done extensive work within this department to enhance the morale and attitude through his leadership, I have seen a significant improvement in both the attitude and quality of work produced from this group. During the past year, several new investigators have been on boarded, which required leadership and mentoring from Bryon. He meets regularly with his team, listens to any issues and makes attempts to address or rectify those issues. He has made a point of including investigators, wherever possible, on various projects to broaden their business acumen and provide development opportunities. Bryon is a strong leader who hold people accountable for their actions. I value Bryon's input and his ability to see the big picture and provide strategic advice.
25%	Corporate Goal & Objectives ? To provide outstanding gaming entertainment, generating income for the public good. Bonus Trigger (Threshold): - Net income must exceed	n/a	n/a

	<p>\$1,033 million Net Income ? Target: - Total net income of \$1,110.0 million achieved (Threshold \$1,033) Stretch: - Net Income \$1,143.3 million Annual Revenue ? Target: - Annual revenue of \$2,648.0 million (Threshold \$2,568.6) Stretch: - Annual revenue of \$2,727.4 million</p>		
15%	<p>Corporate Goals and Objective - Demonstrate Social Responsibility in all of our activities Public Trust & Confidence in BCLC games ratings are achieved by the following: Target: - Public Trust and Confidence in BCLC Games ~ 64% (Threshold 61%) - Player Satisfaction ~ 90% (Threshold 84%)</p>	n/a	n/a
10%	<p>Corporate Goal & Objective - Demonstrate social responsibility in all of our activities Target: - Player Awareness of Responsible Gaming Activities ~ 84% (Threshold 82%)</p>	n/a	n/a
10%	<p>Leadership Goal: To mentor, lead, coach staff in their daily performance of duties to a high performance level. To ensure all BCLC employees are actively engaged by supporting the company?s</p>	<p>1st Quarter: Met with all investigators and presented the corporate strategies and projects. Assigned each investigator with a project to participate in and report back on progress. Chaired weekly meetings with all investigators and support staff. 2nd quarter: Have met regularly with employees to discuss issues of importance and to provide direction. New employees have been brought on board and provided with close</p>	<p>Bryon continues to hold regular meetings with staff. Although we have had some issues in this area over workloads, Bryon has worked hard to try and settle these issues to everyone?s satisfaction. They are currently one position vacant with another on a temporary leave. Q3: Bryon has worked hard to get everyone on the same page in this group. The new hires have helped change the attitude and culture.</p>

	<p>common goals through leadership, innovation, integrity and high performance. Aligns with the following Corporate Strategic Initiative: - Pick a Strategic/Transformational Program</p>	<p>guidance and mentoring by myself and others. Utilized all investigators to provide assistance and direction to new employees. File work and extra effort has been recognized by both written and verbal affirmation of work well performed. Recognized employees with lunches and other meeting 3rd quarter: Hired three new staff, one investigator and two support staff. On boarded the new employees as per our procedures. Set up a meeting with all support staff and managers to identify all administrative duties to be conducted, set up a schedule to train all three new staff on main duties. Shi</p>	<p>Bryon has regular meetings and contact with the investigators and he holds them accountable. Q4: Bryon meets with his staff on a regular basis providing guidance and mentorship. He monitors their work closely and takes them to task if he feels it has shortcomings. BCLC's scores are at 77% up from 55% last year. This score is adjusted to represent the same scale as previously used by Hewitt. Our Division scores are at 79% up from 55% last year (this was for Security which was part of Finance last year). I am very pleased with this number and congratulate you for your efforts and all your hard work</p>
10%	<p>Lead BCLC Security in developing and implementing a Fraud Detection Program through analyzing Game System, Player, Retailer and other data bases. Oversee the development of the program and the analysis and investigation of the results.</p>	<p>1st Quarter: Met with Director and discussed the parameters of the project. Identified and met with the Project Manager and secured the names of the project team and scope of the project. Evaluated the scope of the program and assigned investigator Doug Hopaluk to the project. Met with Doug and defined the scope of the project and introduced him to the project manager and team. Arranged for Doug to be added to the project team. Attended two fraud detection meetings. Identified three scripts that may indicate fraud. 2nd Quarter: Met with the team and evaluated the results of the scripts. Directed that one of's are not a good indicator of fraud and rewrote the scripts to identify the possible incidents of fraud. Worked with the investigator to set up a system to monitor the results and investigate incidents identified. Worked with the project team to develop an RFP for a search program to include the Fraud detection and other search programs for Security. Worked with the team to develop an evaluat</p>	<p>Fraud detection is implemented and we are monitoring . Procedures for checking the reports and recording in IRIMs. Preparing a spread sheet for auditing purposes. Working on a RFP for a search engine. Bryon has done a great job in leading this project from a Security perspective. He has worked closely with Bill and together they implemented, tested and scripted out various tests and thresholds with a reporting method. Q4- The Fraud detection program has been implemented and reviewed by Deloitte. BCLC will engage Deloitte to do some further work within the program but this goal has been met. Through this program, BCLC is a Canadian leader in terms of Automated Fraud Detection programs. Bryon has lent his strong leadership skills and has worked collaboratively with the project manager over many months to ensure this program was developed and implemented.</p>
10%	<p>Lead security in securing a file management system to replace IRIMS and replace or merge with SDE.</p>	<p>1st Quarter: Reviewed the scope of the project with the Director. Assigned two senior investigators and support staff to identify the needs of the system replacement. Met with the project manager to identify the process and scope. 2nd Quarter: Followed up with the scope. Met with the security staff assigned to the</p>	<p>Working with project teams to come to RFP level with a new case management and call tracking system. Q3: Bryon is a key subject matter expert on this project. He will be counted on as it moves out to ensure security requirements are a high priority. Q4: Bryon and other members of the Security team have been</p>

		<p>project to determine what the requirements are. Replaced one of the security members on the project with a new hire. Met with Kent Meston to narrow the scope of the project as it was growing into a document management system rather than a file management system. Met with Larry and Cameron to provided further direction to them re information gathering processes, consulting and evaluating. Reviewed the shared drive set up by investigators to gather input. Attended a SAP session to evaluate the needs of CSD, PPO and other partners in the file management process. 3rd quarter: Have overseen the input into the project by Security and provided input into the committee meetings. In early</p>	<p>actively involved with this project since the onset. The project is behind schedule due to the complexity and the many interests that a call centre tracking system and case management system involve. Bryon's expertise has been counted on heavily on this project thus far and will be counted on as this project moves forward.</p>
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FY09/10

MANAGER LOTTERY INVESTIGATIONS

Weight	Goal	Results	Manager Comments
10%	Corporate Goal & Objectives ? Public Support for Gaming Threshold: 61% Target: 63% Stretch: Board Discretion		
5%	Corporate Goal & Objectives ? Public Trust and Confidence in BCLC games Threshold: 60% Target: 61% Stretch: Board Discretion		
20%	Corporate Goal & Objectives ? Net Income (millions) Bonus Trigger (Threshold): - Net Income		

	<p>must exceed \$1,050.0 million Net Income ? Target: - Total Net Income of \$1,130.0 million achieved Stretch: - Net Income \$1,150.0 million</p>		
15%	<p>Corporate Goal & Objectives ? Net Win (millions) Threshold: - Net Win must exceed \$1,941.3 million Target: - Total Net Win of \$2,030.3 million achieved Stretch: - Net Win exceeds \$2,061.5 million</p>		
30%	<p>Corporate Leadership goal to increase employee engagement</p>	<p>1st Quarter: Have met with all employees individually and reviewed last years ratings and goals. Provided the new material on goal setting and reviewed the session on goal setting they all attended last quarter. 2nd quarter: Held a unit meeting to plan goals. Reviewed the IRIMS replacement requirements. Trained them on game approval and game development. Trained on file review and investigation. Reviewed procedural manual. Round table. All investigators and support are leading and/or involved in projects. During managers vacations and absences investigators are assigned the management duties to perform and are given feedback on their performance. Video conferenced meeting regarding the E Lottery changes and implementation of Fintrac Reporting. Assigned lead investigators to E Casino and E Poker. All investigators and support staff have a lead role in all projects. 3rd Quarter: Document management program is being worked on by all staff. Continue to task staff with leading projects. During holidays in October tasked three staff with acting roles for my duties.</p>	<p>09/11/06- Bryon continues to challenge his staff and create opportunities for them to take leadership and management roles. Bryon is a very proactive manager who anticipates staff demands and needs.</p> <p>January 27, 2010 - Bryon continues to develop leadership - job rotation through Manager position. Bryon has eliminated ETO's and although not popular was the right decision for operational effectiveness reasons.</p> <p>March 18, 2010 Bryon has received excellent scores back on engagement with a 93% engagement compared to BCLC at 83%. Confidence in the direct manager was at 92% which is a reflection of Bryon's leadership skills. I consider this goal to be met.</p>

10%	To lead in the development and implement the new file management system.	<p>1st quarter: Have evaluated and selected Sales/Force platform. Included all investigators/staff in identifying the new system needs. Took part in the big picture implementation planning sessions. 2nd quarter: Met with Sales/Force programers and sales and provided a demo of IRIMS and them provided a description of what the new program should offer and a script of all functions that should be automated. Included all staff in a demo of the system. 12 Aug: Signed off on the requirements list and have moved into program writing/development phase. I have involved the investigator team in all aspects of the development and facilitated their input. The implementation stage has commenced and I have lead my team in providing input to have the system developed. I attended the first Alpha review and directed change and improvements to meet the needs of Security. I have identified other areas in the Corporation that are a priority for Sales force. Continued with Alpha reviews and Info Hub implementation.</p> <p>3rd Quarter: 23 October. Have completed three Alpha reviews and project is moving ahead as planned. May be a delay due to the Information Hub. Have included all Security staff in the design of the project and included core group in Alpha reviews. Bata review completed and will conduct testing and implementation in January 2010.</p> <p>4rth Quarter: Testing completed and go live date set for Feb 1, 2010. Helped develop training and schedule. Involved investigators and admin staff in all development.</p> <p>Salesforce was launched on schedule and experienced start up problems expected with a new program. Most issues dealt with data transfer. Issues were successfully addressed by the BCLC and Salesforce teams. The start up issue list has been managed and reduced.</p>	<p>09/11/06- Bryon has done a great job in representing Security and stick handling this program forward.</p> <p>January 27, 2009 - Salesforce is launching on February 1. Bryon has been instrumental in leading this project.</p> <p>March 18, 2010 Sales Force was launched in early February. Of course with a new technology there were several issues that had to be worked through. Bryon had set up a plan, with dedicated people to do the corrections in conjunction with Sales Force personnel. Out of 120 corrections there are only 34 remaining. This goal has been met.</p>
10%	Lead in the automation and implementation of the	1st Quarter: Worked with project manager to develop a work plan for Delloite to evaluate the fraud	09/11/06- I have received and reviewed this very thorough report. It is well written and has some very

	<p>Lottery fraud detection program.</p>	<p>detection program. Over saw the follow up of the anomalies and reviewed for trends and effectiveness. 2nd quarter. Met with project team leader, investigator and Deloitte and outlined the project scope and timeline. Set up meeting with Deloitte project team. The cut backs have resulted in the Deloitte review being postponed. I met with the PMO and Doug Hopaluk and we have implemented a review of our processes and scripts. Have liased with ALC and OLC re their programs and they have not implemented anything that we have not.</p> <p>3rd Quarter: 23 October, met with staff and reviewed the processes and directed a report detailing the results of the program to date. Also to present what is required for changes to the scripts in order that we can attempt to automate the system and reduce false positives. Reviewed the report for changes to fraud det and met with IT. Commitment received from them to make 4 of the 6 changes by Jan 1, 2010. The other two changes will be built into the new information management system when we go away for ACL.</p> <p>4th Quarter. All scripts have been updated and false positives have been eliminated. The results of the program have been implemented into Salesforce to facilitate tracking and reporting.</p>	<p>good recommendations to get us to the next level.</p> <p>January 27, 2010 - Bryon continues to move this forward. Bryon is becoming an expert in this area and several other lotteries have contacted him to get his opinion on their own programs.</p> <p>March 18, 2010 All scripts have been re-written which eliminates most of the false positives that have been occurring. Sales Force has been implemented. This goal is met.</p>
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FY10/11

DIRECTOR OPERATIONAL COMPLIANCE

Weight	Goal	Results	Manager Comments
20%	<p>Corporate Goal & Objectives ? Net Income (millions). Bonus Trigger (Threshold): Net Income of \$1,025.0 must be exceeded. Target: Total Net Income of</p>		

	\$1,115.0 achieved. Stretch: Net Income \$1,150.0 exceeded.		
20%	Corporate Goal & Objectives ? Net Win (millions). Bonus Trigger (Threshold): Net Win of \$1,905.1 must be exceeded. Target: Total Net Win of \$2,072.4 achieved. Stretch: Net Win \$2,137.5 exceeded.		
10%	Corporate Goal & Objectives - Player Satisfaction: Threshold: Board Discretion Target: 74.0% Stretch: Board Discretion		
10%	To improve employee engagement through employee development, succession planning and facilitating investigator in taking leadership roles in projects.	<p>First Quarter:</p> <ul style="list-style-type: none"> -Have assigned investigators to lead E Poker, E Casino, Account Based Gaming, Multil Lane, Mystery Shop and GPEB Retail Compliance Program. -Cameron was trained on Managers Duties in May and June and provided with four weeks acting experience. -Ross was provided with one weeks acting experience <p>Second Quarter:</p> <ul style="list-style-type: none"> -Involved all staff in the development of EGaming security functions. -Provided leadership development/opportunities for Gerard:EGaming, Ross:EGaming/Acting Appointments, Lynn:SalesForce, Amy: SF and EGaming, Larry:Mystery Shop, Doug:Multi Lane, John:Bingo, Alison:Mystery Shop/Ticket History, Cameron: Salesforce/EGaming/Acting Appointments, 	<p>May 19, 2010 - Met with Bryon and reviewed his draft goals.</p> <p>October 29, 2010 - Bryon continues to lead his groups very effectively. He is not afraid to hold people accountable and at times this has created conflict, Bryon has not wavered. He provides rotational duties for staff and opportunities for them to demonstrate leadership if they wish to assume that role.</p> <p>Bryon's dedication and leadership is demonstrated to me on an every day basis. I rely on him heavily, because of his common sense and ability to get things accomplished. Bryon always wants to do 'the right thing' and that gives me a great deal of confidence in his abilities. Great job, Bryon!</p> <p>T</p> <p>March 23, 2011 - Bryon is a skilled leader who can</p>

			<p>effectively deal with issues. He can seek consensus and get things accomplished through his leadership abilities. Bryon has recently been promoted to Director of Operational Compliance which will give him a larger role in the day to day compliance issues. Over this past year he has met many challengers both from a Human Resources level and a very busy project workload. Bryon anticipates problems and requirements well in advance so that well thought action plans can be developed. He is able to build trust, team participation and listen.</p> <p>April 15, 2011 - The engagement scores for this department have been received at 65%. This is low compared to both the BCLC and Divisional score. This unit has not been measured separately before so no previous years history is available. Several of the components of the engagement score are also low such as frequent recognition at 27% and personal and meaningful recognition at 36%. Engagement surveys are a tool, but certainly indicate some work needs to be done in this area with this department. I do not attribute these low scores to Bryon's leadership directly but believe some of the results are reflective of a needed cultured change within this unit. Bryon has worked very hard as noted previously with his staff on development opportunities and job rotation.</p>
15%	Meet the security requirements required to launch ecasino by ensuring that all Security Investigation requirements have been met and all investigation procedures are written and tested.	<p>First Quarter:</p> <ul style="list-style-type: none"> -Hired and trained new ECasino investigator. -Investigation Procedures/Process maps written -Fintrac Reporting process developed and tested -Trained other investigators for ECasino Investigations -Completed testing of ORBIS systems -Prepared for launch in July <p>Second Quarter:</p> <ul style="list-style-type: none"> -launched ECasino in July -investigators training manual completed -met with GPEB and established reporting guidelines 	<p>May 19, 2010 - Met with Bryon and reviewed his draft goals.</p> <p>October 29, 2010 - Bryon has done an extremely good job with this complex project. He has developed processes, trained and brought on three jurisdictions to accept those processes. This goal is on target and in very good shape.</p> <p>March 23, 2011 - Bryon has managed to move this project through GPEB. We have a policy and proceeding which has been adopted by LQ and which we have</p>

		<ul style="list-style-type: none"> -met with GPEB and set up training for them and demonstrated ECasino systems -met with Fintrac and working on reporting process -have completed disbursement reports -assisted in getting the ECasino/PlayNow system back in production after data cross over issue <p>Fourth Quarter:</p> <ul style="list-style-type: none"> -ECasino has been launched and Security procedures are completed, training guide has been developed, Fintrac Reporting process documented and tested, GPEB has been trained, GPEB reporting process developed and tested, 	<p>pitched to Dept. of Finance. The training has been done with buy in from the call centre. He has had to juggle a lot of issues and keep this project moving ahead.</p>
15%	<p>Oversee the development of Account Based Gaming security features to ensure it meets security requirements of electronic gaming and account management.</p>	<p>First Quarter:</p> <ul style="list-style-type: none"> -Represented Security at the requirements sessions. -Provided requirements for the Registered and unregistered player accounts. -Signed off on Security Requirements. <p>Second Quarter:</p> <ul style="list-style-type: none"> -Completed recommendations for using PlayNow for a base for Account Based Gaming -Provided additional Security processes that would need to be followed. -Project was put on hold. 	<p>May 19, 2010 - Met with Bryon and reviewed his draft goals.</p> <p>October 29, 2010 - This project has been put on hold.</p> <p>March 23, 2011 - ABG was placed on hold and the emphasis was moved to Playnow, which is account based gaming. Bryon has been heavily involved in Playnow. See previous goal.</p> <p>Although this program was cancelled, Bryon certainly maintained his involvement through his heavy commitment to Playnow.</p>
10%	<p>Completion of E Poker investigation procedures. Development and execution of a Investigators training program. Launch of EPoker. Completion of Fintrac reporting process. Completion of procedures for Lotto Quebec, Atlantic Lottery and BCLC investigations. Completion of the GPEB training and</p>	<p>First Quarter:</p> <ul style="list-style-type: none"> -Developed process maps and shared same with LQ and ALC. -Fintrac reporting developed and tested on ECasino -Arranged and chaired a meeting with LQ and ALC in Vancouver developing processes and future development of procedures. -Participated in teleconferences with LQ and ALC Security management. -Liased with G2 in Sweden to develop procedures for fraud/collusion investigations. 	<p>October 29, 2010 - Some comments as in goal #1 - Bryon is doing a great job in stick handling this project through the various hurdles that have cropped up.</p> <p>March 23, 2011 - This multi-jurisdictional project has been largely led by BCLC and Bryon. Meetings have been held with the Service Providers, GPEB, FINTRAC, ALC and LQ. Processes have been developed and adopted to make the ePoker project work. This work up front led to the smooth launch and operation of the project.</p>

	<p>reporting processes. Launch of E Poker.</p>	<p>Second Quarter: -Met with LQ, ALC and G2 and completed investigative procedures for EPoker -Approved UAT testing requirements -participated in testing poker play -investigative manual developed with all investigators -met with Fintrac in Ottawa to assess our process/working on compliancy -met with GPEB re training -established reporting process with GPEB -met with RCMP Fraud unit -set up the information/file management system between G2 and Lottery Corporations -site security evaluation completed for server location in Montreal</p> <p>Fourth Quarter: -Procedures completed, Investigation Training manual/process completed, EPoker launched, Fintrac Reporting process documented and tested, procedures and processes of joint investigations documented and tested, GPEB trained and reporting process implemented..</p>	
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FY11/12

DIRECTOR OPERATIONAL COMPLIANCE

Weight	Goal	Results	Manager Comments
25%	Corporate Goal & Objectives ? Net Win (millions) Trigger (Threshold): Net Win of \$1,985 must be exceeded. Target: Total Net Win of \$2,098 achieved. Stretch: Net Win \$2,160 exceeded		
25%	Corporate Goal & Objectives ? Net Income (millions). (Threshold): Net Income before taxes of \$1,135 must be exceeded. Target: Total Net		

	Income before taxes of \$1,200 achieved. Stretch: Net Income before taxes of \$1,235 exceeded.		
10%	Provide oversight to the EBingo project to ensure that the Security features are in place and verify that Security and Compliance requirements are met.		
10%	Provide oversight to the online Sports betting project to ensure that the Security features are in place and verify that Security and Compliance requirements are met.		
30%	Over see the development and implimentation of the 5.4 ITrak upgrade to ensure that the technical reporting and id detection programs meet the desired outcomes.		

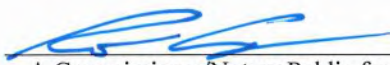
FY12/13

DIRECTOR OPERATIONAL COMPLIANCE

Weight	Goal	Results	Manager Comments
25%	Corporate Goal & Objectives ? Net Win (millions) Trigger (Threshold): Net Win of \$2,021.6 must be exceeded. Target: Total Net Win of \$2,135.8 achieved. Stretch: Net Win \$2,183.7 exceeded		
25%	Corporate Goal & Objectives ? Net Income before taxes (millions). Threshold: Net Income before taxes of \$1,159.5 must be exceeded. Target:		

	Total Net Income before taxes of \$1,225.0 achieved. Stretch: Net Income before taxes of \$1,252.5 exceeded.		
20%	Manage the 5.6 Itrac upgrade and roll out of the changes to the Service Providers and BCLC staff. The implimentation of 5.4 upgrade will provide improved AML Fintrac reporting, provide better reporting funcitons, upgrade the LPR system and prepare Itrac for Kiosk ID card readers.		
20%	Provide Corportate Security and Compliance support to eGaming to facilitate the launch of Sportsbetting, Mobile and BigSky (Manitoba).		
10%	Devlop, implement and monitor processes to reduce the use of cash at BCLC casinos and meet regulatory requirememts.		

THIS IS **EXHIBIT "N"** TO THE
AFFIDAVIT OF **SANDY AUSTIN**
SWORN BEFORE ME AT KAMLOOPS, BC
ON THE 9th DAY OF SEPTEMBER, 2021.



A Commissioner/Notary Public for the
Province of British Columbia.

Terry Towns

FY07/08

DIRECTOR CORPORATE SECURITY

Weight	Goal	Results	Manager Comments
20%	Lead and inspire high performance and a strong sense of engagement in BCLC members. Lead and develop people in a way that my team members are clear on where we are going, what is expected, how they are doing and what help is available to them. Components - Organization - Division/Department - Individual	Quarter 1: First quarter e-performance discussions conducted with all direct reports. Semi-annual meeting held in June 2007 at Chase, BC. Quarter 2: Second semi-annual meeting to be held in Tsawwassen, end of November. Quarter 3: Quarterly discussions held with all staff and e-Performance updated. Quarter 4: Security Engagement score has dropped from 68% to 43% in the past year. Meetings have been held with the VP of Finance and all members of Security in small groups to better understand the issues. Merit Assessments have been completed on all Security staff for year-end.	March 31, 2008 met with Terry. Extracted portion of goal and applied 10% weighting for LPI and Executive Management Course; work completed by March 31, 2008. Remaining 20% weighted cannot be assessed until Corporation completes Pulse Check survey in May, 2008. During March 2008 met with VP, Director and Managers in small work groups to discuss with employees issues and recommendations on engagement; number of solutions already implemented and others in the works.
10%	<p>LOTTERY SECURITY</p> <p>ORGANIZATIONAL STRUCTURE - develop an organizational structure and resource plan that addresses the security accountabilities and additional duties to achieve the objectives of the Player First Program</p> <p>POLICY DEVELOPMENT - develop policies that address Player First security initiatives including: ? Retail Prize Validations ? Retailer Play ? Consumer Complaints ? Retailer Progressive Discipline ? Review policies for casino and bingo to ensure that all security objectives are achieved</p> <p>AUDIT PROGRAM DEVELOPMENT - development of audit programs that ensure the policy objectives of the Player First Program are achieved, including: ? Mystery Shopper ? Retail Validations ? Consumer Complaint Management ? Retailer Prize claims ? Consumer Prize Claims > \$9,999 ? Enhancement of ?Watchdog? audit system to provide higher level of</p>	<p>DISCIPLINE: Quarter 1 - Policy completed in June and implemented in July of 2007. Quarter 2 - Retailer discipline was implemented in July 2007. Quarter 3 - Retailer Discipline policy is being followed. Retailer follow-up on Mystery Shops is being completed. Regular verbal and written warnings are taking place, along with suspensions and in some cases terminations where warranted. Quarter 4 - Retailer Discipline policy has been followed since July 2007 and has resulted in verbal, written warnings, suspensions and terminations of retailers. Recently, amendments have been proposed to add a suspension provision for procedural violations.</p> <p>PRIZE CLAIM INTERVIEWS: Quarter 1 - Standardized prize interview questions by PPO and Security is now underway. Quarter 2 - Done. Prize Claim interviews completed, refined and implemented in August 2007. Prize interviews over \$1,000 are in place. Prize Claim interviews over \$10,000 are in place. Providing coverage for extended hours are in place. Quar</p>	Met with Terry - March 31, 2008. Excellent work and fully completed. Achievement of high standards in lottery security. Met with Terry September 11/07 Policy Development - Consumer Complaints and Review of policies for casino and bingo are in progress; all other complete Audit Program Development - Consumer Complaint Management, Retailer Prize Claim and Consumer Prize claim complete; rest in progress Audit Execution - complete Investigations - complete Discipline - complete Prize Claim interviews - done Reporting - in progress - Terry is completing business plan with number of new resources added to it. Additional full-time security resources required at casinos

	security monitoring AUDIT EXECUTION ? Security to conduct regular, random and comprehensive audits of BCLC retail outlets to ensu		
10%	Casino, CGC, Bingo Policy Alignment Review Casino, Bingo and CGC policy for inequities, standards for areas for improvement in regards to players/patrons. The review will ensure consistent standards and policies for the various business units, including: - Segregation of Duties - Audit - Reporting - Policies & Procedures - Structure - Staff at Casinos - Biometric Passwords	Quarter 1: Currently reviewing CGC/Bingo Self-Exclusion policy. Currently reviewing No play at Work Bingo policy. No lottery play, teletheatre play at Casino/CGC. Currently ex-gratia payment policy - Lottery, Casino, Bingo, CGC. Casino/CGC/Bingo discipline policy. Forwarded recommendation to CEO for BCLC permanent staff at CGC. Quarter 2: Policies have been reviewed and document prepared. Meeting held with Bingo Division for discussion and review to form a small review committee to review and implement changes in both sets of policies. Quarter 3: CGC/Bingo and Casino policy review is complete. Working committee established and are reviewing recommendations for implementation to ensure consistency. Self-Exclusion forms revamped to include persons who exclude from CGC with Bingo are excluded from all Bingo-only facilities. Meeting with Darryl/Marsha/Jim to finalize No Play At Work policy for Casino/Bingo/CGC. Reviewing Service Provider discipline policy with business unit VP's and CEO.	March 31, 2008 - Met with Terry. Completed. Significant improvements identified resulting in plans for high levels of security for CGC's. Reviewed all policies for casino, bingo and CGC's and provided recommendations to casino and bingo divisions. Sept 11/07 meeting - in progress
30%	Corporate Goal & Objectives ? To provide outstanding gaming entertainment, generating income for the public good. Target: > Total net income of \$1,033 million achieved > Total sales revenues of \$2,495 billion > General operating costs of \$114.5 million Stretch: > Net income of \$1,060 million met/exceeded Bonus Trigger: > Net income must exceed previous year?s net income plus \$5.0 million	n/a	n/a
10%	Corporate Goal & Objectives ? To provide outstanding gaming entertainment, generating income for the public good. Player satisfaction and participation ratings of the following are achieved: Target: > Lottery ? Player satisfaction of 90% and participation increase to 62% (past month) > Casino ? Player satisfaction of 92% and	n/a	n/a

	participation increase to 33% (past year) > Bingo ? Player satisfaction of 88% (new sites) and 67% (old sites) and participation increase to 11% (past year)		
10%	Corporate Goal & Objective ? To be a respected organization that has a broad base of public support. Target: > Achieve public support ratings for BCLC of 65% > Achieve public support ratings for acceptance of gaming of 52% > Recognition of Social Responsibility 56% > Public Awareness of the Beneficiaries of Gaming 35%	n/a	n/a
10%	Lead and inspire high performance and a strong sense of engagement in BCLC members. Lead and develop people in a way that my team members are clear on where we are going, what is expected, how they are doing and what help is available to them.	Quarter 1 LPI completed in May 2007. Executive Management Program from Sauder School of Business completed in June 2007 at SFU.	March 31, 2008 - Met with Terry. Separated from 30% Leadership goal portion completed by March 31 (rest of Leadership goal on hold until Pulse Check completed in May, 2008). Terry completed Executive Management course at SFU. Upon completion of LPI, Terry has worked with external coach throughout the year.

FY08/09

VP CORPORATE SECURITY & COMPLIANCE

Weight	Goal	Results	Manager Comments
20%	Facilitate development and implementation of both Corporate and Divisional employee engagement initiatives. Corporate Leadership Goal - increase employee engagement among BCLC employees by providing strong leadership throughout the organization. Divisional Goal - increase employee engagement among Corporate Security and Compliance employees by providing strong leadership throughout division.	Security which was part of Finance was measured separately on the last survey and attained a score of 54% up from 44%. Although this increase was significant it was at 68% the previous survey. We are addressing a number of concerns expressed about the work processes and workload with policy adjustments and additional resources. I am holding bi-monthly meetings with all managers and Directors and they in turn are each meeting with (via phone) all their direct reports twice monthly. We are working hard on the communication and just talking with staff on a regular basis, but I believe we can do more recognition on an informal basis. Quarter 3 - Continue to work on engagement. Two staff managers enrolled in and taking BCLC Leadership Program at Sauder. Meetings are being held on a regular basis by both myself and managers. Bi-Annual meeting held with all staff in early	The corporate engagement scores are exceptional at 77% in the April report. Terry's work with his team and thier divisional scores have contributed effectively to the overall performance of the organization. Given the large component of field staff in the division the result of 79% engagement within CS&G and the improvement from 55% last year is very exceptional.

		December. Most of the workload issues have been resolved in Lottery Investigations. Final two positions for staffing at major LMD Ca	
10%	1. Development and finalizing of Lottery Quality Assurance Audit Guides, along with monitoring and responses to GPEB lottery audits. 2. Completion and implementation of Deloitte & Touche Audit recommendations.	1. We have completed the QA internal process for two lottery departments and continue to facilitate the GPED lottery audits. QA processes being developed for all lottery departments. 2. We are continuing to be involved at the Project level on several Deloitte recommendations, i.e. retailer database, case management, fraud detection and PPO database. I am involved with the Steering Committee on several of the projects. We are continuing to work with the policy office to bring policies and procedures on appropriate levels. Quarter 3 1. We have completed the development of Q&A lottery guides for 24 out of the 25 areas. I have met with GPED to discuss their auditing of Lottery. BCLC would like the audits to be vertical within a department as opposed to horizontal across numerous departments. They will consider. 2. Still working on a number of Deloitte recommendations. Automated fraud detection is installed and working. Case Management is carrying on with developing of needs assessment, then to	Under your leadership these initiatives have been very well executed and are adding value to our business.
10%	Problem Gambling: 1. Develop policies and procedures around the Voluntary Self-Exclusion program that meets industry best practices. 2. Implementation and roll-out of iTRAK reporting systems to all Community Gaming Centres. 3. Implementation and roll-out of Licence Plate Recognition to lower mainland Casinos.	1. I am on the project team to review the VSE policies and procedures in line with Best Practices. A number of enhancements will be recommended as we move forward. I believe that strengthening the program in terms of not playing self-excluding persons, and barring repeat offenders provincially will assist. We are still working with the vendor to enhance the Facial Recognition component of iTrak. 2. iTrak has been installed in Kelowna and Kamloops CGC's and Williams Lake is to follow by month-end. Hastings Park which recently opened has the system in place. 3. The RR pilot of Licence Plate Recognition showed promise and we will move forward with that install in the LMD facilities. Quarter 3 1. Finalizing new VSE agreement to allow for non-payment of Jackpots. Form to be embedded in new iTrak version #5 release in January. Other VSE enhancements include new training for Security, mobile enrollment, scrolling screens in staff lunchrooms to be completed this quarter. 2. iTrak has been insta	The VSE program is very solid and the April roll out of the new contract that stipulates no payout of prizes to VSE customers will signal our strong intention to help these players. Under your leadership we have made excellent progress on iTrack and the License plate programs, both of which have showed good innovation and strong planning and implementation on your behalf.
10%	Developing a comprehensive strategy and compliance program for BCLC to meet its regulatory requirements.	The majority of this work will take place over the next two quarters. We have just closed the job applications for a Compliance and Trend Analyst position and will fill that role shortly. We will be working with OLG on our compliance plan along with our Legal department. Quarter 3 Compliance and Trend Analyst hired. Statement of work completed for third party assistance in completion of Compliance Plan to be completed in Q4. Quarter 4 Price Waterhouse & Coopers are currently	The compliance program is now under way. While the program is a little late it will be of significant value once complete. The outline and scope of the work you have delivered to date is very solid.

		engaged. Report due in April 2009 with a compliance plan which will be implemented in 2009/10. David Hughes is leading the work from BCLC.	
25%	Corporate Goal & Objectives ? To provide outstanding gaming entertainment, generating income for the public good. Bonus Trigger (Threshold): - Net income must exceed \$1,033 million Net Income ? Target: - Total net income of \$1,110.0 million achieved (Threshold \$1,033) Stretch: - Net Income \$1,143.3 million Annual Revenue ? Target: - Annual revenue of \$2,648.0 million (Threshold \$2,568.6) Stretch: - Annual revenue of \$2,727.4 million	n/a	n/a
15%	Corporate Goals and Objective - Demonstrate Social Responsibility in all of our activities Public Trust & Confidence in BCLC games ratings are achieved by the following: Target: - Public Trust and Confidence in BCLC Games ~ 64% (Threshold 61%) - Player Satisfaction ~ 90% (Threshold 84%)	n/a	n/a
10%	Corporate Goal & Objective - Demonstrate social responsibility in all of our activities Target: - Player Awareness of Responsible Gaming Activities ~ 84% (Threshold 82%)	n/a	n/a

FY09/10

VP CORPORATE SECURITY & COMPLIANCE

Weight	Goal	Results	Manager Comments
10%	Corporate Goal & Objectives ? Public Support for Gaming Threshold: 61% Target: 63% Stretch: Board Discretion		
5%	Corporate Goal & Objectives ? Public Trust and Confidence in BCLC		

	games Threshold: 60% Target: 61% Stretch: Board Discretion		
20%	Corporate Goal & Objectives ? Net Income (millions) Bonus Trigger (Threshold): - Net Income must exceed \$1,050.0 million Net Income ? Target: - Total Net Income of \$1,130.0 million achieved Stretch: - Net Income \$1,150.0 million		
15%	Corporate Goal & Objectives ? Net Win (millions) Threshold: - Net Win must exceed \$1,941.3 million Target: - Total Net Win of \$2,030.3 million achieved Stretch: - Net Win exceeds \$2,061.5 million		
15%	Corporate Leadership goal to increase employee engagement. Help lead and support the implementation of a significant Business Transformation initiative (Enterprise Incident Management) to enhance operational excellence and achieve new cost efficiencies.	<p>October 15, 2009</p> <ul style="list-style-type: none"> - Continue to meet with Managers and Directors as direct reports. - Participating in Senior Leadership Program with Sauder and on target. <p>January 15, 2010</p> <ul style="list-style-type: none"> - Held Divisional meeting in early December 2009, to outline strategies for 2010/11. - Continue to meet with Managers and Directors on a regular basis. - Completed Sauder Senior Leadership Program. - New Engagement Survey to take place this month. <p>February 15, 2010</p> <ul style="list-style-type: none"> - Engagement Survey Completed - results not yet received. Security Compliance had an 84% participation rate. <p>March 8, 2010</p> <p>Corporate Security and Compliance divisional scores are very positive and a reflection of our Director's and Manager's commitment to BCLC. Our overall score rose from 84% to 87%. Confidence in decisions made by Direct Managers at 86%, Divisional Leadership at 83% and Senior Leadership at 81%. Frequent recognition rose from 68% to 70%.</p>	Excellent engagement results

10%	Reduce the audit points and compliance issues from Fintrac audits.	<p>October 15, 2009</p> <ul style="list-style-type: none"> - Continue to work on both GPEB and FINTRAC Audit points. Meeting regularly with FINTRAC Regional Personnel. - Participating in a Money Laundering Conference in Victoria through a panel participation. - Have issued new cheque issuance guidelines. Working on PGF Accounts, numerous policy changes, and have put more emphasis in this area by Trend Analysis and Compliance Office. <p>ON TARGET.</p> <p>January 15, 2010</p> <ul style="list-style-type: none"> - FINTRAC completed an audit of six Casinos in early December. Exit interview indicating we have improved training and a number of other issues, but we still have some issues. - Have not received final Audit report todate. - IPSA International completed their Risk Assessment in November/December. Very complimentary to BCLC and document numerous improvements that have been made. - Monitoring cheques and providing analysis on a monthly basis through the Trend Analyst. <p>February 15, 2010</p> <ul style="list-style-type: none"> - BCLC has received the final Casino Audit Report from FINTRAC which lists seven deficiencies. The previous FINTRAC Audit report listed FINTRAC Training as a major deficiency which does not appear in this particular audit report. The deficiencies include some added detail to the risk assessment, ascertaining identity, reporting LCT time limit issues, LCT transaction date and occupation issues, disbursement report time limit issues, disbursement report occupation issues in two difference instances. BCLC response is being prepared and meeting with FINTRAC Regional Director forthcoming. <p>March 8, 2010</p> <p>Detailed response has been sent back to the recent FINTRAC audit report. The IT issues have been resolved and the enhanced geographic profiling will be completed by end of March 2010. New procedures have been implemented to reconcile cheques written at casinos, occupations of repeating LCT players and cheques written to players who attend multiple sites. A meeting later this month has been set up between BCLC Senior Executive and FINTRAC Regional Management.</p>	<p>Unfortunately the FINTRAC reports do not outline all the positive improvements from last report. The key items outstanding revolve around IT issues which I believe are fixed. I would suggest you establish output reports that confirm what FINTRAC does receive so we can remove these issues from future reports. I am pleased we are going to add some analytical support to this area which I do not think Doug can provide and hopefully this person can also take on some verification roles as well.</p>
10%	Implementation of e-gaming casino-style games including, policy,	<p>October 15, 2009</p> <ul style="list-style-type: none"> - Continuing to work with eGaming on the implementation of 	<p>Your efforts to assist this group have been commendable. The approach to find solutions to FINTRAC have added value and</p>

	<p>security, registration, guidance for vendor, GPE liasion, game and system testing and certification.</p>	<p>eCasino and ePoker.</p> <ul style="list-style-type: none"> - Bryon and Tim are embedded in the Project Teams. - Kevin, Rhonda and myself meeting regularly to discuss issues and next steps. - Meeting with GPEB on registration and regulatory issues. - Launch is delayed until Spring 2010 because of IT and vendor issues. <p>DELAYED.</p> <p>January 15, 2010</p> <ul style="list-style-type: none"> - Meeting on a weekly basis with Kevin and Rhonda. Feedback from Tim and Bryon on policies formalization. - Organized a meeting with LQ and ALC Security departments in early December to conduct monthly phone conferences with all the jurisdictions. - Launch has been further delayed to June for eCasino and September 2010 for ePoker, mostly due to vendor availability to supply. - Continuing dialogue with GPEB. Orbis registration well underway. Beginning with Boss MEdia, G2 and/or St. Minver. <p>DELAYED.</p> <p>January 31, 2010</p> <ul style="list-style-type: none"> - Target Launch for eCasino is now June 2010, with ePoker for September 2010. <p>March 8, 2010</p> <p>Meeting weekly with eGaming staff and holding weekly conference calls with Loto Quebec and ALC Security representatives. Attempting to work through FINTRAC guidelines on the identification of players not physically present. Working with Loto Quebec and FINTRAC representative in attempt to resolve this issue. Have had meetings with GPEB registrations representatives, TST personnel around eCasino testing and ISS personnel around the security the eGaming system.</p>	<p>secured a level of confidence within the team at a time when we need them focused and not distracted by these issues. In addition your leadership with the other jurisdictions has helped us ensure a strong role in the outcome and helped us to keep to time lines for launch.</p>
10%	<p>Impementation of Corporate Compliance Plan to raise awareness of staff.</p>	<p>October 15, 2009</p> <ul style="list-style-type: none"> - Completed PWC report and recommendations. - Denise Kranz will lead the recommended Compliance Committee. <p>ON TARGET.</p> <p>January 15, 2010</p> <ul style="list-style-type: none"> - Held first Compliance Committee meeting in December 2009. - PWC have completed a presentation to the Senior Executive on their report and recommendations. 	<p>Very satisfactory report and process.</p>

		<ul style="list-style-type: none"> - Denise Kranz and Constance Ladell working on leading the Compliance Committee and preparing the Committee Charter. - Board to be given the PWC presentation. <p>ON TARGET.</p> <p>February 15, 2010</p> <ul style="list-style-type: none"> - Draft Compliance Charter has been completed. Compliance Plan is under draft. Further Compliance meeting will be held to finalize Compliance Plan. <p>March 8, 2010</p> <p>Compliance Committee Meeting is scheduled for March 18 and a follow-up meeting with PWC is also scheduled this month to update them on the progress in the Compliance Program. A small staff survey will be conducted late March to measure Compliance awareness.</p>	
5%	Help lead and support the implementation of a significant Business Transformation initiative (Enterprise Incident Management) to enhance operational excellence and achieve new cost efficiencies.	<p>June 2009</p> <ul style="list-style-type: none"> - Sales Force implementation running smoothly. Bryon and Gord, along with their staff are working on the Project Team and needs assessment. ON TARGET. <p>October 15, 2009</p> <ul style="list-style-type: none"> - Salesforce to launch on February 1. - Training schedule in effect for Lottery and Casino Security Staff. Cathy to implement dashboard metrics on Lottery Investigations for easy reference and statistical retrieval. - Security members continue to participate on Project Team. <p>February 15, 2010</p> <ul style="list-style-type: none"> - Salesforce launched on February 4, 2010. Some start-up issues have occurred which the Project Team are working through. The biggest outstanding issue is the connectivity between Salesforce and the Casino Security Investigators. More training is required and some improved methodology in closing out cases assigned to Casino Security is required. - One Lottery Investigator position has not been filled due to the expected efficiencies with Salesforce. <p>March 8, 2010</p> <p>Continuing to resolve formatting and reporting issues with Salesforce. IRIMS has been fully decommissioned and all Investigators are utilizing Salesforce. Because of the start up issues, other metrics are unable to be utilized at this time.</p>	I am pleased we have worked through the implimentation issues and are now able to fully utilize the program

FY10/11

VP CORPORATE SECURITY & COMPLIANCE

Weight	Goal	Results	Manager Comments
20%	Corporate Goal & Objectives ? Net Income (millions). Bonus Trigger (Threshold): Net Income of \$1,025.0 must be exceeded. Target: Total Net Income of \$1,115.0 achieved. Stretch: Net Income \$1,150.0 exceeded.		
20%	Corporate Goal & Objectives ? Net Win (millions). Bonus Trigger (Threshold): Net Win of \$1,905.1 must be exceeded. Target: Total Net Win of \$2,072.4 achieved. Stretch: Net Win \$2,137.5 exceeded.		
10%	Corporate Goal & Objectives - Player Satisfaction: Threshold: Board Discretion Target: 74.0% Stretch: Board Discretion		
10%	Implementation of VIP rolling chip program	<p>March 14, 2011</p> <p>Through a series of meetings with Casino Service Providers and BCLC, the rolling chip program was developed to the policy stage. Initially the rolling chip program was going to be deployed in January of 2011, however the CSP Providers did not wish to implement prior to Chinese New Year for business interruption reasons. No GPEB approval was officially sought for the VIP rolling chip program although some discussions were held about the feasibility. The chips have been ordered and the program could be implemented, however, given the concern regarding money laundering the program has temporarily been put on hold.</p>	
10%	Drive a focus on Player Centricity into how we do business		
5%	Process Improvement	<p>March 14, 2011</p> <p>A corporate decision was made that Account Based Gaming as proposed by the Lottery Division would not proceed. Various discussions and meeting were held, but it was decided at the Executive level that the program would not proceed, but be implemented through PlayNow which is a form of Account Based Gaming. The PlayNow website will develop Sports and other games which can be played in the hospitality network which was the original goal of the ABG program.</p>	

5%	Process Improvement	<p>March 14, 2011</p> <p>The Multi-Lane project is proceeding although it will not meet the January 2011 target. Security have participated with the project team and several meetings with GPEB Registration. Triton and other suppliers of Multi-Lane equipment have been GPEB registered. The testing and certification of Multi-Lane is still in progress and recently hired Ernst and Young to provide an overall assessment prior to launch which is now scheduled on a project basis for the fall of 2011. Security continues to participate on the project team and in GPEB discussions.</p>	
15%	New Channel Development	<p>March 14, 2011</p> <p>eCasino was launched in July of 2010, however due to data crossover issue, had to be shut down until August of 2010. Numerous meetings were held between BCLC, GPEB and the testing agency to get the site ready for relaunch. Further meetings and discussions were held between OIPC, GPEB and DEloitte to prepare a report which was released in January of 2011 on the shutdown of PlayNow. The project team continued to work on ePoker along with Loto Quebec, G2 and various testing agencies which was successfully launched in February of 2011, joining Loto Quebec.</p> <p>Currently working with project teams on eBingo and eSports along with the development of a mobile platform for launch in the fall of 2011.</p>	
5%	Drive/reinforce collaborative Leadership Behaviour		

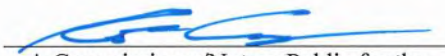
FY11/12

VP CORPORATE SECURITY & COMPLIANCE

Weight	Goal	Results	Manager Comments
25%	Corporate Goal & Objectives ? Net Win (millions) Trigger (Threshold): Net Win of \$1,985 must be exceeded. Target: Total Net Win of \$2,098 achieved. Stretch: Net Win \$2,160 exceeded		
25%	Corporate Goal & Objectives ? Net Income (millions). (Threshold): Net Income before taxes of \$1,135 must be exceeded. Target: Total Net		

	Income before taxes of \$1,200 achieved. Stretch: Net Income before taxes of \$1,235 exceeded.		
10%	Anti-Money Laundering and Anti-Terrorist Financing Compliance Reviews and Enhancements.		
5%	Establishing policies, procedures and GPEB certification for the following three eGaming projects: - eBingo - eSports - Mobile		
10%	Corporate Social Responsibility Complete the pilot program for the new Facial Recognition and successfully introduce to the lower mainland casinos, Facial Recognition to use as a tool in regards to limited Voluntary Self-Excluded persons from entering the facilities.		
10%	To provide support to allow BCLC's Operational Divisions to accomplish our 2011/12 budget targets.		
10%	To utilize technology and innovation for the following two projects: - Underage Entry Verification and VSE confirmation (5%) - Electronic AML Cage Reporting (5%)		
5%	Gaming Management System implementation pilot project		

THIS IS **EXHIBIT "O"** TO THE
AFFIDAVIT OF **SANDY AUSTIN**
SWORN BEFORE ME AT KAMLOOPS, BC
ON THE 9th DAY OF SEPTEMBER, 2021.



A Commissioner/Notary Public for the
Province of British Columbia.

Doug Morrison

FY07/08

MANAGER CASINO SECURITY & SURVEILLANCE

Weight	Goal	Results	Manager Comments
0%	OPERATIONAL GOAL: Ensures day to day responsibilities are maintained to a high standard.	Completes daily duties to meet Corporate standards and job description. While a difficult goal to actually measure - it is a goal that is easily obtained through open and frank dialogue. Staff and the general public want a transparent organization where issues are discussed and results obtained. I believe that this can and is achieved by the ongoing review of issues. Without identifying concerns then answers are not forthcoming. I believe that I am able and have addressed issues of concern for both employee and general public. An example of this would be the report and review undertaken on the incident involving PERSONAL INFORMATION at Edgewater. While my reports is detailed I was still able to identify issues that I have with the overall process of leaving an elderly women outside the rear of the casino. I goals can be further measured by my constant review of policies for both the CGC and Casino policy and procedures.	Doug has adapted very nicely in his new role. His experience with a Service Provider in the surveillance field in invaluable. He sees the big picture and realizes his actions can impact many areas of BCLC and CSP's.
30%	Corporate Goal & Objectives ? To provide outstanding gaming entertainment, generating income for the public good. Target: > Total net income of \$1,033 million achieved > Total sales revenues of \$2,495 billion > General operating costs of \$114.5 million Stretch: > Net income of \$1,060 million met/exceeded Bonus Trigger: > Net income must exceed previous year?s net income plus \$5.0 million	n/a	n/a
10%	Corporate Goal & Objectives ? To provide outstanding gaming entertainment, generating income for the public good. Player satisfaction and participation ratings of the following are achieved: Target: > Lottery ? Player satisfaction of 90% and participation increase to 62% (past	n/a	n/a

	month) > Casino ? Player satisfaction of 92% and participation increase to 33% (past year) > Bingo ? Player satisfaction of 88% (new sites) and 67% (old sites) and participation increase to 11% (past year)		
10%	Corporate Goal & Objective ? To be a respected organization that has a broad base of public support. Target: > Achieve public support ratings for BCLC of 65% > Achieve public support ratings for acceptance of gaming of 52% > Recognition of Social Responsibility 56% > Public Awareness of the Beneficiaries of Gaming 35%	n/a	n/a
10%	Trial License Plate Recognition - this is a proactive tool to assist with the earliest detection of self-excluded persons on Casino property, as part of our commitment to Social Responsibility. The plan would include the installation of the system on a 90 day minimal cost pilot of the system, to ensure it functions as advertised and to evaluate the effectiveness of the system in providing intelligence for subjects of interest.	On the 31 March 2008 - the pilot project of LPR program commenced at RRCR. There were several highlights in leading up to the start of this pilot in the fact that IVIEW increased there costs to BCLC - 2 fold and were looking for the corporation to pay the costs for the purchase of the 2 pilot cameras at a further cost of \$20,000. This was not accepted and eventually the pilot has moved forward with BCLC picking up all the install costs and additional wiring costs for this project. Further initiatives were drafted to get the SP staff to register and have their license plates form part of the data base but this caused a major issue and as such with the rollout we now have some 250 plates in the data base simply for this project. Coupled with this project starting - I have asked our own BCLC staff to register and advise times that they have entered and exited the RRCR site as part of my own checks and balances to see if these times are recorded for completeness to this software program. As such, BCLC is runn	LPR has been installed at RR and is under trial.
10%	Provide leadership and implement policy procedures, including legal advice for electronic and non-electronic file retention by Casino Security and Surveillance for iTRAK files.	Research has been undertaken to fall within the guise of the BC Govt document retention and this matter is still in the discussion stage with the Director of Corporate Security. Further to this goal - policy and procedures have been finalized for both Casino and CGC regarding the Security Officer training program which has been finalized and will be available online as of 1 MAY 2008. Overall the finalization of this goal really can't be measured until meeting are commenced with IView the company overseeing this project. It is hoped that following the pilot project with the LPR program that this issue can and will be finalized that will be consistent with the provincial governments policies that file retention must be undertaken following retention of a sever year	More work will have to be done in regards to the implementation of file retention policies.

		<p>window. Ultimately, it is my aim that files following into this area - which will not be for another 2-3 years that files can then be downloaded and stored on disc for easy retrieval. Negotiations will commence with IView Systems on the best way o</p>	
30%	<p>To mentor, lead, coach staff in their daily performance of duties to a high performance level. To ensure all BCLC employees are actively engaged by supporting the company's common goals through leadership, innovation, integrity and high performance. Complete Q4 reviews.</p>	<p>While this is only a small gain to be achieved - it has been achieved basically through regular contact and individual meetings with all investigators and administration staff since coming on board. Since my start in December 2007 - i have had the opportunity to meet every two weeks with all staff members through regular meeting where issues are identified and addressed. I have also had the opportunity to meet each member of my staff on at least 2 occasions to discuss goals and performance issues and merit. Organizationally, I believe that our engagement scores based simply on staff contact would be up substantially well over the 60%. I now have had an opportunity to again meet and discuss merit increases and performance for each staff member under my unit with the exception of Cathy Anastasio. She currently has been away on holiday for the last 4 weeks and will be returning early next week and I will call her and discuss her merit increase and overall performance status. The results of my meeting with</p>	<p>Doug has been with the unit for only 4 months and has implemented several necessary changes with the staff. He understands the issues and with new resourcing the workload issues should be resolved. Although the engagement scores did drop significantly I do not believe this is as result of poor leadership, but rather the results to a large extent of the previous CEO being fired and the negative response to the Ombudsman and Deloitte audits.</p>

FY08/09

MANAGER CASINO SECURITY & SURVEILLANCE

Weight	Goal	Results	Manager Comments
30%	<p>Facilitate development and implementation of both Corporate and Divisional employee engagement initiatives. Corporate Leadership Goal - increase employee engagement among BCLC employees by providing strong leadership throughout the organization. Divisional Goal - increase employee engagement among Corporate Security and Compliance employees by providing strong leadership throughout division.</p>	<p>2008/08/19 - I believe that our corporate security engagement score has increased by nearly 20% points from the score previous. While I would like to take the credit - I believe that there has been a number of initiatives that have been addressed to cut the concern amongst investigators. I have attempted and continue to have bimonthly investigative meetings and I continue to ask for input and issues. I believe that communications amongst staff has increased and I am hoping that with further work and development we can get this score to settle out at around 70%. It is going to take work and time but continually putting the onus on the investigator to bring issues to the table has been a huge success. I will be moving forward in getting a suitable candidate to take on the supervisory role with will cut some of my administrative functions and will allow me to travel with investigators and assist with investigations. Finally, while I</p>	<p>Meeting staff every two weeks via phone and face to face to go over any issues. Currently has some vacancies in the area which will be filled over the next two months. Doug is still finalizing his staffing vacancies. He is developing a solid group who are addressing on site issues in the LMD and throughout the rest of the Province. He is holding regular meetings with staff and holding staff accountable. QTR-4 - Doug has completed his staffing of the LMD casino's and has assembled a strong and experienced staff. He is not afraid to hold staff accountable nor to intercede on their behalf if he feels the need to. Doug continues to monitor the key responsibilities and makes sure those align with the goals of the Division and BCLC. He has built strong relationships with Service Provider staff at his level and enjoys their respect. BCLC's scores are at 77% up from 55% last year. This score is adjusted to represent the same scale as</p>

		believe that staff have a right to step forward and voice concerns over is	previously used by Hewitt. Our Division scores are at 79% up from 55% I
10%	To manage and oversee the requirements surrounding BCLC responsibilities to FinTrac. As the overall manager for this responsibility there are a number of components that are required to ensure BCLC FinTrac requirements are met and exceeded. - Ensure timely, up to date training is administrated to Service Provider Staff throughout the province. - Ensure staff training remains current with the legislation and that the PowerPoint presentation and handouts adequately reflect a current representation. - Review submissions that are electronically forwarded to FinTrac to ensure timely completion and thoroughness to the documentation submitted - Regularly meet with FinTrac representatives together with GPEB regulators to ensure that BCLC is committed to this program and to ensure that BCLC is filing and reporting issues as they surface to each agencies standards and demands - Overview our risk management program that is being established as part of our requirements to this Act. Ensu	2008/08/19 - Since taking over this role and these responsibilities I have attempted to work and monitor this critical area both from a corporate standpoint and as an investigator to ensure that these reports are through and complete and reported meeting the legislative timelines. With reporting a much broader picture - I believe better captives what is occurring with BCLC and our Strategic Partners. Both the VP and I have met with FinTrac representatives and will be meeting them again on 2008/08/20 to discuss issues and concerns. I have met with the Executive Director of GPEB audits in an attempt to understand and illustrate our concerns over their auditing processes and procedures. While at first blush it appears unsuccessful - I believe that I was able to show them that there are two sides and that while important issues they really are reporting only what they think important and not capturing the entire story. I believe that with proper dialogue - FinTrac will have a better understanding of our chall	IPSA is completing. Risk Assessment at the end of Oct 2008. FINTRAC and GPEB are in the process of auditing. Doug and I have met with FINTRAC Regional Manager. Re-doing all the training to include on board training, face to face training and refreshers. IPSA has completed the Risk Assessment with the assistance of Doug and his group. Doug continues to lead on a number of FINTRAC fronts, including several policy changes and completely new training program. FINTRAC issues are taking up considerable resources and time. QTR- 4 - Doug has done a great job in dealing with Fintrac issues which have become of much higher priority recently with Fintrac taking a very hard line on Casino's in Canada. He has initiated a new training program that will be on line, along with face to face training. He has made a number of policy and procedure changes to enhance the reporting and disseminated the reporting and training out to more of the investigators at the Casino level. Doug has also overseen our Risk Management
5%	To manage and maintain an overall consistency with our current reporting system (Itrak) being utilized throughout the province of British Columbia in all but a few CGC sites. Under this generalized goal are a number of initiatives that need to be identified to encompass this overall goal. - Have training and the rollout of Itrak to our 3 interior sites occur on time and without issue. These three sites are Kelowna	2008/08/19 - I can report that two interior sites have had ITrak installed and they have been trained. The last site (Williams Lake) is slated for the end of August 2008 and everything has been ordered and I can honestly say that we now have individuals on staff that can provide training to the SP from a SP prospective. 2008/09/27 - The 3 interior sites now have ITrak running and training completed. By mid October, all three remaining sites on the Island will have ITrak up and running. Training will commence early next week starting in Campbell River. Moving forward - Itrak equipment and wiring has been completed for the 3 Island locations and these installs and training will occur in September 2008 and be finished by the end of that month. Following this -	Mission --> one left, Langley. Done --> Williams Lake, Kamloops, Kelowna, Pt. Alberni, Campbell River, Duncan, Langley The ITRAK rollout and training has been completed at all CGC's. QTR- 4- Itrak has been installed at all CGC locations in the Province and all new locations will receive Itrak on opening. Doug has implemented a training program delivered by investigators well versed in the Itrak system. His team has recently implemented a new version of the Itrak reporting system which has significant improvements in it both for Service Providers and BCLC staff. LPR is being rolled out and will continue in 09/10. Significant enhancements have been made to the VSE program including LPR, Non payment of violator jackpots and soon the rolling

	<p>CGC, Kamloops CGC and Williams Lake CGC. This means that the appropriate training is provided and provided to staff that can then train others of staff. Following this roll-out to undertake the same rollout to 3 Vancouver Island locations ? Cowichan, Port Alberni and Campbell River together with training - Coupled with this area is that follow-up training may be required and to have the appropriate resources to undertake this follow-up training without issue or concern. - Maintain a consistent administration of this Itrak program to help ensure that reporting is done</p>	<p>the equipment, and locations have been decided for both Mission and Langley and these two install will occur following the Island. Further to this, I have continually asked that my investigators review the quality of reports coming out of sites so</p>	<p>screens of VSE patrons in the Security and Surveillance lunch rooms. Under Doug's leadership, BCLC has moved the bar significantly in this whole area.</p>
5%	<p>To oversee, direct and maintain control over several other important initiatives currently being either proposed or that are ongoing with the corporation. Those being: Project Coordination. - Biometrics ? to assess this program for issues and areas of risk with an attempt to bring the resources both human and financial together so that this initiative received the proper direction and concern it deserves. - Providing the corporation with procedural documentation ? in critical areas of our business unit: i.e. o Procedural standards in how we investigate issues that surface and how they are surfaced o Procedural standards in provincial barring requests and how they are identified and flushed out o Procedural standards in how our VSE program runs and the demands and issues placed on it o Procedural standards in how FinTrac issues and reports are identified and reported electronically to FinTrac o</p>	<p>2008/08/19 - Biometrics meeting has been done and I am awaiting further discussions with IT Marcello on caring this initiative forward. He is making inquiries to help us move this forward. Further meeting has been set for early September 2008. This initiative was brought forward again at our last investigators meeting and several groups of investigators have started with only Cathy having her procedural process completed. Finally, there are areas that require review and change and I am currently awaiting the Ministry of Family and Child Services to review our policies and suggest change where change is needed. This should occur shortly and this policy area will be completed by the end of August. 2008/09/16 - I assisted and undertook group session on the VSE program and I believe that we now have a program that is current with our times. I like the look and feel of this new program moving forward. 2009/02/12 - Biometric program and pilot project has started up again in Kamloops with the led being assu</p>	<p>Goals in this area are on target The Biometrics program is behind schedule due to software glitches. Policy and procedural documentation is on target.</p>

	Procedural standards in our major risk areas of Loan Sharking, Money Laundering,		
25%	Corporate Goal & Objectives ? To provide outstanding gaming entertainment, generating income for the public good. Bonus Trigger (Threshold): - Net income must exceed \$1,033 million Net Income ? Target: - Total net income of \$1,110.0 million achieved (Threshold \$1,033) Stretch: - Net Income \$1,143.3 million Annual Revenue ? Target: - Annual revenue of \$2,648.0 million (Threshold \$2,568.6) Stretch: - Annual revenue of \$2,727.4 million	n/a	n/a
15%	Corporate Goals and Objective - Demonstrate Social Responsibility in all of our activities Public Trust & Confidence in BCLC games ratings are achieved by the following: Target: - Public Trust and Confidence in BCLC Games ~ 64% (Threshold 61%) - Player Satisfaction ~ 90% (Threshold 84%)	n/a	n/a
10%	Corporate Goal & Objective - Demonstrate social responsibility in all of our activities Target: - Player Awareness of Responsible Gaming Activities ~ 84% (Threshold 82%)	n/a	n/a

FY09/10

MANAGER CASINO SECURITY & SURVEILLANCE

Weight	Goal	Results	Manager Comments
10%	Corporate Goal & Objectives ? Public Support for Gaming Threshold: 61% Target: 63% Stretch: Board Discretion		
5%	Corporate Goal & Objectives ? Public Trust and Confidence in BCLC		

	games Threshold: 60% Target: 61% Stretch: Board Discretion		
20%	Corporate Goal & Objectives ? Net Income (millions) Bonus Trigger (Threshold): - Net Income must exceed \$1,050.0 million Net Income ? Target: - Total Net Income of \$1,130.0 million achieved Stretch: - Net Income \$1,150.0 million		
15%	Corporate Goal & Objectives ? Net Win (millions) Threshold: - Net Win must exceed \$1,941.3 million Target: - Total Net Win of \$2,030.3 million achieved Stretch: - Net Win exceeds \$2,061.5 million		
10%	Corporate Leadership goal to increase employee engagement. ? Increase confidence in Corporate Security and Compliance by 7% ? Increase the percentage of employees who believe BCLC's strategy is moving in the right direction by 7%	<p>Continue to meet with all staff on a monthly basis as bi-monthly was too onerous. Request issues be brought forward to ensure everyone has a say in what is important and what is not.</p> <p>Continue to strive to bring FinTrac training on board with module presentations through web-based application.</p> <p>Continue to utilize employees for their strengths and have dedicated Hiller and Gray to liaison with police intelligence units. Beeksma, Lee and Slobodian to ensure Itrak training and initiatives are met with new location rollouts.</p> <p>Set and firmed up operational goals with Friesen so that investigator issues are identified and address.</p> <p>Strive to keep the Senior VP Corporate Security and Compliance aware of all issues.</p> <p>2010.03.11 - I believe I have met and exceeded this goal in that this business unit continues to score higher then other corporate units in BCLC. I believe that through open and honest communication and meetings we have been able to move individuals concerned about this area and responsibilities to rather impressive figures.</p> <p>I believe the staff are content and satisfied with their locations, their responsibilities and their employment future. they are open to question and open to discuss issues and concerns on a regular basis and together with my assistant - Gord Friesen - this business unit has come along way.</p> <p>We continue to receive positive feedback from other business units and from outside gaming facilities for our dedication to training and dedication to ensuring gaming staff have the right training for their positions. I have a great mix of staff and a great spirit within this unit.</p> <p>I think the only thing missing now is my spirit to constantly deal</p>	<p>09/11/02- Doug continues to work with his staff and address outstanding issues. He has experienced senior staff who have been able to build relationships with CSP's. He is looking for and utilizing training opportunities that meet the current budget restrictions.</p> <p>February 22, 2010 - Doug continues to hold regular bi-weekly staff meetings. He seeks input from his staff on various issues. Doug continues to work heavily with Casino Division and keeps them and myself up to date on issues that bubble to the surface. Engagement survey results have not been received.</p> <p>March 12, 2010 Doug has done an exceptional job in leading his department. His engagement scores are outstanding and a large part of that can be directly attributed to Doug's leadership and vision. The engagement scores moved from 88% to 89% while the confidence in the direct manager's decisions rose from 85% to 94%. Recognition went from 46% to 69% which is a significant increase. I believe that Doug has been able to instill a trust in management from his group and has them on board with what he is trying to accomplish. I consider this goal to be partially exceeded.</p>

		with negative issues which always center on security, policy, staffing or investigations from outside agencies. After 21/2 years of constant negativity - it has taken it's toll and I need an new outlook on life. I have a great unit and it's getting time to pass the torch.	
10%	RFID Chips and build-out Pilot project (Starlight Casino) to moving this project forward to implementation at all LMD Casinos	<p>This goal in currently onboard at RRCR and chips readers have been introduced into the cash cage and vault. Continue to monitor the success of this initiative.</p> <p>Again, this has been taken away from Casino Security - for whatever the reason - and moved to other areas. this goal can not be assessed because it really doesn't qualify as a goal for me.</p>	<p>09/11/02- Casino division is currently implementing RFID technology and a limited basis at River Rock. The funding for full implementation has been deferred.</p> <p>February 22, 2010 - RFID has been delayed by supply problems from IGT. The chip readers are to be deployed in River Rock in March 2010 in a limited fashion.</p> <p>March 12, 2010</p> <p>The RFID chip pilot is proceeding in RR although it was Initially delayed due to system Limitations and IGT GLI problems in getting the regulatory approval. I consider this goal to be met.</p>
20%	FinTrac ? This goal will cover the Reporting, tracking of FinTrac Audit issues from both FinTrac and GPE audits. Along with this will cover development of enhanced FinTrac training modules to ensure that SP province wide are receiving the most current ? well developed training possible.	<p>Made huge strides here with module web-based FinTrac training Providing GPE with monthly reconciliation reports on SFT Continue to develop action plans on both the GPE and FinTrac audit issues to ensure that BCLC is going above and beyond on this major initiative.</p> <p>Looking at refreshing the web-based training modules to make them more enhanced and to bring on a 3rd training initiative into web-based training - 'face to face' training.</p> <p>Continue to push investigators to ensure that FinTrac remains foremost in our actions and discussions with SP Provide SP companies with copies of the audit reports so that they understand the importance to training and ensure compliance with BCLC policies.</p> <p>Strive to walk on water!</p> <p>2010.03.11 - Currently designing training program updates to refresh all BCLC FinTrac Training.</p> <p>Moving to incorporate the 'face to face' training module into our web based training</p> <p>Increased training by 150% over 2009.</p> <p>With the move to web based training will save the corporation substantial funds in travel and time for years to come.</p> <p>Have now developed site compliance staff so that FinTrac training is handled at all staff locations thereby ensuring FinTrac is pushed to the forefront at each gaming facility in the province.</p> <p>Have met this goal.</p>	<p>09/11/02- Doug has addressed and implemented:</p> <ul style="list-style-type: none"> - Training - Policy - PGF Accounts - Meetings with FINTRAC <p>in an attempt to reduce audit shortcomings.</p> <p>February 22, 2010 - significant upgrades have been made to the on-line training modules with almost 5,000 persons now trained through this system. Further enhancements will be made to the content of the training modules, including scenarios and the system switching to BCLC on-line training hosting. Several policy enhancements have been made to further reduce FINTRAC compliance issues. PGF accounts are being monitored on a daily basis and start-up issues have been rectified. GPEB/FINTRAC auditing will commence in March. Meetings have been set up with FINTRAC and the CEO to review the last FINTRAC compliance audit and BCLC's responses to it. FINTRAC compliance issues are becoming increasingly onerous and taking up considerable resources. Doug and his team have done an outstanding job in keeping in touch with this important compliance function.</p> <p>March 19, 2010 - BCLC successfully trained more than 4000 people last year with a combination of face-to-face and on-line training. This is a significant increase from previous attempts at training casino personnel. The recent FINTRAC examination did not list training as a compliance issue. Further enhancements are</p>

			being made for advanced FINTRAC training to be added to the system shortly. I consider this goal to be met.
5%	Reduce compliance issues with both FinTrac and GPE - fintrac audits	<p>FinTrac Audit commences on the 25th November and notices forwarded to GCGC and Gateway/Lake City Casinos informing them of this audit. Arrangements made for Gord Friesen to visit the Inland to ensure compliance with FinTrac is foremost. Members identified to assist FinTrac Auditors. Travelling to Kelowna and Vernon to meet with management to ensure they are on board with FinTrac and the impending audit. 2010.03.11 - Finally able to catch up on this goals as was unable to even log in previously.</p> <p>FinTrac and GPE (FinTrac) continue to be an adventure in stopping the leaks in the dike. Areas of concern are addressed and rectify only to lead to other areas of concern by these auditors.</p> <p>We have increased training since 2009 by 150%. We have now obtained 2 training modules on a web based training site to allow enhanced training to all locations in the province.</p> <p>We continue to drill through PGF Accounts and identify issues/concerns.</p> <p>We report SFT to FinTrac far exceeding any reporting conditions in the past.</p> <p>We continue to assist Corporate Communications with their written responses to the Minister</p> <p>We continue enhance our training modules to ensure they are current and refreshed</p> <p>We continue to provide adequate written responses to both FinTrac and GPE together with meeting them frequently to discuss issues and concerns.</p> <p>Overall, I believe this unit has exceeded everyone's expectations for enhancing this subject matter and getting the message out. Other then do the FinTrac audits myself - I don't know what more can be done to satisfy these government agencies which continue to reign down negative comments.</p> <p>With this failing hand I pass the torch to others!</p>	<p>09/11/02- Reducing GPE audit points has been a major focus for Doug and his team. A great deal of work has gone into putting FINTRAC training online in an effort to reduce one of the major audit points. Numerous policy changes and procedures have been implemented to address FINTRAC shortcomings.</p> <p>February 22, 2010 - We have recently received the 2009 FINTRAC audit outlining 7 areas of non-compliance. Significant progress has been made in addressing areas of non-compliance, including change in NRT settings, review of LCT card occupation on a monthly basis, compliance and trend analysis reviewing cheques and PGF accounts. Identified system errors have been eliminated and training was no identified as a compliance issue in this year's audit. Doug and his team have done an admirable job in reducing FINTRAC compliance issues.</p> <p>March 12, 2010 BCLC has prepared a detailed response back to Fintrac and we will be holding a meeting with them to discuss the examination. BCLC and Doug's team have done a terrific job in bringing all these issues to a place where we have made progress on them. This is on going and will be something we have to concentrate on as GPEB and Fintrac pay more attention to Casinos'. I consider this goal to be met.</p>
5%	To design and redraft the Crisis Communications plan and response model to be more in line with corporate responsibilities	<p>2009/11/05 - have had a couple of meetings with Corporate communications to express our concerns and issues and to ensure that Corporate Security has a place in this communication scale/role.</p> <p>Have made arrangements for Corporate Communications to meet various police agencies to get them set up at the front of the bubble.</p> <p>Further meetings set for late November and early December to help move this topic along.</p> <p>2010.03.11 - This still is a labor of love as we are attempting to</p>	<p>09/11/02- Doug has been working with Corporate Communications to provide material and a response to various situations.</p> <p>February 22, 2010 - the work is continuing to identify key contacts within Corporate Communications to provide responses to in crisis situations. Work is ongoing.</p> <p>March 12, 2010 The work on the communications plan has not yet been</p>

		<p>move corporate communications into a new era of reporting so that rather than deal with all communication officers - we have select few to deal with specific subjects. Overall, I believe we have made substantial progress in some areas and in others not so much. They continue to rely on me to proof read most of the materials they send either to GPE or the Minister so at least I've made that much headway.</p> <p>Overall, this will be the project for the new manager - because this matter needs further addressing. It is a work in progress.</p>	<p>formalized although discussions and work has been done. I consider this goal to be partially met.</p>
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FY10/11

MANAGER CASINO SECURITY & SURVEILLANCE


Weight	Goal	Results	Manager Comments
20%	Corporate Goal & Objectives ? Net Income (millions). Bonus Trigger (Threshold): Net Income of \$1,025.0 must be exceeded. Target: Total Net Income of \$1,115.0 achieved. Stretch: Net Income \$1,150.0 exceeded.		
10%	Corporate Goal & Objectives - Player Satisfaction: Threshold: Board Discretion Target: 74.0% Stretch: Board Discretion		
20%	Corporate Goal & Objectives ? Net Win (millions). Bonus Trigger (Threshold): Net Win of \$1,905.1 must be exceeded. Target: Total Net Win of \$2,072.4 achieved. Stretch: Net Win \$2,137.5 exceeded.		
25%	GOAL As part of my goal to increase leadership for this department ? I will increase employee engagement and morale for 2010/11. . GOAL BREAKDOWN (state how your goal fits each section) Specific: Detailed, particular, focused i.e. Increase the data-entry output of the staff? In viewing my engagement scores for 2010 - there are two areas that I will seek to improve ratings: The first	<p>2010.07.07 - I continue to strive to involve more and more of our investigative staff into various projects that will decrease both Gord Friesen and my work loads. These investigators will be taking a more active approach in FinTrac issues such as training and refreshing our training web-based packages and more trouble shooting for their locations.</p> <p>I have now requested that during our monthly meetings that each investigator bring to the table issues and initiatives that they are dealing with and developing for each of their gaming locations. I think it important now that our investigators are informed that they provide better guidance to the management</p>	<p>OCT 6, 2010 Doug is a natural leader and his staff have certainly rallied around his skill sets. They in turn have come a very long way in getting our message imbedded with the CSP's around compliance and the role they play in it.</p> <p>Doug has a large staff spread throughout the province but through meetings and phone conferences he is able to help them bought in and feeling part of the programs. Doug is an action oriented leader with the ability to work collaboratively and foster cooperation and professional participation in order to create and lead change and initiatives.</p>

	<p>area is Frequency Recognition - my goal here is to ensure my staff receives proper and timely recognition for performance undertaken. I believe by the implementation of proper internal recognition system I will increase our overall rate from 69% points to 75% points for this coming year! The second are is overall job satisfaction scores for 2010 and will some timely input I believe that I can drive this engagement area up several percentage points to 85% Measurable: Quantifiable, providing a standard for comparison and the means to a specific result, limiting i.e. ? to 40 completed orders per day. Ar</p>	<p>team on situations developing at our gaming sites. This will cause them to be much more involved with our SP staff. I have also requested that they draft a Risk matrix for each of their gaming facilities in relation to FinTrac and our High Risk patrons and also develop a schedule for the various cash cage and senior management work shops to discuss issues and concerns in relation to FinTrac. Finally during our last investigators meeting I have ask then to provide both Gord and I with a plan on how we can better recognize them for the work they are doing in the field. I think giving feedback and credit is important and I want their input before designing a plan to getting them more involved and more credit and recognition. Our first investigators meeting for the fall is slated for the first week in September and I hope to capture their comments and feedback then.</p> <p>2010.10.04 - Here I believe that this entire unit has stepped to the plate and really answered the bell. We now have all investigators auditing, reviewing and providing direct guidance to all service providers heavily involved in FinTrac. We have moved from being non-compliant to a position where we are totally compliant. We have moved from a position in 2007 from having one FinTrac training session to a position where we have a number of training avenues, face-to face, small dedicated cash cage workshops, and finally to have our training totally updated and really for install at learn@bclc.com and we are now at a success rate for training at over 95% which is really an incredible number.</p> <p>We have further instituted a High Risk 'HR' patron directory and coding for all critical patrons for each of our gaming locations for the province. Our staff all understand our goals, all understand our mission and all understand that we must continue to strive to keep us out of hot water with FinTrac.</p> <p>We have moved forward with comprehensive plans to be totally compliant and reviewing our compliance on a daily basis with total buyin by BCLC IT Services. I think we have accomplished tremendous strides and accomplished and will continue to strive to be better.</p> <p>We have changed and restructured how we do business with our VSE program and we are awaiting direction and advice from GPEB on enforcement of our constant violators of this program. Realistically, it is a difficult task unless GPEB steps to the plate which at the time of this writing remains to be seen.</p> <p>Finally, the staff understand our goal and understand our initiatives and as such, they are taking important step in keeping</p>	<p>Job well done, Doug. We will miss your talents at BCLC and the Division. I consider this goal met.</p>
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		<p>BCLC on top and totally compliant.</p> <p>2010.10.8 - I believe I am leaving this important goals in a manner that my successor will be able to continue to meeting this very important business initiative.</p> <p>Doug</p>	
20%	<p>To provide planning, direction, guidance to the further rollout of implementing a further aspect of the Voluntary Self Exclusion program with the phase 2 License Plate Recognition (LPR) System</p> <p>GOAL BREAKDOWN (state how your goal fits each section) Specific: Detailed, particular, focused i.e. Increase the data-entry output of the staff? Phase 2 of this implementation strategy is to have the LPR system installed in a number of casinos and community gaming centers throughout BC. This phase will be the planning and directing that LPR be installed in these gaming properties: Cascades Casino, Penticton Casino, Vernon Casino, Edgewater Casino and Treasure Cove Casino. Coupled with these locations to install LPR in Abbotsford and Kelowna CGC. This means the planning of locations, ordering equipment, drafting installation plans and order server upgrades from BCLC IT services to having the equipment installed and functioning by the end of September 2010. Measurable: Quantifiable, providing</p>	<p>2010-7-7 - Currently, I'm awaiting the installation of upgraded servers at both Edgewater and Cascades so that LPR will be totally functional. New servers at heading for Abbotsford CGC and Kelowna CGC so that LPR can be functional at these locations. Next week LPR will be installed at both Vernon and Penticton Casinos and hopefully the server capacity will allow for LPR to function.</p> <p>This project will conclude with a LPR camera being installed in Treasure Cove Casino in early September and that will conclude this project. There have been no major issues other then server capacity and once rectified this system should function nicely. Currently working with legal and RG to have a Notice of Prohibition drafted so that it can be utilized on problem VSE patrons. It appears that GPEB has agreed so we are working towards getting a resolve. Unfortunately, we've hit a few snags but with common sense we should be able to work through them.</p> <p>2010.10.4 - this particular goal has been achieved with iLPR being installed at all of the phase II locations decided. Edgewater Casino, Cascades Casino and Abbotsford have been completed.</p> <p>2010.10.08 - Treasure Cove Casino has now been completed and the camera will be installed shortly. The following week is slated for installation and intregation for Vernon, Penticton Casinos together with new servers. CGC Kelowna will be completed in this same time frame and everything will be totally operational by 16 OCT 2010.</p> <p>Finally, business plan updated to have a further 6 properties rolled out for iLPR beginning April 2011 which Gord Friesen will be overseeing. These properties will be Courtenay/Campbell River, Ft St John, Dawson, Duncan and Casino of the Rockies. Thus, with Phase II being completed and goals set for phase III - I believe this will assist with the corporate goal of further our RG commitment.</p> <p>Doug Treasure Cove</p>	<p>OCT 6,2010 - Doug has done a great job in the rollout of Phase II of LPR. LPR has proven to be of significant value to help identify VSE individuals. Through Doug's leadership with service providers and vendors of this product, LPR has been scheduled and installed in a number of locations, most recently in Abbotsford and Cascades with great success.</p> <p>Additionally, Doug has prepared a schedule for confirmed rollout in 2011/2012 which will conclude the locations for this program. The budget for 2010/2011 will allow for the completion of Phase III. I consider this goal met.</p>
5%	<p>GOAL To develop and implement a corporate strategy in relation to the</p>	<p>2010.07.07 - have completed the RFID project at RRRCR and it was successful. Have devised a plan to have RFID purchased and</p>	<p>OCT 6, 2010The RFID Chip program has been led by Doug in conjunction with IT and Casino Division. These chips provide</p>

<p>development and rollout of RFID gaming chips and RFID technology to our LMD casino division. GOAL BREAKDOWN (state how your goal fits each section) Specific: Detailed, particular, focused i.e. Increase the data-entry output of the staff? Radio Frequency Identification Device (RFID) technology is currently being utilized in some of our gaming chips currently being utilized in BC. A number of properties do not have RFID gaming chips. The RFID is a security enhancement that helps prevent counterfeit gaming chips from being offered at BC casinos. Over the last 4 years, BCLC has experienced 4 separate but distinct counterfeit chip investigations. Thus, the RFID chips and reader technology is going to be expanded and implemented in all LMD casinos. This will come in two distinct phases: 1) to identify all properties in the LMD where our gaming chips are not RFID and have new gaming chips order for replacement. 2) Curren</p>	<p>installed with Boulevard casino which were lacking this feature. Thus, the RFID chips have been order for this location and we have set a course to have RFID readers installed in all of the LMD casinos except Cascades by early fall 2010. The rollout will be complete all cash cages at RRCR, then Edgewater Casino followed by both Grand Villa and Starlight and finally Boulevard Casino. Proposal to have RFID chips purchased for both View Royal and Nanaimo casinos will run into 2011. this RFID proposal and project is full steam ahead.</p> <p>2010.10.04 - This project is moving along just fine with all agreements and capital in place to roll this out. RFID chips are being introduced to Blvd this morning thus bringing Blvd up to our standard to help reduce counterfeit chips being introduced. Thus, all major casinos in the LMD are complete with RFID capabilities and the install of RFID readers is moving ahead at Edgewater, Starlight, Grand Villa and Blvd. I'm told that all completed install of these readers and antennae will be done by the end of October 2010 and as such this will certainly heighten BCLC ability to keep counterfeit chips from being introduce. This will reduce our risk moving forward and with new RFID chips to both Nanaimo and View Royal - will place BCLC is a very good position to eliminate counterfeit chips. I believe we have met and exceed this goal.</p> <p>Doug</p>	<p>protection to the CSP and BCLC against the introduction of counterfeit gaming chips at the tables. Doug has been successful in getting the program implemented and functioning at the LMD facilities. I consider this goal to be met.</p>
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THIS IS **EXHIBIT "P"** TO THE
AFFIDAVIT OF **SANDY AUSTIN**
SWORN BEFORE ME AT KAMLOOPS, BC
ON THE 9th DAY OF SEPTEMBER, 2021.



A Commissioner/Notary Public for the
Province of British Columbia.

Robert Leach

FY07/08

MANAGER CASINO SECURITY & SURVEILLANCE

Weight	Total	Goal
30%	0	Leadership Goal: To mentor, lead, coach staff in their daily performance of duties to a high performance level. To ensure all BCLC employees are actively engaged by supporting the company's common goals through leadership, innovation, integrity and high performance.
10%	0	Provide leadership and implement policy procedures, including legal advice for electronic and non-electronic file retention by Casino Security and Surveillance for ITRACK files.
10%	0	Provide leadership and implementation project management plan for Biometric password rollout to Casinos in British Columbia for CMS, IVS and Casino Link computer systems.

THIS IS **EXHIBIT "Q"** TO THE
AFFIDAVIT OF **SANDY AUSTIN**
SWORN BEFORE ME AT KAMLOOPS, BC
ON THE 9th DAY OF SEPTEMBER, 2021.

A handwritten signature in blue ink, consisting of several fluid, connected strokes, positioned above a horizontal line.

A Commissioner/Notary Public for the
Province of British Columbia.

B.C. Public Sector Employers' Guide to Accountable Compensation

**Public Sector
Employers' Council Secretariat**

September 2018



PSEC

Public Sector
Employers' Council
Secretariat

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Purpose of this Guide:

The Employers' Guide to Accountable Compensation is a central reference document to assist employers' associations and public sector employers in ensuring their excluded compensation decisions are consistent with government direction, as effective September 1, 2018. It's also intended to provide instructions on how to utilize existing approved compensation plans.

Background / Context

The B.C. provincial public sector employs over 422,000 people working in the core public service, at Crown corporations and agencies, in health and community social services, K-12 education, at post-secondary institutions, and research universities.

The government and provincial public sector employers spend about \$29.1 billion on union and non-union compensation. This is equivalent to more than half of the Province's budget. Approximately 96,000 of these employees are excluded management and executive-level staff which accounts for about \$5.7 billion in total compensation annually.

On September 13, 2012, government announced a comprehensive compensation freeze for all excluded management positions in the provincial public sector in response to the continued economic downturn.

In 2014, a review on compensation practices provided recommendations that indicated a need for greater rigour in compensation decision-making by employers. The BC Public Sector Excluded Compensation Review recommended better alignment of compensation philosophies and consistency of best practices, including using similar benchmarking, across the provincial public sector.

Government accepted those recommendations and organizations adopted a common compensation philosophy based on four main principles — performance, differentiation, accountability, and transparency.

As the B.C. public sector moved away from general wage increases for excluded management, the common approach is intended to reduce competition between employers, supporting the delivery of sustainable services for British Columbians.

Since 2015, employers have been able to provide employees with modest, performance-based flexibility within their salary ranges, as well as, the ability to age salary ranges by the same percentage as general wage increases negotiated with unionized employees.

Goals:

- Continue utilizing a compensation philosophy that follows the four core principles: performance, differentiation, accountability, and transparency.
- Further address issues of compression, inversion, recruitment, retention, and equity within approved salary ranges.
- Reinforce the importance of a comprehensive and coordinated approach to managing compensation across the provincial public sector.
- Provide employers the opportunity to phase-out holdbacks in a manner that does not increase maximum achievable salaries.
- Continue with past practice of aging salary ranges by the same percentage as general wage increases negotiated with unionized employees.
- Continue to ensure executive compensation decisions are closely monitored.

What's Changing: New Reporting and Approval Process

Effective September 1, 2018, public sector employers have the authority to utilize a more flexible approach to making decisions within the bounds of their approved compensation or implementation plans. This means that performance-based, within range increases are no longer limited to 2% per calendar year, and additional flexibility within the following parameters can be applied, based on the common set of principles:

- Cumulative increases of 5% or less per calendar year: no pre-approval required
- Cumulative increases >5% and up to 10% per calendar year: reported to PSEC Secretariat
- Cumulative increases >10% per calendar year: must be approved by PSEC Secretariat

To utilize this flexibility, certain reporting requirements must first be met (see Action Items for Employers).

What Has Not Changed

While there is additional flexibility permitted, many of the existing policies remain in place, including:

- The common compensation philosophy remains in place across the B.C. public sector, which means compensation decisions must be based on performance (no step increases or general wage increases based on time served in a role or position), differentiation, accountability, and transparency.
- Compensation adjustments for excluded employees must be managed within existing budgets.

Commercial Crowns, Health Authorities and Research Universities:

- CEO: Any performance-based increases to CEO salaries or total compensation maximums continue to require approval from the Minister responsible for the *Public Sector Employers Act* (the Act).
- Vice Presidents (VPs): for Vice Presidents with individual employment contracts, salary increases continue to require approval from the Minister responsible for the Act through the PSEC Secretariat.
- For Vice Presidents whose salary progression is determined through approved salary ranges, employers can adjust compensation by up to 2% per year.

Service Delivery Crowns:

Compensation increases are limited to 2% annually for the CEO's **total compensation maximum** and for VP salaries, except in demonstrated cases of compression or inversion with junior employees, and with PSEC Secretariat approval.

- Salary ranges can continue to be aged, equivalent to percentages negotiated with those of unionized employees, in fiscal 2019/20 and onward.
- Any other changes to compensation plans beyond the aging of salary ranges equivalent to percentages negotiated with unionized employees must be approved by the Minister responsible for the Act.

Action Items for Employers/Employers' Associations

1) Employers' Association/Sector Planning

K-12, Post-Secondary, Health: Prior to implementing the new direction, employers' associations must return to the PSEC Secretariat for approval of an implementation plan for your sector, after consultation with employers.

Crown Corporations, Research Universities: For sectors that are not governed by sectoral compensation plans, please begin with the reporting and monitoring step.

2) Reporting and Monitoring

Prior to implementing the new excluded compensation direction, an initial data submission is required to establish a baseline. Once this step is complete, you can move to Section 3 below (Accountable Compensation Flexibility).

Annually, concurrent with the Compensation Base Survey (CBS) submission, employers and employers' associations are to submit to the PSEC Secretariat a survey which includes the following information:

- a. Number of excluded management employees in the organization.
- b. For each range, please provide
 - i. The number of employees within each range
 - ii. The number of employees within five per cent of each range maximum. Submit this figure separately for executives (if on a salary range)
- c. Average percent increase for excluded management employees.

In the 2019 survey, we will be asking for the number of excluded management employees who received cumulative performance-based increases of more than 5%.

B.C. PUBLIC SECTOR EMPLOYERS'
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3) Accountable Compensation Flexibility

Once the initial reporting requirements as set out in Section 2 (Reporting and Monitoring) are met, the in-range movement is no longer limited to 2%. Employers may make performance-based compensation decisions based on their approved compensation plan, as outlined below:

- Cumulative increases of between 5% and 10% per calendar year: managed in line with current, approved compensation plan, and reported to the PSEC Secretariat annually (by employers' associations/employers with the Compensation Base Survey).
- Cumulative increases of >10% per calendar year: extraordinary cases may lead employers to propose salary increases of more than ten per cent. These require the PSEC Secretariat approval.
- Increases are cumulative over the calendar year. For example, if an employee received 2% in July, that increase is to be captured in the reporting of that employee, should the employee receive more than 5% over the calendar year.
- As is currently the case, excluded compensation salary increases must be managed within existing budgets.
- The effective date of these changes is September 1, 2018. Retroactive increases are not permitted beyond September 1, 2018.
- A reminder that increases must be performance-based, and increases intended to "catch up" employees are not consistent with the common compensation philosophy.

4) Employers may age salary ranges equivalent to percentages negotiated with unionized employees.

- **All employers:** In 2016, based on benchmarking, employers were permitted to age their ranges consistent with unionized amounts from the 2014 Economic Stability Mandate. If you have not done so, please contact the PSEC Secretariat for further information.
- **Employers with unionized employees:** ranges may be aged consistent with the general wage increases negotiated in the 2019 Sustainable Services Negotiating Mandate, once a significant collective agreement has been ratified by your organization or sector.
- **Employers without unionized employees:** ranges may be aged consistent with the increases negotiated with unionized employees under the 2019 Sustainable Services Negotiating Mandate.

The table below is an example from the 2019 BCGEU Main Agreement and illustrates how ranges may be aged for those without unionized employees. Those with unionized employees may age excluded ranges consistent with the general wage increases negotiated the 2019 Sustainable Services Negotiating Mandate.

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Effective Date	2014 Economic Stability Mandate	2019 Sustainable Services Negotiating Mandate
April 1, 2016	1.95% ¹	
April 1, 2017	1.85%	
April 1, 2018	1.9%	
February 1, 2019	1% plus the ESD ²	
April 1, 2019		2%
April 1, 2020		2%
April 1, 2021		2%

¹ Includes 1% from 2015, 0.5% from February 2016, and first ESD of 0.45% in 2016 ² ESD: Economic Stability Dividend to be announced in November 2018.

For all employers, increases to ranges beyond the unionized amounts must receive approval from the Minister responsible for the *Act*. Detailed benchmarking will be required. Please work through your employers' association, or in the case of Crown corporations, through your PSEC Secretariat contact, on your revised compensation plan proposal.

5) Holdbacks

Recognizing that providing holdbacks offer unique employment and performance incentives, employers may also consider phasing out their existing holdback plan.

The removal of holdbacks must be endorsed by your Board and approved by the PSEC Secretariat. The proposal should not increase the current maximum achievable salaries (base salary plus full holdback if paid in full), and employers may either phase out the holdbacks over an amount of time determined by the employer, or eliminate the holdback structure at once. The implementation date of holdbacks being phased out or eliminated must not be prior to September 1, 2018.

Please contact the PSEC Secretariat for more details, or refer to the Frequently Asked Questions portion of this document.

Frequently Asked Questions

EMPLOYERS' GUIDE TO ACCOUNTABLE COMPENSATION
September 2018

What is happening?

- Employers will no longer be bound to performance-based increases of up to 2%.
- Compensation decisions will largely be determined by individual compensation plans – with annual reporting requirements to government.

Does this mean employees will be able to 'catch up' on lost salary due to the compensation freeze implemented in 2012?

- The B.C. public sector has moved away from annual general wage increases, and to a performance-based system for excluded management employees.
- This means that increases are based on performance, not time in the role.
- Compensation plans direct employers on compensation decisions for excluded staff, and in 2015 public sector compensation philosophies were updated to include four core principles: performance, differentiation, accountability, and transparency.
- Salary increases to 'catch' employees up are not in the spirit of this policy, and, more importantly, are not in line with any of the B.C. public sector compensation philosophies' core principles.

Why should highly paid management staff need increases beyond 2%?

- Consultation shows that the freeze has been effective in helping manage expenditures across the public sector.
- However, there are some retention and equity concerns in the provincial public sector, and as unionized agreements under the Sustainable Services Negotiating Mandate come into effect, without the flexibility for excluded staff to receive salary increases, there will continue to be issues of compression within organizations and the B.C. public sector.
- A measured approach is being taken to return to an environment where employers can manage within their own approved compensation plans.

The publicly stated number of management employees is 96,000, are they all going to get an increase?

- No. While there are about 96,000 employees captured in the management or non-union category, about 13,300 of them are management and executive employees, and approximately 83,000 are exempt employees or unionized equivalents.
- Exempt and unionized-equivalent employees work in positions that might normally be part of a bargaining unit, but due to the nature of the work they are exempt from the collective agreement. Sometimes they are referred to as "schedule A" employees.
- All increases must be funded from within existing budgets by employers.
- Any increases must be within-range and performance-based; some employees are already at the top of their range and not all employees meet performance targets.

B.C. PUBLIC SECTOR EMPLOYERS'
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Are all executives able to receive increases?

- CEO compensation for research universities, health authorities, and Commercial Crown corporations must be approved by the Minister responsible for the *Public Sector Employers Act*.
 - VPs for those sectors must also receive approval from the Minister responsible for the *Act*.
- Compensation increases in service delivery Crowns are limited to 2% annually for the CEO's total compensation maximum amounts and for VP salaries, except in demonstrated cases of compression or inversion with junior employees, and with PSEC Secretariat approval.
- For those with sectoral plans, such as the post secondary sector and K12, a plan will be drafted by employers' associations as part of their statutory mandate in partnership with the PSEC Secretariat.
 - This is also true for the health authorities for non-executives.

How much will this cost taxpayers?

- Returning to being able to manage within approved compensation plans does not mean everyone will get an increase; any increases must be performance-based, within approved salary ranges, and funded from within existing budgets.
- There are no additional dollars provided for salary increases for any public sector employer, including the BC Public Service.
- Increases must be managed within existing budgets.

What was the purpose of the excluded compensation freeze policy?

- The purpose of this policy was to control public sector compensation costs by freezing compensation paid to management and executive employees in the provincial public sector.

When did the compensation freeze take effect?

- This policy came into effect on September 13, 2012.
- In 2015, employers could access up to 2% salary increases for excluded managers (non-executive) earning below \$150K annually.
- In 2016, employers could extend the access of up to 2% salary increases for those earning over \$150K annually, and to executives.
- In addition, in 2016 employers were permitted to age their salary ranges by equivalent percentages as general wage increases negotiated with unionized employees.

Who was included in this freeze?

- This policy applies to wages and salaries paid to management and executive staff employed by a public sector employer or an employers' association as defined in the *Act*.
- The only executives that were not included in the freeze were Superintendents of schools because locally elected Boards of Education are responsible for determining compensation for that position.

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Can increases be retroactive?

- Increases can be implemented for September 1, 2018.
- Retroactive increases are not permitted prior to that date.

Are employers required to eliminate executive holdbacks?

- Government has heard many employers express an interest in removing holdbacks, and this policy provides boards with the flexibility to eliminate or reduce executive holdbacks.

For employers with independent pension plans, does this mean that holdbacks must still be non-pensionable?

- For employers with individual plans that permit for pensionable holdbacks, it is the individual pension plan's choice on whether the holdback is considered pensionable service.
- Change to the management of holdbacks does not change pension policy, so it is important for employers to contact their pension plan. Government is not looking for holdbacks to be punitive in nature, and if an employer chooses to maintain a holdback on an individual pension plan, that is up to them.
- These changes can not be retroactive beyond September 1, 2018.

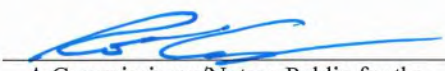
Does this mean employers in one of the four main public sector pension plans can also consider holdbacks as pensionable service?

- No, if an employer is enrolled in one of the four main public sector pension plans, it is against the plan's rules for holdbacks to be considered pensionable service.

Can bonuses be reintroduced?

- No, bonuses and perquisites remain inconsistent with government policy.
- More details can be found in the [Guide to Public Sector Compensation and Expense Policies: https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/services-policies-for-government/public-sector-management/psec/public-sector-compensation-expense-policies-guidelines.pdf](https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/services-policies-for-government/public-sector-management/psec/public-sector-compensation-expense-policies-guidelines.pdf)

THIS IS **EXHIBIT "R"** TO THE
AFFIDAVIT OF **SANDY AUSTIN**
SWORN BEFORE ME AT KAMLOOPS, BC
ON THE 9th DAY OF SEPTEMBER, 2021.



A Commissioner/Notary Public for the
Province of British Columbia.

HOLDBACK INCENTIVE RECOMMENDATION

BACKGROUND:

In July 2012, the Minister responsible for the *Public Sector Employers Act* introduced a new government policy on Crown corporation executive compensation. This policy included the elimination of bonuses, replacing them with a salary holdback incentive plan. At that time a transition plan was introduced to move BCLC executive and excluded (for BCLC this referred to all our employees) compensation into compliance with the new policy.

These new holdback incentive plans holdback a percentage of the total potential annual salary for managers, senior managers, directors and executives. For managers this represents five percent of total potential salary, and for senior managers, directors, and executives this represents 10 percent of total potential salary. As of September 2018, there are 177 managers, senior managers, directors and executives participating in the holdback incentive plan.

Further, holdback incentive became non-pensionable compensation for new or newly promoted managers, senior managers, directors and executives positions¹. All pre-existing managers, senior managers, directors and executives were grandfathered, and their holdback incentives remained pensionable compensation.

It is important to note that when the July 2012 government policy was implemented across the Crown corporations, all Crown corporations replaced their bonus program with a holdback incentive plan. BCLC built the bonus into base pay for non-management positions. BCLC was one of only a few Crown corporations that replaced their bonus program with a holdback incentive plan below the executive and director level to also include manager and senior manager level positions.

The BCLC Board of Directors annually approves the net income before taxes (NIBT) threshold that must be met each year in order to activate the holdback incentive plan. The holdback incentive plan is comprised annually of both corporate and individual objectives. It is important to note that if the NIBT threshold is not met, no holdback incentive payments are made, regardless of status of either corporate or individual objectives.

To date, BCLC has achieved threshold and payout of the holdback incentive plan every year for managers, senior managers, directors and executives².

OPPORTUNITY:

On September 7, 2018, the Minister responsible for the *Public Sector Employers Act* issued a further update to the mandated management compensation freeze that has been in place since 2012³. This update transitioned the B.C. public sector to the new *B.C. Public Sector Employers' Guide to Accountable Compensation*, providing the directive and framework that increases compensation flexibility for public sector organizations.

The *B.C. Public Sector Employers' Guide to Accountable Compensation* provides employers with the opportunity to review the value of their holdback incentive plans and determine whether they are the most effective method of achieving intended results, and to eliminate those holdback incentive plans if deemed unsuitable.

The removal of BCLC's holdback incentive plan must be endorsed by its Board of Directors before submission to the PSEC Secretariat.

¹Holdback incentive for new or newly promoted managers, senior managers and directors became non-pensionable income effective September 2015 and for executive it became effective July 2012

²Please see Appendix A for previous year's holdback achievement

³Please see Appendix B for B.C. Public Sector Employers' Guide to Accountable Compensation

HOLDBACK INCENTIVE RECOMMENDATION

ANALYSIS:

BCLC's holdback incentive plan is triggered once the NIBT threshold is achieved. This threshold is established on an annual basis and incorporates the application of the sensitivity analysis approved in BCLC's Service Plan, which may vary from year-to-year.

BCLC is subject to certain compliance and regulatory requirements that are often government imposed and are outside of BCLC's control. Implementation of and adherence to these requirements may impact BCLC's ability to deliver on revenue and net income commitments, which in turn, could affect BCLC's ability to reach the threshold target that triggers the holdback incentive plan.

If BCLC were to experience a year where threshold for the holdback incentive program is not achieved, and the holdback incentive plan was not to pay out, it could have a significant impact on the engagement and retention of our managers, senior managers, directors and executives in the organization.

With base salaries being frozen, or very limited increases allowed over a long period of time, salary holdback programs tend to lose their power as a performance pay vehicle, since the holdback becomes "required" to maintain market competitiveness⁴.

Annual short-term incentive pay plans for executives and senior executives across all industries in Canada are projected for 2018 to pay out at 30 to 40 percent of base salary⁵. With this in mind, we must also consider whether a five or 10 percent holdback incentive is enough of an incentive to truly influence the motivation of an employee or to offset the administrative costs associated with the management of a holdback incentive plan.

This is an opportunity for BCLC to better align itself with other comparator commercial Crown corporations holdback incentive plans⁶. BCLC is the only Crown corporation with a holdback incentive plan still at the manager level. BC Hydro & Power Authority and ICBC have a holdback only for their directors and executives.

Effective October 1, 2018 WorkSafeBC and the BC Public Service eliminated their holdback incentive plan completely and rolled the full value of holdback into salaries. ICBC is currently evaluating their holdback incentive plan and a decision has not been made yet. In November 2018, BC Hydro & Power Authority approved their holdback incentive becoming pensionable compensation for all their executive & directors.

The requirement to make holdback incentive non-pensionable for new or newly promoted managers, senior managers, directors and executives has created some internal equity issues. Approximately 60 percent of managers, senior managers, directors and executives still have holdback incentive as pensionable income and approximately 40 percent do not. This is creating inequity among the total compensation packages of this group and affecting the engagement of our more recent recruitments and promotions.

Overall, broader public sector organizations are becoming much more sophisticated in their use of non-financial or low cost reward and recognition programs. For example, strong emphasis on career pathing/progression opportunities, high visibility diversity and inclusion strategies, and flexible work arrangements⁴.

⁴ Korn Ferry – Variable Pay in the Broader Public Sector research paper (*please see Appendix C*)

⁵ Conference Board of Canada – Compensation Planning Outlook 2018

⁶ Comparator commercial Crowns are defined by the Public Sector Employers' Council (PSEC) as (Insurance Corporation of B.C., B.C. Hydro, BCLC and WorkSafeBC)

HOLDBACK INCENTIVE RECOMMENDATION

BCLC is on a journey to build an agile culture. Research on agile organizations supports moving away from individual incentive programs, to team incentives and rewards. In agile compensation programs, a variety of incentives are offered in the form of regular small rewards. Employees, who already receive rewards this way, are a staggering *eight times* more engaged than those who receive compensation and incentive increases once a year⁷.

Some of the unintended consequences of individual incentives like a holdback incentive plan, are that they can discourage innovation, collaboration and informed risk-taking, which are the types of activities BCLC wants to motivate under the agile model. Some evidence suggests that people are more motivated by intrinsic factors such as autonomy, mastery, and purpose, rather than by extrinsic rewards⁸. BCLC is reviewing reward programs to align to a more agile framework and utilize a broader view of recognition.

Overall, BCLC has the opportunity to more closely align with our comparator Crowns and minimize the potential negative impact of the holdback incentive plan.

⁷2018 Deloitte Global Human Capital Trends

⁸Daniel H. Pink, *Drive: The Surprising Truth About What Motivates Us*

HOLDBACK INCENTIVE RECOMMENDATION

IMPACT:

If we move away from the holdback incentive program for all managers, senior managers, directors and executives, the implications of eliminating the program effective April 1, 2019, are detailed in the following chart:

Consideration	Impact
ANNUAL PAYROLL	Holdback is already budgeted at the maximum amount payable, so there would be no change to the overall payroll budget by rolling holdback into base pay.
REGISTERED PENSION PLAN (RPP) AND SUPPLEMENTAL PENSION PLAN (SPP)	<p>No change to plan text is required as employment letters will be amended.</p> <p>No changes or impacts to the post-retirement benefit plan.</p> <p><i>* Refer to Appendix D for Morneau Shepell's full actuarial details of RPP & SPP plans</i></p>
ACCOUNTING CONSIDERATIONS for RPP & SPP	<p>This will be treated as a change in plan benefits resulting in the following:</p> <ul style="list-style-type: none"> • Reduction in net income (P&L) in FY2018/19 of approximately \$1.0 M. • Increase in FY 2019/20 and future years' pension expense of approximately \$164,000 annually.
BENEFITS*	<p>a. Core life insurance and AD&D premiums are based on annual salary, so as salary increases, employer-paid premiums increase accordingly. The anticipated cost impact from these benefits is negligible⁹.</p> <p>b. Optional life and AD&D insurance are employee paid based on the amount of insurance selected by the employee. There would be no direct impact on premiums.</p> <p>c. Long-term disability (LTD) premiums are based on salary but are 100% employee-paid. Employees will receive higher coverage in exchange for slightly increased premiums.</p> <p><i>* For executives, the above-noted benefits already include holdback for the purpose of determining premiums</i></p>
OTHER EMPLOYER PAID PREMIUMS	The impact on WCB, EI, CPP, and Employer Health Tax would be negligible ⁹ , as the impacted employees and related employer costs already reach the annual contribution maximums or the total compensation on which the premium is paid remains the same.
VACATION BANK PAYOUT	There will be an estimated cost increase to payout of vacation banks in the amount of \$35,000 - \$40,000 annually as payout is based on base salary.

HOLDBACK INCENTIVE RECOMMENDATION

FINANCIAL REPORTING	<p>a. PSEC executive compensation for holdback is reported on an accrual basis, and salary is reported on a cash basis, therefore, there will be no impact on net compensation reported for FY2019/20, since the value of the holdback reported would now instead, be replaced by salary earnings.</p> <p>b. As BCLC's Statements of Financial Information report is reported on a cash basis, it will reflect the value of two holdback payout amounts shown in FY2019/20 (for the holdback paid in May 2019, and for the equivalent value that is added to salary in FY2019/20).</p>
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⁹Negligible defined as <\$3,000 annually

HOLDBACK INCENTIVE RECOMMENDATION

OPTIONS:

1. BCLC eliminate the holdback incentive plan for managers, senior managers, directors and executives effective April 1, 2019.
 - The maximum allowable for holdback incentive would then be absorbed into the base pay for all managers, senior managers, directors and executives on an annualized basis going forward.
 - The incentive program will be reviewed and replaced with a more meaningful performance reward program that encourages and recognizes high performance that contributes positively to the organization's success.

2. BCLC eliminate the holdback incentive plan for managers and senior managers effective April 1, 2019. This would eliminate 138 employees from the holdback incentive plan.

The maximum allowable for holdback incentive would then be absorbed into the base pay for managers and senior managers on an annualized basis going forward.

Option A

- Directors and executives would remain on the current holdback incentive plan with the recommendation to move holdback to pensionable holdback for all directors and executive.
- This option may create some compression issues between directors, senior managers and managers, if in the future the holdback program doesn't pay at 100%.

Option B

- Directors and executives would remain on the current holdback incentive plan and everything would remain status quo (some Directors and executives would retain holdback as non pensionable compensation and grandfathered Directors and executives would continue to have holdback as pensionable compensation).
 - This option would maintain existing inequity across the organization, as well as inequity across the broader BC Public Service.
3. BCLC maintain the status quo and all managers, senior managers, directors and executives would remain on the holdback incentive program in place today.
 - The design of the holdback incentive program should then be reviewed to improve effectiveness and strategic alignment, including:
 - i. Consultation with the Board and Management on compensation philosophy, reward strategy, and workforce engagement in the context of the holdback incentive program
 - ii. Review of market competitiveness of total reward package for all executive and management employees
 - iii. Review of holdback incentive program design, including thresholds, triggers, performance collars and scaling, and scenario modelling of payouts
 - iv. Development of 2-3 design and implementation alternatives based on input and analysis
 - This option would be accompanied by a strong communication plan to re-launch the holdback incentive program, linking changes to BCLC operational and people strategy.
 - This option would maintain existing inequity across the organization, as well as inequity across the broader BC Public Service.

HOLDBACK INCENTIVE RECOMMENDATION

RECOMMENDATION:

We are seeking approval to move forward with Option 1, eliminating the holdback incentive plan for managers, senior managers, directors and executives effective April 1, 2019.

- The incentive program will be reviewed and replaced with a more meaningful performance reward program that encourages and recognizes high performance that contributes positively to the organization's success.

For Registered Pension Plan and Supplemental Pension Plan we recommend moving forward with the option to revise individual employment contracts rather than amending the plan text.

HOLDBACK INCENTIVE RECOMMENDATIONAppendix A

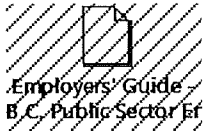
	Corporate Performance	Percent of Employees receiving full payout
FY2018	150%	99%
FY2017	150%	100%
FY2016	150%	100%
FY2015	150%	100%

HOLDBACK INCENTIVE RECOMMENDATION

Appendix B



CEO Update to
Crowns_FINAL_3733



Employers' Guide
B.C. Public Sector Ef

HOLDBACK INCENTIVE RECOMMENDATIONAppendix C

BCLC Holdback
Report FINAL.pdf

HOLDBACK INCENTIVE RECOMMENDATION

Appendix D



BCLC Holdback
Analysis Eff 01.04.20

THIS IS **EXHIBIT "S"** TO THE
AFFIDAVIT OF **SANDY AUSTIN**
SWORN BEFORE ME AT KAMLOOPS, BC
ON THE 9th DAY OF SEPTEMBER, 2021.



A Commissioner/Notary Public for the
Province of British Columbia.



Our Ref: 373356

September 07, 2018

SENT BY EMAIL

Crown Board Chairs and CEOs

Dear Colleagues:

I am writing today to provide an update on behalf of the Minister responsible for the *Public Sector Employers Act* regarding excluded employee compensation management in the B.C. Public Sector. This includes the K-12, post-secondary, university and health sectors, along with Crown corporations and the B.C. Public Service.

As you know, since 2015 we have been working with employers to address some compensation challenges through a measured exit from the 2012 management compensation freeze. Additionally, the B.C. public sector moved to a common compensation philosophy which provided a foundation for setting compensation through shared benchmarking principles and a performance-based approach for employers making compensation decisions. We have heard from many employers about the recruitment, retention, and equity challenges faced at Crown corporations. Government is committed to addressing these pressures in a sustainable, measured, and performance-based manner that supports the delivery of affordable public services across British Columbia.

Following the ratification of several collective agreements under the new Sustainable Services Negotiating Mandate, which include modest general wage increases for unionized staff over a three-year period starting in fiscal 2019/20, we are now preparing to continue the measured approach for excluded employees. To move forward, employers and employers' associations will be provided with a guide, the *B.C. Public Sector Employers' Guide to Accountable Compensation*. Consistent with this direction, employers' associations and employers will be able to provide modest increases with an effective date of September 1, 2018. As per previous direction, all compensation decisions must be accommodated within existing budgets.

The PSEC Secretariat is providing an opportunity to discuss the new guide and answer questions about the information and direction on these next steps for employers and employers' associations. The PSEC Secretariat will host two conference calls for you and your staff to discuss this topic.

... /2

Ministry of Finance	Public Sector Employers' Council Secretariat	Mailing Address: PO Box 9400 Stn Prov Govt Victoria BC V8W 9V1	Location Address: 210 – 880 Douglas St Victoria BC V8W 2B7 778.698.8549
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Crown Board Chairs and CEOs
September 07, 2018
Page 2

The calls are scheduled for the following times:

September 10 @ 3:30pm
September 12 @ 10:00am

Dial-in details are the same for each call: **PERSONAL INFORMATION**
Due to the limited capacity on conference call lines, please advise how many lines you will be calling in from, and on which date(s) to PSEC@gov.bc.ca.

I would like to thank you for your ongoing cooperation and look forward to working with you and your team on this next step.

If you have any questions, please feel free to contact me directly.

Sincerely,



Christina Zacharuk
President and CEO

Attachment: Employers' Guide: B.C. Public Sector Employers' Guide to Accountable Compensation

VARIABLE PAY IN THE BROADER PUBLIC SECTOR

Considerations for salary holdback
programs

BC Lottery Corporation
October 29, 2018



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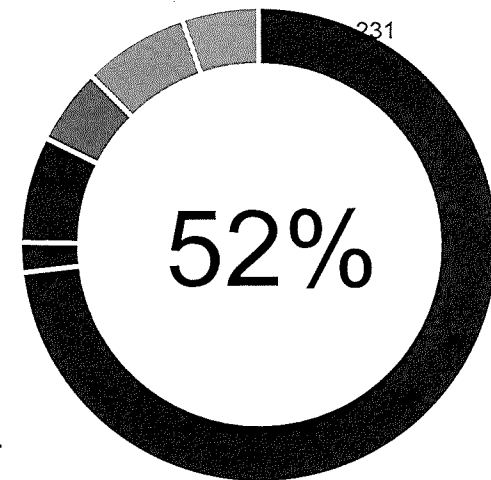
Trends in broader public sector compensation

- Compensation in the broader public sector is at an interesting crossroads, in British Columbia and across Canada. While BC has had controls around broader public sector compensation for some time, this practice is only now gaining momentum across other provincial jurisdictions as governments take steps to improve transparency, governance, and public accountability for compensation spending.
- In 2014-2016 both Nova Scotia and Ontario rolled out new executive compensation frameworks for provincial crowns and agencies, including healthcare, and post secondary. In 2017-2018, Alberta rolled out their executive compensation framework for public agencies, post-secondaries, and school district superintendents – including the elimination of variable pay as a standard policy for the vast majority of these organizations. British Columbia, on the other hand, was ahead of the curve in establishing these frameworks and policies and is now opening the door to considering potential compensation adjustments for BC crowns, educational institutions and health authorities.
- This is interesting timing. From a market perspective, broader public sector organizations across Canada, and certainly the private sector, have been moving ahead with regular increases for several years while most BC broader public sector organizations have been locked down. Now, the BC broader public sector has an opportunity to cast an eye to the external market and adjust pay at a time when other Canadian jurisdictions are looking to push restraint.
- Much is changing in broader public sector compensation, including heightened transparency, a widening pay gap between the private and public sector, and less tolerance for the use of incentives in broader public sector organizations. Canadian broader public sector organizations have followed a variety of different paths in response to the use of variable pay, depending on the freedoms permitted in their regulatory environment and of course their own compensation philosophy.
- Overall broader public sector organizations are becoming much more sophisticated in their use of non-financial or low cost reward and recognition programs. For example, strong emphasis on career pathing/progression opportunities, high visibility diversity & inclusion strategies, flexible work arrangements. These are powerful drivers of engagement, but generally do not differentiate on performance.



About salary holdbacks and other variable pay vehicles

- Performance pay is typically delivered through short term incentives, long term incentives, or performance differentiated base salary adjustments. We see all of these to a greater or lesser extent in the Canadian broader public sector.
- While incentives are generally seen to have a more direct link to performance, they exist mostly at senior levels and are not politically well-tolerated in the public sector.
- Incentives are seen as more/less appropriate depending on the nature and the business model of the public agency – e.g. revenue generating, service delivery, or regulatory. Since organizational performance can often be deliberately stable in public agencies (e.g. regulatory), variable pay is less appropriate in that context.
- Where we do see variable pay in the broader public sector, there is usually a reasonably low percentage of pay at risk. This is usually reflective of the business model – where higher at risk pay opportunity is better aligned to businesses that are prepared to take material risks to maximize (typically financial) performance.
- There is considerable debate as to whether salary holdbacks are truly a performance pay mechanism, especially where payouts are consistent year on year and do not effectively differentiate based on individual performance.
- Sometimes organizations ‘hide’ the bonus by aligning target base salary (BS) to market total cash (TC), then establishing ‘holdback’ value at TC-BS differential.
- Rolling salary holdbacks into base salary temporarily helps to bring full salaries up to more competitive levels, but takes away the performance pay opportunity in the long run. As a tactic, some broader public sector employers will roll in base salary holdbacks to regain market competitiveness, then look to re-introduce a similar performance pay alternative, (such as lump sum merit increases) 2-3 years later.



Of broader public sector employers in our Canadian database offer some form of short term variable pay

- Ontario
- Quebec
- Maritimes & North
- Saskatchewan
- Alberta
- BC

7

Of these 97 organizations also offer long term incentives for CEO and executives



Rewards should align to your performance model

Philosophy & Characteristics

Performance Incentive

Used to drive incrementally better results against specific pre-determined measures
 If you do 'x', I will measure it, and pay you 'y'
 Can be designed to offer high upside potential to motivate material shifts in end results

Performance Recognition

Used to encourage high performance through recognizing those who contribute positively to the organization's success
 Appropriate where outcomes can be hard to measure
 Sets the tone that performance is valued

Non-Performance Linked Reward

Used to reward core contribution based on the scope of a fixed and defined role
 Offers a stable reward contract for employees and employers
 Where salaries/increases for high performers are not materially different from average performers, pay is essentially not performance linked

Reward vehicles

Short-term incentives
 Long-term incentives
 Commission

- Performance linked salary holdbacks
- Performance linked salary adjustments
- Discretionary bonuses
- Recognition awards
- Project based spot awards

- Market linked base salary adjustments
- Benefits
- Service awards

Promise of performance management is hard to deliver



Static: Annual goal setting processes are not seen as agile enough



Episodic: Infrequent and irregular conversation starves employees of the honest feedback that they need to improve



Impact of ratings: Ratings, while intended to provide a transparent means to allocate compensation, have had a negative impact on performance, engagement and motivation



Lack of manager accountability: Because organizations feared that managers wouldn't make the 'right' decisions, significant 'guidelines' were put in place to ensure adherence



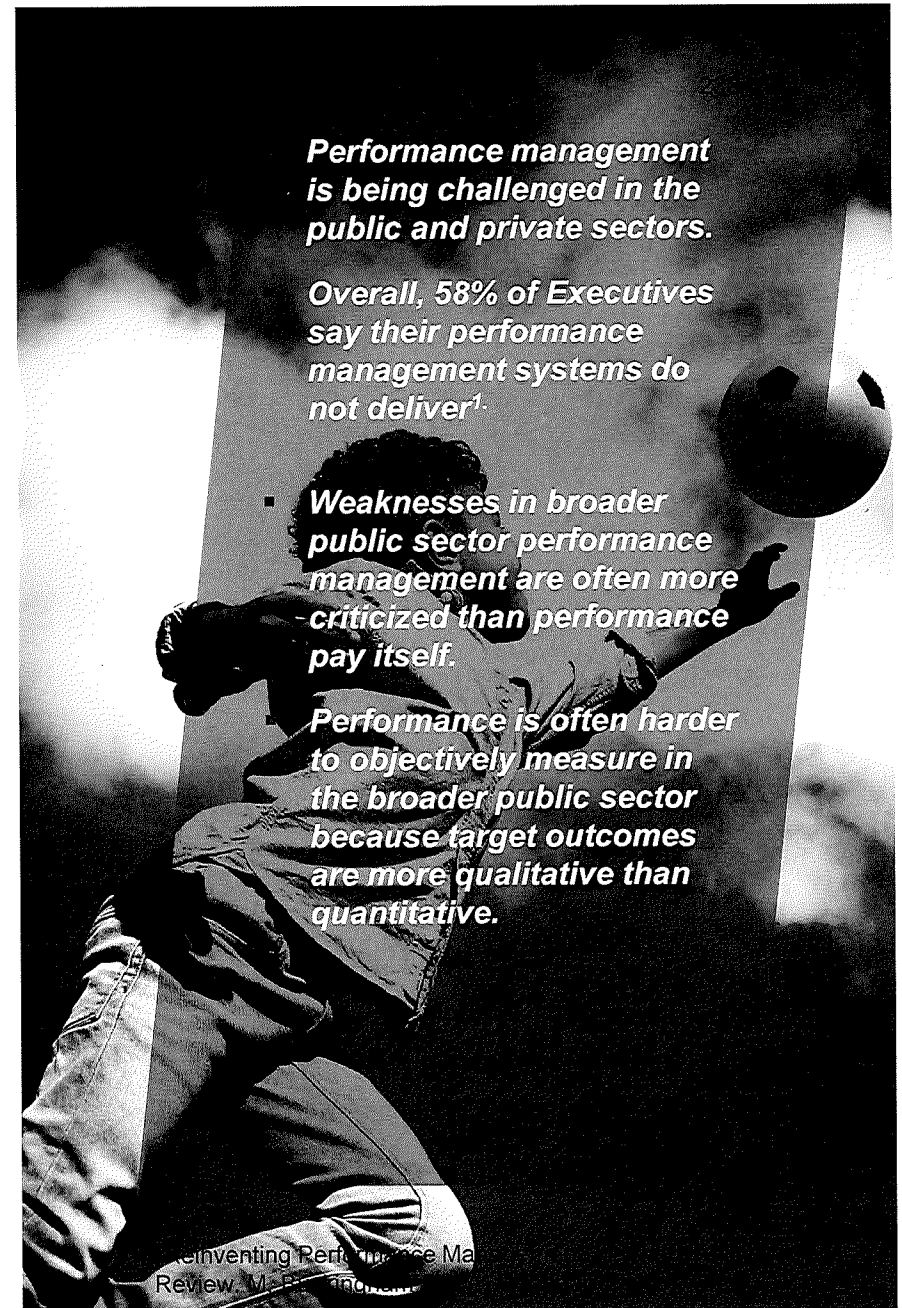
Compensation challenges: do current budgets and systems allow for enough differentiation in pay to motivate employees



Competition over collaboration: A focus on individual achievement at the expense of others can limit collaboration, innovation and team work



Fails to address low (and high) performers: Managers lack buy-in or do not feel equipped to manage performance and therefore fail to address poor performers or to identify high performers



Performance management is being challenged in the public and private sectors.

Overall, 58% of Executives say their performance management systems do not deliver¹.

- *Weaknesses in broader public sector performance management are often more criticized than performance pay itself.*

Performance is often harder to objectively measure in the broader public sector because target outcomes are more qualitative than quantitative.

Reinventing Performance Management
Review: Making it Work

The pros and cons of salary holdback programs

Advantages and Opportunities

- Offers the opportunity for at risk performance related pay.
- A mechanism that is more palatable to stakeholders than bonuses or incentives.
- Where incentives and bonuses are not allowed and salaries are often frozen, salary holdbacks can become the sole opportunity for performance related pay.
- Typically linked to clear organization and individual performance thresholds (although often these are established at artificially low levels to enable regular payout).
- Typically linked to clear organizational performance thresholds to ensure funding for the financial impact of payout.
- Can be flexibly designed to pre-establish organizational and individual performance conditions – creating clear goals and line of sight.

Limitations and Risks

- Can be perceived as a veiled incentive or bonus when topping up an already competitive base salary.
- The term 'salary holdback' is suggestive that the award is related to a portion of pay that the incumbent is entitled to, except in the instance of non-performance. Can therefore limit performance motivation impact.
- When salary holdbacks are not variable or performance differentiated, they lose impact, line of sight to strategy, and the administrative burden becomes more apparent.
- Where base salaries are frozen for long periods of time, salary holdback programs tend to lose their power as a performance pay vehicle, since the holdback becomes 'required' to maintain market competitiveness.
- Use of salary holdbacks is typically limited to the public sector so private sector talent view them less as a performance reward and more as a penalty for non-performance. Can therefore impact ability to compete for talent with private sector.



Perspectives on holdbacks in the context of BCLC

- The effectiveness of a salary holdback program has much to do with how it is perceived and administered internally. These internal factors are important considerations when evaluating pros/cons.
- **Effectiveness in paying for performance**
 - Your plan is designed to differentiate and pay for performance, but when your corporate max stretch is regularly obtained, there is limited variability or payout differentiation in practice.
 - Over the past several years there have been only a few employees in each year that have not received full payout.
 - The design of the plan could be changed to be more effective if you decide that in principle you'd like to retain this vehicle.
- **Market competitiveness**
 - In spite of the impact of base salary constraints, less than half (about 40%) of eligible participants are currently below 100% of range.
- **Employee perceptions and performance culture**
 - It wouldn't be surprising for BCLC to experience an expectation culture around the current salary holdback program – largely because it consistently pays out at target.
 - Although your salary holdback is non-pensionable, some participants are grandfathered with a pensionable holdback. This creates sentiment that the plan drives inequity in total compensation which can be disengaging for recent recruits and newly promoted employees.
 - Your performance culture extends beyond those eligible for salary holdback and is supported by formal recognition programs and corporate culture.

If BCLC decides to roll the holdback into full base salary, you will need to find a different vehicle to reward performance





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PERSONAL INFORMATION