

NOVA SCOTIA GAMING CORPORATION
GOVERNANCE AND SOCIAL RESPONSIBILITY COMMITTEE
TERMS OF REFERENCE

(Approved by Board of Directors October 25, 2016)

I. MANDATE

The Governance and Social Responsibility Committee assists the Board of Directors in the fulfillment of its:

- a) legal, ethical, and functional responsibilities through adequate governance policy development, monitoring of board and committee activities, and evaluation of chief executive officer and Board / committee members' performance; and,
- b) oversight of the Nova Scotia Provincial Lotteries and Casino Corporation's (NSPLCC's) social responsibility policies, practices and activities, including those related to responsible gambling, the community, environment and workplace.

II. OPERATING PRINCIPLES

1. Membership and Term

The Governance and Social Responsibility Committee shall be composed of not less than two (2) Directors.

The Board Chair shall make recommendations regarding Committee membership to the Board of Directors, who shall appoint the Committee members.

Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee upon ceasing to be a Director of NSPLCC.

Subject to the foregoing, each member of the Committee shall hold office until such time as a successor has been appointed to the Committee.

2. Independence

Each member of the Committee must be independent. They shall not be officers or employees of NSPLCC, nor shall they have a material relationship with NSPLCC, i.e., one that could, in the view of NSPLCC's Board of Directors, reasonably interfere with the exercise of a member's independent judgement.

Each member shall annually sign a statement stating that they continue to be independent.

3. Annual Meeting Schedule / Work Plan

The Committee, in consultation with the President & CEO and appropriate staff, shall develop an annual meeting schedule / work plan that is responsive to the Committee's responsibilities as set out in the Terms of Reference.

4. Meeting Agenda

Committee meeting agendas shall be the responsibility of the Chair of the Governance and Social Responsibility Committee, in consultation with the President & CEO. Each Committee member shall be free to request the inclusion of other agenda items.

5. In-camera Sessions

At each meeting of the Committee, the members of the Committee may meet in private session without management / staff present. Key decisions made in camera shall be recorded in the minutes of the meeting.

6. External Resources

The Committee may, at the expense of NSPLCC, retain one or more persons having special expertise related to its areas of responsibility to assist the Committee in discharging its responsibilities.

7. Reporting to the Board of Directors

The Governance and Social Responsibility Committee, through its Chair, shall report after each Committee meeting to NSPLCC's Board of Directors at the Board's next regular meeting.

8. Committee Self-assessment

The Committee shall annually review, discuss and assess its own performance. In addition, the Committee shall periodically review its Terms of Reference and compliance with those Terms of Reference.

III. OPERATING PROCEDURES

1. The Committee shall hold regular meetings three (3) times per fiscal year. Meetings shall also be held at the call of the Chair or upon the request of one (1) member of the Committee.
2. Two (2) members of the Committee shall constitute of quorum.
3. Committee meetings shall be attended by members of the Committee and others invited to attend all or part of any meeting as and when appropriate.
4. The Committee Chair shall be appointed by the Chair of the Board of Directors. The Recording Secretary of the Board shall be the Recording Secretary of the Committee.

5. A copy of the minutes of each meeting of the Committee shall be provided to each member of the Committee and to each Director of NSPLCC in a timely fashion.
6. The times and places where meetings of the Committee are to be held and the calling of and procedure at such meetings shall be determined from time to time by the Committee.
7. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed shall be forwarded to each member of the Committee and any other person required to attend, no later than five working days before the date of the meeting. Supporting documentation shall be sent to Committee members and other attendees, as appropriate, at the same time.

IV. SPECIFIC RESPONSIBILITIES

The responsibilities of the Governance and Social Responsibility Committee shall include the following:

1. Governance and Social Responsibility Policies and Practices

- Keep abreast of the latest regulatory requirements, trends and guidance in corporate governance and update the Board on corporate governance issues.
- Review and recommend appropriate changes in governance policies, in particular the Corporate Governance Policy and Business Conduct and Ethics Policy, NSPLCC's By-laws, and practices to the Board.
- Review and recommend social responsibility policies and practices, and monitor NSPLCC's compliance with such policies and practices as well as applicable laws and regulations.

2. Board and Committee Composition and Performance

- Assist in the recruitment and selection process for potential non-public servants to be appointed to NSPLCC's Board of Directors or Committees, including development of selection criteria, recruitment of applicants, and nomination of candidates, as required.
- Establish and / or review NSPLCC's orientation program for new Directors and procedures for the continued development of Board and Committee members.
- Develop, recommend, and oversee processes for the annual evaluation of the Board and its committees. Report the results of the evaluation process to the Board and make recommendations to improve effectiveness.
- Monitor and evaluate Board processes, discussion and decision-making to ensure the Board functions independently of management without any actual or perceived bias

or conflict of interest and that shareholder concerns regarding governance and social responsibility are given proper attention.

- Periodically review and assess the size and composition of the Board, the need for Board committees, the Terms of Reference, and the appropriate size and composition of each committee.

3. *CEO Performance Management*

- Make recommendations regarding the appointment and compensation of the President & CEO.
- Review and make recommendations regarding specific performance targets established for the President & CEO.
- Oversee the Board of Directors' annual evaluation of the President & CEO against agreed upon performance targets.
- Ensure that a President & CEO succession plan is in place.

4. *Social Responsibility Charter and Business Plan*

- Review NSPLCC's Social Responsibility Charter on an annual basis in order to be familiar with its content and ensure that internal business plans align with it.
- Review the annual Social Responsibility Business Plan and its subcomponents related to responsible gambling, community, environment and employee engagement.
- Provide guidance to management on objectives, targets, and budgets.
- Make recommendations to the Board regarding approval of the annual Social Responsibility Business Plan and related initiatives.
- Receive regular reports from management on NSPLCC's social responsibility initiatives and review performance to assess the effectiveness. Recommend changes where appropriate.

5. *Other Responsibilities*

- Perform other duties and exercise powers consistent with the Committee's mandate as may be directed or delegated by the Board.