

Appendix II

Shareholder Government Responses to Recommendations Assessed as Not Complete

(Unaudited – We provide no assurance on the responses)

Recommendation and Shareholder Governments' Collective Response as at October 1, 2018	Individual Shareholder Governments' Responses Updated as at February 25, 2019
<p>2.1 The shareholder governments should complete an indepth review of ALC's mandate that considers how the Corporation fits into each government's gaming policy and public policy objectives and the organizational structures required to achieve these. Based on this review, Atlantic Lottery Corporation's mandate should be updated as required.</p> <p>Shareholders' Collective Response: <i>The mandate will be formally communicated in letter to ALC once approved by respective provincial governments, after which the ALC shareholder provinces will review ALC's mandate every five years or as required to accommodate the evolving business environment.</i></p>	<p>New Brunswick: The New Brunswick Lotteries and Gaming Corporation (NBLGC) Board has approved the updated mandate. A mandate letter will be sent to ALC by NBLGC in 2019.</p> <p>Newfoundland and Labrador: The mandate has been reviewed and communicated by letter to ALC.</p> <p>Nova Scotia: ALC's mandate and organizational structure has been reviewed. The mandate has been updated and included in the annual instruction letter sent to ALC.</p> <p>Prince Edward Island: Mandate has been reviewed and has been communicated by letter to ALC.</p>
<p>2.2 Shareholder governments should periodically review the Unanimous Shareholder Agreement and Corporate By-Laws and revise as warranted.</p> <p>Shareholders' Collective Response: <i>The Unanimous Shareholder Agreement (USA) has been updated and is awaiting certain provinces' final approval. The shareholder provinces will review the Unanimous Shareholder Agreement and Corporate By-Laws every five years.</i></p>	<p>New Brunswick: NBLGC Board updated USA is to be brought to Cabinet for approval.</p> <p>Newfoundland and Labrador: In the process of requesting Cabinet approval.</p> <p>Nova Scotia: Nova Scotia Gaming Corporation's (NSGC) CEO will sign the updated USA when all four provinces are ready to sign it.</p> <p>Prince Edward Island: In process of requesting Cabinet approval.</p>
<p>2.3 Shareholder governments should routinely collaborate and give ALC regular and timely policy direction for ALC to use in its strategic and business planning process.</p> <p>Shareholders' Collective Response: <i>The shareholder provinces have collaborated on a letter containing the mandate to be sent to ALC for strategic and business planning purposes.</i></p>	<p>New Brunswick: NBLGC board approved process of including direction and performance expectations in the annual mandate letter which will be sent to ALC.</p> <p>Newfoundland and Labrador: Included in mandate letter sent to ALC. To be updated and sent every 5 years.</p> <p>Nova Scotia: This is included in the annual instruction letter which has been sent to ALC.</p> <p>Prince Edward Island: Included in mandate letter sent to ALC. To be updated and sent every 5 years.</p>

Recommendation and Shareholder Governments' Collective Response as at October 1, 2018	Individual Shareholder Governments' Responses Updated as at February 25, 2019
<p>2.5 Shareholder governments should define formal performance expectations for ALC that are clear and publicly communicated. These performance expectations should be updated annually as part of the shareholder governments' oversight and strategic direction.</p> <p>Shareholders' Collective Response: <i>The shareholder provinces will annually review and publicly report on performance expectations and achievement of performance expectations. Certain provinces are still in the government approval process.</i></p>	<p>New Brunswick: Performance expectations will be included in the annual mandate letter to ALC.</p> <p>Newfoundland and Labrador: No change to prior process of using ALC's annual budgeted revenue distribution to the province.</p> <p>Nova Scotia: Performance expectations and mandate posted on NSGC website annually.</p> <p>Prince Edward Island: No change to prior process of using ALC's annual budgeted revenue distribution to the province.</p>
<p>3.2 The shareholder governments should complete the ongoing review of the Council of Atlantic Premiers pension plan and implement required changes.</p> <p>Shareholders' Collective Response: <i>The shareholder provinces continue to receive updates from the relevant departments in each province and will review and consider any required changes once the Council of Atlantic Premiers' Pension plan is complete.</i></p>	<p>Individual shareholder responses not applicable. Refer to collective shareholder response.</p>