

ATLANTIC LOTTERY F2024-25 BOARD OF DIRECTORS' COMPENSATION REPORTING

PURPOSE

Given the Atlantic Lottery Corporation's (ALC) commitment to transparency, as well as that of its Shareholders, the four provincial governments, the corporation is publishing this report. This report discloses the compensation earned by its Independent Board Chair and Independent and Non-Independent Directors for the fiscal year (FY) ending March 31, 2025. It also includes the Board of Directors' Remuneration Policy.

** An independent Director is not a public servant, employee or elected official in the shareholder province that appointed the Director.*

BOARD COMPOSITION & STRUCTURE

At full complement, the ALC Board of Directors consists of twelve Directors (eight Independent and four Non-Independent) in addition to the Independent Board Chair. Board members are appointed by the four Shareholders. Each Shareholder may appoint two Independent Directors and one Non-Independent Director. The Board of Directors appoints the Independent Chair.

Currently, there are four Standing Committees of the Board: Audit & Risk, People & Culture, Governance & Stakeholder Relations, and Social Responsibility & Sustainability. During F2024-25, two Special Ad Hoc Committees were elected to support the search of the incoming President & CEO and the Board Chair, and they operated from June to December and from August to March, respectively. For additional information on frequency of meetings and Directors' attendance, please refer to the Board of Directors' Meeting Attendance Report.

REMUNERATION GOVERNANCE

As part of its mandate, the Governance & Stakeholder Relations Committee reviews and recommends for Board approval, the remuneration of Independent Directors for service on the Board, its Committees, and other ALC business. This is determined through a remuneration market scan of regional Crown corporations, other Canadian lottery Boards and best practices in Board remuneration.

During F2023-24, the Governance & Stakeholder Relations Committee engaged Korn Ferry to conduct an extensive review of the remuneration provided to Independent Directors on ALC Board. The review resulted in changes to the respective Remuneration Policy effective on April 1, 2024, with the introduction of an annual retainer paid in four installments at the end of each quarter, and the removal of remuneration for time spent on training and development.

INDEPENDENT DIRECTOR REMUNERATION

Independent Directors receive remunerations in accordance with the Board of Directors' Remuneration Policy. Non-Independent Directors do not receive remuneration.

All Directors are reimbursed for travel and other expenses incurred for attending Board meetings or performing other duties for the Board, according to ALC's Travel and Expense Standard.

Remuneration:

Independent Chair of the Board

- \$15,000 annual retainer

Independent Directors

- \$3,000 annual retainer conditioned to a minimum attendance requirement of 80% of Board and Committee meetings. In the event an Independent Director does not meet the minimum attendance requirement, the Board Chair shall have the discretion to make remuneration decisions on a case-by-case basis.

Independent Directors, Independent Committee Chairs, & Independent Chair of the Board

- \$1,677 for chairing, preparing, and attending a Board or Committee meeting of regular duration (approximately three to four hours);
- \$1,118 for preparing and attending a Board or Committee meeting of regular duration (approximately three to four hours);
- \$559 when the duration of time spent is two hours or more, whether for preparing for a meeting or attending a meeting; and,
- \$280 when the duration of time spent is less than two hours, whether for preparing for a meeting or attending a meeting.

Non-Independent Directors

- No remuneration is paid to non-independent directors.

Definition:

Director's fee (as outlined above): Represents the remuneration Independent Directors will receive while conducting ALC business. Directors are considered to be conducting ALC business when:

- attending a Board or Committee meeting in person, by virtual means, or by phone;
- preparing in advance for a Board of Directors or Board Committee meeting; and,
- attending other meetings in an official capacity as a representative of ALC, whereby the primary purpose of the meeting and role of the Director is for business purposes.

Independent Directors will receive remuneration when attending a Committee meeting in which they do not serve on, when part of their six-month orientation program, or when invited to attend by the respective Chair to establish quorum (as a voting member) or to fulfill a gap that is particularly needed for that meeting.

Directors Fees are not paid for a Director's travel time for ALC Business, unless otherwise approved by the Board Chair as an exception.

F2024-25 TOTAL COMPENSATION (REMUNERATION AND EXPENSES) OF ALC'S BOARD CHAIR AND DIRECTORS

Includes remuneration and expenses for Board and Committee meetings, Annual General meeting, Interprovincial Lottery Corporation meetings, conferences, training & development, and other AL business meetings.

NAME	ROLE	PROVINCE	REMUNERATION	EXPENSES & OTHERS*	TOTAL
Sean O'Connor	Board Chair	N/A	\$ 110,471.59	\$ 23,872.75	\$ 134,344
Doug Trask	Non-Independent Director	NL		\$ 14,659.16	\$ 14,659
Janis Byrne	Independent Director	NL	\$ 25,171.00	\$ 5,677.83	\$ 30,849
Paul Dicks	Independent Director	NL	\$ 14,830.00	\$ 11,454.52	\$ 26,285
Travis Bergin	Non-Independent Director	NB		\$ 1,961.64	\$ 1,962
Jane Mitton-MacLean	Independent Director	NB	\$ 24,053.00	\$ 10,371.88	\$ 34,425
Lisa Merrithew	Independent Director	NB	\$ 40,268.00	\$ 39,902.78	\$ 80,171
Brad Conrad	Non-Independent Director	NS		\$ 1,790.64	\$ 1,791
Chris Lydon	Independent Director	NS	\$ 35,795.00	\$ 39,781.51	\$ 75,577
Ian Cavanagh	Independent Director	NS	\$ 8,018.00	\$ 1,305.08	\$ 9,323
Greg Chiasson	Independent Director	NS	\$ 1,119.00	\$ 248.89	\$ 1,368
Denise Lewis Fleming	Non-Independent Director	PE		\$ 6,887.19	\$ 6,887
Gordon MacFarlane	Independent Director	PE	\$ 36,634.00	\$ 15,132.60	\$ 51,767
Shaun MacIsaac	Independent Director	PE	\$ 39,651.10	\$ 1,983.69	\$ 41,635

* Others" include expenses related to training & development (e.g. registration for conferences, seminars, courses, etc.).