

BCLC Lottery Retailer Policy Manual

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BCLC Lottery Retailer Policy Manual

Overview

BCLC's Policies regarding Lottery Retailer roles and responsibilities are set out below. These include Lottery Site Employee certification, sale of tickets, ticket validation, prize payout, progressive discipline procedures and various other general matters. Adhering to these Policies will help Lottery Retailers build public confidence in lottery games and increase customer loyalty.

The Policies, as amended from time to time, form part of the Lottery Retailer Agreement between BCLC and a Lottery Retailer.

Lottery Retailers are responsible for ensuring Lottery Site Employees comply with their obligations set out in this Retailer Policy Manual.

Definitions

"Gaming Policy Enforcement Branch (GPEB)" means the Ministry of Finance's Gaming Policy and Enforcement Branch which regulates legal gambling in British Columbia, including the operations of BCLC.

"Lottery Retailer" means the party identified as the Retailer in the Lottery Retailer Agreement.

"Lottery Retailer Agreement" means the written agreement between the Lottery Retailer and BCLC under which the Lottery Retailer provides Services to BCLC.

"Lottery Retailer Database" means the Lottery Site Employee database maintained by BCLC that records who is handling, selling and/or validating lottery products and operating lottery equipment.

"Lottery Site Employee" means any individual who is either the Lottery Retailer or engaged by the Lottery Retailer to operate a lottery terminal or is involved in the handling, selling and/or validation of lottery products. For clarity, this includes the Site Manager and the Site Registrant.

Individuals are not regarded as a Lottery Site Employee by BCLC if:

- the individual does not use the lottery terminal, handle Instant Win products, provide validation, or prize payout services; and
- the individual's interactions with lottery products are limited to operating a Lotto Express Terminal at point of sale.

"Lottery Retailer Family Member" means a spouse (including common law), child or parent of either a Lottery Retailer or Lottery Site Employee whether they reside with the Lottery Retailer or Lottery Site Employee or not, as well as anyone who resides with the Lottery Retailer or Lottery Site Employee.

"Lotto Express Terminal" means lottery ticket vending equipment located at the point of sale where lottery purchases are transacted through an electronic cash register.

"Policies" means BCLC's policies relating to the Lottery Retailer Agreement, as defined in the Lottery Retailer Agreement.

"Services" means the obligations of the Lottery Retailer under a Lottery Retailer Agreement, as defined in the Lottery Retailer Agreement.

“**Site**” means a retail location or premises, or such location or premises as may, by written agreement, be added to or removed from a Lottery Retailer Agreement from time to time, at which the Lottery Retailer is authorized by BCLC to provide the Services.

“**Site Manager**” means a Lottery Site Employee who is designated by the Lottery Retailer as the person responsible for managing the Services at a Site.

“**Site Registrant**” means the individual appointed or designated by the Lottery Retailer, and approved by BCLC, who agrees to assume managerial responsibility for the Site as described in section 34(2)(a)(i) of the Gaming Control Regulations.

Section 1 – GPEB Registration

Lottery Retailers and/or Lottery Site Employees selling BCLC authorized products and providing related Services may be required to be registered with GPEB, including but not limited to, having the Site Registrant approved by BCLC in accordance with the Lottery Retailer Agreement. It is the responsibility of the Site Registrant to know and understand the legal requirements enforced by GPEB and BCLC.

Lottery Retailers must advise GPEB of any activity or incident occurring at or near a lottery Site that may be considered contrary to the *Criminal Code* (Canada), *Gaming Control Act* (British Columbia) or the *Gaming Control Regulation* that may affect the integrity of gaming; by calling the Toll-Free Number – **1-800-663-7867**.

For more information about GPEB:

Lottery Retailer Registration - phone and e-mail inquiries:

- In Victoria: 250-387-5311 and select option 2
- Elsewhere in B.C., call toll-free at 1 800 663-7867 (ask to be transferred to 250-287-5311, and select option 2)
- E-mail: GPEBLR@gov.bc.ca

Complete contact information for GPEB can be found at <http://gov.bc.ca/gambling> [<https://www2.gov.bc.ca/gov/content/sports-culture/gambling-fundraising>].

Section 2 - Lottery Retailer Database and Certification

SECTION 2.1 BCLC LOTTERY RETAILER DATABASE

BCLC maintains a Lottery Retailer Database to identify Lottery Site Employees claiming lottery prizes or otherwise maintain the integrity of the lottery system. The Lottery Retailer Database is stored and accessed in accordance with the applicable privacy laws.

Site Managers are responsible for providing the names of all new Lottery Site Employees within 30 days of the employee’s start date. Any change in employment status of a Lottery Site Employee must be reported to BCLC, within 30 days of the status change, by the Site Manager. Employment status changes include:

- Resignation or dismissal from work at that Site;
- Transfer to a different role where they will no longer handle BCLC lottery products;
- Transfer to a different Site; and
- Leave of absence for more than one year.

Section 2.1.1 Lottery Retailer Database Procedures

There are several methods to notify BCLC of an employment status change. Site Managers may complete an [online form](https://portal.bclcretailerhub.com/retaileremployee) [https://portal.bclcretailerhub.com/retaileremployee], contact BCLC Lottery Retail Support or notify their Territory Manager. An individual's status as a Lottery Site Employee remains in the database for one year after the individual ceases to be a Lottery Site Employee.

Section 2.1.2 Lottery Retailer Database Privacy Notice

Lottery Retailer and Lottery Site Employee personal information is collected in accordance with the *Freedom of Information and Protection of Privacy Act*, (British Columbia) and will be used, accessed, disclosed and stored by British Columbia Lottery Corporation (BCLC) and its service providers inside and outside of Canada for the following purposes:

- To administer BCLC's lottery retailer network.
- To facilitate training and development, including in the Retailer Hub, and learning management system.
- To communicate with Lottery Retailers and their staff on lottery related business.
- To prevent fraud and for investigation purposes in respect to Lottery Retailer, Lottery Site Employee, and other prize claims.
- To comply with applicable laws.

For any questions about the collection or use of Personal Information, please contact BCLC's Customer Support at 74 West Seymour Street, Kamloops, BC, V2C 1E2; telephone 1-866-815-0222 or bclc.com.

SECTION 2.2 LOTTERY CERTIFICATION POLICY

BCLC requires all Lottery Site Employees to be certified within 60 days of entering the Lottery Retailer Database. Certification requires the completion of a course applicable to the lottery Services that the Lottery Retailer provides. Site Registrants who do not operate a lottery terminal, work at a Site, or are not involved in the handling, selling and/or validating of lottery products are exempt.

A Lottery Retailer, with a Lottery Site Employee who is not certified within 60 days of entering the Lottery Retailer Database, is considered to be in non-compliance and must immediately ensure such Lottery Site Employee cease providing Services, including but not limited to handling, selling and/or validating BCLC lottery products, until certification is completed. Moreover, BCLC reserves the right, at its sole discretion, to take any action under the Lottery Retailer Agreement for a non-compliant Site, including but not limited to suspension.

Certification remains valid as long as the Lottery Site Employee continues to operate the lottery terminal or handle BCLC lottery products, or until a new certification standard becomes effective. Lottery certification expires one year after the day the individual ceases to operate as a Lottery Site Employee, or, if that date is not known, one year after the date that BCLC was advised of their change in employment status.

Section 2.2.1 Lottery Certification Eligibility & Conduct Standards for Lottery Site Employees

Should a Lottery Site Employee, or any other individual, engage in conduct or activities which BCLC determines, in its sole discretion, to be contrary to public interest or harmful to the integrity, security or reputation of BCLC or lottery gaming in British Columbia, BCLC reserves the right to determine that an individual is ineligible for certification as described in Section 2.2.

Upon notification by BCLC, Lottery Retailers are responsible for ensuring that all their Lottery Site Employees are eligible for certification. Lottery Retailers must not permit an individual who is ineligible for certification to operate a lottery terminal or to be involved in the handling, selling or validation of BCLC lottery products.

Section 3 - No Play at Work

SECTION 3.1 NO PLAY AT WORK

Lottery Site Employees will not, at any time, purchase, play, validate or check their personal lottery tickets, or any BCLC authorized product, at their location of employment or where they are contracted to sell lottery tickets. Lottery Site Employees may participate in BCLC lottery games and BCLC authorized products at other lottery retail locations where they are not employed or contracted to sell lottery tickets. Site Registrants who do not operate a lottery terminal, work at a Site, or are not involved in the handling, selling and/or validating of lottery products are exempt.

SECTION 3.2 LOTTERY RETAILER PRIZE CLAIMS

All Lottery Retailers, Lottery Site Employees and Lottery Retailer Family Members are required to declare themselves to be a Lottery Retailer, Lottery Site Employee or Lottery Retailer Family Member when claiming a prize at any BCLC Prize Payout office or BCLC Regional Prize Payout Centre.

Lottery Retailers, Lottery Site Employees and Lottery Retailer Family Members will undergo an investigation by BCLC Investigations. BCLC recommends that Lottery Retailer Family Members purchase, play or validate their personal lottery tickets at a lottery retail location where their spouse (including common law), child or parent, or any individual who resides at the same residence is not employed. This will assist Lottery Retailer Family Members during the prize claim investigation process.

Lottery Retailers and Lottery Site Employees should anticipate that their prize claims will be subject to a higher standard of scrutiny and should expect a lesser degree of privacy than other members of the public.

Section 4 - Sale of Ticket Policies

SECTION 4.1 SALE OR DISTRIBUTION TO MINORS

As stated within the *Gaming Control Act*, (British Columbia), section 89 (3) a person must not sell, offer for sale, purchase for resale, or do anything in furtherance of selling, offering for sale or purchasing for resale, any lottery ticket to a minor, unless the person is a licensee acting under conditions of the license that are prescribed under section 105 (1) (b).

Section 4.1.1 Customer Age Verification "ID 25"

Lottery Site Employees must check one (1) acceptable form of government-issued photo identification for customers who appear to be twenty-five (25) years of age or younger, before processing any lottery purchase.

Violation by a Lottery Site Employee of the Customer Age Verification "ID 25" policy may be determined by BCLC or any person, firm, or corporation acting on behalf of BCLC.

SECTION 4.2 RECEIPT OF TICKET ORDERS

Lottery Retailers must receive a ticket order before selling any inventory of tickets included in that specific order. This involves using the 'receive order' function on the lottery terminal to input the order number,

confirm receipt and validate successful order confirmation. Each ticket order is assigned to a Site and can only be received by that Site using the lottery terminal.

Lottery Retailers must receive an order in its entirety. If an order arrives and is missing tickets in comparison to the packing slip, it must be reported immediately to Lottery Retail Support. Receipt of such an order should be withheld until the discrepancy is resolved.

Section 4.2.1 Inventory Management

Lottery Retailers are responsible for managing their ticket inventory. Immediate reporting of any discrepancies in ticket or pack inventory to Lottery Retail Support is mandatory. Failure to report inventory discrepancies may result in the Lottery Retailer being charged for the unaccounted tickets.

All tickets should be secured and treated as activated, irrespective of their activation status.

Section 4.2.2 Order Receipt for Lottery Retailers Without Terminals

In the case of a Lottery Retailer without a lottery terminal, BCLC may, at its sole discretion, receive the order on behalf of a Site in the system. This approach must be permitted by BCLC.

Lottery Retailers remain responsible for the ticket inventory and any amounts owed to BCLC upon order receipt. Any inventory discrepancies arising from this arrangement remain the responsibility of the Lottery Retailer.

Section 4.2.3 Damaged Shipments Containing Lottery Tickets

The courier is in compliance when deliveries of a package or packages, free of damage, are executed to the Site where the name and address shown on the shipping label and manifest match the physical location.

If upon delivery, it is determined that the package integrity is compromised, the Lottery Site Employee, at their discretion, may accept or reject the delivery. On occasion, a package, or packages, may have been damaged during the shipping process to the point where books of tickets may be spilling out of the courier delivery envelope. In this circumstance, the delivery must be either accepted in its entirety or rejected in its entirety. Where books of tickets have possibly spilled out of the package, Lottery Site Employees must verify the actual books of tickets against the packing slip prior to accepting the damaged package delivery.

If upon delivery, it is determined that there is internal damage to the contents of the delivery package, the entire delivery must be rejected. Internal damage would be described as tickets being bent, with crushed corners, damaged latex and/or tickets becoming separated from their original cellophane package as provided by the printer.

Lottery Site Employees must report all rejected deliveries to Lottery Retail Support as soon as possible. No action is required on the lottery terminal to reject an order and the lottery terminal will identify the order as rejected once it is received back at BCLC.

The responsibility to ensure correct procedure is followed is placed on the Lottery Retailer.

SECTION 4.3 ACTIVATION OF SCRATCH & WIN TICKETS

Lottery Retailers are required to activate all Scratch & Win tickets for validation either before the sale or as part of the sale to the customer. Scratch & Win tickets may be activated as a pack or on a ticket-by-ticket basis.

Failure to activate tickets sold to a customer will result in the tickets, or the entirety of their associated pack, being activated retroactively by BCLC. Lottery Retailers will be invoiced and are responsible for any amounts owing from the activation by BCLC.

Section 4.3.1 Ticket Activation for Lottery Retailers Without Terminals

In the case of a Lottery Retailer without a lottery terminal, BCLC may, at its sole discretion, activate all Scratch & Win tickets in an order for validation, on behalf of a Site, upon receipt of the order in the system. This approach must be permitted by BCLC.

Lottery Retailers remain responsible for the ticket inventory and amounts owed to BCLC upon ticket activation. Any inventory discrepancies arising from this arrangement remain the responsibility of the Lottery Retailer.

SECTION 4.4 SALE OF TICKETS AT FACE VALUE

Lottery Retailers must sell all BCLC authorized products for the price shown on the ticket, unless BCLC has authorized, in writing, the sale of the product for a different established price.

SECTION 4.5 CHARGING ADDITIONAL FEES

Lottery Retailers must not charge their customers any additional fees relating to the sale or validation of the BCLC authorized products or Services. Fees related to the customer's use of debit or credit cards for purchases, which may or may not include lottery, are at the discretion of the Lottery Retailer.

SECTION 4.6 SELLING ONLY BCLC AUTHORIZED LOTTERY PRODUCTS

Lottery Retailers must refrain from selling or providing any lottery products or Services other than those authorized by BCLC or GPEB.

Section 4.6.1 Transferring Scratch & Win Tickets between Sites

Lottery Retailers are responsible for initiating requests, and BCLC must authorize all transfers of Scratch & Win tickets between Sites. These transfers may be requested when a change of owner occurs or when normal means of ticket delivery or inventory management cannot meet the business exigency.

To initiate a ticket transfer, the originating Site will generate a transfer request using their lottery terminal. Once the physical tickets and transfer slip are obtained by the recipient Site, the receiving party must contact Lottery Retail Support to finalize the transfer in the system. BCLC will manage all account credits and debits related to the ticket transfer.

Each Scratch & Win ticket is assigned to a single Site and can only be activated and sold by that Site. The sale of tickets acquired pursuant to another Site or Lottery Retailer Agreement is prohibited without BCLC authorization.

SECTION 4.7 CUSTOMERS MUST BE PRESENT

Lottery Site Employees must not sell, validate, or check tickets unless in the physical presence of the customer.

SECTION 4.8 COLLECT PAYMENT BEFORE PROVIDING TICKETS TO CUSTOMER

BCLC recommends that Lottery Site Employees collect payment from customers before providing them the activated or printed tickets. This includes ensuring the successful completion of a debit or credit payment transaction.

Lottery Site Employees can use the lottery terminal's 'processed cost' feature or 'print receipt' button to ascertain the final amount owing for the transaction, including any applicable discounts or promotions.

SECTION 4.9 WATCHDOG POLICY

If a Lottery Retailer exceeds the financial threshold limit on a BCLC authorized product, they may be prevented from selling that product for a period of time, as determined by the BCLC.

SECTION 4.10 FORGOTTEN OR FOUND TICKETS

Lottery Site Employees must report any lost or unattended lottery tickets or Self Service Terminal (SST) vouchers to Lottery Retail Support immediately by calling 1-800-667-1649 or by using the online form [<https://portal.bclcretailerhub.com/retailerinquiry>].

SECTION 4.11 DAMAGED OR DEFECTIVE TICKETS

Lottery Retailers must not sell damaged or defective lottery tickets to any customers. Damaged or defective tickets are lottery tickets that have spilling, tearing, bending, crushed corners, latex damage and/or printing issues and are considered non-saleable. To report and return damaged or defective lottery tickets, Lottery Site Employees must follow the procedures outlined in Section 5.

Section 5 – Ticket Cancellations and Returns

SECTION 5.1 GENERAL RULES FOR LOTTERY TERMINAL TICKET CANCELLATIONS

When cancelling a ticket printed from a lottery terminal, the ticket must be cancelled:

- On a lottery terminal at the Site that printed the ticket; and
- On the same business day that it is printed; and
- Before the draw, or first draw on an Advance Buy ticket, has taken place.

Lottery Site Employees must contact Lottery Retail Support if you are unable to cancel a ticket that a customer has not paid for and no longer wants. This includes Pacific Hold'Em Poker tickets.

Section 5.1.1 Pacific Hold'Em Poker Tickets

Tickets for Pacific Hold'Em Poker draws are not eligible for cancellation after the ticket is printed. Lottery Site Employees must ensure they have payment for Pacific Hold'Em Poker tickets before printing them.

Section 5.1.2 Cancellation of Proline Tickets and Wagers

Proline tickets must be cancelled within five (5) minutes of being printed. Under no circumstance may a Proline wager be cancelled once the first event on the ticket has started. Lottery Site Employees must ensure they have payment for Proline tickets before printing them.

Proline tickets purchased from a Lottery Retailer's Self-Service Terminal cannot be cancelled at anytime after the ticket is printed.

Section 5.1.3 Cancellation of Proline TOTO Tickets

Proline TOTO tickets must be cancelled within one (1) hour of being printed and prior to the start time of the earliest Proline event chosen on the ticket. Lottery Site Employees must ensure they have payment for Proline TOTO tickets before printing them.

Proline TOTO tickets purchased from a Lottery Retailer's Self-Service Terminal cannot be cancelled at anytime after the ticket is printed.

Section 5.1.4 Record Keeping for Ticket Cancellation

Upon successfully canceling a ticket printed from a lottery terminal, the terminal will generate a cancellation slip. Lottery Retailers must ensure that cancelled tickets and their associated cancellation slips are securely stored for thirty (30) days following the last draw date on the ticket and promptly respond to BCLC Investigations' requests to retrieve such cancelled lottery tickets.

After thirty (30) days, the Site may destroy cancelled tickets by tearing through the ticket's validation bar code and control number.

SECTION 5.2 GENERAL RULES FOR CANCELLING SCRATCH & WIN TICKET ACTIVATION AND RETURNS

When cancelling the activation of a Scratch & Win ticket from a lottery terminal, the activation must be cancelled:

- On a lottery terminal at the Site that activated the ticket; and
- Within five (5) minutes of the ticket or pack being activated.

Cancelling the activation of a ticket should only occur when a customer cannot pay for their purchase.

Scratch & Win tickets that remain activated but not sold, may be sold to another customer but payment terms to BCLC will be based on the time of activation.

Section 5.2.1 Scratch & Win and Pull Tab Ticket Customer Returns

Lottery Retailers are prohibited from accepting customer returns for Scratch & Win and Pull Tab tickets, unless BCLC has authorized, in writing, for the Lottery Retailer to do so under specific conditions and limitations.

Tickets accepted as returns may not, under any circumstances, be sold to another customer and must be returned to BCLC.

SECTION 5.3 GENERAL RULES FOR LOTTO EXPRESS TICKET CANCELLATIONS AND RETURNS

Tickets printed from a Lotto Express Terminal can only be cancelled by a lottery terminal at the same Site under the same conditions outlined in Section 5.1.

For Sites with only Lotto Express Terminals, tickets CANNOT be cancelled once they have been printed. For these Sites, Lottery Site Employees must return any damaged or "printed in error" Lotto Express ticket to BCLC in accordance with the procedure detailed in Section 5.3.1.

Section 5.3.1 Lotto Express Ticket Return Procedure

An online Lotto Express Ticket Return Form (TRF) is used to report lost or left behind tickets, as well as to submit refund requests for damaged or refunded tickets for Sites without lottery terminals. The procedure is as follows to complete the online TRF:

1. Go to <https://portal.bclcretailerhub.com/retailerinquiry> to access the online TRF form.
2. Follow the prompts and fill out the online TRF with all the required information to assist Lottery Retail Support in processing the request.
3. Once completed, select "Submit" and your request will be submitted to Lottery Retail Support.

4. Next, insert damaged, lost, refunded or left behind tickets, for which you have completed a TRF, into a BCLC supplied courier return package. Courier such packages, if you have ticket return requests, weekly.
5. If you need assistance, call Lottery Retail Support at 1-800-667-1649.

SECTION 5.4 SCRATCH & WIN UNSOLD TICKET RETURNS

Unsold Scratch & Win tickets must be returned to BCLC prior to their expiry date to ensure eligibility for credit and to prevent charges for expired inventory. Lottery Retailers will have the opportunity to return tickets, irrespective of their activation status, prior to their expiration date during scheduled ticket return campaigns conducted by BCLC.

Section 5.4.1 No Credit on Expired Tickets

For active but unsold tickets, BCLC will not issue credit for expired tickets.

For tickets that Lottery Retailers have received but not activated, if not returned to BCLC before expiry, the Lottery Retailer will be charged an amount in accordance with Section 7.2. Expectations for inventory management and reporting of inventory discrepancies to BCLC are outlined in Section 4.2.1.

Section 5.4.2 No Credit on Inactive Tickets

Lottery Retailers are not charged for the cost of an inactive Scratch & Win ticket in their possession until such time that the ticket is activated for validation. Consequently, BCLC will not issue a credit for returns of inactive tickets. Such returns are treated as a transfer of ticket inventory from the Lottery Retailer back to BCLC.

Section 5.4.3 Damaged or Defective Instant Ticket Return

Lottery Site Employees must report and return all damaged or defective Instant tickets, including Scratch & Win and Pull Tab tickets, to BCLC. Damaged or defective lottery tickets are defined in Section 4.11 of this manual.

Lottery Site Employees are required to call Lottery Retail Support to notify BCLC of the damaged or defective Instant ticket(s) and return all damaged or defective tickets to BCLC as soon as possible for credit eligibility.

Returned Scratch & Win tickets that have been scratched, or otherwise tampered with, are not eligible to be credited. Individual damaged Pull Tab tickets are not eligible for credit.

Section 6 - Ticket Validation and Prize Payout

Lottery Retailers are responsible to ensure that ticket validation and prize payout protocols at their Sites meet the standards and obligations set out in this policy and the Lottery Retailer Agreement.

SECTION 6.1 SIGNING OF TICKETS

Lottery Site Employees must check that a lottery ticket has been signed before validating the ticket. If a lottery ticket is not signed, the Lottery Site Employee should return the ticket to the customer and request the customer to sign or print their name on the front or back.

BCLC recommends that customers sign their lottery ticket before a Lottery Site Employee completes validation, but Lottery Site Employees may proceed with validation even if a customer chooses not to sign.

SECTION 6.2 TICKET VALIDATION

Lottery tickets must be validated before a prize payment is made. Approved procedures, as detailed below, must be followed when validating any lottery ticket.

Online tickets and Scratch & Win tickets must be validated through a lottery terminal. Sites that do not have a lottery terminal are not permitted to validate or payout prizes for Online tickets or Scratch & Win tickets.

Section 6.2.1 Online and Scratch & Win Ticket Validation Procedures

Lottery Site Employees must complete the following steps when validating Online tickets or Scratch & Win tickets:

1. Check that the ticket is signed. Request the customer's signature if the ticket is not signed.
2. Scan the ticket's validation barcode or data matrix using the lottery terminal or lotto scanner. The lottery terminal will recognize the scan as a validation and display the ticket's result.
 - i. To manually enter the ticket control number for Online tickets, on the lottery terminal tap the 'Tickets' icon, select the ticket type ('Lottery' or 'Sports') and input the ticket control number.
 - Online tickets will have ticket control numbers of either 57-digits or 20-digits. Use the lottery terminal's default setting to enter 57-digit barcodes or the 'old barcode' option to enter 20-digit barcodes.
 - ii. To manually enter the ticket control number for Scratch & Win tickets, on the lottery terminal tap the 'Tickets' icon, select the 'Instants' ticket type, input the ticket control number, and tap the 'Find Success' button.
 - Scratch & Win ticket control numbers are located under the latex in the play area of the ticket. If the ticket control number cannot be read, contact Lottery Retail Support at 1-800-667-1649 for assistance. **DO NOT GUESS THE CONTROL NUMBER.**
3. If the ticket is not a winner, BCLC recommends tapping the 'Print' button to produce the validation's Information Slip for the customer.
4. If the ticket is a winner, the Lottery Site Employee can choose to tap the 'Pay Prize' button, to pay the prize and produce the Validation Information Slip or tap 'Print' to only produce the Validation Information Slip and not pay the prize.
 - i. If the prize includes a free Scratch & Win ticket and the Lottery Site Employee chooses to pay the prize, they must scan a new Scratch & Win ticket of equivalent value and tap the 'Add to Cart' button to complete prize payment.
5. Follow the payout procedures detailed within the Prize Payout Limit table in Section 6.8.

Casino and Community Gaming Centre Sites, when paying lottery prizes at their cash cage, hold the responsibility to prevent duplicate payments of lottery prizes already paid at the location of the lottery terminal.

SECTION 6.3 VALIDATING A MAJOR WIN

A winning ticket with a prize of \$10,000.00 or more is categorized as a major win. The lottery terminal will play a special winning jingle if a ticket with a major win is validated. Lottery Retailers cannot pay prizes of

\$10,000.00 or more, unless BCLC has authorized, in writing, for the Lottery Retailer to do so under specific procedures.

When validating a ticket with a major win, the Lottery Site Employee must tap 'Print' to generate the Claim Slip. The Claim Slip, along with the customer's signed original winning ticket, must be returned to the customer. Customers should be advised to contact BCLC Customer Support at 1-866-815-0222 or directed to www.BCLC.com to find out more about how to claim their prize.

SECTION 6.4 PULL TAB TICKET VALIDATION

Pull Tab tickets do not require a lottery terminal to be validated. Sites must pay all prizes, including the top prize level, of any Pull Tab ticket sold at their Site.

Pull Tab tickets can only be validated:

- At the Site they are purchased from; and
- On the same day they are purchased.

Section 6.4.1 Pull Tab Ticket Procedures

The following procedure must be completed when validating a Pull Tab ticket:

1. Confirm prize amount;
2. Pay the customer the prize; and
3. Deface the ticket once it has been paid.

SECTION 6.5 PRIZE PAYOUT

All lottery prizing must be paid in full via cash or an equivalent non-cash prize (consisting of either in-store gift cards or a debit or credit-card transaction that is authorized by the payment provider) equal to the lottery prize amount, unless otherwise approved by BCLC. If an equivalent non-cash prize is to be paid in lieu of a cash prize, it is the responsibility of the Lottery Site Employee to ensure the customer has voluntarily agreed to the equivalent non-cash prize payment and to provide the customer with a receipt indicating the amount of the non-cash prize payment.

SECTION 6.6 RETURN OF TICKETS AND SLIPS FROM A VALIDATION

All lottery tickets and printed slips associated to the validation result must be returned to the customer. This includes winning and non-winning tickets.

SECTION 6.7 PRIZE PAYOUT LIMITS

The table below outlines the prize payout limits and associated procedures based on the three different categories of prize amounts.

| Prize Amount | Payout Limits | Give to the Customer |
|--------------|---------------|--|
| Not a Winner | | <ul style="list-style-type: none"> • Information Slip • Non-winning ticket |

| | | |
|---------------------------|--|--|
| <p>\$2,000.00 or less</p> | <p>Optional Prize Payment</p> | <p>Lottery Retailer Pays Prize (selects 'Pay Prize' button):</p> <ul style="list-style-type: none"> • Prize • Validation Information Slip • Winning Ticket • Receipt indicating the full amount of non-cash prize payment, if applicable. <p>Lottery Retailer Does Not Pay Prize (selects 'Print' button):</p> <ul style="list-style-type: none"> • Winning ticket • Validation Information Slip |
| <p>\$2,000.01 or more</p> | <p>Do not pay* - Advise customer to contact BCLC Customer Service at 1-866-815-0222.</p> <p>Note: Prizes of \$10,000.00 or more are categorized as major wins.</p> | <p>Lottery Retailer Does Not Pay Prize (selects 'Print' button):</p> <ul style="list-style-type: none"> • Claim Slip • Winning Ticket |

* BCLC has authorized some Lottery Retailers, in writing, to pay prizes up to \$24,999.99 under specific procedures. For the list of current Regional Prize Payout (RPP) locations, click [here](#).

SECTION 6.8 SELF SERVICE TERMINAL VOUCHER VALIDATION

Many bars and pubs within B.C. have BCLC Self Service Terminals (SST), where vouchers for lottery prizes are issued. Most of these SST vouchers are redeemed in the bar or pub where they were issued; however, some customers may ask other Lottery Retailers to pay out their SST vouchers. These vouchers can be paid at any Lottery Retailer and should be treated like winning tickets.

Validation payout levels for vouchers are the same as winning tickets. If a voucher of \$1,999.99 or less is presented for validation by a customer, the Lottery Site Employee can choose to pay the prize or not. To pay the prize, follow the procedures outlined in Section 6.8.1.

The voucher and any printed slips related to the validation result must be returned to the customer.

Section 6.8.1 Self Service Terminal Voucher Validation Procedures

To validate and pay the prize for an SST voucher:

1. Scan the voucher's validation barcode using the lottery terminal or lotto scanner. The lottery terminal will identify the scan as a validation and display the voucher's result.
2. In the event the bar code does not scan, tap the 'Tickets' icon, select 'SST Voucher' ticket type and manually enter the voucher's ticket control number on the lottery terminal.
 - i. Vouchers will have ticket control numbers of either 26-digits or 20-digits. Use the lottery terminal's default setting to enter 26-digit barcodes or the 'old barcode' option to enter 20-digit barcodes.

3. Tap the 'Pay Prize' button, to complete the validation and pay the prize.
4. Follow the payout procedures detailed within the Prize Payout Limit table in Section 6.8.

Casino and Community Gaming Centre Sites, when paying prizes from SST vouchers at their cash cage, hold the responsibility to prevent duplicate payments of lottery prizes already paid at the location of the lottery terminal.

Section 6.8.2 Self Service Terminal Voucher Expiry

SST vouchers do not have an expiry date and remain eligible for redemption by a customer, irrespective of the date they were printed.

SECTION 6.9 TICKET VALIDATION DIFFICULTIES

Lottery Site Employees are strictly prohibited from guessing ticket control numbers. When manually entering ticket control numbers to complete a validation, if the ticket is damaged or if the Lottery Site Employee encounters any difficulties, they must contact Lottery Retail Support at 1-800-667-1649.

Lottery Site Employees must follow proper validation procedures, and the responsibility to ensure correct protocols are followed is placed on the Lottery Retailer.

Section 7 - Financial

SECTION 7.1 NSF FEES

In accordance with Article 4.5 of the Lottery Retailer Agreement regarding BCLC fees, Lottery Retailers will be charged a \$50 Non-Sufficient Fund (NSF) fee per NSF occurrence.

The NSF fee will be charged to the Lottery Retailer via a manual adjustment to their bank account, which will be included in their next scheduled sweep.

SECTION 7.2 CHARGES FOR UNRETURNED EXPIRED TICKET INVENTORY

As outlined in Section 5.4, it is mandatory for all unsold Scratch & Win tickets, irrespective of their activation status, to be returned to BCLC prior to their expiry date.

Failure by a Lottery Retailer to return their inactive ticket inventory before expiry may result in the imposition of a charge, in accordance with Article 4.5 of the Lottery Retailer Agreement. The charge will be calculated as the retail value of the expired inactive ticket inventory minus the Lottery Retailer's sales commission. The decision to impose a charge is at the sole discretion of BCLC.

Lottery Retailers must immediately report any instances of lost, stolen, or unaccounted ticket inventory to Lottery Retail Support at 1-800-667-1649.

SECTION 7.3 UNRETURNED TICKET INVENTORY CHARGES UPON LOTTERY RETAILER AGREEMENT TERMINATION

In the event of the termination of a Lottery Retailer Agreement or permanent closure of a Site, all Scratch & Win ticket inventory must be returned to BCLC or transferred to another Site or Lottery Retailer as outlined in Section 4.6.1.

If a Lottery Retailer fails to return or transfer their Scratch & Win ticket inventory before termination of their Lottery Retailer Agreement, a charge will be imposed in accordance with Article 4.5 of the Lottery Retailer Agreement. The charge will be calculated as the retail value of the unreturned inactivated ticket inventory

minus the Lottery Retailer's sales commission. The decision to impose a charge for unreturned, not transferred, or otherwise missing inventory is solely at the discretion of BCLC.

Section 8 - Lottery Retailer Agreement Service Standard Remedies

BCLC will investigate and, where appropriate, apply certain remedies where Services provided by a Lottery Retailer fail to meet service standards under, or otherwise breach, the Lottery Retailer Agreement or Policies, or the Lottery Retailer conduct harms or undermines:

- the integrity or security of BCLC's lottery system.
- the reputation of BCLC.
- BCLC's authority to conduct, manage and operate lottery schemes on behalf of the Government of British Columbia.

Lottery Retailers and Lottery Site Employees must cooperate and provide reasonable assistance to BCLC Investigations, who investigate and respond to integrity or security matters on behalf of BCLC, including in any investigation of alleged misconduct, fraud or other wrongdoing by Lottery Retailers and Lottery Site Employees.

Lottery Retailers and Lottery Site Employees may request a review of any remedy or action applied by BCLC through their Territory Manager within thirty (30) days of receiving notification regarding the remedy or action.

Compliance

BCLC will apply the following guidelines in determining the appropriate remedies for service standard deficits or failures, breaches of the Lottery Retailer Agreement or Policies, and integrity or security incidents by Lottery Retailers and Lottery Site Employees.

All remedies are applied on a per Site basis. For Lottery Retailers with multiple Sites under one Lottery Retailer Agreement, the remedies will be applied to the Site where the breach or failure to meet the service standard occurred.

Notwithstanding the above, these guidelines do not limit BCLC's discretion under the Lottery Retailer Agreement.

| Code | Confirmed Violation | 1st Occurrence | 2nd (if executed within 12-months from 1st occurrence) | 3rd (if executed within 12-months from 2nd occurrence) | 4th (if executed within 12-months from 3rd occurrence) |
|------|--|--|--|--|--|
| 1 | Validation Issues Not Related to Fraud / Theft | Warning Letter (from Investigations) | Warning Letter (from Investigations) | Financial Remedy (14-day minimum) +BCLC re-training required | Compliance Review: if review fails, then: Termination |
| 2 | Failure to Age Verify (ID25) | Warning Letter + Training Kit | Warning Letter + Training Kit | Financial Remedy (7 days) | Suspension* (7 days) + BCLC re-training required |
| 3 | Playing At Own Location (CATT or Lotto App Violation) | Notification Email (from Investigations) | Warning Letter (from Investigations) | Suspension* (14 days) | Termination |
| 4 | Payment Issues Not Related to Fraud / Theft | Warning Letter (from Investigations) | Financial Remedy (14 days) + BCLC re-training required | Compliance Review; if review fails, then: Termination | N/A |
| 5 | Conduct Contrary to Public Interest or Harmful to BCLC's Integrity or Reputation | Warning Letter (from Investigations) | Suspension* (14 days) | Termination | N/A |
| 6 | Playing At Own Location | Warning Letter | Suspension* (14 days) | Termination | N/A |

| | | | | | |
|---|-------------------|--|-------------|-----|-----|
| | | (from Investigations) | | | |
| 7 | Selling to Minors | Suspension* (30 days minimum) | Termination | N/A | N/A |
| 8 | Fraud / Theft | Investigation and possible Suspension and/or Termination | N/A | N/A | N/A |

Severity of Confirmed Violation remedy is determined based on the date of the most recent violation occurrence:

- If a violation occurs after 12 months (as specified by a specific date) following the previous violation, it would be considered a first occurrence.
- If a violation occurs within 12 months (as specified by a specific date) of the previous violation, the Lottery Retailer will progress along the remedy continuum, and each subsequent violation will result in a new 12-month period starting from that date.

*Retail Stores Group Lottery Retailer Agreements are subject to suspension or termination.