



RSG Compensation Program

April 1, 2025 – March 31, 2026



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Compensation Program

BCLC's Retail Stores Group (RSG) compensation program provides retailers with a number of ways to earn and is comprised of multiple financial elements.

COMPENSATION



Revenue earned from Sales Growth Incentive, Prize Redemption Commission, and Seller's Prize is not part of compensation calculations., however revenue earned from these programs tracked for overall payment.

HOW WILL I KNOW THE POTENTIAL COMPENSATION FOR MY LOCATION?

Your Territory Manager will review the Retailer Compensation Program in detail during their visits. In addition, retailers will receive a period reporting Excel spreadsheet to help support all the calculations under this program.

Compensation Overview

COMPENSATION OVERVIEW

BCLC establishes minimum retailer revenue targets for RSG each fiscal year to ensure RSG Retailers are rewarded for sales performance.

$$\text{SALES COMMISSION} + \text{SALES BONUS} + \text{CONTRIBUTION (if applicable)} \\ = \text{TOTAL POTENTIAL RETAILER COMPENSATION.}$$

Level	Minimum Sales Level	Maximum Sales Level	Sales Bonus	Sales Commission	Location Fee	Contribution
15	\$3,000,000		2.45%	5.00%	3.50%	Not Eligible
14	\$2,500,000	\$2,999,999	2.45%	5.00%	3.25%	Not Eligible
13	2,000,000	\$2,499,999	2.45%	5.00%	3.00%	Not Eligible
12	\$1,750,000	\$1,999,999	2.45%	5.00%	2.50%	Not Eligible
11	\$1,500,000	\$1,749,999	2.45%	5.00%	2.00%	Not Eligible
10	\$1,250,000	\$1,499,999	2.45%	5.00%	1.50%	Not Eligible
9	\$1,100,000	\$1,249,999	2.25%	5.00%	1.35%	Not Eligible
8	\$975,000	\$1,099,999	2.05%	5.00%	1.35%	Variable
7	\$725,000	\$974,999	1.75%	5.00%	1.35%	Variable
6	\$600,000	\$724,999	1.50%	5.00%	1.35%	Variable
5	\$475,000	\$599,999	1.25%	5.00%	1.35%	Variable
4	\$375,000	\$474,999	1.00%	5.00%	1.35%	Variable
3	\$275,000	\$374,999	.80%	5.00%	1.35%	Variable
2	\$200,000	\$274,999	.65%	5.00%	1.35%	Variable
1	\$0	\$199,999	.50%	5.00%	1.35%	Variable

Sales Bonus payments are subject to the Execution Excellence Condition of Payment .
Sales Bonus is calculated each period based on projected annual sales.

Execution Excellence

BCLC will reward retailers who provide our PLAYERS with exceptional retail experience, as defined by the Execution Excellence scorecard items.

HOW IT WORKS

Over the fiscal year, your BCLC Territory Manager will perform Execution Excellence surveys during their regularly scheduled visits. Accounts will receive approximately 6 regularly scheduled visits and during each visit the TM will evaluate your execution performance. Each visit will be worth 8 points.

Execution Excellence will account for a maximum reduction of **10% of half of your total sales bonus**.

At the end of the fiscal year, BCLC will review the total of all Execution Excellence surveys to determine the reduction percentage (**applied to half of your total sales bonus**), based on the below information:

Strong execution = full bonus achievement!

- 0-3 point deductions = Earn full bonus
- 4-5 point deductions = 3% reduction
- 6-7 point deductions = 5% reduction
- 8 or more point deductions = 10% reduction

Maximum reduction for Execution Excellence will \$1,500. Minimum reduction will be \$50.

The Execution Excellence deduction will occur at the end of the fiscal year. Scoring from the complete year will be compiled and the Execution Excellence deduction will be applied in Period 1 (April) of the following fiscal year.

Q: IF I RECEIVE A REDUCTION IN MY BONUS PAYMENT THAT REDUCES MY RETAILER REVENUE BELOW THE MINIMUM TARGET THRESHOLD, WILL BCLC ACCOUNT FOR THAT?

BCLC will not account for financial impacts to revenue as a result of Execution Excellence performance. Conditions of payment financial reductions are based on program requirements that are the sole responsibility of the Retailer.

Execution Excellence – Sales Bonus Condition of Payment

Topic	Scorecard Item Description
Display case FULL and to RSG Planogram	<p>1 point for display case(s) fully merchandised, including correct ticket featured in special event tray (applies to second display case if second terminal is operational.)</p> <p>0 points if the display case(s) is not fully merchandised or the incorrect ticket is featured in the special event tray.</p>
ALL Jackpot Signs Accurate	<p>1 point if ALL jackpot signs display the accurate jackpots for Lotto 6/49 AND Lotto Max, or if in the case of a digital jackpot sign not displaying the correct amount or not operating, the retailer has informed Lottery Retail Support.</p> <p>0 point if any jackpot sign is incorrect, and in the case of a digital jackpot displaying the incorrect amount or not operating, the retailer hasn't informed Lottery Retail Support.</p>
Point of Sale Materials (Signage)	<p>1 point for all CURRENT POS (poster A, poster B and bubble case strip) on display AND a package play sign at point of purchase AND selection slips for all games are available.</p> <p>0 points if some or none of the CURRENT POS, package play and selection slips on display.</p>
Uniforms/Name Tags	<p>1 point if uniforms and name tags are being worn and appear clean and professional, personal clothing is in solid colours and light-wash blue jeans are not being worn.</p> <p>0 points if uniforms or name tags are not being worn or they do not appear clean and professional. Also, if personal clothing is not in solid colours or light-wash blue jeans are being worn.</p>
Sales Drivers and Incentives	<p>1 point if Scratch & Win gift option are displayed AND sales targets, and point-of-sale materials for BCLC promotions and incentives are used, maintained and provided upon request.</p> <p>0 points if Scratch & Win gift option are displayed and sales targets, or point-of-sale materials for BCLC incentives are not used, maintained and provided upon request.</p>
Cleanliness	<p>1 point if the exterior and interior of the kiosk is clean and clutter free (including non-BCLC items), there are no handmade or non-BCLC signs, and winning pictures are removed when expired.</p> <p>0 points if the exterior or interior of the kiosk is not clean and clutter free, there are handmade or non-BCLC signs, and winning pictures are not removed when expired.</p>
Compliance/Player Satisfaction	<p>1 point if there is no substantiated player complaint(s) or violation of Service Standard Remedies (ID25 Mystery Shop fail, Validation Mystery Shop fail, Playing at Work) or the Payment Card Terminal Procedures.</p> <p>0 points if there is substantiated player complaint(s) or violation of Service Standard Remedies (ID25 Mystery Shop fail, Validation Mystery Shop fail, Playing at Work) or the Payment Card Terminal Procedures.</p>
Equipment Working	<p>1 point if all equipment is working/or if any equipment not working and retailer has called Lottery Retail Support.</p> <p>0 point if any equipment not working/retailer has not called Lottery Retail Support (includes: Lottery Terminal(s), Player Display Unit, Ticket Checker, Digital and Keno Displays (Sign and Monitor).</p>

Audit Only – Operational Requirements

In addition to scorecard items to earn the full or partial Execution Excellence bonus portion, the following operational requirements must also be met on each audit. Audit only items do not result in a reduction of your total bonus potential and are in place to support the integrity of selling lottery and business operations.

OPERATIONAL REQUIREMENTS - Audit Only (no points or financial impact)

Business Provisions:

- Retailers must maintain and submit up-to-date copies of their business license, certificate of insurance and WorkSafeBC clearance letters. These are to be sent via email to RSG@bclc.com.
- Original GPEB certificate must be displayed.
- Retailers must ensure they are compliant with all Provincial/National employment laws and regulatory requirements.
- Retailers must maintain and provide upon request all business documentation, sales tracking, inventory management documentation and financial statements.

Lottery Store Facilities:

- Report any kiosk damage in a timely manner including burnt-out lights and signs.
- Use of BCLC provided cleaning products on display cases or plexi products.

Scratch & Win Inventory Management:

- Retailer activates all Scratch & Win tickets either before the sale or as part of the sale to the customer.
- Retailers must maintain and provide upon request Scratch & Win inventory tracking.
- Retailers must maintain and provide upon request Christmas inventory tracking which includes weekly order details for the month of December as well as buybacks.

Retailer Hub / Retailer Portal:

- Staff updates are to be completed on the Retailer Hub or the Retailer Portal as they occur.
- Name tags are ordered from the Retailer Hub or the Retailer Portal.
- Unclaimed prizes for high value Scratch & Win tickets and other retailer information are to be reviewed on a weekly basis.
- Navigate to upon request, the current Special Feature Tray Planogram on the Retailer Hub.

Additional Sales Drivers:

- Maintain daily/weekly sales tracking including Jackpot levels.
- When location is closed, BCLC issued hours of operation sign is displayed (where applicable).
- Selection slip holders to planogram.
- Individual sales drivers must be discussed and approved by your BCLC Territory Manager. These initiatives should only occur when BCLC is not conducting player promotions.

Calculating Annual Location Fee

Calculating the Location Fee is based on a 'progressive' fee structure using tiered fiscal sales achievement.

- For locations that achieve **sales of \$1,249,999 and under, multiply your annual sales by 1.35%.**
- For locations that achieve **sales of \$1,250,000 and above**, the Location Fee is calculated by combining the respective location fee amounts for each tier up to the projected sales amount.

The Location Fee is calculated and applied based on fiscal period sales.

LEVEL 10 to 16
EXAMPLE:
\$2,200,000 in sales:

Level	Minimum Sales Level	Maximum Sales Level	Location Fee
15	\$3,000,000		3.50%
14	\$2,500,000	\$2,999,999	3.25%
13	2,000,000	\$2,499,999	3.00%
12	\$1,750,000	\$1,999,999	2.50%
11	\$1,500,000	\$1,749,999	2.00%
10	\$1,250,000	\$1,499,999	1.50%
9	\$1,100,000	\$1,249,999	1.35%
8	\$975,000	\$1,099,999	1.35%
7	\$725,000	\$974,999	1.35%
6	\$600,000	\$724,999	1.35%
5	\$475,000	\$599,999	1.35%
4	\$375,000	\$474,999	1.35%
3	\$275,000	\$374,999	1.35%
2	\$200,000	\$274,999	1.35%
1	\$0	\$199,999	1.35%

Step 1: Determine the dollar value for your relevant levels

(Maximum - Minimum)

→ $\$2,200,000 - \$2,000,000 = \$200,000$

→ $\$1,999,999 - \$1,750,000 = \$249,999$

→ $\$1,749,999 - \$1,500,000 = \$249,999$

→ $\$1,499,999 - \$1,250,000 = \$249,999$

→ $ = \$1,249,999$

Step 2: Multiply the dollar value by the respective progressive fee percentage

$\$200,000 \times 3.00\% = \$6,000$

$\$249,999 \times 2.50\% = \$6,250$

$\$249,999 \times 2.00\% = \$5,000$

$\$249,999 \times 1.50\% = \$3,750$

$\$1,249,999 \times 1.35\% = \$16,875$

\$37,875

Step 3: Add up the totals from Step 2 to determine the annual location fee

Compensation - Questions & Answers

Q1: WHEN DO RETAILERS GET PAID?

As the compensation is comprised of multiple elements, payment schedules vary:

- **Validation Commission:** Weekly
- **Sales Commission:** Weekly
- **Sales Bonus:** End of fiscal sales periods
- **Seller's Prize:** Following prize claim
- **Sales Growth Incentive:** End of fiscal year

RSG Retailers operate on the same fiscal calendar as BCLC. Sales achievement bonuses are paid following BCLC's fiscal period end. Retailers will receive their period compensation on their regular sweep day within 10 business days from period end.

See next page for sales period start and end dates for fiscal 2025/26.

Q2: WHEN IS EXECUTION EXCELLENCE CONDITION OF PAYMENT APPLIED?

Scoring from the complete year will be compiled and the Execution Excellence deduction will be applied in Period 1 (April) of the following fiscal year.

Q3: WHY ARE RETAILERS PAID BY FISCAL PERIOD?

Compensation is processed by fiscal period to ensure Retailers have the cash flow to operate, and to align to BCLC fiscal year.

Q4: HOW ARE RSG OPERATIONAL EXPENSES CALCULATED? (\$4,500)

Operational expenses are based on the provincial average for line items including: business license, insurance, phone, debit/credit card fees, accounting fees, bank fees, supplies, promotions/community, overages/shortages and other expenses.

Q5: WHY IS CONTRIBUTION VARIABLE?

The amount of Contribution varies from site to site because each site is unique based on hours of operation and location sales.

Compensation - Questions & Answers

FISCAL 2025/26 SALES PERIODS

Fiscal Sales Period	Fiscal Start Date	Fiscal End Date	Number of days in Fiscal Period
P1	April 1, 2025	April 26, 2025	26
P2	April 27, 2025	May 24, 2025	28
P3	May 25, 2025	June 28, 2025	35
P4	June 29, 2025	July 26, 2025	28
P5	July 27, 2025	August 23, 2025	28
P6	August 24, 2025	September 27, 2025	35
P7	September 28, 2025	October 25, 2025	28
P8	October 26, 2025	November 22, 2025	28
P9	November 23, 2025	December 27, 2025	35
P10	December 28, 2025	January 24, 2026	28
P11	January 25, 2026	February 21, 2026	28
P12	February 22, 2026	March 31, 2026	38

Sales Bonus - Payments and Notifications

ENTERING RETAILERS

Sales Bonus earnings will be calculated based on the number of days a Retailer is in the network within the sales period.

PAYMENT DETAILS

All payments will be made by Electronic Funds Transfer (EFT), to the banking institution as specified on your bank authorization form. Please note, all prizes awarded through sales incentives should be treated as business income and managed accordingly.

Payments may be reduced by the amount owed to BCLC for a Security Deposit.

CONSENT TO PUBLISH

In order to receive an Incentive and/or Sales Bonus payment, Retailers must complete such releases, waivers or indemnities as required by BCLC, at its sole discretion. BCLC reserves the right to publish the name, location and a recent photograph of the Retailer(s) in any medium without liability or remuneration.

EXITING RETAILERS

Payment to exiting retailers will occur after all instant ticket returns, and pending Execution Excellence reductions, have been processed (if applicable). The Compensation program will cease effective the retailer's close of business. Sales Bonus earnings will be based on the sales projection to the last day of business within the sales period.

It is important to ensure your bank account is still active as the final payment will be electronically deposited into the bank account on file with BCLC.

GOOD STANDINGS

Your lottery business must be in good standing with BCLC. Suspensions, payment defaults, pending letters of credit or trust deposits may disqualify retailers from receiving a Sales Bonus incentive reward.

You must maintain sufficient insurance as outlined in the Lottery Retailer Agreement (LRA).

PROGRAM CHANGE OR WITHDRAWAL NOTIFICATION

This program is subject to review and may be changed or withdrawn at any time. In the event that BCLC changes, cancels or withdraws the program at any time for any reason during the year, payment of any potential bonus will be at BCLC's sole discretion.

BCLC reserves the right to disentitle any retailer from participation in this program for any reason at BCLC's sole discretion.



Seller's Prize

All confirmed lottery prize claims of \$10,000 or more, BCLC awards a Seller's Prize to the location that sold the winning ticket.

Prize Won	Seller's Prize Amount (\$)
\$10K to \$99,999.99	\$250
\$100K to \$499,999.99	\$500
\$500K to \$999,999.99	\$1,000
\$1M to \$1,999,999.99	\$2,000
\$2M to \$70M	0.10% of Prize Won (\$2K to \$70K)



- Seller's Prizes are available for all lottery products with the exception of Proline.
- When the Player has an option of annuity payments, the Seller's Prize will be paid on the single lump sum payout for that prize.

Program Criteria

Retailers are only eligible for a Seller's Prize once the prize won, on a winning ticket, has been paid to the holder of the winning ticket. A Retailer is not eligible for a Seller's Prize for any unclaimed or expired winning ticket.

Eligibility Criteria

Maintain good standing with BCLC. Suspensions, payment defaults, pending letters of credit or trust deposits may disqualify retailers from receiving a bonus payment; and

Have an active, valid and subsisting Lottery Retailer Agreement with BCLC on the date the Prize was paid to the holder of the Winning Ticket.

Payment Conditions

As a condition of payment, BCLC may, at its discretion, require Retailers to distribute a portion of the Seller's Prize to employees.

Payment Details

Payments to retailers will be made by Electronic Funds Transfer (EFT) to your bank account. All prizes awarded through Seller Prizes should be treated as

business income and managed accordingly. The date of payment will be at BCLC's sole discretion and communicated to the retailer in advance.

Consent to Publish

In order to receive an Incentive and/or Sales Bonus payment, Retailers must complete such releases, waivers or indemnities as required by BCLC, at its sole discretion. BCLC reserves the right to publish the name, location and a recent photograph of the Retailer(s) in any medium without liability or remuneration.

Program Change or Withdrawal Notification

This program is subject to review and may be changed or withdrawn at any time. In the event that BCLC changes, cancels or withdraws the program for any reason during the year, payment of any potential payout will be at BCLC's sole discretion. BCLC reserves the right to disentitle any retailer from participation in this program for any reason at BCLC's sole discretion.

Limitation of Liability

Seller's Prizes will be limited to a maximum of 10 prizes per Site.



Retailer Commissions

Retailer commissions help support our retailers as they adapt to the changing market dynamics, as well as shows our appreciation for ongoing support and engagement in our lottery business and for the continuous delivery of exceptional player experiences.

Sales Commission

5%

paid on the sale of all lottery products

Draw Games, Activation Scratch & Win Tickets, Proline and Web Cash.

- Sales commission is displayed as a credit on your Weekly Invoice.
- The total amount of sales commission listed on your 'Weekly Invoice' is the sum of all your daily calculated validation commissions for the invoice period.

Traditional Scratch & Win Tickets

Sales commission is built into the purchase price of a pack of Scratch & Win tickets.

Example - Book of 100 \$1 tickets:

Retailer Selling Price \$100.00

Retailer Purchase Price \$95.00

Sales Commission \$5.00

Prize Redemption

Commission

2%

paid on prizes that are validated and paid out, including the prize of a Free Ticket

- Prize redemption commissions earned are calculated daily, by product, and are rounded to the nearest penny due to our prize payout structure.
- The total amount of prize redemption commission listed on your weekly Invoice is the sum of all your daily calculated prize redemption commissions for the invoice period.

Exceptions

- Self-Serve Terminal voucher validation and prize payouts are not eligible.

Program Change or Withdrawal Notification

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Sales Growth Incentive

Achieve a minimum \$25,000 year over year revenue growth to qualify for the Sales Growth Incentive.

CONDITIONS

- Total lottery sales are eligible.
- An eligible retailer must:
 - Be an active Retailer as of the end date of the incentive period, March 31, 2026; and
 - Achieve minimum net lottery sales of **\$125,000** from April 1, 2025 to March 31, 2026; and
 - Achieve minimum net lottery sales growth of **\$25,000**, or more, in comparison to the previous fiscal and
 - Have **12 months** of lottery sales history as of April 1, 2025, as determined by the Location ID
- To be eligible for a Prize, the Lottery Retailer Agreement Signatory must have operated the location for a minimum of **3 months**.

Prize Tier	\$ Sales Growth Amount (versus last fiscal year)	Lump Sum Incentive Prize*
Tier 1	\$100,000 and up	\$1,250
Tier 2	\$75,000 to \$99,999	\$1,000
Tier 3	\$50,000 to \$74,999	\$750
Tier 4	\$25,000 to \$49,999	\$500

- A location's baseline sales number is reset every year based on prior year's results.



Sales Growth Incentive - Payments and Notifications

Incoming Retailers

In change of owner situations, the total sales will be determined based on the Location ID sales for the fiscal year, however incentive prize payments will be prorated for the period that the incoming lottery retailer owned the location.

Exiting Retailers

A lottery retailer in the Retail Stores Group exiting the network prior to March 31, 2026 is not eligible for the Sales Growth Incentive.

Payment Details

Payments will be made by Electronic Funds Transfer (EFT), to the banking institution as specified on your bank authorization form. Please note all prizes awarded through sales incentives should be treated as business income and managed accordingly.

Consent to Publish

In order to receive an Incentive and/or Sales Bonus payment, Retailers must complete such releases, waivers or indemnities as required by BCLC, at its sole discretion. BCLC reserves the right to publish the name, location and a recent photograph of the Retailer(s) in any medium without liability or remuneration.

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