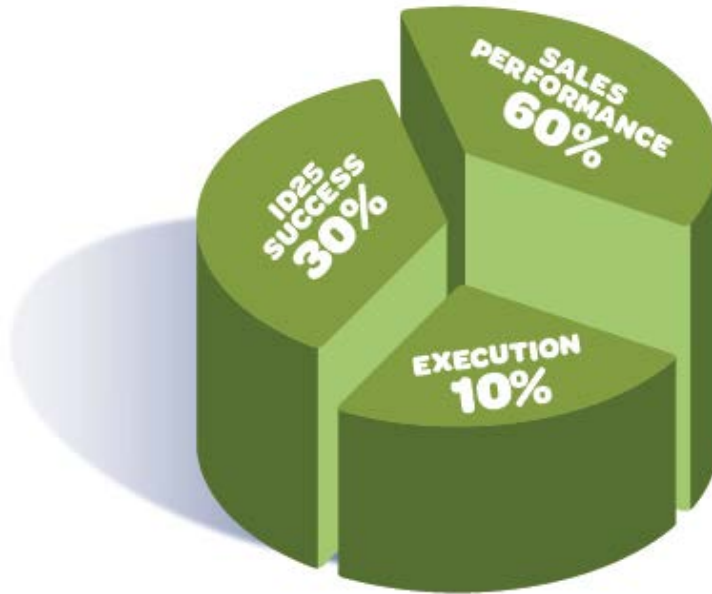




Retail Network | January 1 – December 31, 2021

SALES BONUS PROGRAM

SALES PERFORMANCE + EXECUTION EXCELLENCE + ID25 SUCCESS = TOTAL POTENTIAL BONUS



Sales Achievement for Full Calendar Year	Bonus %	Total Potential Bonus \$
Over \$1.5M	2.50%	\$37,500+
\$1.25M to \$1,499,999	2.45%	\$30,625 to \$36,750
\$1.1M to \$1,249,999	2.25%	\$24,750 to \$28,125
\$975K to \$1,099,999	2.05%	\$19,988 to \$22,550
\$725K to \$974,999	1.75%	\$12,688 to \$17,063
\$600K to \$724,999	1.50%	\$9,000 to \$10,875
\$475K to \$599,999	1.25%	\$5,938 to \$7,500
\$375K to \$474,999	1.00%	\$3,750 to \$4,750
\$275K to \$374,999	0.80%	\$2,200 to \$2,999
\$200K to \$274,999	0.65%	\$1,300 to \$1,787
\$125K to \$199,999	0.50%	\$625 to \$1,000
\$0 to \$124,999	0%	Not Eligible

Achieve Sales Success, Execution Excellence AND ID25 Success - Receive your maximum Bonus.





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EXECUTION EXCELLENCE

BCLC will reward retailers who provide our PLAYERS with exceptional retail experience. An exceptional retail experience is when; display case(s) are full with New and Base tickets; when Jackpot sign(s) are accurate, when current lottery point-of-sale (POS) marketing materials are on display, and when all lottery equipment is operating.

HOW IT WORKS

Execution Excellence will account for **10% of your total potential bonus**. Strong execution = more earned points!

Over a calendar year, your BCLC Territory Manager will perform Execution Excellence surveys during their regularly scheduled visits. Accounts will receive between 2 to 6 regularly scheduled visits and each visit will be worth 5 points.

At the end of the year, BCLC will review the total of all Execution Excellence surveys to determine your earned Execution Excellence bonus payout as per the below information.

- 0-3 point deductions = Earn 100% of Execution Excellence bonus payout
- 4-5 point deductions = Earn 70% of Execution Excellence bonus payout
- 6-7 point deductions = Earn 50% of Execution Excellence bonus payout
- 8 or more point deductions = 0% of Execution Excellence bonus payout

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





MERCHANDISING & EXECUTION STANDARDS

SCRATCH & WIN		
Display Case FULL	1 point	Display case full and free of non-BCLC related items both on top of AND within the display case (excludes electronic sales peripherals and plexi-shields).
	0 point	If empty or partially empty sleeves and/or contains non-BCLC related items.
NEW & BASE GAME Tickets	1 point	NEW AND base games in the display case. (See Lottery Terminal Report 'S&W Info' for ticket classification). (3-part condensed and 2-part or smaller display cases - BASE games only required).
	0 point	If NEW S&W tickets AND base games are missing from the display case. (See Lottery Terminal Report 'S&W Info' for ticket classification).
JACKPOT SIGNS		
Jackpot Signage ACCURATE	1 point	Manual: ALL jackpot signs display the accurate jackpots for Lotto 6/49 AND Lotto Max. Digital: Jackpots accurate, or if not displaying the correct amount or not operating, the Retailer has informed Lottery Support Hotline.
	0 point	if any sign is incorrect, and in the case of a digital jackpot displaying the incorrect amount or not operating, the retailer hasn't informed Lottery Support Hotline.
POINT OF SALE MATERIALS		
Retail Network POS/Package Play DISPLAYED	1 point	CURRENT Marketing POS on display (Lottery table poster A, poster B, display case strip and boomerang) AND a package play sign at point of purchase.
	0 point	If some or none of the CURRENT POS and package play on display.
OR		
Key Account POS/Program POS DISPLAYED	1 point	CURRENT POS on display (Lottery table poster A, poster B; display case strip and boomerang) AND Key Account program specific POS material displayed when applicable.
	0 point	If some or none of the CURRENT POS on display and Key Account program specific material (if program in market).
LOTTERY EQUIPMENT (includes: Lottery Terminal, Player Display Unit, Check-A-Ticket, Digital and Keno Displays (Sign and Monitor))		
Working or Service Call Placed	1 point	All equipment is working or if any equipment not working the Retailer has called Lottery Support Hotline.
	0 point	If any equipment not working and retailer has not called Lottery Support Hotline.

Earn 5 points per survey





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ID25 Success

It is illegal to sell lottery products to anyone under 19 years of age. BCLC’s ID25 policy increases the level of due diligence that retailers must perform to ensure lottery products are not sold to minors.

Pass your first BCLC Mystery Shop?
CONGRATULATIONS on ID25 Success!



If BCLC does not perform an ID25 Mystery Shop at your location within the calendar year, ID25 Condition of Payment will not be applied.

Fail your BCLC Mystery Shop(s)? The framework below describes the process and potential financial impact to the Sales Bonus as it pertains to the BCLC ID25 Mystery Shop Program.

Mystery Shop 1	Fail: Warning Letter #1 ID25 Lottery Training Kit provided	→	Retailer Mystery Shopped Again (within 90 days)	→	10% Condition of Payment*
Mystery Shop 2	Fail: Warning Letter #2 ID25 Lottery Training Kit provided	→	Retailer Mystery Shopped Again (within 90 days)	→	Additional 10% Condition of Payment*
Mystery Shop 3	Fail: Warning Letter #3 + BCLC Re-training Required	→	Retailer Mystery Shopped Again (within 90 days)	→	Additional 10% Condition of Payment*
Mystery Shop 4	Fail: Financial Remedy (7 days)				

*Maximum reduction per ID25 Condition of Payment will be capped at \$1,500. Minimum reduction will be set at \$50 per Condition of Payment.

WHAT IS THE ID25 MYSTERY SHOP CRITERIA?

To pass an ID25 Mystery Shop, you must: Ask for ID for anyone who appears 25 years old or younger. **Verify** it is Government issued photo ID - do not accept non-government issued ID. **Confirm** the customer is 19 years of age or older by checking the birth date.





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SALES BONUS PROGRAM

INCOMING RETAILERS

Whether you have purchased a business which is a current BCLC retailer, or started a brand new business and are partnering with BCLC, you must generate the minimum sales performance threshold (\$125,000) of lottery sales within the calendar year (regardless of when your business opens) to be eligible for the Sales Bonus.

EXITING RETAILERS

You are eligible to receive Sales Bonus regardless of the date your location stops selling lottery products; however, you must generate the minimum sales performance threshold (\$125,000) of lottery sales within the calendar year to be eligible.

Payment to exiting retailers will occur after all instant ticket returns have been processed, (if applicable). Sales Bonus for eligible exiting retailers is paid approximately one month after lottery sales cease; therefore, it is important to ensure your bank account is still active as the payment will be electronically deposited into the bank account on file with BCLC.

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.

PROGRAM CRITERIA

TO RECEIVE A SALES BONUS REWARD, YOUR LOCATION MUST MEET THE FOLLOWING CRITERIA:

- A **minimum of \$125,000** net lottery sales over the calendar year.
- 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).

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 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.





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SALES BONUS PROGRAM – Q&A

PROGRAM OVERVIEW

Q1: ARE THERE ANY CHANGES TO THE SALES BONUS PROGRAM VERSUS LAST YEAR?

The 30% condition of payment as part of the ID25 Success component was maintained, however, it will be distributed across three failures versus two; and suspensions were removed for 3rd and 4th failures, with only the 4th failure being replaced with a 7-day financial remedy. ID25 remains a critical component to selling lottery, and the goal of the program remains for Retailers to always ask for ID from anyone who appears 25 years of age or younger to ensure lottery products aren't sold to minors.

Q2: ARE LOTTO EXPRESS SALES INCLUDED IN THE SALES BONUS PROGRAM?

Lotto Express sales will be included in an account's lottery sales performance. Accounts must achieve the \$125K threshold to be eligible; Lotto Express Only and Retail Network with Lotto Express.

EXECUTION EXCELLENCE

Q1: WHY IS EXECUTION EXCELLENCE INCLUDED IN THE SALES BONUS?

BCLC is putting the PLAYER at the center of everything we do. An increased focus on merchandising standards will stimulate interests, encourage purchase and remove confusion in the market ultimately leading to increase sales and profit for the retailer and for BCLC.

Q2: HOW IS EXECUTION EXCELLENCE SURVEYED AT MY LOCATION?

Your BCLC Territory Manager will perform store surveys during their regular scheduled visits.

Q3. HOW DO I DETERMINE WHICH SCRATCH & WIN TICKETS ARE BASE GAMES AND/OR NEW TICKETS?

The current *Scratch & Win Ticket Line Up* can be printed from the Lottery Terminal by selecting the 'Reports' button and selecting 'S&W Info'. The *Scratch & Win Ticket Line Up* identifies Base tickets with one asterisk (*), and New Tickets with two asterisks (**). Subject to change with the launch of new lottery terminals.

Q4: DUE TO WORKER'S COMPENSATION RULES, OUR LOCATION IS PROHIBITED TO HAVE A FULL DISPLAY CASE AT NIGHT, HOW WILL THIS IMPACT OUR RESULTS?

BCLC Territory Managers will only survey accounts during regular business hours (8am – 5pm). Continue to follow your store policy for after-hours Scratch & Win inventory management.

ID25 SUCCESS

Q1: WHY IS AGE-VERIFICATION COMPLIANCE INCLUDED IN THE BONUS PROGRAM?

It is illegal to sell lottery products to anyone under 19 years of age and therefore, age-verification compliance is included in the Bonus program to further reward retailers that pass ID25 Mystery Shops.

Q2: WHAT IF BCLC DOESN'T PERFORM AN ID25 MYSTERY SHOP ON MY LOCATION IN THE CALENDAR YEAR?

BCLC Security and Compliance performs random age-verification Mystery Shops throughout the Province. If your location was not chosen in the calendar year you will receive the condition of payment for ID25 Mystery Shop.

Q3: HOW ARE BCLC ID25 MYSTERY SHOPS PERFORMED?

ID25 Age Verification is a BCLC Retailer Policy. BCLC Compliance and Investigations performs Mystery Shops to check that the sale of lottery tickets is performed with integrity. ID25 Mystery Shops are performed by someone who is between 19-25 years of age, and who appears to be under 25. They will attempt to purchase a lottery ticket posing as a regular customer.

