

2019/20 Lottery Retailer Revenue Review Program

Effective April 1, 2019 to March 31, 2020



The Lottery Retailer Revenue Review Program outlines financial success criteria for Lottery Retailers and establishes the procedures for identifying and evaluating Lottery Retailers that do not meet minimum financial success criteria.

CONTEXT:

- The criteria will assist BCLC and its retailer partners to make informed decisions regarding their lottery business. Financial success criteria are reflected as lottery revenue thresholds.
- Hospitality Network Lottery Retailers are evaluated on the annual lottery revenue threshold of **\$75,000**.

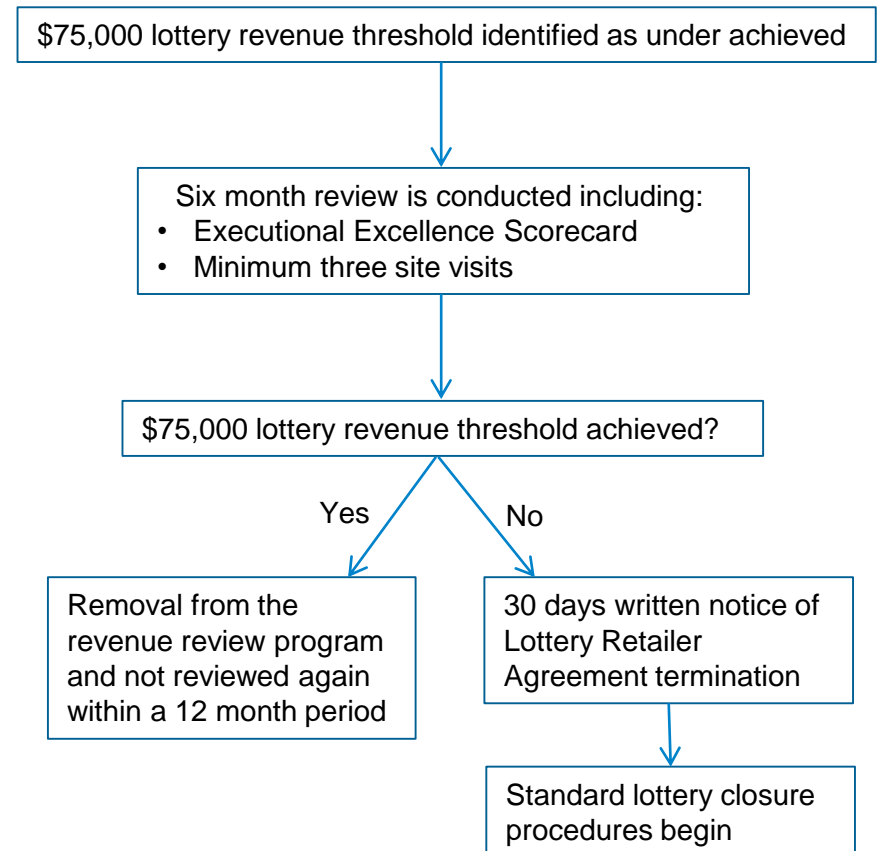
IDENTIFICATION PROCEDURE:

- Lottery Retailer must have completed a full calendar year of sales prior to any review being implemented.
- Sales reports will be run bi-annually and report on annual revenue based on a rolling twelve (12) month period.

DECISION PROCEDURE:

- If after the six month review period the Lottery Retailer fails to achieve revenue above the revenue threshold, the Lottery Retailer is notified of standard lottery closure procedures and provided thirty (30) days written notice of "Lottery Retailer Agreement" termination and exit from the Lottery Network.
- If after the six month review period the retailer is successful in achieving revenue above the revenue threshold, they are notified of their removal from the revenue review program and will not be reviewed again within a 12 month period.

Program Overview:



BCLC reserves the right to amend the Lottery Retailer Revenue Review Program at any time, for any reason, at BCLC's sole discretion.

2019/20 Lottery Retailer Revenue Review Program Q&A

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What is the Lottery Retailer Revenue Review Program?

The Lottery Retailer Revenue Review Program was developed as a result of a Government of BC review on BCLC's operations where the recommendation was made for BCLC to establish critical success factors for its lottery retailers in order to evaluate performance to report on results.

What happens when a retailer does not achieve the lottery revenue threshold?

When the lottery revenue threshold is not met, a six month review process will follow and the retailer will have an opportunity to increase sales. The BCLC Territory Manager will support the retailer in developing their lottery business by discussing bestselling practices, such as fully functioning self-service lottery equipment, promotional point-of-sale materials strategically executed, as well as overall retailer engagement. If after the six month review period the Lottery Retailer fails to achieve revenue above the revenue threshold, the Lottery Retailer is notified of standard lottery closure procedures and provided thirty (30) days written notice of "Lottery Retailer Agreement" termination and exit from the Lottery Network.

How many times can my location take part in the revenue review program?

The six month review is designed to support improving your lottery sales. If your lottery business is not able to sustain improved sales, termination of your Lottery Retailer Agreement will take place following the third instance of not meeting the threshold.

Is there an opportunity to be re-evaluated for consideration of a lottery terminal again after a lottery agreement is terminated due to the Lottery Retailer Revenue Review Program?

Yes. Retailers requesting to be re-evaluated for consideration of a lottery terminal must complete a one year waiting period to reapply. Only retailers able to demonstrate a change in business circumstances that reflects a positive impact on potential revenue performance will be considered. The application will be assessed following the standard lottery application and evaluation process.

Are there any exceptions to the program?

The Lottery Retailer Revenue Review Program is limited to lottery retailers within the Retailer Network (RN) and Hospitality Network (HN) channels as it is based on revenue criteria specific to those business lines. Due to geographical or contractual considerations, exemptions exist for Lottery Retailers including certain remote locations throughout British Columbia, Key Partnership Agreements, Pull Tab only retailers, Lotto Express retailers, all Non-Profit Service/Community Clubs, and Liquor Retail Stores (LRS) associated with a Hospitality Business or Key Strategic Business Partner.