

So you want to be a retail stores group lottery retailer?

SECURITY DEPOSIT REQUIREMENT:

Upon successful application and selection as an RSG lottery store retailer, a refundable security deposit will be required. BCLC requires one week's worth of projected sales as a security deposit.

On average, a retailer will be required to provide \$20,000 as a security deposit (however, this amount will vary depending on retail location).

Average annual sales per RSG store are approximately \$1 million per annum. The security requirement may be in the form of a Letter of Credit which may be obtained from your financial institution, a certified cheque or money wire transferred directly to BCLC. This amount will be held in an interest bearing account (interest paid out annually). In the event of payment default of lottery products purchased on credit in accordance with the terms of credit, BCLC is entitled to apply the security deposit against the outstanding amount.

THE APPLICANT SELECTION PROCESS:

RSG retailers are selected by fair competition in an unbiased manner.

The selection process considers retailers based on retail experience, ability to operate a retail business successfully, customer service skills, demonstrated ability to present the BCLC corporate image and ability to utilize proactive selling techniques (i.e. promotions, professional presentation and sales skills).

Approximately 1,200 applications to operate a RSG lottery store are received annually, with availability averaging 10 locations per year. Only qualified applicants who are expecting

to be the full-time operator of the location for a majority of the time will be interviewed - absentee retailers/managers need not apply.

Interviews are held at BCLC offices when possible or in the geographical area of the available location.

Interviews are approximately one hour in length and are conducted by representatives of the BCLC Retail Stores Group.

APPLICATION:

Interested applicants should submit a resume or complete the enclosed application form to apply. Applications should be made in the name of the interested RSG lottery store retailer.

Please indicate geographical preferences in the area provided on the application form. Please include any relevant documents (i.e. training certificates, references and retail accomplishments).

Please Return enclosed application or resume to:

Attention: Retail Stores Group Recruitment Associate

Via Fax: 1-866-857-8023

Via e-mail: retailstoresgroup@bclc.com

For any further inquiries please contact Consumer Services at 1-866-815-0222.



retail stores group

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Welcome to BCLC

Enclosed is an introduction to everything you will need to know about becoming a Retail Stores Group lottery retailer, you will find information on the following:

- BCLC
- Retail Stores Group (RSG)
- Leasing/Rental Arrangements
- Financial Compensation/Rewards
- Lottery Retailers Agreement
- Security Deposit Requirement
- The Applicant Selection Process
- Application



BCLC MANDATE:

BCLC is a Crown Corporation under the Lottery Corporation Act of British Columbia. The Criminal Code of Canada forbids the sale of lottery tickets by anyone other than those authorized by the appropriate government authority. Through a Lottery Retailers Agreement, retailers are authorized to participate in lotteries conducted by BCLC.

As an agent of the Crown, the Province has designated BCLC as the authority to conduct and manage lottery schemes within British Columbia. This includes the marketing of nationwide and regional lottery games in association with other provinces of Canada. Under current provincial gaming legislation, the Corporation's mandate includes the responsibility to conduct, manage and operate lottery gaming, casino gaming and commercial bingo gaming.

BCLC MISSION STATEMENT:

The mission of the BCLC is to provide high-quality gaming entertainment in a socially responsible manner generating income for the public good.

BCLC VISION STATEMENT:

To be a player focused, publicly respected, performance-driven corporation.

RETAIL STORES GROUP:

The Retail Stores Group is a department within BCLC. RSG provides BCLC with a corporate chain of stores, creating a presence to the lottery ticket-selling environment, while enhancing BCLC's retailer network.

RSG is responsible for competitive corporate lottery store site selection, creative store designs and the placement of a successful independent contractor/entrepreneur.

RSG OBJECTIVES:

- Have a network of well-developed lottery retail stores & professionals who provide an informational window to the retail environment, while providing exceptional customer service.
- Improve the quality of the retail network through performance measures and specialized training programs.
- Continue to provide excellent working conditions for all entrepreneurs.
- Control and enhance the sales environment at high traffic locations within British Columbia.

RSG is a 100 per cent independent contractor/entrepreneur program dedicated to maintaining a self-sufficient and financially viable corporate lottery store program. Currently it is comprised of 145+ successful high volume lottery stores throughout British Columbia. The lottery store premises are owned, maintained and controlled by BCLC and operated by an independent contractor/entrepreneur. The mandate is to develop highly visible, high volume and profitable retail outlets that showcase BCLC's lottery products and services. The corporate stores provide BCLC with a high profile in major malls, shopping centres, large retail outlets/superstores and grocery stores in all major communities throughout the province.

RSG retailers are expected to provide exceptional customer service and to participate in exclusive promotions and bonus incentives. RSG stores maintain a professional and consistent image across BC. To support the program, BCLC owns and maintains the stores and has a mandatory uniform program. Ongoing support is provided to retailers in the form of visits and contact from RSG Territory Managers & other RSG team members.

RSG retailers are responsible for managing and operating the lottery store under the guidelines established by BCLC. Each retailer is responsible for daily business operations, including paying all rent expenses and other business expenses, hiring staff, obtaining a business license, securing insurance coverage and providing excellent customer service.

LEASING/RENTAL ARRANGEMENTS:

RSG, on behalf of BCLC, selects the sites of all corporate lottery store locations, negotiates all licenses/leases, including renewals, and is the tenant of record. The lottery store premise is subtenanted to the successful retailer. The retailer is responsible for 100 per cent of the base rent, additional rent, percent rent and, where applicable, all business, property or other taxes. The rental amounts will be invoiced to the retailer on a monthly basis (based on a 12-month average) and reviewed and reconciled annually.

FINANCIAL COMPENSATION/REWARDS:

RSG retailers are independent contractors/entrepreneurs who earn financial compensation through commission sales. All retailers participate in the current 5% commission structure. Additional bonus and incentive programs further enhance retailer compensation.

The primary bonus program is the RSG Sales Bonus Program. It is exclusive to RSG retailers. The purpose of the RSG Sales Bonus Program is to ensure a positive and professional image amongst all RSG locations, to enhance retailer incentives and to act as a measure of retailer performance. There are three bonus payment areas included in the current Sales Bonus Program:

1. Sales Achievement
2. Sales Increase
3. Presentation and Operations

It is feasible that every RSG retailer can participate in all three portions of the Sales Bonus Program, plus monthly incentives that exist throughout the year!

LOTTERY RETAILERS AGREEMENT:

Each successful candidate for a RSG location will be required to execute a standard Lottery Retailers Agreement and a non-ownership document. The retailer is responsible for obtaining an annual Certificate of Insurance and a Business License for the lottery retail store premises.

All lottery tickets in the possession of the retailer are property of the retailer; hence the retailer is responsible for lost, stolen, damaged or missing ticket inventory. The retailer is also responsible for insuring the replacement cost of the lottery store premises, including all equipment, and for obtaining adequate General Public Liability coverage (all amounts to be provided to the retailer by RSG). Business Licenses can be obtained from City or Municipal Halls. BCLC uses Electronic Funds Transfer (EFT). All retailers will be asked for authorization from each retailer's financial institution to allow BCLC to collect funds owing on a regular basis (daily or weekly).

TERMINATION:

BCLC reserves the right to terminate any Lottery Retailers Agreement with or without cause.

