

LOTTERY RETAILER AGREEMENT
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LOTTERY RETAILER AGREEMENT

BETWEEN

BRITISH COLUMBIA LOTTERY CORPORATION, a provincial Crown corporation continued under the *Gaming Control Act* (BC), and having an office at 74 West Seymour Street, Kamloops, British Columbia V2C 1E2

(“**BCLC**”)

AND

(the “**Retailer**”)

(Each a “**Party**” and collectively, the “**Parties**”)

WHEREAS:

- A. BCLC is responsible for the conduct and management of gambling in the province of British Columbia on behalf of, and as agent for, the government of British Columbia;
- B. BCLC is the sole entity in British Columbia with the authority to authorize the Retailer with respect to the subject matter of this Agreement, as outlined in the *Gaming Control Act* (BC); and

IN CONSIDERATION of the foregoing and the mutual covenants and agreements contained in this Agreement, the Parties covenant and agree as follows:

ARTICLE 1– SCHEDULES

The following schedules are attached hereto and incorporated into this Agreement by reference and are deemed to be a part of this Agreement:

Schedule “A” – Definitions

Schedule “B” – Site(s)

Schedule “C” – Privacy Protection Schedule

ARTICLE 2- BCLC OBLIGATIONS

2.1 Authorization to provide Services

Pursuant to Section 90(b) of the *Gaming Control Act* (BC) and the terms and conditions set out in this Agreement, BCLC hereby authorizes the Retailer to provide the Services at the Site(s). BCLC further grants the Retailer a personal license to utilize the Equipment at the Site(s) as allowed under this Agreement.

2.2 Tickets and Equipment

BCLC will provide the Retailer with Tickets and Equipment, all in BCLC’s sole discretion. The Retailer acknowledges and agrees that the Equipment and all monies received from the sale of the Tickets or through provision of the Services are the sole property of BCLC and hereby declares that the Retailer receives, holds, and deals with the same as trustee for BCLC.

2.3 Covenant to pay Commission

BCLC will pay the Retailer such Commissions or other remuneration at rates or amounts as are established from time to time by BCLC, provided that the Retailer complies with the terms and conditions of this Agreement and subject to Article 5.7. BCLC is not responsible to pay any further commission or payment of any kind in relation to provision of the Services to an operator or manager of a Site, such payments, if any, being the sole responsibility of the Retailer, unless specifically agreed to between the Parties.

ARTICLE 3– COVENANTS OF THE RETAILER

3.1 Operations

The Retailer will:

- (a) provide the Services, and cause its employees or its agents at the Site(s) to provide the Services, in accordance with this Agreement, Policies, and applicable laws, all as amended from time to time;
- (b) locate and utilize the Equipment as approved by BCLC;
- (c) provide and maintain such telecommunication facilities at the Site(s) for the effective delivery of the Services and operation of Equipment, and upgrade the telecommunications facilities from time to time to maintain a commercially reasonable standard of telecommunications service, all at the Retailer's expense;
- (d) be responsible for third party charges incurred in the operation of Equipment and telecommunication facilities;
- (e) provide at all times for the physical security of any Tickets, Equipment, and Records in the Retailer's care or control and immediately notify BCLC of any suspected or actual damage, misappropriation, misuse, malfunction, theft, or destruction of any Tickets, Equipment, or Records;
- (f) return or provide to BCLC any Equipment, Tickets, or Records in the Retailer's care or control upon request by BCLC;
- (g) not attempt to repair, move, reverse engineer, alter or otherwise tamper with the Equipment, except as approved by BCLC;
- (h) be responsible for and indemnify and save BCLC harmless from any Losses related to the theft, destruction of or damage to the Equipment or Tickets, excluding the cost for repairs necessitated by normal wear and tear;
- (i) maintain sufficient insurance to cover the Retailer's obligations under this Agreement, including without limitation sufficient coverage for the new replacement cost of all Equipment and Tickets located at the Site(s), to increase and maintain any additional insurance as BCLC may require in its sole discretion from time to time, and to provide proof of insurance to BCLC at any time upon BCLC's request;
- (j) provide if requested by BCLC a cash security deposit, a letter of credit from a Canadian chartered bank or other financial institution approved by BCLC, or any such additional or other security for the obligations of the Retailer under this Agreement as BCLC may require in its sole discretion from time to time; and
- (k) comply with any applicable registration required by the Gaming Policy Enforcement Branch, BCLC's operations regulator ("GPEB"), or any heir thereto, and provide BCLC with proof of such registration upon request.

3.2 Marketing

The Retailer will:

- (a) display the promotional materials provided by BCLC, and not engage in any advertising of BCLC products except as approved by BCLC; and
- (b) use the BCLC Marks only as permitted under this Agreement and in accordance with Article 10.

3.3 Business Practices

The Retailer will:

- (a) perform, and cause its employees or agents to perform, the Services with diligence and in a courteous and business-like manner;
- (b) attend and cause its employees or agents that provide Services to attend training sessions as required by BCLC;
- (c) not offer for sale Tickets or Games, except as authorized under this Agreement. This clause 3.3 (c) does not affect the Retailer's ability to offer games and contests as otherwise permitted by law;
- (d) not sell, check, or validate and payout Tickets unless in the physical presence of the customer;
- (e) not sell Tickets to a person who the Retailer reasonably suspects is likely to resell the Tickets;
- (f) not sell the Tickets for a price greater than the Ticket price set by BCLC;
- (g) not use the words "lottery", "lotteries", "casino", "gambling", or other like words denoting activities managed by BCLC in either the Retailer's legal name or any business or trade name that the Retailer uses to identify its business, including in any signage, display, or promotion, unless prior written permission is obtained from BCLC;
- (h) disclose to BCLC any direct or indirect interest the Retailer has in another BCLC authorized business;
- (i) not subcontract any of the Services set out in this Agreement, except as expressly permitted by BCLC; and
- (j) immediately notify BCLC in writing of any breach or any anticipated breach of any term in this Agreement that the Retailer becomes aware of.

ARTICLE 4– FINANCIAL COVENANTS

4.1 Designated Account

Upon execution of this Agreement, the Retailer will establish an account, or provide account information of an existing active account, at an accredited financial institution acceptable to BCLC (the "Designated Account"). BCLC may determine in its sole discretion and upon 30 (thirty) days written notice to the Retailer that the Designated Account be a sole purpose account strictly used for the purposes contemplated in this Agreement.

4.2 Instant and Pull Tab Tickets

The Retailer will pay for Instant Tickets and Pull Tab Tickets as invoiced by BCLC by depositing the monies owed to BCLC into the Designated Account.

4.3 On-line Tickets

The Retailer will deposit to the Designated Account all monies collected from the sale of On-line Tickets, less monies used to pay out Winning Tickets in accordance with BCLC Policies (the

“Proceeds”). The Retailer acknowledges and agrees that the Commissions do not become payable until the Retailer deposits the Proceeds for those particular Tickets in the Designated Account.

4.4 Other Games

The Retailer will pay BCLC for other Games that BCLC may provide and the Retailer sells from time to time as prescribed by BCLC.

4.5 Other Financial Covenants of the Retailer

The Retailer will:

- (a) pay any administrative fees as determined by BCLC, without deduction, and the Retailer agrees that BCLC may adjust such fees in its sole discretion upon thirty (30) days written notice to the Retailer;
- (b) keep all Records, Equipment, and Tickets free of all encumbrances, liens, charges, pledges, mortgages, and security interests of any nature;
- (c) use reasonable commercial efforts to have on hand at each Site at all times sufficient funds to meet Prize payout obligations up to the Prize level for the Retailer set by BCLC;
- (d) be responsible for all Losses involving illegal transactions and those incurred as a result of not complying with this Agreement, Policies, and applicable laws, all as amended from time to time;
- (e) bear the loss for stolen, lost or damaged Ticket inventory, lost or stolen monies, and counterfeit monies or tokens;
- (f) allow BCLC, at its sole discretion and from time to time, to obtain a credit assessment of the Retailer; and
- (g) allow and hereby agrees that the right of set-off exists between BCLC and the Retailer, including the right of set-off of any debt or outstanding obligation owed to BCLC by the Retailer for any monies, Commissions, or assets that BCLC may owe or hold on behalf of the Retailer.

4.6 Governance of Records

BCLC Records shall be determinative in the event of any inconsistency between BCLC Records and Records generated by the Retailer.

ARTICLE 5– TERM, SUSPENSION, TERMINATION AND OTHER REMEDIES

5.1 Term

The term of this Agreement will commence on the Effective Date as set out on the execution page of the Agreement and continue until such time as this Agreement is terminated in accordance with this Article 5.

5.2 Suspension or Termination by BCLC

- (a) BCLC may suspend its authorization to the Retailer from providing Services at one or more Sites effective immediately upon the Retailer receiving notice of the suspension from BCLC, or
- (b) BCLC may terminate this Agreement or revoke its authorization to the Retailer from providing Services at one or more Sites immediately and without notice upon occurrence of any of the following events:
 - (i) the Retailer is in breach or is being investigated for a possible breach of this Agreement, the Policies, or applicable laws all as amended from time to time;
 - (ii) the Retailer makes a fraudulent misrepresentation on the Retailer application form or on any documentation the Retailer submits to BCLC;

- (iii) GPEB denies or revokes the gaming registration issued to the Retailer or to the Site(s), as permitted by law, whether such revocation is temporary or permanent;
- (iv) the Retailer sells, sub-leases, sub-licenses, or discontinues its business operations, or moves one or more of the Site(s) without BCLC's express approval;
- (v) the Retailer declares bankruptcy or becomes insolvent, or a receiver or a liquidator is appointed over some or all of the assets of the Retailer, or in the event any of the assets of the Retailer are seized or distrained upon, or
- (vi) the Retailer engages in conduct or activities which BCLC in its sole discretion determines to be contrary to the public interest or harmful to the integrity or reputation of lottery gaming or BCLC.

5.3 Termination without Cause

Either Party may terminate this Agreement without cause by giving at least thirty (30) days written notice to the other Party.

5.4 Effects of Suspension of a Site(s)

Suspension of a Site(s) does not release the Retailer from any and all of Retailer obligations under this Agreement. Upon suspension of a Site(s), the Retailer will:

- (a) cease to sell the Tickets and provide the Services at the suspended Site(s) for the time period of the suspension; and
- (b) comply with any other requirement as determined and communicated in writing by BCLC or GPEB, as the case may be.

5.5 Effects of Termination of a Site(s)

Termination of a Site(s) does not release the Retailer from any and all Retailer obligations to BCLC under this Agreement. Upon expiration or termination of a Site(s), the Retailer will:

- (a) immediately cease to sell the Tickets and provide the Services at the terminated Site(s) as of the effective date of the termination;
- (b) immediately cease any and all use of BCLC Marks at the terminated Site(s);
- (c) ensure that the terminated Site(s) Equipment is in good working order as of the effective date of termination;
- (d) deliver immediately to BCLC all unsold Tickets, and any other property relating to the Services at the terminated Site(s), including the Ticket rolls, paper stock, selection slips, point of sale advertising, BCLC signs, and other promotional materials at the terminated Site(s); and
- (e) facilitate BCLC's or its agent's immediate access to the terminated Site(s) to remove all Equipment and BCLC property relating to the Services.

5.6 Effects of Termination of Retailer

Termination of this Agreement does not release the Retailer from any and all outstanding Retailer obligations to BCLC. Upon termination of this Agreement, the Retailer will put to immediate effect Section 5.5 (a)-(e) above, as well as:

- (a) immediately cease any and all use of BCLC Marks; and
- (b) cooperate fully with BCLC in the orderly wind-down of the Retailer's involvement in the sale of the Tickets or provision of the Services.

5.7 Other Remedies

The Parties agree that in the event that the Retailer does not comply with its obligations under this Agreement, and the circumstances are not related to the integrity of gaming, such determination to

be at the sole discretion of BCLC, that BCLC may upon notice to the Retailer impose other remedies including:

- (a) reduction in whole or in part, for a specified time period, of BCLC's obligation to pay Commission or other remuneration to the Retailer;
- (b) Retailer training or re-training, at the expense of the Retailer; or
- (c) other remedies as reasonably implemented by BCLC or as provided for in the Policies.

Application of any of the remedies in this Article 5.7 does not waive BCLC's right to any other remedy in this Article 5 or at law.

ARTICLE 6– CONFIDENTIALITY AND PRIVACY

- (a) The Retailer agrees that at all times, including following the termination of this Agreement, it will hold in strict confidence and not disclose BCLC Confidential Information to any third party, except as approved in writing by BCLC, as required to comply with applicable laws, or to its legal counsel or professional advisors.
- (b) BCLC agrees that it will hold in strict confidence and not disclose Retailer information marked "Confidential" or "Proprietary" or which, under the circumstances surrounding disclosure, ought to be treated as confidential, except as approved in writing by the Retailer, or as required to comply with applicable laws, or as provided to its agents for the purposes of this Agreement, or to its legal counsel or professional advisors.
- (c) All BCLC Confidential Information is and shall remain the property of BCLC and BCLC does not grant or confer any rights to the Retailer by licence or otherwise in or to any Confidential Information disclosed.
- (d) In the event that BCLC requires the Retailer to collect or use Personal Information, the Retailer will abide by the obligations set out in the Privacy Protection Schedule attached hereto as Schedule "C". Schedule "C" may be amended or substituted from time to time by BCLC, upon notice to the Retailer, without affecting the Agreement.
- (e) By signing this Agreement, the Retailer agrees that BCLC may store and access the Retailer's Personal Information outside of Canada for the purposes of administering the Agreement.

ARTICLE 7 – REPRESENTATIONS AND WARRANTIES

The Retailer represents and warrants that the execution, delivery and performance of this Agreement are within the powers and capacities of the Retailer and have been duly authorized by all necessary legal action.

ARTICLE 8– INSPECTION, INVESTIGATION AND AUDIT RIGHTS

The Retailer will permit and assist BCLC, its agent, or any governmental agency, at any time during operational hours at a Site and without prior notice, access to inspect and/or audit the Site to investigate whether the Retailer is delivering the Services in accordance with the terms of this Agreement or as related to BCLC's conduct and management of gaming.

ARTICLE 9– INDEMNITY AND LIMITATION OF LIABILITY

9.1 Indemnification

- (a) The Retailer will be wholly responsible for all losses, damages, liabilities, costs or fines incurred by or imposed on BCLC or its Affiliates or third parties by reason of the Retailer's failure to comply with applicable laws, Policies or failure to perform its obligations under this Agreement. The Retailer undertakes to defend, indemnify, and hold harmless BCLC and its Affiliates, and their directors, officers, employees, successors, assigns and representatives (the "Indemnified Parties") with respect to any demand, claim, suit, fine or condemnation arising from the above-mentioned events and any related Losses. Further, the Retailer undertakes to defend, indemnify and hold harmless the Indemnified Parties from the

Retailer's use of any third party devices, information and communication technology systems, or other systems, all as may be accessed by the Retailer in connection with this Agreement;

- (b) Notwithstanding Section 9.1(a) above, the Retailer acknowledges that BCLC shall not be liable to the Retailer for any loss or injury resulting from fire or other occurrences resulting from the installation, operation, or removal of the Equipment or failure, malfunctions or interruptions in use or cessation of operation thereof, except to the extent that such loss or injury is the result of BCLC's negligence.

9.2 Limitation of Liability

In no event will BCLC (including its directors, officers, employees, contractors and agents) be liable for any indirect damages of any kind, including without limitation, damages arising from lost business, lost savings, lost data, and lost profits, regardless of the cause and whether arising in contract, tort, negligence or otherwise, even if the Retailer has been advised of the possibility of such damages or such damages could have been reasonably foreseen by BCLC. BCLC's aggregate cumulative liability for damages to the Retailer arising out of or related to this Agreement, regardless of the basis of the claim, will in no event exceed \$10,000.00.

ARTICLE 10– INTELLECTUAL PROPERTY

10.1 Non-Infringement

The Retailer will cause the Services to be performed in a manner that will not infringe any intellectual property rights of any third party including, without limitation, any patent, trade-mark, trade secret or copyright of a third party, whether registered, unregistered, or recognized in Canada or elsewhere.

10.2 Ownership of BCLC Marks

BCLC will be and remain the exclusive owner of all rights, title and interest in and to the BCLC Marks.

10.3 License to the Retailer

BCLC hereby grants to the Retailer a limited, non-exclusive, non-transferable, non-assignable right, subject to any restrictions, license terms, or Policies required by BCLC, to use the BCLC Marks and the BCLC Confidential Information as required to provide the Services to BCLC. The foregoing license rights may be suspended or terminated as set out in Article 5 of this Agreement or upon written notice from BCLC, as applicable.

10.4 Irreparable Harm

Without limiting the remedies available to BCLC, the Retailer acknowledges that damages at law will be an insufficient remedy to BCLC in view of the irrevocable harm which will be suffered if the Retailer violates any of the terms of Article 6 or Article 10 hereof and agrees that BCLC may apply for injunctive relief in any court of competent jurisdiction specifically to enforce any such covenants upon the breach or threatened breach of any such provisions, or otherwise specifically to enforce any such covenants, and the Retailer hereby waives all defenses to any such relief sought by BCLC.

ARTICLE 11– ASSIGNMENT

11.1 Assignment by BCLC

Upon notice to the Retailer, this Agreement may be assigned, in whole or in part, by BCLC.

11.2 Assignment by the Retailer

The Retailer may not assign its interest in this Agreement or any portion thereof (or any other rights, interests, duties or obligations or any portion thereof under this Agreement), including to an Affiliate or as result of a change of control, without the prior written consent of BCLC.

11.3 Successors and Assigns

This Agreement will be to the benefit of and will be binding on the legal representatives and successors of each of the Parties or the permitted assigns of BCLC.

ARTICLE 12 – GENERAL TERMS

12.1 Severability

In the event any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect.

12.2 Survival

Articles 5, 6, 9, 10, 12, and any other provision that by its nature would survive the termination of this Agreement will continue to be in effect and shall survive termination of this Agreement.

12.3 Relationship of Parties

It is expressly agreed and understood that the Parties have entered into an arms-length independent contract for the rendering of the Services and that the Retailer and its employees are not the employees or agents of BCLC. This Agreement will not be deemed to constitute or create any partnership, joint venture, master-servant, employer-employee, principal-agent or any other relationship apart from an independent contractor and contractee relationship.

12.4 Waiver

No course of dealing or failure of either Party to strictly enforce the terms of this Agreement will be construed as a waiver of the future performance of that term or condition.

12.5 Governing Law

This Agreement will be governed by the laws of British Columbia and the laws of Canada applicable therein. The Parties hereby irrevocably and unconditionally attorn to the exclusive jurisdiction of the superior courts of the Province of British Columbia and all courts competent to hear appeals therefrom.

12.6 Notices

All notices or communications from one Party to the other will be sent in writing by email, registered mail (return receipt requested), a reputable overnight delivery service or by personal delivery to the addresses set out below or to such address as one Party advises the other Party of in writing from time to time:

If to **BCLC**: 74 West Seymour Street,
 Kamloops, British Columbia, V2C 1E2
 Email: kam-rnm@bclc.com
 Tel: 250.828.5500

If to the **Retailer**: _____

Any such notice or communication will be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a business day, on the next business day) or, if mailed, on the third business day following the date of mailing; provided, however, that if at the time or within three (3) business days thereafter there is or occurs a labour dispute or other event that might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder will be delivered or transmitted by means of electronic delivery or overnight courier as specified above.

12.7 Entire Agreement

This Agreement, including preambles and all schedules or attachments, constitutes the entire Agreement between the parties hereto, will supersede any other oral or written agreements, and may not be changed or modified except by an instrument in writing, duly executed by the parties hereto.

12.8 Prior Agreement

This Agreement terminates and replaces any prior agreement between the Parties regarding the provision of Services.

IN WITNESS WHEREOF, the Parties have executed this Agreement, effective as of the date signed by BCLC below (the “**Effective Date**”). This Agreement may be executed in counterparts and by facsimile or digital scan, each of which when so executed, will be deemed an original, and all of which together shall constitute one and the same instrument.

By: _____

Print Name: _____

Date: _____

BRITISH COLUMBIA LOTTERY CORPORATION

By: _____

Print Name: _____

Effective Date: _____

SCHEDULE "A" – DEFINITIONS

Capitalized terms will have the meaning given below or as defined within a provision.

- (a) **"Affiliate"** means, with respect to any Party, each corporation which controls that Party or which is controlled by that Party, or which is controlled by the same Person as that Party. A corporation is controlled by a Person where that Person has the power to direct the management and policies of the corporation by virtue of ownership of 51% or more of the voting securities of the corporation;
- (b) **"Agreement"** means this lottery retailer agreement, including any schedules attached hereto, all as amended or supplemented from time to time;
- (c) **"BCLC Marks"** means any trade-marks, official marks, business names, trade names, domain names, training styles, logos, or other distinguishing marks, whether registered or unregistered, that are used by BCLC;
- (d) **"BCLC Confidential Information"** means any technical, financial, personal, employee, operational, or other information or data of BCLC that at the time of disclosure (i) is designated as confidential (or like designation), (ii) is disclosed in circumstances of confidence, or (iii) would be understood by a person exercising reasonable business judgment to be confidential, and includes without limitation information relating to the business of BCLC, prize distribution and winning information, non-public information and trade-secret relating to present and contemplated Services, marketing techniques, distribution processes, suppliers, customers, clients, or other information relating to the business and affairs of BCLC;
- (e) **"Commission"** means the amount that BCLC will pay to the Retailer for Services, which amount may be amended by BCLC from time to time at its sole discretion;
- (f) **"Equipment"** means any mechanical, electronic or other devices, including without limitation signs, fixtures, kiosks, and paraphernalia supplied by BCLC to the Retailer during the term of the Agreement. Equipment may be added or removed at the sole discretion of BCLC during the term of the Agreement. Equipment may also include third party devices, information and communication technology systems, or other systems all as may be used by the Retailer with respect to the Services;
- (g) **"Game(s)"** means a lottery scheme as defined in the Criminal Code and conducted and managed by the government of British Columbia through BCLC, either alone or in cooperation with other Persons authorized by BCLC;
- (h) **"Instant Ticket"** means an instant win Ticket that requires the player to remove a latex coating or other cover to determine if the Ticket is a Winning Ticket;
- (i) **"Losses"** means all claims, demands, actions, causes of action, suits, proceedings, judgments, settlements, debts, damages, costs, charges, fines, penalties, assessments, taxes, duties, tariffs, liens, liabilities and expenses including attorney's costs on a solicitor and own basis;
- (j) **"On-line Ticket"** means a Ticket where a draw is made sometime after purchase and the player must check his or her numbers against the drawn numbers in order to determine if the Ticket is a Winning Ticket;
- (k) **"Person"** means any natural person, corporation, partnership, joint venture, association, company, trust, estate, unincorporated organization, society, government, agency or governmental authority;
- (l) **"Personal Information"** has the same meaning as defined in the Freedom of Information and Protection of Privacy Act (BC), as amended from time to time;
- (m) **"Policies"** means BCLC's internal policies and procedures relating to the Services, as amended and communicated to the Retailer from time to time, including any instructions, directives, codes of conduct, and operating manuals;
- (n) **"Prize"** means a sum of money, merchandise, property, service, activity or any benefit to a Ticket owner for winning a Game;
- (o) **"Pull Tab Ticket"** means an instant win Ticket on which the player tears open a number of flaps to see if the Ticket is a Winning Ticket;

- (p) **“Records”** means documentation related to the delivery of the Services.
- (q) **“Services”** means the obligations of the Retailer under this Agreement, including the marketing, sales, and if applicable, the validation of Tickets and payout of Winning Tickets, and otherwise the provision of Games;
- (r) **“Site(s)”** means the retail location(s) or premise(s) listed in Schedule “B”, and such locations or premises as may be added or deleted from time to time, at which the Retailer is authorized by BCLC to provide the Services;
- (s) **“Ticket”** means a ticket, certificate, or other instrument defined as a lottery ticket under the Gaming Control Act issued and authorized for sale by BCLC, and includes the Instant Tickets, Pull Tab Tickets and On-line Tickets; and
- (t) **“Winning Ticket”** means a valid Ticket entitling its holder to a Prize.

SCHEDULE "B" – SITE(S)

This Schedule "B" dated January, 31, 2012 is attached to and forms part of the Lottery Retailer Agreement dated _____, between British Columbia Lottery Corporation ("**BCLC**") and (the "**Retailer**").

BCLC may amend or substitute this Schedule "B" from time to time without affecting the Agreement.

BCLC authorizes the Retailer to provide the Services from the following Site(s):

Location Name:

Address:

City: _____,

Postal Code:

Telephone Number:

Agreement Number:

SCHEDULE "C" – PRIVACY PROTECTION SCHEDULE

This Schedule "C" may be amended or substituted by BCLC from time to time, with notice to the Retailer.

Definitions

1. In this Schedule,
 - (a) "access" means disclosure by the provision of access;
 - (b) "Act" means the Freedom of Information and *Protection of Privacy Act* (British Columbia), as amended from time to time;
 - (c) "contact information" means information to enable an individual at a place of business to be contacted and includes the name, position name or title, business telephone number, business address, business email or business fax number of the individual;
 - (d) "personal information" has the same meaning as defined in the Act.

Purpose

2. The purpose of this Schedule is to:
 - (a) enable BCLC to comply with its statutory obligations under the Act with respect to personal information; and
 - (b) ensure that, as a service provider, the Retailer is aware of and complies with its statutory obligations under the Act with respect to personal information.

Collection of personal information

3. Unless the Agreement otherwise specifies or BCLC otherwise directs in writing, the Retailer may only collect or create personal information that is necessary for the performance of the Retailer's obligations, or the exercise of the Retailer's rights, under the Agreement.
4. Unless the Agreement otherwise specifies or BCLC otherwise directs in writing, the Retailer must collect personal information directly from the individual the information is about.
5. Unless the Agreement otherwise specifies or BCLC otherwise directs in writing, the Retailer must tell an individual from whom the Retailer collects personal information:
 - (a) the purpose for collecting it;
 - (b) the legal authority for collecting it; and
 - (c) the title, business address and business telephone number of the person designated by BCLC to answer questions about the Retailer's collection of personal information.

Accuracy of personal information

6. The Retailer must make every reasonable effort to ensure the accuracy and completeness of any personal information to be used by the Retailer or BCLC to make a decision that directly affects the individual the information is about.

Requests for access to personal information

7. If the Retailer receives a request for access to personal information from a person other than BCLC, the Retailer must promptly advise the person to make the request to BCLC unless the Agreement expressly requires the Retailer to provide such access and, if BCLC has advised the Retailer of the name or title and contact information of an official of BCLC to whom such requests are to be made, the Retailer must also promptly provide that official's name or title and contact information to the person making the request.

Correction of personal information

8. Within 5 business days of receiving a written direction from BCLC to correct or annotate any personal information, the Retailer must annotate or correct the information in accordance with the direction.
9. When issuing a written direction under section 8, BCLC must advise the Retailer of the date the correction request to which the direction relates was received by BCLC in order that the Retailer may comply with section 10.
10. Within 5 business days of correcting or annotating any personal information under section 8, the Retailer must provide the corrected or annotated information to any party to whom, within one year prior to the date the correction request was made to BCLC, the Retailer disclosed the information being corrected or annotated.
11. If the Retailer receives a request for correction of personal information from a person other than BCLC, the Retailer must promptly advise the person to make the request to BCLC and, if BCLC has advised the Retailer of the name or title and contact information of an official of BCLC to whom such requests are to be made, the Retailer must also promptly provide that official's name or title and contact information to the person making the request.

Protection of personal information

12. The Retailer must protect personal information by making reasonable security arrangements against such risks as unauthorized access, collection, use, disclosure or disposal, including any expressly set out in the Agreement.

Storage and access to personal information

13. Unless BCLC otherwise directs in writing, the Retailer must not store personal information outside Canada or permit access to personal information from outside Canada.

Retention of personal information

14. Unless the Agreement otherwise specifies, the Retailer must retain personal information until directed by BCLC in writing to dispose of it or deliver it as specified in the direction.

Use of personal information

15. Unless BCLC otherwise directs in writing, the Retailer may only use personal information if that use is for the performance of the Retailer's obligations, or the exercise of the Retailer's rights, under the Agreement.

Disclosure of personal information

16. Unless BCLC otherwise directs in writing, the Retailer may only disclose personal information inside Canada to any person other than BCLC if the disclosure is for the performance of the Retailer's obligations, or the exercise of the Retailer's rights, under the Agreement.
17. Unless the Agreement otherwise specifies or BCLC otherwise directs in writing, the Retailer must not disclose personal information outside Canada.

Notice of foreign demands for disclosure

18. In addition to any obligation the Retailer may have to provide the notification contemplated by section 30.2 of the Act, if in relation to personal information in its custody or under its control the Retailer:
 - (a) receives a foreign demand for disclosure;
 - (b) receives a request to disclose, produce or provide access that the Retailer knows or has reason to suspect is for the purpose of responding to a foreign demand for disclosure; or
 - (c) has reason to suspect that an unauthorized disclosure of personal information has occurred in response to a foreign demand for disclosurethe Retailer must immediately notify BCLC and, in so doing, provide the information described in section 30.2(3) of the Act. In this section, the phrases "foreign demand for disclosure" and "unauthorized disclosure of personal information" will bear the same meanings as in section 30.2 of the Act.

Notice of unauthorized disclosure

19. In addition to any obligation the Retailer may have to provide the notification contemplated by section 30.5 of the Act, if the Retailer knows that there has been an unauthorized disclosure of personal information in its custody or under its control, the Retailer must immediately notify BCLC. In this section, the phrase "unauthorized disclosure of personal information" will bear the same meaning as in section 30.5 of the Act.

Inspection of personal information

20. In addition to any other rights of inspection BCLC may have under the Agreement or under statute, BCLC may, at any reasonable time and on reasonable notice to the Retailer, enter on the Retailer's premises to inspect any personal information in the possession of the Retailer or any of the Retailer's information management policies or practices relevant to its management of personal information or its compliance with this Schedule and the Retailer must permit, and provide reasonable assistance to, any such inspection.

Compliance with the Act and BCLC's Information Systems Security requirements

21. The Retailer must in relation to personal information comply with:
 - (a) the requirements of the Act applicable to the Retailer as a service provider, including any applicable order of the commissioner under the Act;
 - (b) BCLC's Information Systems Security requirements in respect of the personal information as may be provided to the Retailer from time-to-time; and
 - (c) any direction given by BCLC under this Schedule.
22. The Retailer acknowledges that it is familiar with the requirements of the Act governing personal information that are applicable to it as a service provider.

Notice of non-compliance

23. If for any reason the Retailer does not comply, or anticipates that it will be unable to comply, with a provision in this Schedule in any respect, the Retailer must promptly notify BCLC of the particulars of the non-compliance or anticipated non-compliance and what steps it proposes to take to address, or prevent recurrence of, the non-compliance or anticipated non-compliance.

Termination of Agreement

24. In addition to any other rights of termination which BCLC may have under the Agreement or otherwise at law, BCLC may, subject to any provisions in the Agreement establishing mandatory cure periods for defaults by the Retailer, terminate the Agreement by giving written notice of such termination to the Retailer, upon any failure of the Retailer to comply with this Schedule in a material respect.

Interpretation

25. In this Schedule, references to sections by number are to sections of this Schedule unless otherwise specified in this Schedule.
26. Any reference to the "Retailer" in this Schedule includes any subcontractor or agent retained by the Retailer to perform obligations under the Agreement and the Retailer must ensure that any such subcontractors and agents comply with this Schedule.
27. The obligations of the Retailer in this Schedule will survive the termination of the Agreement.
28. If a provision of the Agreement (including any direction given by BCLC under this Schedule) conflicts with a requirement of the Act or an applicable order of the commissioner under the Act, the conflicting provision of the Agreement (or direction) will be inoperative to the extent of the conflict.