

## RELATED PARTY PRIZE CLAIM POLICY

### 1.0 DEFINITIONS

In this policy,

- 1.1 "Immediate Family Member" means:
- (i) a spouse (including common law), fiancée, sibling, parent or child of those referred to in Article 1.4 (a), (b), (c), or (d) below, whether or not they reside or resided with the person referred to in Article 1.4 (a), (b), (c) or (d) above; or
  - (ii) any other person or relative, including by marriage, that currently resides, or resided at any point during the applicable period referred to above, with any person referred to in Article 1.4 (a), (b), (c), or (d) below.
- 1.2 "Lottery Tickets" include On-Line Tickets and Scratch'n Win Tickets.
- 1.3 "On-Line Tickets" means lottery tickets for games that are purchased through a computer terminal installed by Atlantic Lottery Corporation ("ALC") at the Retailer's retail outlet. Examples include: Lotto 6/49, Lotto Max, Keno Atlantic, Pro-Line.
- 1.4 "Related Party" means any person that, at any point during the period of time between the purchase of the applicable Lottery Ticket, or in the case of Scratch'n Win Tickets, the activation of the applicable Scratch'n Win Ticket, and the applicable prize claim was:
- (a) an employee, officer, director or agent of:
    - i. ALC;
    - ii. the Interprovincial Lottery Corporation; or
    - iii. an entity that conducts or manages Lottery Tickets offered by ALC;
  - (b) a Retailer or Retailer Employee;
  - (c) an employee, officer, director or agent of an ALC supplier of Lottery Tickets or Lottery Ticket systems or a supplier of auditing or security services related to ALC Lottery Tickets or Lottery Ticket systems who are or have been involved in providing these supplies/services or supervising or managing the provision of these supplies/services;
  - (d) an employee, officer, director or agent of a regulatory body with regulatory authority over ALC in the Provinces of New Brunswick, Prince Edward Island, and Newfoundland, its Lottery Ticket operations or ALC suppliers referred to in paragraph (c) above who are or have been involved in the exercise of this regulatory authority over ALC or supervising or managing the exercise of this regulatory authority;<sup>1</sup> or
  - (e) Immediate Family Members of those referred to in (a), (b), (c) or (d).
- 1.5 "Retailer" means any person or entity contracted by ALC under an ALC Lottery Ticket Retailer Agreement to sell Lottery Tickets and provide lottery services and includes the principals, owners, agents and/or operators of the Retailer who have signed the Lottery Ticket Retailer Agreement in their personal capacity. "Retailer" includes "Sale Only Retailer".
- 1.6 "Retailer Employee" means any person employed by, or otherwise acting on behalf of, a Retailer where that person is involved in, or directly supervises or manages those involved in, the handling and/or sale of Lottery Tickets, the validation of Lottery Tickets or the provision of lottery services.
- 1.7 "Retailer Play Button" means the button located on the computer terminal used to sell On-Line Tickets that Retailers and Retailer Employees press to identify that an On-Line Ticket is being purchased by a Retailer or Retailer Employee.
- 1.8 "Sale Only Retailer" means any person contracted by ALC under a Retailer Agreement – Sale Only to sell Scratch'n Win Tickets and provide lottery services, and includes the principals, owners, agents and/or operators of the Sale Only Retailer who have signed the Retailer Agreement – Sale Only in their personal capacity.
- 1.9 "Scratch'n Win Tickets" means lottery tickets for games in which a covering on a ticket is scratched or removed to reveal instantly whether the ticket is a winning ticket. Examples include: Scratch 'n Win Bingo and Crossword.

### 2.0 INTRODUCTION

#### 2.1 PURPOSE

The purpose of this policy is to protect ALC's lottery players and the integrity of ALC and its lottery products by ensuring that prize claims by Related Parties are investigated to ensure that no Related Party has realized, or may reasonably be perceived to have realized, any type of unfair advantage and to verify the validity of each prize claim made by a Related Party.

#### 2.2 SCOPE

2.2.1 This policy applies to the following prize claims arising from Lottery Tickets offered by ALC:

- (a) for all prize claims by any Related Party referred to in Article 1.4 (b) (Retailers and Retailer Employees), prize claims with a value of: (i) \$ 1,000 or more for prize claims arising out of On-Line Tickets; and (ii) \$10,000 or more for prize claims arising out of Scratch'n Win Tickets;
- (b) for all prize claims by any Related Party referred to in Article 1.4 (a)(c)(d) or (e), prize claims with a value of \$ 10,000 or more.

2.2.2 This policy does not apply to Lottery Tickets purchased directly from ALC's website.

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<sup>1</sup> The regulatory body in Nova Scotia has been excluded from this definition per direction received from the NSGC on September 21, 2012.

### **3.0 RELATED PARTY PRIZE CLAIMS**

#### **3.1 INVESTIGATION OF RELATED PARTY PRIZE CLAIMS**

ALC will undertake an investigation of each claim for a prize that falls within the scope of this policy, as set out in Article 2.2 above, that is made by or on behalf of a Related Party, or where a Related Party is a member of a group prize claim, and ALC will prepare an investigation report on the facts, evidence, conclusions and/or recommendations relevant to the claim.

ALC will complete all investigations as expeditiously as possible in the circumstances.

#### **3.2 MANDATORY WAIT PERIOD**

3.2.1 ALC will not pay a prize claim with a value of \$10,000 or more made by or on behalf of any Related Party referred to in Article 1.4 (a)(c)(d) or (e) prior to the expiration of thirty (30) days from the date of the prize claim, except and only if:

- i. ALC is completely satisfied that there was no opportunity for the prize claimant to realize an unfair advantage;
- ii. ALC is completely satisfied that there is no reasonable perception that the prize claimant could have realized an unfair advantage;
- iii. the prize claimant completely and unequivocally satisfies ALC, on reasonable grounds, that he/she is lawfully in possession of the Ticket Lottery presented for a prize and that the prize claim is otherwise valid.

3.2.2 For prize claims arising from On-Line Tickets only, ALC will not pay a prize claim with a value of \$1,000 or more made by or on behalf of any Related Party referred to in Article 1.4(b) prior to the expiration of thirty (30) days from the date of the prize claim except and only if:

- i. the prize claim is based on an On-Line Ticket;
- ii. the Retailer or Retailer Employee properly used the Retailer Play Button when purchasing the On-Line Ticket that is subject of the prize claim and;
- iii. ALC's investigative process does not identify any irregularities,

In which event the minimum mandatory wait period of thirty (30) days referred to above will be reduced to one (1) day.

3.2.3 The exception in Article 3.2.2 does not apply to prize claims arising from Scratch'n Win Tickets as the Retailer Play Button cannot currently be used when purchasing Scratch'n Win Tickets. Prize claims arising from Scratch'n Win Tickets of \$10,000 or more will be subject to the thirty (30) day mandatory wait period

3.2.4 Group prize claims including a Related Party will be subject to the same wait period and conditions outlined in this policy.

3.2.5 ALC reserves the right to withhold prize payments beyond the mandatory wait periods referred to in Articles 3.2.1 and 3.2.2 pending completion of its investigative processes.

3.2.6 The wait period referred to in Article 3.2.2 does not apply to Sale Only Retailers or their employees. The thirty (30) day mandatory wait period for prize claims arising from Scratch'n Win Tickets referred to in Article 3.2.3 does apply to Sale Only Retailers and their employees who are involved in, or directly supervise or manage those involved in, the sale of Scratch'n Win Tickets or the provision of lottery services.

3.2.7 ALC does not pay interest of amounts held during the mandatory wait period.

#### **3.3 THIRD PARTY CONTRACTS**

ALC will incorporate the provisions of this policy, as applicable, into its contracts with Retailers, suppliers of ALC Lottery Tickets and Lottery Ticket systems and suppliers of auditing and security services related to ALC Lottery Tickets and Lottery Ticket systems.