

27 March 2020

Dear Retailer,

Additional support for the Lott's retailers

Thank you for your ongoing commitment and support during this very challenging time. The retail environment in which we find ourselves continues to change at a rapid pace as governments and health authorities seek to contain the COVID-19 outbreak.

We feel privileged the vast majority of our retail network is allowed to continue to trade at the time of writing, recognising the essential role our retail outlets play in their local communities.

However, we acknowledge that trading conditions for retailers have changed dramatically during recent weeks. We also understand you have many questions and concerns about your business, and we have been actively working to identify how we can best assist based on the feedback we have received from retailers directly and via our industry partners and associations.

With this in mind, we are pleased to confirm the following temporary arrangements.

1. Changes to Instant Scratch-Its settlement terms

From Monday March 30, 2020 we will be making temporary changes to the settlement terms for Instant Scratch-Its tickets. These changes aim to support retailers in the unfortunate event that you have to temporarily close your outlet during this COVID-19 event.

The key change to note is that from Monday March 30, 2020 Instant Scratch-Its tickets will be settled only when each ticket is sold.

It is important to remember that should a retailer sell tickets in a book out of sequence, the tickets in between will also be settled as per the current ISI settlement process.

In addition, the settlement of unsold books (where a ticket within the book is not sold within 14 days of the prior ticket being sold) will be suspended. The automatic settlement of unopened books after 45 days will also be suspended until Tuesday 30 June 2020.

2. Temporary suspension of Site Surveys

Understanding our retailers are managing a range of new issues in their outlets and the need to minimise unnecessary visits to outlets as part of social distancing measures, we will suspend the Site Survey program for the remainder of Cycle 3 (Monday 2 March 2020 to Sunday 28 June 2020).

Accordingly, all outlets will receive a rating of green for the Cycle 3 Site Surveys <u>including</u> those outlets that have already had a Site Survey completed. It is important to note that the remaining measures for the Omni-Channel Program will remain in place. If you are required to close your outlet, please call the Contact Centre to organise a temporary closure. The process for this can be found on Retailers Web.

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3. Change to the Omni-Channel Digital Commission measurement period

Currently, the Omni-Channel Digital Commission is calculated within each Site Survey cycle. This means if a customer purchases in retail and in digital within the same cycle, the outlet receives Omni-Channel Digital Commission in accordance with their outlet performance rating and their share of the revenue generated in the jurisdiction in which they operate.

We have extended the measurement period to start at the commencement of Cycle 3 FY20 and finish on Sunday November 1, 2020 (the end of Cycle 1 FY21). Please note all payments will be made after Sunday November 1, 2020.

The measures we have outlined above will contribute to some much needed support to our large network of lotteries retailers.

We would also like to note Tabcorp's appreciation for the support packages announced by governments and the banking industry, especially those which support the family and small businesses of lottery and newsagents across Australia.

As always, Retailers Web will be the main source of information about the Lott's operations at this time.

We will continue to review the position of these measures for our network and take into account further developments, such as additional government directions.

I would like to thank you and your teams for your ongoing support, dedication and hard work during these uncertain times.

Yours sincerely

Antony Moore General Manager Lotteries Retail