

THIS AGREEMENT DATED FOR REFERENCE THIS 22nd DAY OF AUGUST 2007

BETWEEN:

VIC POLESCHUK

("Poleschuk")

AND

BRITISH COLUMBIA LOTTERY CORPORATION

("BCLC" or the "Corporation")

BACKGROUND FACTS

- A. BCLC, a Crown Corporation, became responsible in 1985 for the provision of regulated, high quality gaming in the Province of British Columbia.
- B. Poleschuk was hired by BCLC in 1985 after having worked at the Western Canada Lottery Foundation for six years. At the time of hire by BCLC, Poleschuk was given credit for his service with Western Canada Lottery Foundation and is considered to have 28 years of service with BCLC for compensation purposes. On the basis of his performance, Poleschuk annually received bonuses for achieving financial, strategic and organizational goals.
- C. On June 1, 2007 Poleschuk's employment with BCLC was terminated on a without cause basis.
- D. Poleschuk is entitled to severance compensation in accordance with the terms of his Employment Agreement.
- E. Poleschuk and BCLC wish to resolve Poleschuk's entitlement under the terms of his Employment Agreement, and reach agreement to avoid potential conflicts of interest.

THEREFORE in consideration of the payments and promises referred to below and Poleschuk's agreement to enter into the Release and the Confidentiality and Avoidance of Conflicts of Interest Agreement, BCLC and Poleschuk agree as follows:

1. Poleschuk's employment agreement, as amended pursuant to Regulation 379/97, provides that Poleschuk will receive a termination allowance of one month's compensation for each year of service with the Corporation to a total of 18 months'