

MISSISSIPPI LOTTERY CORPORATION ADMINISTRATIVE REGULATIONS

Chapter 10 – Drawing-Style Game Rules¹

Rule 10.1—Applicability of these Rules

The Drawing-Style Game Rules contain specific rules, regulations, procedures, instructions and directives which apply to Drawing-Style Games developed and offered for distribution and sale to the public by the Mississippi Lottery Corporation (“MLC”). The MLC will, from time to time, amend these Rules and Regulations and adopt new Rules and Regulations that pertain to all Drawing-Style Games as well as Game specific items that will be incorporated into the Game Rules for each Game. In the event of a conflict among the Alyce G. Clarke Mississippi Lottery Law, Senate Bill 2001 (First Extraordinary Session 2018) (“Act”), the Drawing-Style Game Rules and Regulations, and the Retailer Contract, the Act will govern the Drawing-Style Game Rules and Regulations, and the Drawing-Style Game Rules and Regulations will govern the Retailer Contract; however, to the extent not in conflict with the Act, the Game Rules will govern the Drawing-Style Game Rules and Regulations as to the specific Drawing-Style Game being produced for distribution; further, however, to the extent not in conflict with the Act, any special rules, Draw Procedures or other Game Procedures adopted by the MLC and uniformly announced to all Retailers for a specific Drawing-Style Game (such as for a sales contest), will govern the Game Rules and the Drawing-Style Game Rules and Regulations as to that game.

These Drawing-Style Game Rules govern Drawing-Style Games authorized by the Act and approved by the MLC. No provision of these Drawing-Style Game Rules shall be construed as authorizing any Drawing-Style Game not authorized by the Act or not approved by the MLC, notwithstanding the inclusion of any references thereto herein.

Rule 10.2 – Definitions

Capitalized terms used herein shall have the meanings set forth in Appendix A to the MLC Rules and Regulations, unless otherwise defined herein.

Rule 10.3 – General Rules

- A. If the MLC, in its sole discretion, has authorized a Retailer to sell Tickets for Drawing-Style Games at one or more of its Retailer Business Locations, these Drawing-Style Game Rules and Regulations, in addition to all provisions, terms and conditions of the Act, other Rules and Regulations, and the Retailer Contract, shall apply to all Drawing-Style Games.

¹ Adopted [10.15.19], first published [10.15.19] and effective [11.15.19].

- B. Only Retailers who have entered into a Retailer Contract with the MLC and have been approved by the MLC, in the MLC's sole discretion, for the sale of Drawing-Style Games, are authorized to sell Drawing-Style Game Tickets.
- C. Drawing-Style Game Tickets may only be sold at the Retailer Business Location(s) listed in the Retailer Contract for which the MLC has authorized the sale of Tickets for Drawing-Style Games.
- D. The MLC will install a Drawing-Style Game Lottery Terminal at each of the Retailer Business Locations listed in the Retailer Contract for which the MLC has authorized the sale of Tickets for Drawing-Style Games.
- E. By signing the Retailer Contract, Retailer acknowledges and agrees that it is responsible for making or having made, and bearing all costs associated therewith, any and all necessary or appropriate modifications to its MLC telecommunications systems or facilities which are reasonably requested by MLC to facilitate the installation, operation and maintenance of any lottery-related equipment.
- F. Retailer shall provide, prior to the installation of Drawing-Style Game Lottery Terminal(s) by MLC, a dedicated quadplex electrical outlet, for each Drawing-Style Game Lottery Terminal, which meets the following requirements: grounded, 110V/15 or 10 AMPS (isolated power circuit), and located no farther than six (6) feet from the applicable Drawing-Style Game Lottery Terminal. No electrical devices other than the MLC Drawing-Style Game Lottery Terminal shall be connected to, or operated from, the dedicated electrical outlet.
- G. Retailer shall provide approximately two (2) feet by four (4) feet of floor space at its business premises, which is acceptable to MLC, for a free-standing play station. Retailer further agrees to provide a space at least twenty (20) inches wide, thirty (30) inches deep and thirty (30) inches high, which is acceptable to MLC, for its Drawing-Style Game Lottery Terminal(s) to allow proper ventilation, maintenance and material loading and removing.
- H. Retailer agrees that it shall be responsible for all expenses, including MLC telecommunications charges, associated with all Retailer-requested Drawing-Style Game Lottery Terminal relocations.
- I. Each Retailer shall sell Drawing-Style Game Tickets, for any and/or all Drawing-Style Games as authorized and directed by the MLC, at each of the Retailer Business Location(s) listed in the Retailer Contract for which the MLC has authorized the sale of Tickets for the respective Drawing-Style Games.
- J. The MLC President in his sole discretion may establish minimum Retailer sales requirements. The MLC will provide Retailers with advance notice of the effective date of the minimum sales requirements. If Retailer fails to meet the MLC's established minimum weekly sales average, the MLC may remove the full-service Drawing-Style Games Lottery Terminal(s).

K. Retailer Incentive Payments

1. The MLC will pay a Selling Bonus of \$25,000.00 to a Retailer that sells a jackpot winning Powerball or Mega Millions Drawing-Style Game Play.
2. The MLC will pay a Selling Bonus of \$5,000.00 to a Retailer who sells a winning Drawing-Style Game Play (excluding a Play described in subsection (1) above or a Play for a Prize won in a Second Chance Drawing) when the Prize won is equal to or greater than one million dollars (\$1,000,000.00).
3. If there are multiple winning Plays sold in Mississippi in a single drawing that qualify for one of the selling bonuses described in this subsection (K) to be paid, the respective selling bonus will be divided between and among the respective Retailers equally (based on the number of winning Plays sold by each Retailer).

Rule 10.4 – Drawing-Style Game Rules

A. New Drawing-Style Game

1. The President, at any time, may introduce a new individual Drawing-Style Game or series of Drawing-Style Games.
2. Each Drawing-Style Game shall include the manner and time of payment of prizes as authorized by the President and stated in the individual Game Rules.
3. The individual Game Rules for each Drawing-Style Game shall contain the number and amount of prizes as authorized by the President.
4. The odds of winning for each Drawing-Style Game, as authorized by the President and stated in the individual Game Rules, will be formatted for distribution to the public through the Retailer base and shall include the following:
 - a. Available prize tiers;
 - b. Consolidated odds of winning each available prize tier; and
 - c. Overall odds of winning.

B. Sale of Drawing-Style Game Tickets

Each Drawing-Style Game Ticket shall sell for the retail sales price authorized by the President and stated in the individual Game Rules.

C. Game Procedures

The Game Procedures for each Drawing-Style Game shall contain the following information:

1. Game name;
2. Prize Structure;
3. Play Style;
4. Retail sales price;
5. Frequency of Games and drawings and selection of winning Tickets or Shares; and
6. Means of conducting drawings.

D. Determination of Prize Winner

1. A Claim Form shall be filed in the name of a single legal entity as Claimant, either one individual or one organization. Multiple payees are not permitted.
2. Groups, family units, clubs or organizations shall designate in writing one individual or entity to receive any Prize.
3. If the back of a Ticket contains multiple signatures, or if a claim is erroneously entered with multiple Claimants, the signatories or Claimants shall designate one of them in writing as recipient of any Prize. If they fail to designate an individual recipient, the President may designate anyone of the signatories or claimants as the sole recipient of any Prize or the President may reject the claim.
4. A player's eligibility to win any Prize is subject to the Ticket validation requirements provided in subsection (E) of this section.
5. All Claim Forms shall be completed and signed by the Claimant or duly authorized representative, as provided in 10.4(D)(6) and (7).
6. If the owner of a prizewinning Ticket is unable to complete a Claim Form due to a legal, physical or other disability, a guardian, conservator, custodian, fiduciary or duly authorized representative having a power of attorney shall complete and sign a Claim Form on owner's behalf. The Claim Form shall indicate the name of the lawful payee.
7. If the person(s) signing the Claim Form is a personal representative of the estate of a deceased winner, that person shall submit his letter of administration or its legal equivalent showing the appointment from the court having jurisdiction over the estate.

8. A person who signs a Claim Form shall be deemed to have represented that the information contained therein is accurate and complete.
9. No incomplete Claim Form shall be processed for payment.
10. In accordance with the Act, the MLC is discharged from all liability upon payment of a Prize. Additionally, there shall be no liability on the part of, and no cause of action shall arise against, the MLC, its Board, staff, agents, vendors, or employees, arising out of or in connection with the issuance, failure to issue, or delivery of a Ticket.

E. Ticket Validation Requirements

1. Each Drawing-Style Game Ticket shall be validated according to validation procedures prior to payment of a Prize.
2. A Drawing-Style Game Ticket shall comply with all of the following:
 - a. The Ticket shall not be counterfeit or forged, in whole or in part.
 - b. The Ticket shall not be mutilated, altered, unreadable, reconstituted, or tampered with in any manner.
 - c. The Ticket shall have been issued by the MLC in an authorized manner.
 - d. The Ticket shall have been received or recorded by the MLC by applicable claim deadlines.
 - e. In addition to the validation requirements, a Drawing-Style Game Ticket shall not be valid unless all of the following conditions are met:
 - i. The Ticket data shall have been recorded on the central computer system on magnetic tape or disk prior to the drawing, and the Ticket data shall match this computer record in every respect; and
 - ii. The Player's numbers, the Validation Number data and the drawing data of the Ticket shall appear on the official file of winning Tickets, confirmed via the MLC's internal control system, and a Ticket with that exact data shall not have been previously paid.
 - f. The Ticket and Validation Numbers must be present in their entirety and be fully legible.
 - g. The Play type, Validation Number, Retailer code and number must be correctly displayed on the Ticket.

If a dispute arises between the MLC and a Ticket Claimant concerning whether the Ticket is a winning Ticket and the Ticket Prize has not been paid, the President may, exclusively at his/her determination, reimburse the Claimant for the purchase price of the disputed Ticket. This shall be the Claimant's exclusive remedy.

H. Game Termination and Prize Claim Period

1. Once an individual game (which is conducted as part of a Drawing-Style Game) closes, tickets can no longer be sold and the individual game ends.
2. The President may, at any time, announce the termination date for an individual Drawing-Style Game or series of Drawing-Style Games. If this occurs, no Tickets shall be sold past the termination date.
3. Drawing-Style Game cash Prizes shall be claimed no later than one hundred eighty (180) days after the drawing in which the cash Prize was won; the date of claim is the date of receipt by the MLC or a Retailer; thereafter, no claims shall be honored by the MLC or any Retailer.

I. Governing Law

In purchasing a Ticket, the customer or player agrees to comply with, and abide by, the Act, other applicable Mississippi laws, all Rules and Regulations and all final decisions of the MLC, and all procedures and instructions established by the MLC or the President for the conduct of the respective Game.

J. Purchase and Prize Restrictions

1. No Drawing-Style Game Ticket may be purchased by and no Prize shall be paid to any member of the MLC Board; any officer or employee of the MLC; any MLC vendor or Retailer; or any spouse, child, brother, sister or parent residing as a member of the same household in the principal place of abode of any such person. Nor shall any Ticket be purchased by and no Prize shall be paid to any officer, employee, agent, or subcontractor of any MLC vendor, or any spouse, child, brother, sister to parent residing as a member of the same household in the principal place of abode of any such person if such officer, employee, agent, or subcontractor has access to confidential information which may compromise the integrity of the MLC.
2. The MLC reserves the right to decline to accept a Play.

K. Taxes and Debt Setoffs

In accordance with the Act, other applicable laws and the MLC's Prize Validation and Payment Rules and Regulations:

1. All Prizes of \$600.00 and above are subject to applicable federal and state withholdings, and all Prizes are subject to federal and state income taxes; and
2. Prizes of \$600.00 and above are subject to Debt Setoff collection by claimant agencies.

L. Coordination of Instant Game Rules and Drawing-Style Game Rules

If and when there is an issue or topic relevant to the Drawing-Style Game Rules and Regulations which is addressed in the Instant Game Rules and Regulations, but which is not addressed in the Drawing-Style Game Rules and Regulations, then the provisions of the Instant Game Rules and Regulations shall apply equally to the Drawing-Style Games for such issue or topic.

M. Non-Assignment

No rights of any person to a Prize or a portion of a Prize shall be assignable, except as set forth in the Act.

N. Payments to Persons Under a Legal Disability

1. The President shall direct payment to the duly authorized representative or fiduciary of a person under legal or other disability to receive a Prize in accordance with Mississippi law.
2. The President shall, pursuant to the Act and the MLC's Rules and Regulations, determine the lawful payee in all cases involving the death of a Prize winner, payment on behalf of a Minor or other person under a legal disability, or multiple Claimants, and may petition a court of competent jurisdiction as the President deems necessary for such purpose.

O. Dissemination of Winning Numbers

The dissemination and publication of winning numbers by MLC telephone or in the media is for informational purposes only, and the MLC shall not pay a Prize based upon information obtained from winning number information lines or any source other than the official draw results electronically recorded in the central computer system.

P. Drawings

1. The President shall determine the time, frequency, date and method of the drawing(s) for each Drawing-Style Game and shall include such information in the Game Procedures.
2. The purposes of Drawing-Style Game drawings shall be to select winning numbers at random with the aid of mechanical drawing equipment or

computer-based drawing software programs. Any drawings conducted with mechanical drawing equipment located within Mississippi shall be open to the public.

3. To the extent possible, Drawing-Style Game drawings conducted with mechanical drawing equipment shall be recorded on a video and audio tape which shall be retained by the MLC, but the failure to record the drawing or retain the tape, or the partial or total failure of technical, electronic, or mechanical equipment used to conduct or record the drawing shall not invalidate the drawing or change the outcome of a Game once it has been announced by the President.
4. In the event a Drawing-Style Game drawing is conducted through a random number generator, the MLC shall retain the log files for each Drawing-Style Game drawing.

Q. Method of Playing a Drawing-Style Game

1. The President shall determine the method of play for each Game, including, but not limited to, the following:
 - a. The requisite digits or numbers which shall be entered manually into the Lottery Terminal by the Drawing-Style Game Retailer;
 - b. Whether play can be completed by Play Slip; and
 - c. Whether play can be made by Quick Pick.
2. Tickets for Drawing-Style Games may be awarded as a Prize in an Instant Game. The President shall determine the specific details related to the use of a Drawing-Style Ticket as a Prize in an Instant Game.

R. Play Slips

1. The MLC, or its authorized distributors, may provide Play Slips at no cost to the Retailers, for use by the players.
2. Play Slips are provided solely for the convenience of players and shall have no monetary or prize value or constitute evidence of a Play.
3. If a Play Slip is used, the player shall select the requisite number of squares for each single lettered Panel for that Game.
4. The requisite numbers and the associated letter constitute a single Game Panel on a Play Slip.
5. Game Panels may be selected in any order.

6. Play Slips shall be processed through the Lottery Terminal by the Retailer, and Tickets shall be issued only through the Lottery Terminal.
7. If the Play Slip is rejected by the Lottery Terminal, the Play is not valid and the player may submit another Play Slip.

10.5 – Description of the Powerball Game Procedures

MUSL's Powerball game rules are hereby incorporated in the MLC Drawing-Style Game Rules as Rule 10.5 hereof. Powerball game rules may be amended from time to time by MUSL. To the extent the MUSL amends its Powerball game rules, Rule 10.5 of the MLC Drawing-Style Game Rules shall be deemed amended in equivalent fashion.

10.5.1 Definitions

The following definitions apply unless the context requires a different meaning or is otherwise inconsistent with the intention of the rules adopted by the Product Group.

- A. "Advertised Grand Prize" shall mean the estimated annuitized Grand Prize amount as determined by the Multistate Lottery Association (MUSL) Central Office by use of the MUSL Annuity Factor and communicated through the Selling Lotteries prior to the Grand Prize drawing. The "Advertised Grand Prize" is not a guaranteed prize amount and the actual Grand Prize amount may vary from the advertised amount, except in circumstances where there is a guaranteed Grand Prize amount as described in Rule 10.5.4(E).
- B. "Agent" or "Retailer" means a person or entity authorized by a Selling Lottery to sell lottery Plays.
- C. "Drawing" refers collectively to the formal draw event for randomly selecting the winning indicia that determine the number of winners for each prize level of the Powerball game and the Power Play multiplier. Winning indicia include the Winning Numbers for the Powerball game, and the Power Play multiplier.
- D. "Computer pick" means the random selection of indicia by the computer that appears on a Ticket or a Ticketless Transaction and are played by a player in the Game.
- E. [Reserved]
- F. "Game Ticket" or "Ticket" means an acceptable evidence of play, which is a Ticket produced in a manner that meets the specifications defined in the rules of each Selling Lottery and Rule 10.5.5 and is a physical representation of the Play(s) sold to the player or is a properly and validly registered Ticketless Transaction play, if this option is offered by the lottery.
- G. "Grand Prize" shall refer to the top prize in the Powerball game.

- H. "Licensee Lottery" shall mean a state lottery or lottery of a governmental unit, political subdivision or entity thereof which is not a Party Lottery but has agreed to comply with all applicable MUSL and Product Group requirements and has been authorized by MUSL and the Powerball Product Group to sell the Powerball game.
- I. [Reserved]
- J. "MUSL" means the Multi-State Lottery Association, a government-benefit association wholly owned and operated by the Party Lotteries.
- K. "MUSL Annuity Factor" shall mean the annuity factor as determined by the MUSL central office through a method approved by the MUSL Finance and Audit Committee and which is used as described in these Rules.
- L. "MUSL Board" means the governing body of the MUSL which is comprised of the chief executive officer of each Party Lottery.
- M. "MUSL Finance and Audit Committee" shall mean the committee of that name established by the MUSL Board.
- N. "Party Lottery" or "Member Lottery" means a state lottery or lottery of a political subdivision or entity which has joined the MUSL and, in the context of these rules, that is authorized to sell the Powerball game. Unless otherwise indicated, "Party Lottery" or "Member Lottery" does not include "Licensee Lotteries."
- O. "Play" or "Bet" means the six (6) numbers, the first five (5) from a field of sixty-nine (69) numbers and the last one (1) from a field of twenty-six (26) numbers, that appear on a Ticket or communicated in a Ticketless Transaction as a single lettered selection and are to be played by a player in the Powerball game.
- P. "Product Group" or "the Group" means a group of lotteries which has joined together to offer a product pursuant to the terms of the Multi-State Lottery Agreement and the Product Group's own rules.
- Q. "Play Slip" or "Bet Slip" means a physical or electronic means by which a player communicates their intended play selection to the Retailer as defined and approved by the Selling Lottery.
- R. "Selling Lottery" or "Participating Lottery" shall mean a lottery authorized by the Product Group to sell Powerball Plays, including Party Lotteries and Licensee Lotteries.
- S. "Set Prize", also referred to as "low-tier prize", means all prizes, except the Grand Prize, and, except in instances outlined in these rules, will be equal to the prize amount established by the Product Group for the prize level.
- T. "Terminal" means a device authorized by a Selling Lottery to function in an on-line, interactive mode with the gaming computer system for the purpose of issuing

lottery Tickets and entering, receiving, and processing lottery transactions, including making purchases, validating Tickets, and transmitting reports.

- U. "Ticketless Transaction" shall include plays sold through subscription, internet or non-standard terminals.
- V. "Winning Numbers" means the indicia randomly selected during a Drawing event which shall be used to determine winning plays for the Powerball game contained on a game Ticket or Ticketless Transaction.

10.5.2 – Powerball Game Description

- A. Powerball is a five (5) out of sixty-nine (69) plus one (1) out of twenty-six (26) numbers lottery game, drawn every Wednesday and Saturday, as part of the Powerball Drawing event, which pays the Grand Prize, at the election of the player made in accordance with these rules or by a default election made in accordance with these rules, either on an annuitized pari-mutuel basis or as a single lump sum payment of the total funding held in the Grand Prize Pool ("GPP") for the winning drawing on a pari-mutuel basis. Except as provided in these rules, all other prizes are paid on a single payment basis. Powerball Winning Numbers applicable to determine Powerball prizes will be determined in the Powerball Drawing event.
- B. To play Powerball, a player shall select (or computer pick) five (5) different numbers, between one (1) and sixty-nine (69) and one (1) additional number between one (1) and twenty-six (26). The additional number may be the same as one of the first five numbers selected by the player.
- C. Plays can be purchased for two dollars (U.S. \$2.00), including any specific statutorily mandated tax of a Selling Lottery to be included in the price of a Play. Plays may be purchased from a Selling Lottery approved sales outlet in a manner as approved by the Selling Lottery and in accordance with MUSL Rules.
- D. The Drawing Procedures shall include procedures for randomly selecting the Powerball game Winning Numbers and the Power Play multiplier.
- E. Claims. Unless otherwise permitted by a Selling Lottery, a Ticket (subject to the validation requirements set forth in Rule 10.5.4(E) or properly registered Ticketless Transaction shall be the only proof of a game Play or Plays and the submission of a winning Ticket to the issuing Selling Lottery or its authorized agent shall be the sole method of claiming a prize or prizes. A Play Slip has no pecuniary or prize value and shall not constitute evidence of Play purchase or of numbers selected. A terminal-produced paper receipt has no pecuniary or prize value and shall not constitute evidence of Play purchased or of numbers selected.
- F. Cancellations Prohibited. A Play may not be voided or canceled by returning the Ticket or Ticketless Transaction to the selling agent or to the lottery, including Tickets that are printed in error. A Selling Lottery may develop an approved method of compensating retailers for Plays that are not transferred to a player for a

reason acceptable to the Selling Lottery. No Play that is eligible for a prize can be returned to the lottery for credit. Plays accepted by Retailers as returned Plays and that cannot be re-sold shall be deemed owned by the bearer thereof.

- G. **Player Responsibility.** It shall be the sole responsibility of the player to verify the accuracy of the Game Play or Plays and other data printed on the Ticket or contained in a Ticketless Transaction. The placing of Plays is done at the player's own risk through the Retailer or agent who is acting on behalf of the player in entering the Play or Plays. The purchaser of a Play or Plays through a Ticketless Transaction has the sole responsibility for verifying the accuracy and condition of the data at the time of purchase.
- H. **Entry of Plays.** Plays may only be entered manually using the lottery terminal keypad or touch screen or by means of a Play Slip as approved by the Selling Lottery by such other means approved by the Selling Lottery. Retailers shall not permit the use of Play Slips that are not approved by the Selling Lottery. Retailers shall not permit any device to be physically or wirelessly connected to a lottery terminal to enter plays, except as approved by the Selling Lottery.
- I. **Registration of Plays.** Ticketless Transaction Plays may be registered by the Selling Lottery at a lottery processing site that meets the requirements established by the Product Group and the MUSL Board.
- J. **Maximum Number of Consecutive Drawings.** The maximum number of consecutive drawings for which a single Ticket may be purchased shall be ten (10).

10.5.3 – Prize Pool

- A. **Powerball Prize Pool.** The prize pool for all prize categories shall consist of fifty percent (50%) of each drawing period's sales, inclusive of any specific statutorily-mandated tax of a Selling Lottery to be included in the price of a Play, and including contributions to the prize pool accounts and prize reserve accounts.
- B. **Powerball Prize Pool Accounts and Prize Reserve Accounts.**
 - 1. The Product Group shall set the contribution rates to the prize pool and to one or more prize reserve or pool accounts established by this rule.
 - a. The following prize reserve accounts for the Powerball game are hereby established:
 - i. the Prize Reserve Account (“PRA”), which is used to guarantee the payment of valid, but unanticipated, Grand Prize claims that may result from a system error or other reason; and

- ii. the Set Prize Reserve Account (“SPRA”), which is used to fund deficiencies in low-tier Powerball prize payments (subject to the limitations of these rules).
- b. The following prize pool accounts for the Powerball game are hereby established:
 - i. the GPP, which is used to fund the current Grand Prize;
 - ii. the Set Prize Pool (“SPP”), which is used to fund the Set Prizes. The SPP shall hold the temporary balances that may result from having fewer than expected winners in the Set Prize (aka low-tier prize) categories. The source of the SPP is the Party Lottery’s weekly prize contributions less actual Set Prize liability;
 - iii. the Set-Aside Pool (“SAP”), which is used to fund the payment of the awarded minimum starting annuity Grand Prizes and minimum annuity Grand Prize increase, if necessary (subject to the limitations in these rules), as may be set by the Product Group; and
 - iv. the Grand Prize Carry Forward Pool (“GPCFP”), which is used to fund the starting minimum annuity Grand Prize, as may be set by the Product Group, if such funds are available, and if sales do not fund the Grand Prize.
- c. The above prize reserve accounts, the GPCFP and the SAP shall have maximum balance amounts or balance limiter triggers that are set by the Product Group and are detailed in the *Comments* to the Official Rule.

The maximum balance amounts and balance limit triggers are subject to review by the MUSL Board Finance and Audit Committee. The Finance and Audit Committee shall have two (2) weeks to state objections, if any, to the approved maximum balance amounts or balance limiter triggers. Approved maximum balance amounts or balance limiter triggers shall become effective no sooner than two (2) weeks after notice is given to the Finance and Audit Committee and no objection is stated or sooner if the Committee affirmatively approves the maximum balance amounts or balance limiter triggers. The Group may appeal the Committee’s objections to the full Board. Group approved changes in the maximum balance amounts or balance limiter triggers set by the Product Group shall be effective only after the next Grand Prize win.
- d. The maximum contribution rate to the GPP shall be 68.0131% of the prize pool (34.0066% of sales).

An amount up to five percent (5%) of a Party Lottery's sales shall be deducted from a Party Lottery's GPP contribution and placed in trust in one or more prize pool accounts and prize reserve accounts held by the Product Group (hereinafter the "prize pool and reserve deduction") at any time that the prize pool accounts and Party Lottery's share of the prize reserve accounts(s) is below the amounts designated by the Product Group.

An additional amount up to twenty percent (20%) of a Party Lottery's sales shall be deducted from a Party Lottery's GPP contribution and placed in trust in the GPCFP to be held by the Product Group at a time as determined by the Product Group.

- e. The Product Group may determine to expend all or a portion of the funds in the Powerball prize pool accounts (except the GPP account and the GPCFP) and the prize reserve accounts:
 - i. for the purpose of indemnifying the Party Lotteries and Licensee Lotteries in the payment of prizes to be made by the Selling Lotteries; and
 - ii. for the payment of prizes or special prizes in the game, limited to prize pool and prize reserve contributions from lotteries participating in the special prize promotion, subject to the approval of the Board's Finance & Audit Committee or that Committee's failure to object after given two weeks' notice of the planned action, which actions may be appealed to the full Board by the Product Group.

The GPCFP may only be expended to fund the starting minimum annuity Grand Prize.

- f. The prize reserve shares of a Party Lottery may be adjusted with refunds to the Party Lottery from the prize reserve account(s) as may be needed to maintain the approved maximum balance and sales percentage shares of the Party Lotteries.
- g. A Party Lottery may contribute to its sales percentage share of prize reserve accounts over time, but in the event of a draw down from the reserve account, a Party Lottery is responsible for its full sales percentage share of the account, whether or not it has been paid in full.
- h. Any amount remaining in the Powerball prize pool accounts or prize reserve accounts when the Product Group declares the end of the game shall be returned to the lotteries participating in the accounts after the end of all claim periods of all Selling Lotteries, carried forward to a replacement game, or otherwise expended in a manner at the election of

the individual Members of the Product Group in accordance with jurisdiction statute.

2. Licensee Lotteries shall adhere to 10.5.3(B), unless a different process is approved by the Product Group.

C. Expected Powerball Prize Payout Percentages.

1. The Grand Prize payout shall be determined on a pari-mutuel basis. Except as otherwise mandated by jurisdiction statute or judicial requirement, or provided for in these rules, all other prizes awarded shall be paid as set single payment prizes. All prize payouts are made with the following expected prize payout percentages, although the prize payout percentage per draw may vary:

Number of Matches Per Play	Prize Payment	Prize Pool Percentage Allocated to Prize
All five (5) of first set plus one (1) of second set.	Grand Prize	68.0131%*
All five (5) of first set and none of second set.	\$1,000,000	8.5558%
Any four (4) of first set plus one (1) of second set.	\$50,000	5.4757%
Any four (4) of first set and none of second set.	\$100	0.2738%
Any three (3) of first set plus one (1) of second set.	\$100	0.6899%
Any three (3) of first set and none of second set.	\$7	1.2074%
Any two (2) of first set plus one (1) of second set.	\$7	0.9981%
Any one (1) of first set and one (1) of second set.	\$4	4.3489%
None of first set plus one (1) of second set.	\$4	10.4373%

* The maximum contribution rate may include contributions to reserves and pools as described in these rules.

- a. The prize money allocated to the Grand Prize category shall be divided equally by the number of Plays winning the Grand Prize.
- b. Powerball Set Prize Pool Carried Forward. For Party Lotteries, the Powerball SPP (for single payment cash prizes of \$1,000,000 or less) shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the Powerball Set Prizes awarded in the current draw.
- c. Pari-Mutuel Powerball Prize Determination. Except as provided for in subsection (1)(c) below, for Party Lotteries:
 - i. If the total of the Powerball Set Prizes (as multiplied by the respective Power Play multiplier if applicable) awarded in a drawing exceeds the percentage of the prize pool allocated to the Powerball Set Prizes, then the amount needed to fund the Powerball Set Prizes, including Power Play prizes,

awarded shall be drawn from the following sources, in the following order:

- A. the amount available in the SPP and the Power Play Prize Pool;
- B. an amount from the SPRA, if available, not to exceed forty million dollars (\$40,000,000) per drawing; and
- C. other amounts as agreed to by the Product Group in their sole discretion.

- ii. If, after these sources are depleted, there are not sufficient funds to pay the Set Prizes awarded, including the Power Play prizes, then the highest Set Prize shall become a pari-mutuel prize. If the amount of the highest Set Prize, when paid on a pari-mutuel basis, drops to or below the next highest Set Prize and there are still not sufficient funds to pay the remaining Set Prizes awarded, then the next highest Set Prize, including Power Play prizes, shall become a pari-mutuel prize. This procedure shall continue down through all Set Prize levels, if necessary, until all Set Prize levels become pari-mutuel prize levels. In that instance, the money available from the funding sources listed in this rule shall be divided among the winning plays in proportion to their respective prize percentages. Powerball Set Prizes and Power Play prizes will be reduced by the same percentage.
- iii. By agreement with the Licensee Lotteries, the Licensee Lotteries shall independently calculate their Set Prize pari-mutuel prize amounts. The Party Lotteries and the Licensee Lotteries shall then agree to set the pari-mutuel prize amounts for all lotteries selling the game at the lesser of the independently-calculated prize amounts.

2. Licensee Lotteries shall adhere to Rule 10.5.3(C)(1)(c)(i) and (ii) unless a different process is approved by the Product Group.

D. The following table sets forth the probability of winning and the probable distribution of winners in and among each prize category, based upon the total number of possible combinations in Powerball. The Set Prize Amount shall be the prizes set for all Selling Lotteries unless prohibited or limited by a jurisdiction's statute or judicial requirements.

Number of Matches Per Play	Probability of Winners	Distribution Probability

All five (5) of first set plus one (1) of second set.	1	1:292,201,338.0000
All five (5) of first set and none of second set.	25	1: 11,688,053.5200
Any four (4) of first set plus one (1) of second set.	320	1:913,129.1813
Any four (4) of first set and none of second set.	8,000	1: 36,525.1673
Any three (3) of first set plus one (1) of second set.	20,160	1: 14,494.1140
Any three (3) of first set and none of second set.	504,000	1:579.7646
Any two (2) of first set plus one (1) of second set.	416,640	1:701.3281
Any one (1) of first set and one (1) of second set.	3,176,880	1:91.9775
None of first set plus one (1) of second set.	7,624,512	1: 38.3239
Overall	11,750,538	1:24.8671

10.5.4 – Powerball Prize Payment

A. Grand Prizes.

1. Grand Prizes shall be paid, at the election of the player made no later than sixty (60) days after the player becomes entitled to the prize, with either a per winner annuity or single lump sum payment (which may be referred to as “cash option”). If the payment election is not made at the time of purchase and is not made by the player within sixty (60) days after the player becomes entitled to the prize, then the Grand Prize shall be paid as an annuity prize. An election for an annuity payment made by a player before ticket purchase or by system default or design may be changed to a cash option payment at the election of the player until the expiration of sixty (60) days after the player becomes entitled to the prize. The election to take the cash option payment may be made at the time of the prize claim or within sixty (60) days after the player becomes entitled to the prize. An election made after the winner becomes entitled to the prize is final and cannot be revoked, withdrawn or otherwise changed.
2. Shares of the Grand Prize shall be determined by dividing the funds available in the GPP equally among all winning Plays of the Grand Prize.
3. Winner(s) who elect a cash option payment shall be paid their share(s) in a single lump sum payment.
4. The annuitized option prize shall be determined by multiplying a winner’s share of the GPP by a process as approved by the MUSL Board. Neither MUSL nor the Selling Lotteries shall be responsible or liable for changes in the advertised or estimated annuity prize amount and the actual amount purchased after the prize payment method is actually known to MUSL. In certain instances announced by the Product Group, the Grand Prize shall be a guaranteed amount and shall be determined pursuant to 10.5.4(E).

5. If individual shares of the GPP funds held to fund an annuity is less than \$250,000.00, the Product Group, in its sole discretion, may elect to pay the winners their share of the funds held in the GPP.
6. All annuitized prizes shall be paid annually in thirty (30) payments with the initial payment being made in single payment, to be followed by twenty-nine (29) payments funded by the annuity. Except as may be controlled by a Selling Lottery's governing statute, all annuitized prizes shall be paid annually in thirty (30) graduated payments (increasing each year) by a rate as determined by the Product Group. Prize payments may be rounded down to the nearest one thousand dollars (\$1,000). Annual payments after the initial payment shall be made by the lottery on the anniversary date or if such date falls on a non-business day, then the first business day following the anniversary date of the selection of the Grand Prize Winning Numbers. Funds for the initial payment of an annuitized prize or the lump sum cash option prize shall be made available by MUSL for payment by the Selling Lottery no earlier than the fifteenth calendar day (or the next banking day if the fifteenth day is a holiday) following the drawing. If necessary, when the due date for the payment of a prize occurs before the receipt of funds in the prize pool trust sufficient to pay the prize, the transfer of funds for the payment of the full lump sum cash option amount may be delayed pending receipt of funds from the Selling Lotteries. A paying lottery may elect to make the initial payment from its own funds after validation, with notice to MUSL. If a Party Lottery purchases or holds the prize payment annuity for a prize won in that jurisdiction, that Party Lottery's game rules, and any prize payment agreement with the prize winner, shall indicate that the prize winner has no recourse on the MUSL or any other Party Lottery for payment of that prize.
7. In the event of the death of a lottery winner during the annuity payment period, unless prohibited by jurisdictional law, the MUSL Finance & Audit Committee, in its sole discretion excepting a discretionary review by the Product Group, upon the petition of the estate of the lottery winner (the "Estate") to the lottery of the jurisdiction in which the deceased lottery winner purchased the winning Play, and subject to federal, state, district or territorial applicable laws, may accelerate the payment of all of the remaining lottery proceeds to the Estate. If such a determination is made, then securities and/or cash held to fund the deceased lottery winner's annuitized prize may be distributed to the Estate. The identification of the securities to fund the annuitized prize shall be at the sole discretion of the Finance & Audit Committee or the Product Group.

- B. Powerball Prize Payments. All prizes (whether described as "cash" payment prizes or otherwise) shall be paid through the Selling Lottery that sold the winning Play(s) and at the discretion of the Selling Lottery that sold the winning play(s) may be paid by cash, check, warrant or electronic transfer. A Selling Lottery may begin paying low-tier prizes after receiving authorization to pay from the MUSL central

office. If a Selling Lottery, due to jurisdictional law requirements, separately determines its low-tier prize amounts, it shall be solely responsible for its low-tier prize liability, and may begin paying low-tier prizes after a drawing when it determines appropriate to do so.

- C. Powerball Prizes Rounded. Annuitized payments of the Grand Prize or a share of the Grand Prize may be rounded to facilitate the purchase of an appropriate funding mechanism. Breakage on an annuitized Grand Prize win shall be added to the first payment to the winner or winners. Prizes other than the Grand Prize, which, under these rules, may become single-payment, pari-mutuel prizes, may be rounded down so that prizes can be paid in multiples of whole dollars. Except with regards to low-tier prizes paid by a Selling Lottery which separately determines its low-tier prize amounts pursuant to Rule 10.5.4(B), breakage resulting from rounding these prizes shall be carried forward to the prize pool for the next drawing.
- D. Powerball Prize Rollover. If the Grand Prize is not won in a Drawing, the prize money allocated for the Grand Prize shall roll over and be added to the GPP for the following Drawing.
- E. Funding of Guaranteed Powerball Prizes.
 - 1. The Product Group may offer guaranteed minimum Grand Prize amounts or minimum increases in the Grand Prize amount between drawings or make other changes in the allocation of prize money where the Product Group finds that it would be in the best interest of the game.
 - 2. If a minimum Grand Prize amount or a minimum increase in the Grand Prize amount between drawings is offered by the Product Group, then the Grand Prize shares shall be determined as follows:
 - a. If there are multiple Grand Prize winners during a single drawing, each selecting the annuitized option prize, then a winner's share of the guaranteed annuitized Grand Prize shall be determined by dividing the guaranteed annuitized Grand Prize by the number of winning Plays.
 - b. If there are multiple Grand Prize winners during a single drawing and at least one (1) of the Grand Prize winners has elected the annuitized option prize, then the MUSL Annuity Factor shall be utilized to determine the cash pool. The cost of the annuitized prize(s) will be determined at the time the annuity is purchased through a process approved by the MUSL Board.
 - c. If no winner of the Grand Prize during a single drawing has elected the annuitized option prize, then the amount of cash in the GPP shall be an amount equal to the guaranteed annuitized amount divided by the MUSL Annuity Factor.

3. Minimum guaranteed prizes or increases may be waived if the alternate funding mechanism set out in Rule 10.5.3 becomes necessary.
 4. Approval of the Group is required to change the guaranteed minimum Grand Prize amounts or minimum increases in the Grand Prize amount. Any reduction in the guaranteed minimum Grand Prize amount or reduction in the minimum increases to the Grand Prize amount shall not become effective until after a Grand Prize win following the action taken by the Group.
- F. Limited to Highest Powerball Prize Won. The holder of a winning Play may win only one prize per Play in connection with the Winning Numbers drawn, and shall be entitled only to the prize won by those numbers in the highest matching prize category. All liabilities for a Powerball prize are discharged upon payment of a prize claim.
- G. Powerball Prize claims shall be submitted within the period set by the Selling Lottery selling the Play. If no such claim period is established, all Grand Prize claims shall be made within 180 days after the drawing date.

10.5.5 – Ticket Validation

To be a valid Play and eligible to receive a prize, a Play's Ticket or Ticketless Transaction- shall satisfy all the requirements established by a Selling Lottery for validation of winning Plays sold through its gaming system and any other validation requirements adopted by the Product Group, the MUSL Board, and published as the Confidential MUSL Minimum Game Security Standards. The MUSL and the Selling Lotteries shall not be responsible for tickets or Ticketless Transactions that are altered in any manner.

10.5.6 – Ticket Responsibility

- A. Prize claim procedures shall be governed by the rules of the selling lottery. The MUSL and the Selling Lotteries shall not be responsible for prizes that are not claimed following the proper procedures as determined by the selling lottery.
- B. [Reserved]
- C. The Product Group, the MUSL and the Party Lotteries shall not be responsible for lost or stolen tickets.
- D. A receipt for a Ticketless Transaction play has no value and is not evidence of a play. A Ticketless Transaction Play is valid when registered with the lottery in accordance with lottery rules and the person or, if permitted by the lottery rules, the persons registering the Play shall be the owner of the Ticketless Transaction Play.

10.5.7 – Ineligible Players

A Play or share for a MUSL game issued by the MUSL or any of its Party Lotteries shall not be

purchased by, and a prize won by any such Play or share shall not be paid to:

- A. a MUSL employee, officer, or director;
- B. a contractor or consultant under agreement with the MUSL to review the MUSL audit and security procedures;
- C. an employee of an independent accounting firm under contract with MUSL to observe drawings or site operations and actually assigned to the MUSL account and all partners, shareholders, or owners in the local office of the firm; or
- D. an immediate family member (parent, stepparent, child, stepchild, spouse, or sibling) of an individual described in subsections (a), (b), and (c) and residing in the same household.
- E. Those persons designated by a Selling Lottery's law as ineligible to play its games shall also be ineligible to play the Powerball game in that Selling Lottery's jurisdiction.

10.5.8 – Applicable Law

In purchasing a Play, or attempting to claim a prize, purchasers and prize claimants agree to comply with and abide by all applicable laws, rules, regulations, procedures, and decisions of the Selling Lottery where the Play was purchased, and by directives and determinations of the director of that Party Lottery.

A prize claimant agrees, as its sole and exclusive remedy that claims arising out of a Powerball Play can only be pursued against the Selling Lottery which issued the Play. Litigation, if any, shall only be maintained within the jurisdiction in which the Powerball Play was purchased and only against the Selling Lottery that issued the play. No claim shall be made against any other Participating Lottery or against the MUSL.

Nothing in these Rules shall be construed as a waiver of any defense or claim the Selling Lottery which issued the Play, any other Participating Lottery or MUSL may have in any litigation, including in the event a player or prize claimant pursues litigation against the Selling Lottery, any other Participating Lottery or MUSL, or their respective officers, directors or employees.

All decisions made by a Selling Lottery, including the declaration of prizes and the payment thereof and the interpretation of Powerball Rules, shall be final and binding on all Play purchasers and on every person making a prize claim in respect thereof, but only in the jurisdiction where the Powerball Play was issued.

Unless the laws, rules, regulations, procedures, and decisions of the Lottery which issued the Play provide otherwise, no prize shall be paid upon a Play purchased, claimed or sold in violation of these Rules or the laws, rules, regulations, procedures, and decisions of that Selling Lottery; any such prize claimed but unpaid shall constitute an unclaimed prize under these Rules and the laws, rules, regulations, procedures, and decisions of that Selling Lottery.

10.5.9 – Powerball Power Play Feature

A. Promotion Description

The Powerball Power Play promotion is a limited extension of the Powerball game and is conducted in accordance with the Powerball game rules and other lottery rules applicable to the Powerball game, except as may be amended herein. The promotion will begin at a time announced by the Selling Lottery and will continue until discontinued by the lottery. The promotion will offer to the owners of a qualifying play a chance to increase the amount of any of the eight (8) lowest Set Prizes (the prizes normally paying \$4 to \$1,000,000) won in a drawing held during the promotion. The Grand Prize is not a Set Prize and will not be increased.

B. Qualifying Play

A qualifying play is any single Powerball play for which the player pays an extra dollar for the Power Play option play and which is recorded at the Party Lottery's central computer as a qualifying play.

C. Prizes to be Increased

Except as provided in these rules, a qualifying play which wins one of seven (7) lowest Set Prizes (excluding the Match 5+0 prize) will be multiplied by the number selected, either two, three, four, five or sometimes ten (2, 3, 4, 5, or sometimes 10), in a separate random Power Play drawing announced during the official Powerball drawing show. The ten (10X) multiplier will be available for drawings in which the initially advertised annuitized Grand Prize amount is one hundred fifty million dollars (\$150,000,000.00) or less. The announced Match 5+0 prize, for players selecting the Power Play option, shall be two million dollars (\$2,000,000.00) unless a higher limited promotional dollar amount is announced by the Group.

D. Power Play Draws

MUSL will conduct a separate random "Power Play" drawing and announce results during each of the regular Powerball drawings held during the promotion. During each Power Play drawing, a single number (2, 3, 4, 5, and sometimes 10) shall be drawn. The ten (10X) multiplier shall be available for all drawing in which the initially advertised Grand Prize amount is one hundred fifty million dollars (\$150,000,000.00) or less. The Powerball Group may modify the multiplier features for special promotions from time to time.

E. Prize Pool

1. Power Play Prize Pool.

- a. The Power Play Prize Pool (PPP) is hereby created, which is used to fund Power Play prizes. The PPP shall hold the temporary balances that

may result from having fewer than expected winners in the Power Play. The source of the PPP is the Party Lottery's weekly prize contributions less actual Power Play Prize liability.

- b. In total, fifty percent (50%) of each draw's sales shall be collected and placed in the PPP for the payment of prizes.
 - i. In drawings where the ten (10X) multiplier is available, the expected payout for all prize categories shall consist of up to forty-nine and nine hundred sixty-nine thousandths percent (49.969%) of each drawing period's sales, including any specific statutorily-mandated tax of a Selling Lottery to be included in the prize of a lottery ticket. In drawings where the "ten (10)" multiplier is not available, the expected payout for all prize categories shall consist of up to forty-five and nine hundred thirty-four thousandths percent (45.934%) of each drawing period's sales, including any specific statutorily mandated tax of a Selling Lottery to be included in the price of a lottery ticket.
 - ii. In drawings where the ten (10X) multiplier is available, an additional thirty-one thousandths percent (0.031%) of each drawing period's sales, including any specific statutorily mandated tax of a Selling Lottery to be included in the price of a lottery ticket, may be collected and placed in trust in the PPP, for the purpose of paying Power Play prizes. In drawings where the ten (10X) multiplier is not available, an additional four and sixty-six thousandths percent (4.066%) of each drawing period's sales, including any specific statutorily mandated tax of a Selling Lottery to be included in the price of a lottery ticket, may be collected and placed in trust in the PPP, for the purpose of paying Power Play prizes.
 - iii. The prize payout percentage per draw may vary. The PPP shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the Power Play prizes awarded in the current draw and held in the PPP.
- c. Licensee Lotteries. Licensee Lotteries shall adhere to 10.5.9(E)(2) unless a different process is approved by the Product Group.
- d. End of Game. Any amount remaining in the PPP when the Product Group declares the end of this game shall be returned to the lotteries participating in the account after the end of all claim periods of all Selling Lotteries, carried forward to a replacement game, or otherwise expended in a manner at the election of the individual Members of the Product Group in accordance with jurisdiction statute.

2. Expected Prize Payout.

Match	Prize Amount	Regardless of Power Play number selected:				
	\$1,000,000.00	\$2,000,000.00	\$2,000,000.00	\$2,000,000.00	\$2,000,000.00	\$2,000,000.00
	Set Prize Amount	10X	5X	4X	3X	2X
Match 4+1	\$50,000.00	\$500,000.00	\$250,000.00	\$200,000.00	\$150,000.00	\$100,000.00
Match 4+0	\$100.00	\$1,000.00	\$500.00	\$400.00	\$300.00	\$200.00
Match 3+1	\$100.00	\$1,000.00	\$500.00	\$400.00	\$300.00	\$200.00
Match 3+0	\$7.00	\$70.00	\$35.00	\$28.00	\$21.00	\$14.00
Match 2+1	\$7.00	\$70.00	\$35.00	\$28.00	\$21.00	\$14.00
Match 1+1	\$4.00	\$40.00	\$20.00	\$16.00	\$12.00	\$8.00
Match 0+1	\$4.00	\$40.00	\$20.00	\$16.00	\$12.00	\$8.00

In certain rare instances, the Powerball set prize amount may be less than the amount shown. In such case, the eight (8) lowest Power Play prizes will be changed to an amount announced after the draw. For example, if the Match 4+1 Powerball set prize amount of \$50,000.00 becomes \$25,000.00 under the rules of the Powerball Game, then a 5X Power Play player winning that prize amount would win \$125,000.00.

F. Probability of Winning

The following table sets forth the probability of the various Power Play numbers being drawn during a single Powerball drawing, except that the Power Play amount for the Match 5+0 prize will be two million dollars (\$2,000,000.00). The Group may elect to run limited promotions that may modify the multiplier features.

When the 10x multiplier is available:		
Power Play		Probability of Prize Increase
10X	- Prize Won Times 10	1 in 43 2.3255%
5X	- Prize Won Times 5	2 in 43 4.6512%
4X	- Prize Won Times 4	3 in 43 6.9767%
3X	- Prize Won Times 3	13 in 43 30.2326%
2X	- Prize Won Times 2	24 in 43 55.8140%
When the 10x multiplier is not available:		
Power Play		Probability of Prize Increase
10X	- Prize Won Times 10	0 in 42 0.0000%
5X	- Prize Won Times 5	2 in 42 4.7619%
4X	- Prize Won Times 4	3 in 42 7.1429%
3X	- Prize Won Times 3	13 in 42 30.9523%
2X	- Prize Won Times 2	24 in 42 57.1429%
Power Play does not apply to the Grand Prize. Except as provided in Rule E(4), a Power Play Match 5 prize is set at two million dollars (\$2,000,000), regardless of the multiplier selected.		

G. Limitations on Payment of Power Play Prizes

1. **Prize Pool Carried Forward.** For Party Lotteries, the prize pool percentage allocated to the Power Play set prizes shall be carried forward to subsequent

draws if all or a portion of it is not needed to pay the set prizes awarded in the current draw.

2. **Pari-Mutuel Prizes-All Prize Amounts.** Except as provided for in G(2)(c) for Party Lotteries:

a. (1) If the total of the original Powerball set prizes and the Power Play prizes awarded in a drawing exceeds the percentage of the prize pools allocated to the set prizes, then the amount needed to fund the set prizes (including the Power Play prize amount) awarded shall be drawn from the following sources, in the following order:

- i. the amount available in the SPP and the PPP, if any;
- ii. an amount from the Powerball Set-Prize Reserve Account, if available in the account, not to exceed forty million dollars (\$40,000,000) per drawing; and
- iii. other amounts as agreed to by the Product Group in their sole discretion.

(2) If, after these sources are depleted, there are not sufficient funds to pay the set prizes awarded (including Power Play prize amounts), then the highest set prize (including the Power Play prize amounts) shall become a pari-mutuel prize. If the amount of the highest set prize, when paid on a pari-mutuel basis, drops to or below the next highest set prize and there are still not sufficient funds to pay the remaining set prizes awarded, then the next highest set prize, including the Power Play prize amount, shall become a pari-mutuel prize. This procedure shall continue down through all set prizes levels, if necessary, until all set prize levels become pari-mutuel prize levels. In that instance, the money available from the funding sources listed in this rule shall be divided among the winning plays in proportion to their respective prize percentages. Powerball and Power Play prizes will be reduced by the same percentage.

b. Licensee Lotteries shall adhere to 10.5.9(G)(2)(a) unless a different process is approved by the Product Group.

c. By agreement with the Licensee Lotteries, the Licensee Lotteries shall independently calculate their set pari-mutuel prize amounts, including the Power Play prize amounts. The Party Lotteries and the Licensee Lotteries shall then agree to set the pari-mutuel prize amounts for all lotteries selling the game at the lesser of the independently-calculated prize amounts.

H. **Prize Payment**

1. **Prize Payments.** All Power Play prizes shall be paid in one single payment through the Selling Lottery that sold the winning Ticket(s). A Selling Lottery may begin paying Power Play prizes after receiving authorization to pay from the MUSL central office.
2. **Prizes Rounded.** Prizes, which, under these rules, may become pari-mutuel prizes, may be rounded down so that prizes can be paid in whole dollars. Breakage resulting from rounding these prizes shall be carried forward to the prize pool for the next drawing.

10.6 – Description of Mega Millions Game Procedures

The Mega Millions Consortium’s Mega Millions game rules are hereby incorporated in the MLC Drawing-Style Game Rules as Rule 10.6 hereof. Mega Millions game rules may be amended from time to time by the Mega Millions Consortium. To the extent the Mega Millions Consortium amends its Mega Millions game rules, Rule 10.6 of the MLC Drawing-Style Game Rules shall be deemed amended in equivalent fashion.

10.6.1 – Definitions

The following definitions apply to section 10.6, unless the context requires a different meaning or is otherwise inconsistent with the intention of the rules adopted by the Mega Millions Lotteries.

- A. “Advertised Grand Prize”. “Advertised Grand Prize” shall mean the estimated annuitized Grand Prize amount as determined by the Mega Millions Finance Committee and communicated through the Selling Lotteries prior to the Grand Prize drawing. The “Advertised Grand Prize” is not a guaranteed prize amount and the actual Grand Prize amount may vary from the advertised amount, except in circumstances where there is a guaranteed Grand Prize amount as described in Policy 10.6.5(A).
- B. “Agent” or “Retailer” means a person or entity authorized by a Party Lottery to sell lottery Plays.
- C. “Drawing” refers collectively to the formal draw event for randomly selecting the winning indicia that determine the number of winners for each prize level of the Mega Millions game. Winning indicia include the Winning Numbers for the Mega Millions game.
- D. “Computer pick” means the random selection of indicia by the computer that appears on a ticket or ticketless transaction and are played by a player in the game.
- E. “Finance & Audit Committee” shall mean the committee established by the Multi-State Lottery Association.
- F. "Game ticket" or "ticket" means an acceptable evidence of a Mega Millions Play, which is a ticket produced by a terminal that meets the specifications defined in these Drawing-Style Game Rules (and the validation requirements) and is a

physical representation of the Play or Plays sold to the player or is a properly and validly registered Ticketless Transaction Play.

- G. “Jackpot” or “Grand Prize” shall refer to the top prize in the Mega Millions game.
- H. “Just the Jackpot™ Plays” or “JJ Plays” shall refer to a purchased wager which includes two (2) JJ plays as part of the as part of the Just the Jackpot promotion described in 10.6.11 of these Rules.
- I. “Mega Millions Finance Committee” means a Committee of the Mega Millions Lotteries that determines the Grand Prize amount for each drawing (cash value option and annuity).
- J. “Mega Millions Lotteries” means those lotteries that have joined the Mega Millions Lottery Agreement; the group of lotteries that has reached a Cross-Selling Agreement with the MUSL Product Group for the selling of the Mega Millions Game.
- K. “Mega Millions Plays” or “MM Plays” shall refer to Plays purchased as part of the Mega Millions game, but shall not include Just the Jackpot Plays or Megaplier Plays.
- L. “Megaplier” means the Megaplier Promotion described in 10.6.10 of these Rules.
- M. “Megaplier Plays” shall refer to Plays purchased as part of the Megaplier Promotion described in 10.6.10 of these Rules.
- N. "MUSL" means the Multi-State Lottery Association, a government-benefit association wholly owned and operated by the Party Lotteries.
- O. "MUSL Board" means the governing body of MUSL that is comprised of the chief executive officer of each Party Lottery.
- P. “Participating Lottery” or “Selling Lottery” means a state lottery or lottery of a political subdivision or entity that is participating in selling the Mega Millions game and that may be a member of either MUSL or the Mega Millions Lotteries.
- Q. "Party Lottery" means a state lottery or lottery of a political subdivision or entity that has joined MUSL and, in the context of the Product Group Rules, that has joined in selling the games offered by the MUSL Mega Millions Product Group.
- R. "Play" means a set of six (6) numbers, the first five (5) from a field of seventy (70) numbers and the last one (1) from a field of twenty-five (25) numbers, that appear on a Ticket or Ticketless Transaction as a single lettered selection and are to be played by a player in the game. Each Play is played separately in determining matches to Winning Numbers and prize amounts. As used in these Rules, unless otherwise specifically indicated, “Play” includes both Mega Millions Plays and Just

the Jackpot Plays. “Megaplier Plays” are separately described in 10.6.10 of these Rules.

- S. “Play Slip” or “Bet Slip” means a physical or electronic means by which a player communicates their intended play selection to the Retailer as defined and approved by the Selling Lottery.
- T. “Product Group” or the “Group” means the group of lotteries that has joined together to offer the Mega Millions lottery game product pursuant to the terms of its Cross-Selling Agreement with the Mega Millions Lotteries, the Multi-State Lottery Agreement and the Product Group’s own rules.
- U. "Set Prize", also referred to as a “low-tier prize”, means a prize amount, other than the Grand Prize and, except in instances outlined in these rules, will be equal to the prize amount established by the MUSL Board for the prize level.
- V. “Terminal” means a device authorized by a Party Lottery to function in an on-line, interactive mode with the lottery’s computer gaming system for the purpose of issuing lottery tickets and entering, receiving and processing lottery transactions, including purchases, validating tickets, and transmitting reports.
- W. “Ticketless Transaction” shall include Plays sold through subscription, internet or non-standard terminals.
- X. "Winning Numbers" means the indicia randomly selected during a Drawing event which shall be used to determine winning Plays for the Mega Millions game contained on a game ticket or ticketless transaction.

10.6.2 – Game Description

- A. Mega Millions is a five (5) out of seventy (70), plus one (1) out of twenty-five (25), Drawing-Style Game, drawn on the day(s), time(s) and location(s) as determined by the Mega Millions Lotteries, and which pays the Grand Prize, at the election of the player made in accordance with the Official Mega Millions Game Rules or by a default election made in accordance with the Official Mega Millions Game Rules, either on a graduated annuitized annual pari-mutuel basis or as a cash value option using a rate determined by the Mega Millions Finance Committee on a pari-mutuel basis. Except as provided in the Official Mega Millions rules, all other prizes are paid on a single payment basis.
- B. Mega Millions winning numbers applicable to determine Mega Millions prizes will be determined on the day(s), time(s) and location(s) as determined by the Mega Millions Lotteries. During the drawing event, five (5) numbers shall be drawn from the first set of seventy (70) numbers, and one (1) number shall be drawn from the second set of twenty-five (25) numbers, which shall constitute the Winning Numbers.

- C. To play Mega Millions, a player shall select (or computer pick) five (5) different numbers, from one (1) through seventy (70) and one (1) additional number from one (1) through twenty-five (25). The additional number may be the same as one of the first five (5) numbers selected by the player.
- D. MM Plays can be purchased for two dollars (\$2.00) per Play, including any specific statutorily-mandated tax to be included in the price of a Mega Millions Play. Plays may be purchased from a Party Lottery approved sales outlet in a manner as approved by the party Lottery and in accordance with MUSL Rules.
- E. Unless otherwise permitted by the selling lottery, Mega Millions Ticket (subject to validation requirements) or properly registered Ticketless Transaction shall be the only proof of a game Play or Plays and the submission of a winning Ticket to the issuing Party Lottery shall be the sole method of claiming a prize or prizes. A Play Slip has no pecuniary or prize value and shall not constitute evidence of ticket purchase or of numbers selected. A Lottery Terminal produced paper receipt has no pecuniary or prize value and shall not constitute evidence of Play purchase or of numbers selected.
- F. A Play may not be voided or canceled by returning the Play to the Retailer or to the MLC, including Tickets that are printed in error. A Selling Lottery may develop an approved method of compensating Retailers for Plays that are not transferred to a player for a reason acceptable to the Selling Lottery. No Play that can be used to claim a prize shall be returned to the lottery for credit. Plays accepted by Retailers as returned Plays and that cannot be re-sold shall be deemed owned by the bearer thereof.
- G. It shall be the sole responsibility of the player to verify the accuracy of the game Play or Plays and other data printed on the Ticket or contained in a Ticketless Transaction. The placing of Plays is done at the player's own risk through the Retailer that is acting on behalf of the player in entering the Play or Plays. The purchaser of a Play or Plays through a ticketless transaction has the sole responsibility for verifying the accuracy and condition of the data at the time of purchase.
- H. Plays may only be entered manually using the Lottery Terminal keypad or touch screen or by means of a Play Slip as approved by the Party Lottery or by such other means as approved by the Party Lottery. Retailers shall not permit the use of Play Slips that are not approved by the Party Lottery. Retailers shall not permit any device to be physically or wirelessly connected to a Lottery Terminal to enter Plays, except as approved by the Party Lottery.
- I. Ticketless Transaction Plays may be registered by the MLC at a lottery processing site that meets the requirements established by the Product Group and the MUSL Board.

- J. Except for a Ticketless Transaction Play purchase when the Party Lottery has a process in place to allow players to make changes to their Play purchases in the event of a game change, the maximum number of consecutive drawings on a single Play purchase is twenty-six (26). The maximum number of consecutive drawings encompassed by a Ticketless Transaction Play purchase when the Party Lottery has a process in place to allow players to make changes to their Play purchases in the event of a game change is one hundred four (104). The maximum number of consecutive drawings on a single ticket purchase shall be ten (10).
- K. In the event of a matrix change, the Party Lottery that issued the Ticketless Transaction will determine the option(s) available to Ticketless Transaction purchasers from that party Lottery for the balance of the Plays remaining on their Ticketless Transactions effective as of the date of the matrix change.

10.6.3 – Prize Pool

- A. **Mega Million Prize Pool.** The prize pool for all prize categories shall consist of up to fifty-five percent (55%) of each Mega Millions drawing period's sales, inclusive of any specific statutorily-mandated tax of a Party Lottery to be included in the price of a lottery MM Play, and inclusive of contributions to the prize pool accounts and prize reserve accounts, but may be higher or lower based upon the number of winners at each prize level, as well as the funding required to meet a guaranteed Annuity Grand Prize, as may be required by MLC Policy 10.6.5(A)(2).
- B. **Mega Millions Prize Pool Accounts and Prize Reserve Accounts.** The Product Group shall set the contribution rates to the prize pool and prize reserve accounts established by this rule.
 - 1. The following prize reserve accounts for the Mega Millions game are hereby established:
 - a. The Prize Reserve Account (PRA) which is used to guarantee the payment of valid, but unanticipated, Grand Prize claims that may result from a system error or other reason, to fund deficiencies in the Set-Aside Pool, and to fund pari-mutuel prize deficiencies as defined and limited in 10.6.3(C)(3)(a)(i) and 10.6.10(G)(2)(a)(1).
 - 2. The following prize pool accounts for the Mega Millions game are hereby established:
 - a. The Grand Prize Pool (GPP), which is used to fund the current Grand Prize;
 - b. The Set Prize Pool (SPP), which is used the fund the Set Prizes. The SPP shall hold the temporary balances that may result from having fewer than expected winners in the Set Prize (aka low-tier prize) categories. The Source of the SPP is the Party Lottery's weekly prize contributions less actual Set Prize liability; and

- c. The Set-Aside Pool (SAP) which is used to fund the payment of the awarded minimum starting annuity Grand Prizes and the minimum annuity Grand Prize increase, if necessary (subject to the limitations in these rules), as may be set by the Product Group. The source of the SAP funding shall accumulate from the difference between the amount in the Grand Prize Pool at the time of a Grand Prize win and the amount needed to fund Grand Prize payments as determined by the Mega Millions lotteries.
3. The above prize reserve accounts shall have maximum balance amounts or balance limiter triggers that are set by the Product Group and are detailed in the Comments to this Rule.

The maximum balance amounts and balance limit triggers are subject to review by the MUSL Board Finance and Audit Committee. The Finance and Audit Committee shall have two weeks to state objections, if any, to the approved maximum balance amounts or balance limiter triggers. Approved maximum balance amounts or balance limiter triggers shall become effective no sooner than two weeks after notice is given to the Finance and Audit Committee and no objection is stated or sooner if the Committee affirmatively approves the maximum balance amounts or balance limiter triggers. The Group may appeal the Committee's objections to the full Board. Group approved changes in the maximum balance amounts or balance limiter triggers set by the Product Group shall be effective only after the next Grand Prize win.

4. The contribution rate to the GPP from MM Plays shall be 37.6509% of sales.

An amount up to five percent (5%) of a Party Lottery's sales, including any specific statutorily mandated tax of a Party Lottery to be included in the price of a lottery play, shall be added to a Party Lottery's Mega Millions Prize Pool contribution and placed in trust in one or more prize pool and prize reserve accounts held by the Product Group at any time that the Party Lottery's share of the PRA is below the amounts designated by the Product Group. Details shall be noted in the Comments to this Rule.

5. The Product Group may determine to expend all or a portion of the funds in the prize pools (except the GPP) and the prize reserve accounts:
 - a. for the purpose of indemnifying the Party Lotteries in the payment of prizes to be made by the Selling Lotteries; and
 - b. for the payment of prizes or special prizes in the game, limited to prize pool and prize reserve contributions from lotteries participating in the special prize promotion, subject to the approval of the Board's Finance & Audit Committee or that Committee's failure to object after given

two weeks' notice of the planned action, which actions may be appealed to the full Board by the Product Group.

6. The prize reserve shares of a Party Lottery may be adjusted with refunds to the Party Lottery from the prize reserve account(s) as may be needed to maintain the approved maximum balance and sales percentage shares of the Party Lotteries.
7. A Party Lottery may contribute to its sales percentage share of prize reserve accounts over time, but in the event of a draw down from a reserve account, a Party Lottery is responsible for its full sales percentage share of the prize reserve account, whether or not it has been paid in full.
8. Any amount remaining in the Mega Millions prize pool accounts or prize reserve accounts when the Product Group declares the end of the game shall be returned to the lotteries participating in the prize pool and prize reserve accounts after the end of all claim periods of all Selling Lotteries, carried forward to a replacement game, or otherwise expended in a manner at the election of the individual Members of the Product Group in accordance with jurisdiction statute.

C. **Expected Prize Payout Percentages.** The Grand Prize payout shall be determined on a pari-mutuel basis. Except as otherwise provided in these rules all other prizes awarded by Party Lotteries shall be paid as single payment prizes. All prize payouts are made with the following expected prize payout percentages, that does not include any additional amount contributed to or held in prize reserves, although the prize payout percentages per draw may vary:

<u>Number of Matches Per Play</u>	<u>Prize Payment</u>	<u>MM Prize Pool Percentage Allocated to Prize</u>
All five (5) of first set plus one (1) of second set.	Grand Prize	75.3018%*
All five (5) of first set and none of second set.	\$1,000,000	7.9319%
Any four (4) of first set plus one (1) of second set.	\$10,000	1.0742%
Any four (4) of first set and none of second set.	\$500	1.2889%
Any three (3) of first set plus one (1) of second set.	\$200	1.3749%
Any three (3) of first set plus none of second set.	\$10	1.6498%
Any two (2) of first set plus one (1) of second set.	\$10	1.4436%
Any one (1) of first set plus one (1) of second set.	\$4	4.4752%
None of first set plus one (1) of second set.	\$2	5.4597%

* The Grand Prize shall include the MM Prize Pool percentage allocated to the Grand Prize combined with JJ Prize Pool percentage allocated to the Grand Prize.

1. The Grand Prize amount shall be divided equally by the number of MM Plays and JJ Plays winning the Grand Prize.

2. The SPP (for payment of single payment prizes of one million dollars \$1,000,000.00) or less) shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the Set Prizes awarded in the current draw.
3. Pari-mutuel Prize Determinations.
 - a. Except as otherwise provided for in (c), below:
 - i. If the total of the Mega Millions Set Prizes (as multiplied by the respective Megaplier multiplier if applicable) awarded in a drawing exceeds the percentage of the prize pool allocated to the Mega Millions Set Prizes, then the amount needed to fund the Mega Million Set Prizes, including Megaplier prizes, awarded shall be drawn from the following sources, in the following order:
 - A. the amount available in the SPP and the Megaplier Prize Pool, if any;
 - B. an amount from the PRA, if available, not to exceed forty million dollars (\$40,000,000.00) per Drawing.
 - ii. If, after these sources are depleted, there are not sufficient funds to pay the Set Prizes awarded, including Megaplier prizes, then the highest Set Prize shall become a pari-mutuel prize. If the amount of the highest Set Prize, including Megaplier prizes, when paid on a pari-mutuel basis, drops to or below the next highest Set Prize and there are still not sufficient funds to pay the remaining Set Prizes awarded, then the next highest Set Prize shall become a pari-mutuel prize. This procedure shall continue down through all Set Prize levels, if necessary, until all Set Prize levels become pari-mutuel prize levels. In that instance, the money available from the funding sources listed in this rule shall be divided among the winning MM Plays in proportion to their respective prize percentages. Mega Millions and Megaplier prizes will be reduced by the same percentage.
 - b. By agreement with the Mega Millions Lotteries, the Mega Millions Lotteries shall independently calculate their set pari-mutuel prize amounts. The Party Lotteries and the Mega Millions Lotteries shall then agree to set the pari-mutuel prize amount for all lotteries selling the game at the lesser of the independently-calculated prize amounts.
4. Except as may be required by 10.6.5, the advertised Grand Prize annuity amount is subject to change based on sales forecasts and/or actual sales.

5. Subject to the laws and rules governing each Party Lottery, the number of prize categories and the allocation of the prize fund among the prize categories may be changed at the discretion of the Mega Millions Lotteries, for promotional purposes. Such change shall be announced by public notice.

10.6.4 – Probability of Winning Mega Million Prizes

The following table sets forth the probability of winning and the probable distribution of winners in and among each prize category for MM Plays sold by Party Lotteries, based upon the total number of possible combinations in Mega Millions.

Number of Matches Per MM Play	Probability of Winners	Distribution Probability*
All five (5) of first set plus one (1) of second set	1	1: 302,575,350
All five (5) of first set and none of second set	24	1: 12,607,306
Any four (4) of first set plus one (1) of second set	325	1: 931,001
Any four (4) of first set and none of second set	7,800	1: 38,792
Any three (3) of first set plus one (1) of second set	20,800	1: 14,547
Any three (3) of first set and none of second set	449,200	1: 606
Any two (2) of first set plus one (1) of second set	436,800	1: 693
Any one (1) of first set plus one (1) of second set	3,385,200	1: 89
None of first set plus one (1) of second set	8,259,888	1: 37
Overall	12,610,038	1: 24

* Numbers rounded to nearest whole number.

10.6.5 – Prize Payment

A. Grand Prize

1. The prize money allocated from the current Mega Millions prize pool for the Grand Prize, plus any previous portions of prize money allocated to the Grand Prize category in which no matching MM Plays or JJ Plays were sold, will be divided equally among all Grand Prize winning MM Plays or JJ Plays in all Participating Lotteries.
2. The annuity Grand Prize amount will be paid in thirty (30) graduated annual installments. Grand Prizes won shall be funded by the Selling Lotteries in accordance with the formula set by the Mega Millions Lotteries. The Mega Millions lotteries may set a minimum guaranteed annuity Grand Prize amount that shall be advertised by the Mega Million Lotteries as the starting guaranteed annuity Grand Prize amount.
3. If in any Mega Millions drawing there are no MM Plays or JJ Plays that qualify for the Grand Prize, the portion of the prize fund allocated to such

Grand Prize shall remain in the Grand Prize category and be added to the amount allocated for the Grand Prize category in the next consecutive Mega Millions drawing.

4. Unless there is a different Party Lottery rule, Grand Prizes shall be paid, at the election of the player made no later than sixty (60) days after the player becomes entitled to the prize, with either a per winner annuity or cash payment. If the payment election is not made by the player within sixty (60) days after the player becomes entitled to the prize, then the prize shall be paid as an annuity prize. The election to take the cash value option must be made within sixty (60) days after the player becomes entitled to the prize. An election made after the winner becomes entitled to the prize is final and cannot be revoked, withdrawn or otherwise changed.
5. In the event of a Grand Prize winner who selects the cash value option, the Grand Prize winner's share will be paid in a single cash payment upon completion of internal validation procedures. The cash value option shall be determined by the Mega Million Lotteries.
6. Graduated annual payment option Grand Prize prizes shall be paid in thirty (30) graduated annual installments. The initial payment shall be paid upon completion of internal validation procedures. The subsequent twenty-nine (29) payments shall be paid graduated annually to coincide with the month of the Federal auction date at which the bonds were purchased to fund the annuity, with graduated annual installments defined in the Mega Millions Lotteries' Finance and Operations Procedures. Payments shall escalate by a factor of five percent (5%) annually, and annual payments shall be rounded down to the nearest even one thousand dollar (\$1,000.00) increment. All such payments shall be made within seven (7) days of the anniversary of the annual auction date.
7. If individual shares of the Grand Prize Pool held to fund an annuity is less than two hundred fifty thousand dollars (\$250,000.00), the Product Group, in its sole discretion, may elect to pay the winners their share of the cash held in the Grand Prize pool.
8. Funds for the initial payment of an annuitized prize or the cash value option prize shall be made available by MUSL for payment by the Party Lottery on a scheduled approved by the Product Group. If necessary, when the due date for the payment of a prize occurs before the receipt of funds in the prize pool trust sufficient to pay the prize, the transfer of funds for the payment of the full cash value option amount may be delayed pending receipt of funds from the Party Lotteries or other lotteries participating in the Mega Millions Game. A Party Lottery may elect to make the initial payment from its own funds after validation, with notice to MUSL.

9. In the event of the death of a lottery winner sold by a Party Lottery during the annuity payment period, unless prohibited by jurisdictional law, the MUSL Finance & Audit Committee, in its sole discretion excepting a discretionary review by the Product Group, upon the petition of the estate of the lottery winner (the "Estate") to the lottery of the jurisdiction in which the deceased lottery winner purchased the winning Play, and subject to federal, state, district or territorial applicable laws, may accelerate the payment of all of the remaining lottery payments to the Estate. If such a determination is made, then securities and/or cash held to fund the deceased lottery winner's annuitized prize may be distributed to the Estate. The identification of the securities to fund the annuitized prize shall be at the sole discretion of the MUSL Finance & Audit Committee or the Product Group.

Comment. This Rule is intended to provide players with the advantages offered by the changes made to 26 U.S.C. § 451. These rules should be interpreted in a manner that is consistent with the purposes, requirements and restrictions of that code section. A Party Lottery's share of MUSL non-game earnings may be used to fund annuity payments, as may be needed, in a manner other than provided for in this rule, due to mandates of local laws.

10. If a Party Lottery purchases or holds the prize payment annuity for a prize won in that jurisdiction, that party Lottery's game rules, and any prize payment agreement with the prize winner, shall indicate that the prize winner has no recourse on the MUSL or any other Party Lottery for payment of that prize.
- B. Prize Payments. All prizes shall be paid through the Selling Lottery that sold the winning Plays, and at the discretion of the Selling Lottery may be paid by cash, check, warrants or electronic transfer. A Party Lottery may begin paying Set Prizes after receiving authorization to pay from the MUSL central office.
- C. Prizes Rounded. Annuitized payments of the Grand Prize or a share of the Grand Prize may be rounded to facilitate the purchase of an appropriate funding mechanism. Breakage on an annuitized Grand Prize win shall be added to the first payment to the winner or winners. Prizes other than the Grand Prize that, under these rules, may become single-payment, pari-mutuel prizes, may be rounded down so that prizes can be paid in multiples of whole dollars. Breakage resulting from rounding these prizes shall be carried forward to the prize pool for the next occurring Mega Millions drawing.
- D. [Reserved]
- E. Limited to Highest Prize Won. The holder of a winning MM Play may win only one (1) prize per Play in connection with the winning numbers drawn, and shall be entitled only to the prize won by those numbers in the highest matching prize category. A JJ Play is not eligible to win non-Grand Prizes/non-Jackpot prizes. All liability for a Mega Millions prize are discharged upon payment of a prize claim.

- F. Prize Claim Period. Prize claims shall be submitted within the period set by the Party Lottery selling the Play. If no such claim period is established, all Grand Prize claims shall be made within one hundred eighty (180) days after the drawing date.

10.6.6 – Pay Validation

- A. To be a valid Play and eligible to receive a prize, a Play’s Ticket or a Ticketless Transaction shall satisfy all the requirements established by the MLC for validation of winning Plays sold through its computer gaming system and any other validation requirements adopted by the Product Group, the MUSL Board and published as the Confidential MUSL Minimum Game Security Standards. MUSL and the Party Lotteries shall not be responsible for Plays that are altered in any manner.
- B. Under no circumstances will a claim be paid for either the Grand Prize or the all five (5) of first set and none of second set prize level without an official Mega Millions Ticket (or validly registered Ticketless Transaction) matching all game Play, serial number and other validation data residing in the selling Party Lottery’s computer gaming system and such Ticket (or validly registered Ticketless Transaction) shall be the only valid proof of the wager placed and the only valid receipt for claiming or redeeming such prize.
- C. In addition to the above, in order to be deemed a valid, winning Play, unless the Play is a validly registered Ticketless Transaction, all of the following conditions must be met:
 - 1. The validation data must be present in its entirety and must correspond, using the computer validation file, to the number selections printed on the Ticket for the drawing date(s) printed on the Ticket;
 - 2. The Ticket must be intact;
 - 3. The Ticket must not be mutilated, altered, reconstituted, or tampered with in any manner;
 - 4. The Ticket must not be counterfeit or an exact duplicate of another winning Ticket;
 - 5. The Ticket must have been issued by an authorized Mega Millions retailer on official paper stock of the selling Party Lottery or otherwise printed in compliance with MUSL Rule 2;
 - 6. The Ticket must not have been stolen, to the knowledge of the Party Lottery;
 - 7. The Ticket must be submitted for payment in accordance with Section 10 (Procedures for Claiming and Payment of Prizes) of the Official Mega Millions Game Rules;

8. The Play data must have been recorded on the computer gaming system prior to the drawing and the Play data must match this computer record in every respect. In the event of a contradiction between information as printed on the Ticket and as accepted by the Party Lottery's computer gaming system, the wager accepted by the Party Lottery computer gaming system shall be the valid wager;
 9. The player or computer pick number selections, validation data and the drawing date(s) of an apparent winning Play must appear on the official file of winning Plays, and a Play with that exact data must not have been previously paid;
 10. The Play must not be mis-registered, and the Play's ticket must not be defectively printed or printed or produced in error to an extent that it cannot be processed by the Party Lottery that issued the Play;
 11. The Play must pass validation tests using a minimum of three (3) of the five (5) validation methods as defined in the Mega Millions Finance and Operations Procedures, Section 15. In addition, the Play must pass all other confidential security checks of the Party Lottery that issued the Play;
 12. In submitting a Play for validation, the claimant agrees to abide by applicable laws, all rules and regulations, instructions, conditions and final decisions of the Director of the Party Lottery that issued the Play;
 13. There must not be any other breach of these Mega Millions Rules in relation to the Play that, in the opinion of the Director of the Party Lottery that issued the Play, justifies invalidation; and
 14. The Play must be submitted to the Party Lottery that issued it.
 15. Ticketless Transaction Plays must meet the validation requirements of the Party Lottery that issued the Play.
- D. A Play submitted for validation that fails any of the preceding validation conditions shall be considered void, subject to the following determinations:
1. In all cases of doubt, the determination of the Party Lottery that sold the Play shall be final and binding; however, the Party Lottery may, at their option, replace an invalid Play with a Play of equivalent sales price;
 2. In the event a defective ticket is purchased or in the event the Party Lottery determines to adjust an error, the Claimant's sole and exclusive remedy shall be the replacement of such defective or erroneous ticket(s) with a Play of equivalent sales price;
 3. In the event a Play is not paid by a Party Lottery and a dispute occurs as to whether the Play is a winning Play, the Party Lottery may, at its option,

replace the Play as provided in paragraph (1) of this subsection. This shall be the sole and exclusive remedy of the Claimant unless the laws or regulations governing the Party Lottery provide for further administrative review.

10.6.7 – Play Responsibility

- A. Prize claim procedures shall be governed by the rules of the Selling Lottery. MUSL and the Selling Lotteries shall not be responsible for prizes that are not claimed following the proper procedures as determined by the selling lottery.
- B. [Reserved]
- C. The Product Group, the MUSL and the Party Lotteries shall not be responsible for lost or stolen Plays.
- D. A receipt for a ticketless transaction Play has no value and is not evidence of a play. A ticketless transaction Play is valid when registered with the lottery in accordance with lottery rules and the person or, if permitted by the lottery rules, the persons registering the Play shall be the owner of the Ticketless Transaction play.
- E. The Party Lotteries shall not be responsible to a prize claimant for Plays redeemed in error by a Retailer.
- F. Winners are determined by the numbers drawn and certified by an independent auditor responsible for auditing the Mega Millions draw. MUSL and the party Lotteries are not responsible for Mega Millions winning numbers reported in error.

10.6.8 – Ineligible Players

- A. A Play or share for a MUSL game issued by the MUSL or any of its Party Lotteries shall not be purchased by, and a prize won by any such Play or share shall not be paid to:
 - 1. a MUSL employee, officer, or director;
 - 2. a contractor or consultant under agreement with the MUSL to review the MUSL audit and security procedures;
 - 3. an employee of an independent accounting firm under contract with MUSL to observe drawings or site operations and actually assigned to the MUSL account and all partners, shareholders, or owners in the local office of the firm; or
 - 4. an immediate family member (parent, stepparent, child, stepchild, spouse, or sibling) of an individual described in subsections (a), (b), and (c) and residing in the same household.

- B. Those persons designated by a Selling Lottery's law as ineligible to play its games shall also be ineligible to play the MUSL game in that Selling Lottery's jurisdiction.
- C. A Play or share of the Mega Millions game may not be purchased in any lottery jurisdiction by any Party Lottery board member; commissioner; officer; employee; or spouse, child, brother, sister or parent residing as a member of the same household in the principle place of residence of any such person. Prizes shall not be paid to any persons prohibited from playing Mega Millions in a particular jurisdiction by rules, governing law, or any contract executed by the Selling Lottery.

10.6.9 – Applicable Law

In purchasing a Play, or attempting to claim a prize, purchasers and prize claimants agree to comply with and abide by all applicable laws, rules, regulations, procedures, and decisions of the Party Lottery where the Play was purchased, and by directives and determinations of the director of that Party Lottery. Additionally, the player shall be bound to all applicable provisions in the Mega Millions Finance and Operations Procedures.

A prize claimant agrees, as its sole and exclusive remedy that claims arising out of a Play can only be pursued against the Party Lottery which issued the Play. Litigation, if any, shall only be maintained within the jurisdiction in which the Play was purchased and only against the Party Lottery that issued the Play. No claim shall be made against any other Party Lottery or against MUSL.

Nothing in these rules shall be construed as a waiver of any defense or claim the Party Lottery which issued the Play, any other Party Lottery, or MUSL may have in any litigation, including in the event a player or prize claimant pursues litigation against a Party Lottery or MUSL, or their respective officers, directors or employees.

All decisions made by a Party Lottery, including the declaration of prizes and the payment thereof and the interpretation of Mega Millions Rules, shall be final and binding on all purchasers and on every person making a prize claim in respect thereof, but only in the jurisdiction where the Play was issued.

Unless the laws, rules, regulations, procedures, and decisions of the Party Lottery which issued the Play provide otherwise, no prize shall be paid upon a Play purchased, claimed or sold in violation of these Rules or the laws, rules, regulations, procedures, and decisions of that Party Lottery; any such prize claimed but unpaid shall constitute an unclaimed prize under these Rules and the laws, rules, regulations, procedures, and decisions of that Party Lottery.

10.6.10 – Special Game Rules: Meg Millions Megaplier Promotion

- A. **Promotion Description.** The Mega Millions Megaplier Promotion is a limited extension of the Mega Millions game and is conducted in accordance with the Mega Millions game rules and other lottery rules applicable to the Mega Millions game except as may be amended herein. The Promotion will begin at a time announced

by the Party Lottery and will continue until discontinued by the lottery. The Promotion will offer to the owner of a qualifying Megaplier Play a chance to multiply or increase the amount of any of the Set Prizes (the prizes normally paying two dollars (\$2.00) to one million dollars (\$1,000,000.00)) won in a drawing held during the promotion. The Grand Prize is not a Set Prize and will not be multiplied or increased by means of the Megaplier Promotion or the Just the Jackpot promotion.

- B. **Qualifying Play.** A qualifying Megaplier Play is any single Mega Millions Play for which the player pays an extra one dollar (\$1.00) for the Megaplier option and that is recorded on the Party Lottery's computer gaming system as a qualifying Megaplier Play. The purchase of Just the Jackpot Plays do not qualify to purchase a Megaplier Play.
- C. **Prizes to be Increased.** Except as provided in these rules, a qualifying Megaplier Play that wins one of the Set Prizes will be multiplied by the number drawn, either two, three, four, or five (2, 3, 4 or 5), in a separate random Megaplier drawing conducted in a manner approved by the Product Group.
- D. **Megaplier Draws.** MUSL will either itself conduct, or authorize a United States Lottery to conduct on its behalf, a separate random "Megaplier" drawing. The Megaplier drawing shall be conducted prior to each Mega Million drawing. During each Megaplier drawing, a single number (2, 3, 4 or 5) shall be drawn. The Product Group may change one or more of the multiplier features for special promotions from time to time. In the event the Megaplier drawing does not occur prior to the Mega Millions drawing, the multiplier number will be five (5), which shall solely be determined by the lottery authorized to conduct the "Megaplier" drawing.
- E. **Prize Pool**
 - 1. **Megaplier Prize Pool.**
 - a. The Megaplier Prize Pool (MPP) is hereby created, and shall be used to fund Megaplier prizes. The MPP shall hold the temporary balances that may result from having fewer than expected winning Megaplier Plays. The source of the MPP is the Party Lottery's weekly prize contributions less actual Megaplier Prize liability.
 - b. Up to fifty-five percent (55%) of each drawing period's sales, as determined by the Product Group, including any specific statutorily-mandated tax of a Party Lottery to be included in the price of a lottery Ticket, shall be collected for the payment of Megaplier prizes.
 - c. Prize payout percentages per draw may vary. The MPP shall be carried forward to subsequent draws if all or a portion of it is not needed to pay Megaplier prizes awarded in the current draw and held in the MPP.

2. End of Game. Any amount remaining in the MPP when the Product Group declares the end of this game shall be returned to the lotteries participating in the account after the end of all claim periods of all Selling Lotteries, carried forward to a replacement game or expended in a manner as directed at the election of the individual Members of the Product Group in accordance with jurisdictional law.
3. Expected Prize Payout. Except as provided in this 10.6, all prizes awarded shall be paid as single payment set prizes. Instead of the Mega Millions set prize amounts, qualifying Megaplier plays will pay the amounts shown below when matched with the Megaplier number drawn:

<u>Prize Levels with Megaplier Purchase and Megaplier</u>					
	<u>Standard</u>	<u>2x</u>	<u>3X</u>	<u>4X</u>	<u>5X</u>
Match 5+0	\$1,000,000.00	\$2,000,000.00	\$3,000,000.00	\$4,000,000.00	\$5,000,000.00
Match 4+1	\$10,000.00	\$20,000.00	\$30,000.00	\$40,000.00	\$50,000.00
Match 4+0	\$500.00	\$1,000.00	\$1,500.00	\$2,000.00	\$2,500.00
Match 3+1	\$200.00	\$400.00	\$600.00	\$800.00	\$1,000.00
Match 3+0	\$10.00	\$20.00	\$30.00	\$40.00	\$50.00
Match 2+1	\$10.00	\$20.00	\$30.00	\$40.00	\$50.00
Match 1+1	\$4.00	\$8.00	\$12.00	\$16.00	\$20.00
Match 0+1	\$2.00	\$4.00	\$6.00	\$8.00	\$10.00

The Megaplier Promotion and multiplier numbers do not apply to the Mega Millions Grand Prize.

In certain rare instances, the Mega Millions Set Prize amount may be less than the amount shown. In such case, the Megaplier prizes will be a multiple of the changed Mega Millions prize amount announced after the draw. For example, if the Match 4+1 Mega Millions set prize amount of ten thousand dollars (\$10,000.00) becomes two thousand dollars (\$2,000.00) under the rules of the Mega Millions game, then a Megaplier player winning that prize amount with a 4X multiplier would win eight thousand dollars (\$8,000.00): two thousand dollars multiplied by four (\$2,000.00 x 4).

- F. **Probability of Winning.** The following table sets forth the probability of the various Megaplier numbers being drawn during a single Megaplier drawing. The Product Group may elect to run limited promotions that may modify the multiplier features.

MEGAPLIER		PROBABILITY
5X	-	SET PRIZE WON TIMES 5 1 IN 15
4X	-	SET PRIZE WON TIMES 4 3 IN 15
3X	-	SET PRIZE WON TIMES 3 6 IN 15
2X	-	SET PRIZE WON TIMES 2 5 IN 15

The Megaplier Promotion and multiplier numbers do not apply to the Mega Millions Grand Prize.

G. Limitations on Payment on Megaplier Prizes

1. **Prize Pool Carried Forward.** The prize pool percentage allocated to the Megaplier set prizes shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the set prizes awarded in the current Megaplier draw or may be held in a prize reserve account.
2. **Pari-Mutuel Prizes—All Prize Amounts.** Except as otherwise provided for in G(2)(b):

G(2)(a)(1) If the total of the original Mega Millions Set Prizes and the Megaplier prize amounts awarded in a drawing exceeds the percentage of the prize pools allocated to the Set Prizes, then the amount needed to fund the Set Prizes (including the Megaplier prize amounts) awarded shall be drawn from the following sources, in the following order:

- (i) the amount available in the SPP and MPP, if any;
- (ii) an amount from the PRA, if available in the account, not to exceed forty million dollars (\$40,000,000.00) per drawing.

G(2)(a)(2) If, after these sources are depleted, there are not sufficient funds to pay the Set Prizes awarded (including Megaplier prize amounts), then the highest Set Prize (including the Megaplier prize amounts) shall become a pari-mutuel prize. If the amount of the highest Set Prize, when paid on a pari-mutuel basis, drops to or below the next highest Set Prize and there are still not sufficient funds to pay the remaining Set Prizes awarded, then the next highest Set Prize, including the Megaplier prize amount,

shall become a pari-mutuel prize. This procedure shall continue down through all Set Prizes levels, if necessary, until all Set Prize levels become pari-mutuel prize levels. In that instance, the money available from the funding sources listed in this rule shall be divided among the winning MM Plays in proportion to their respective prize percentages. Mega Millions and Megaplier prizes will be reduced by the same percentage.

G(2)(b) By agreement with the Mega Millions Lotteries, the Mega Millions Lotteries shall independently calculate their set pari-mutuel prize amounts, including the Megaplier prize amounts. The Party Lotteries and the Mega Millions Lotteries shall then agree to set the pari-mutuel prize amounts for all lotteries selling the game at the lesser of the independently-calculated prize amounts.

H. Prize Payment

1. **Prize Payments.** All Megaplier prizes shall be paid in one single payment through the Party Lottery that sold the winning Megaplier Play(s). A Party Lottery may begin paying Megaplier prizes after receiving authorization to pay from the MUSL.
2. **Prizes Rounded.** Prizes that, under these rules, may become pari-mutuel prizes, may be rounded down so that prizes can be paid in whole dollars. Breakage resulting from rounding these prizes shall be carried forward to the MPP for the next drawing.

10.6.11 – Special Game Rules: Just the Jackpot Promotion

A. Promotion Description

1. The Mega Millions Just the Jackpot promotion is a limited extension of the Mega Millions game and is conducted in accordance with the Mega Millions game rules and other lottery rules applicable to the Mega Millions game except as may be amended herein, and any other lottery rules applicable to this promotion. All rules applicable to the Mega Millions Game in these rules are applicable to the Just the Jackpot promotion unless otherwise indicated.
2. The promotion will begin at a time announced by the Party Lottery and will continue until discontinued by the lottery. The promotion will offer to players a chance to purchase two (2) Just the Jackpot Plays (JJ Plays) for

three dollars (\$3.00). Each JJ Play purchased will qualify the player for a chance to win the Grand Prize, and no other prize levels. A JJ Play must match exactly all of the Mega Millions Grand Prize Winning Numbers in order to win the Mega Millions Grand Prize. A JJ Play is not eligible to win non-Grand Prize/non-Jackpot prizes in the Just the Jackpot Promotion.

3. Just the Jackpot winning Plays will be paid the Mega Millions Grand Prize, at the election of the player made in accordance with these rules or by a default election made in accordance with these rules, either on a graduated annuitized annual pari-mutuel basis or as a cash value option using a rate determined by the Mega Millions Finance Committee on a pari-mutuel basis. All provisions in 10.6 are applicable to Just the Jackpot winning Play(s). The Grand Prize amount shall be divided equally by the number of MM Plays and JJ Plays winning the Grand Prize.
4. The Winning Numbers for Just the Jackpot shall be the winning numbers for the Grand Prize drawn in the Mega Millions drawing. Mega Millions winning numbers applicable to determine Just the Jackpot prizes will be determined on the day(s), time(s) and location(s) as determined by the Mega Millions Lotteries.
5. To play Just the Jackpot, a player shall select computer pick, which shall produce two (2) Plays of five (5) different numbers, from one (1) through seventy (70) and one (1) additional number from one (1) through twenty-five (25). The additional number may be the same as one of the first five numbers selected by the player. Each set of numbers shall constitute a single lettered selection, or a single "Play" as that term is defined herein. The two (2) sets of numbers selected in each three dollar (\$3.00) JJ Plays purchase may be the same between the Plays. The two (2) Plays for each three dollar (\$3.00) JJ Plays purchase shall be for the same drawing, although a lottery may sell multi-draw JJ plays as well.
6. The purchase price of JJ Plays shall be three dollars (US \$3.00) for two (2) single lettered selection of JJ Plays, including any specific statutorily-mandated tax of a Party Lottery to be included in the price of a lottery JJ Play. JJ Plays may be purchased from a Party Lottery approved sales outlet in a manner as approved by the Party Lottery and in accordance with MUSL Rules. Except for Ticketless Transactions, JJ Plays must be printed on separate ticket from MM Plays must clearly indicate whether the Plays are for the Just the Jackpot Promotion. Each JJ Play is played separately in determining matches to Winning Numbers and prize amounts.
7. The Grand Prize will not be multiplied or increased by means of the Megaplier promotion.

B. [Reserved]

C. [Reserved]

D. [Reserved]

E. Prize Pool Contributions

1. **Mega Millions Prize Pool.** The prize pool for JJ Plays shall consist of up to fifty-five percent (55%) of each drawing period's sales, inclusive of any specific statutorily-mandated tax of a Party Lottery to be included in the price of a lottery's JJ Play, and inclusive of contributions to the prize pool accounts and prize reserve accounts, but may be higher or lower based on the funding required to meet a guaranteed annuity Grand Prize as may be required by 10.6.5(A).

2. **Mega Millions Prize Pool Account and Prize Reserve Account Contributions.** The Product Group shall set the contribution rates to the Just the Jackpot prize pool and prize reserve accounts established by this rule.

a. The contribution rate for JJ Plays to the GPP shall be 50.2012% of sales.

An amount up to five percent (5%) of a Party Lottery's JJ Play sales, including any specific statutorily mandated tax of a Party Lottery to be included in the price of a lottery's JJ Play, shall be added to a Party Lottery's Just the Jackpot Prize Pool contribution and placed in trust in one (1) or more prize pool and prize reserve accounts held by the Product Group at any time that the Party Lottery's share of the PRA is below the amounts designated by the Product Group.

All provisions regarding the GPP and PRA as described in these Rules are applicable to JJ Play contributions to the GPP and PRA.

3. **Expected Prize Payout Percentage.** The Mega Millions Grand Prize payout shall be determined on a pari-mutuel basis. All prize payouts are made with the following expected prize payout percentages, which does not include any additional amount held in prize reserves:

Number of Matches Per JJ Play	Prize Payment	JJ Prize Pool Percentage Allocated to Prize	JJ Sales Percentage Allocated to Prize
All five (5) of first set, plus one (1) of second set	Grand Prize	100%*	50.2012%
All other matching combinations	No Prize	0%	0%

** JJ Prize Pool percentage allocated to the Grand Prize shall be combined with MM Prize Pool percentage allocated to the Grand Prize.*

The Grand Prize amount shall be divided equally by the number of MM Plays and JJ Plays winning the Mega Millions Grand Prize.