

IOWA LOTTERY GAME SPECIFIC RULES
POWERBALL®

The following are the game specific rules for the Iowa Lottery's implementation and operation of the POWERBALL® multistate lottery game. These game specific rules are generated consistent with the authority in Iowa Code § 99G.9(4) (2014) and Iowa Code § 99G.31(2)(b) (2014). The game specific rules are generated in compliance with the Computerized Lottery Games General Rules in 531 Iowa Administrative Code Chapter 20, and incorporate the rules in Chapter 20 except to the extent the rules in Chapter 20 are expressly inapplicable to multistate lottery games. In the event of inconsistencies, these game specific rules control any contrary provisions of the Computerized Lottery Games General Rules in 531 Iowa Administrative Code Chapter 20. In purchasing a play for or otherwise participating in the POWERBALL® multistate lottery game, the player agrees to comply with and abide by the Iowa Lottery's statutes, administrative rules, the POWERBALL® national game rules adopted by the Multi-State Lottery Association, and these Iowa specific game rules.

Method of Play. The POWERBALL® lottery game is a five (5) out of sixty-nine (69) plus (1) out of twenty-six (26) on-line lottery game which pays the Jackpot prize, at the election of the player, either on an annuitized pari-mutuel basis or as a single lump sum payment of the total cash held for this prize pool on a pari-mutuel basis. The match 5 + 0 Power Play prize is paid as a cash prize or on a pari-mutuel basis. Except as provided in these rules, all other prizes are paid on a set cash basis. To play POWERBALL®, a player shall select five (5) different numbers, from one (1) and through sixty-nine (69) and one (1) additional number from one (1) and through twenty-six (26), for input into a terminal. The additional number may be the same as one of the first five numbers selected by the player. Plays can be purchased from a terminal operated by a licensed retailer. The player may select a set of five numbers and one additional number by communicating the six numbers to the retailer, or by marking the numbered squares in any one game panel on a play slip and submitting the play slip to the retailer or by requesting an "easy pick" from the retailer. The Lottery may also at its discretion, offer a promotion known as the Power Play Option. As noted below, the player may also elect the Power Play Option when it is available. The retailer will then issue a play, via the terminal, containing the selected set or sets of numbers, each set of which constitutes a game play.

Power Play Option. The Power Play Option is an add-on to the current POWERBALL® 5/69 + 1/26 game and must be selected at the time the POWERBALL® play is purchased. Players who elect to pay an extra one dollar (\$1.00) per POWERBALL® Play will have the opportunity to increase the original prizes (all prizes except the jackpot prize) through Power Play, when that feature is offered. Except as provided in the rules, a qualifying play which wins one of the seven lowest lump sum Set Prizes will be multiplied by the number selected, either two, three, four, five, or ten (2, 3, 4, 5, or 10) in a separate random Power Play selected during the official POWERBALL® drawing. The match 5 + 0 prize for players selecting the Power Play option shall be paid \$2,000,000.00 (two million dollars), regardless of the Power Play number selected, unless a higher limited promotional amount is announced by the group. Note that any set prizes or Power Play prizes, including the Match 5+0 prize, may be reduced if wins exceed the available prize fund.

Price. A game play in the POWERBALL® lottery game shall sell for \$2, including sales tax where required by law. When offered, the Power Play Option shall sell for an additional \$1.00 per game play.
Multi-draw plays. Multi-draw plays may be available for up to 10 consecutive drawings.

Drawings. Two drawings shall be held each week. Drawings shall be held each Wednesday and each Saturday.

Prizes and odds.

1. The following table sets forth the odds of winning in each prize category, the prize amount in each prize category and the expected percentage of the total prize pool allocated to each prize category, although the prize payout percentage per draw may vary.
2. If winners at non-jackpot prize levels exceed the available prize fund, prizes may be paid on a pari-mutuel basis and be lower than set prize levels. This includes winners at the Match 5+0 with Power Play level.

Number of Matches Per Play	Prize Pool Odds	Prize	Prize Pool Percentage Allocated to Prize
All five (5) of first set plus one (1) of second set	1:292,201,338.0000	Jackpot	68.0131 %*
All five (5) of first set and none of second set	1:11,688,053.5200	\$1,000,000	8.5558%
Any four (4) of first set plus one (1) of second set	1:913,129.1813	\$50,000	5.4757%
Any four (4) of first set and none of second set	1:36,525.1673	\$100	0.2738%
Any three (3) of first set plus one (1) of second set	1:14,494.1140	\$100	0.6899%
Any three (3) of first set and none of second set	1:579.7646	\$7	1.2074%
Any two (2) of first set plus one (1) of second set	1:701.3281	\$7	0.9981%
Any one (1) of first set plus one (1) of second set	1:91.9775	\$4	4.3489%
None of first set plus one (1) of second set	1:38.3239	\$4	10.4373%

Overall odds of winning any prize are 1 in 24.8671.

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

Expected Prize Payout.

Prize Amount						
Regardless of Power Play number selected:						
Match 5+0	\$1,000,000.00	\$2,000,000.00	\$2,000,000.00	\$2,000,000.00	\$2,000,000.00	
	Prize Amount	10X	5X	4X	3X	2X
Match 4+1	\$50,000.00	\$500,000	\$250,000.00	\$200,000.00	\$150,000.00	
	\$100,000.00					
Match 4+0	\$100.00	\$1,000	\$500.00	\$400 .00	\$300.00	
	\$200.00					
Match 3+1	\$100.00	\$1,000	\$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

The holder of a winning 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.

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 \$10,000.00 becomes \$5,000.00 under the rules of the POWERBALL® game and a 5x Power Play multiplier is selected, then a Power Play player winning that prize amount would win \$25,000.00.

Probability of Winning Power Play. 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), regardless of the Power Play number selected. The Group may elect to run limited promotions that may modify the multiplier features.

For Drawings When the 10X Multiplier is Available:

Power Play	Probability of Prize Increase
10X - Prize Won Times 10	1 in 43
5X - Prize Won Times 5	2 in 43
4X - Prize Won Times 4	3 in 43
3X - Prize Won Times 3	13 in 43
2X - Prize Won Times 2	24 in 43

For Drawings When the 10X Multiplier is not Available

Power Play	Probability of Prize Increase
10X - Prize Won Times 10	0 in 42
5X - Prize Won Times 5	2 in 42
4X - Prize Won Times 4	3 in 42
3X - Prize Won Times 3	13 in 42
2X - Prize Won Times 2	24 in 42

Power Play does not apply to the POWERBALL® Jackpot. Except as provided by a special promotion, a Power Play Match 5 prize is set at two million dollars (\$2 million), regardless of the multiplier selected.

Claims. A ticket or, if electronic game play is introduced in this state a properly registered ticketless transaction, shall be the only proof of a game play or plays. The submission of a winning ticket on secure, Lottery-approved paper to the Iowa Lottery or a licensed retailer, depending on the value of the prize, shall be the sole method of claiming POWERBALL® 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 purchase or of numbers selected.

Claim period. All prizes must be claimed as directed within 365 calendar days of the drawing in which the prize was won. For purposes of determining the claim period, the first (draw) day shall be excluded, and the last day included. In the event the last day falls on a Saturday, a Sunday, a legal holiday or any day appointed or recommended by the Governor of Iowa or the President of the United States as a day of fasting or thanksgiving, the time to claim shall be extended to close of business on the next day thereafter when Lottery offices are open for business. Any prize not claimed within the specified period shall be forfeited.

The Lottery may delay payment of any prize, pending a determination by the CEO, in the following circumstances:

- If a dispute occurs or appears to the Lottery to be likely to occur regarding the prize;
- If there are questions regarding the identity or eligibility of the claimant;
- If there are concerns regarding the validity of the ticket or share presented;
- If there are any questions or concerns about whether the ticket was legally purchased, legally possessed, or legally presented;
- If the claim is subject to offset for debts owed by the claimant under Iowa law;
- For any reason permitted in the rules of the Multi-State Lottery Association; or
- For any reason permitted in the Lottery's code, administrative rules, or policies.

Election of Jackpot Prize. Jackpot prizes shall be paid, at the election of the player made no later than 60 days after the player becomes entitled to the prize, with either a per winner annuity or a cash payment equal to the total cash held for this prize pool on a pari-mutuel basis. A player becomes entitled to a prize upon validation, by the Lottery, of a winning play for the prize. If the payment election is not made by the player within 60 days after the player becomes entitled to the prize, then the prize shall be paid as an annuity prize. An election for an annuity payment made by a player before play purchase or by system default or design may be changed to a cash payment at the election

of the player until the expiration of 60 days after the player becomes entitled to the prize. The election to take the cash payment may be made at the time of the prize claim or within 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. Shares of the Jackpot shall be determined by dividing the cash available in the Jackpot pool equally among all winners of the Jackpot. Winner(s) who elect a cash payment shall be paid their share(s) in a single cash payment. If the jackpot is a guaranteed amount, then the amount of the cash payment shall be determined by dividing the advertised jackpot amount by the annuity factor obtained through the Multi-State Lottery Association's (MUSL) formal quote process. Neither MUSL nor the Selling Lotteries, including the Iowa Lottery, 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. If an annuity has a cash value of less than \$250,000.00, the Product Group, in its sole discretion, may elect to pay the cash value of their share of the funds in the Jackpot pool. All prizes paid by annuities shall be paid in thirty (30) payments with the initial payment being made by check or wire transfer, to be followed by twenty-nine (29) payments funded by the annuity. Except as may be controlled by a member's governing statute, the amount of each payment shall be determined in accordance with MUSL's established annuity payment policies and/or rules. The initial payment of an annuitized prize shall not be made by the lottery until the fifteenth calendar day following the drawing. 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 jackpot winning numbers. The prize money allocated to the jackpot prize category shall be divided equally by the number of game plays winning the jackpot prize.

Payment of Prizes. All prizes, other than jackpot prizes, shall be paid by cash, check, warrant, or electronic transfer. Prizes may be paid after receiving authorization to pay from MUSL.

Prizes Rounded. Annuitized payments of the jackpot prize or a share of the jackpot prize may be rounded to facilitate the purchase of an appropriate funding mechanism. Breakage on a jackpot prize win shall be added to the first cash payment to the winner or winners. Prizes 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. Breakage resulting from rounding of these prizes shall be carried forward to the prize pool for the next drawing.

Prize Rollover. If the jackpot prize is not won in a drawing, the prize money allocated for the jackpot prize shall roll over and be added to the jackpot prize pool for the following drawing.

Power Play Prize Pool. As per MUSL rules, fifty percent (50%) of each draw's sales shall be collected for the payment of prizes, including contributions to the prize pool accounts and prize reserve accounts. The prize payout percentage per draw may vary. In drawings where the 10X multiplier is available, the expected payout for all prize categories shall consist of up to 49.969% percent of each drawing period's sales, including tax, until the jackpot prize is funded to the annuitized amount guaranteed by the MUSL board. In drawings where the 10X multiplier is not available, the expected payout for all prize categories shall consist of up to 45.934% of each drawing period's sales. Any amount remaining in the prize pool at the end of this game shall be carried forward to a replacement game or expended in a manner selected by the individual members of the Product Group in accordance with state law.

Prize Pool Accounts and Prize Reserve Accounts. The Powerball Product Group has established the following accounts:

- (1) 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
- (2) 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).
- (3) the Grand Prize Pool (GPP), which is used to fund the current Grand Prize;
- (4) the Set Prize Pool (SPP), which is used to fund all prizes other than the Grand Prize. The SPP shall also hold any 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 liability for set prizes for the draws in question;
- (5) 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;
- (6) 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; and
- (7) the Power Play Prize Pool (PPP), which is used to hold the temporary balances that may result from having fewer than expected winners from Power Play purchases. The source of the PPP is the Party Lottery's weekly prize contributions less actual Power Play Prize liability.

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, subject to review and approval in the manner set forth in the Powerball national game rules.

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 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.

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.

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:

(1) for the purpose of indemnifying the Party Lotteries and Licensee Lotteries in the payment of prizes to be made by the Selling Lotteries; and

(2) 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 approval as set forth in the national game rules.

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

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. 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.

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 jurisdictional statutes and requirements.

When the jackpot prize reaches the annuitized amount guaranteed by the MUSL board, up to 5 percent of sales, including tax, shall be placed in trust in one or more prize reserve accounts until the prize reserve accounts reach the amount designated by the MUSL board. Once the prize reserve accounts exceed the designated amount, the excess shall become part of the prize pool. Any amount remaining in a prize reserve account at the end of this game shall be carried forward to a replacement prize reserve account or expended in a manner as directed by the MUSL board. The amount remaining in the prize reserve account from the previous MUSL game shall be carried forward to the POWERBALL® game.

The prize pool percentage allocated to the set cash prizes shall be carried forward to the subsequent draws if all or a portion of it is not needed to pay the set cash prizes awarded in the current draw.

The MUSL board may offer guaranteed minimum jackpot prize amounts or minimum increases in the jackpot prize amount between drawings or make other changes in the allocation of prize money where the board finds that it would be in the best interest of the game. Changes in the allocation of prize money shall be designated to retain approximately the same prize allocation percentages, over a year's time, set out in these rules. Minimum guaranteed prizes or increases may be waived if the alternate funding mechanism set out in these rules becomes necessary.

Pari-Mutuel Powerball Prize Determinations. If the total of set cash prizes awarded in a drawing exceeds the percentage of the prize pool allocated to the set prize levels, then the amount needed to fund all set cash prizes awarded shall be drawn from the following sources in the following order: (a) the

amount allocated to the set cash prizes and carried forward from previous draws, if any; (b) an amount from the set prize reserve account, if available, not to exceed \$40 million per drawing; and (c) other amounts as agreed to by the Product Group in their sole discretion. If, after these sources are depleted, there are not sufficient funds to pay the set cash prizes awarded, including Power Play prizes, then the highest set prize shall become a pari-mutuel prize. If 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 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 set prizes and power play prizes will be reduced by the same percentage.

Play Validation Requirements. Tickets must be validated and satisfy all requirements of the Multi-State Lottery Association in order to be eligible to receive a prize. In order to receive a POWERBALL® prize, any winning play must pass all Iowa Lottery validation tests, including confidential specifications.

Ineligible Players. The following persons, and their immediate family members residing in the same household, are ineligible to: (1) claim a POWERBALL® prize in any lottery jurisdiction; or (2) to purchase a ticket or share of the POWERBALL® game in any lottery jurisdiction:

- Directors, officers or employees of the Multi-State Lottery Association;
- Subcontractors, consultants, or vendors of the Multi-State Lottery Association under agreement with MUSL to review MUSL audit and security procedures;
- 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;

In addition, the following persons, and their immediate family members residing in the same household, are ineligible to: (1) claim a POWERBALL® prize in Iowa; or (2) to purchase a ticket or share of the POWERBALL® game in Iowa:

- Members of the Iowa Lottery Authority Board of Directors, Iowa Lottery Authority officers, employees, or agents;
- Officers, employees, and agents of the subcontractors and vendors of the Iowa Lottery Authority, if the CEO of the Iowa Lottery Authority determines in his sole discretion that the officer, employee, or agent of the subcontractor or vendor has access to confidential information which may compromise the integrity of the Iowa Lottery;
- Players that sign up for the Iowa Lottery's self-exclusion program; and
- Any person under the age of 21. (However, the recipient of a lawfully purchased and transferred ticket permitted by Chapter 531 of the Iowa Administrative Code may receive a POWERBALL® prize.)

Player Responsibility. The Player has sole responsibility for ensuring the accuracy of the game play and the other data on the game ticket. Players make game play selections and play POWERBALL® at

their own risk. Retailers and other Lottery-approved distributors act solely on behalf of the player in entering the game plays. Neither the Iowa Lottery nor MUSL are responsible for lost, altered, or stolen tickets.

Compliance with Law. By purchasing a ticket or making a claim relating to the POWERBALL® game, each purchaser and claimant agrees to abide by applicable statutes and rules of the Iowa Lottery.

Disputes. Any litigation relating to tickets and/or prizes for a POWERBALL® ticket sold in Iowa shall apply Iowa law and shall solely be brought against the Iowa Lottery in the Iowa District Court for Polk County or the United States District Court for the Southern District of Iowa, Central Division, wherever jurisdiction is appropriate. No claim shall be made against the Multi-State Lottery Association or other participating lottery in Powerball. Nothing in these Rules shall be construed as a waiver of any defense or claim the Iowa Lottery, any other participating lottery, or the Multi-State Lottery Association may have in any litigation, including in the event a player or prize claimant pursues litigation relating in any way to the Powerball game.

Final Determinations. Consistent with Iowa Code Chapter 99G, decisions made by the CEO of the Iowa Lottery, including but not limited to those relating to the declaration of prizes, the payment or transfer of prizes, the eligibility of players, and/or the interpretation of these rules, shall be final and binding on all purchasers and any person making a claim relating in any way to this POWERBALL® game. All liabilities for a Powerball prize are discharged upon payment of a prize claim. In accordance with Iowa law, any prize claimed but unpaid shall constitute an unclaimed prize under these Rules and the laws, rules, regulations, procedures, and decisions of the Iowa Lottery.

Exclusive Remedy. In the event a dispute between an Iowa Lottery and a ticket player, bearer, or claimant occurs relating to the ticket, game play, or prize claim, the Iowa Lottery may in its discretion reimburse the purchase price of the ticket. This shall be the sole and exclusive remedy.