



Philippine Amusement & Gaming Corporation
A Sure Bet for Progress in Gaming, Entertainment and Nation Building

InstaWin Account No. _____

CERTIFICATE TO OPERATE INSTAWIN TERMINALS

This is to certify that _____ is a duly appointed sales agent of PAGCOR, and is hereby authorized to operate InstaWin terminals at _____.

As an appointed sales agent, the accredited InstaWin Operator is an extension of PAGCOR, and is thus subject to the provisions of Presidential Decree No. 1869, as amended, PAGCOR regulations and other applicable laws.

This Certification is valid from the ___th day of ____, 20__ to the ___th day of ____, 20__ issued at the City of Manila.

This Certificate to Operate is personal, non-assignable, and non-transferable.

JORGE V. SARMIENTO
President and Chief Operating Officer



Philippine Amusement & Gaming Corporation

AUTHORITY TO OPERATE **INSTAWIN TERMINALS**

Pursuant to Presidential Decree 1869, as amended through Republic Act No. 9487, otherwise known as the Philippine Amusement and Gaming Corporation (PAGCOR) Charter, PAGCOR hereby grants to [Name of Operator], (herein referred to as the Operator), [with business name of [DTI registered business name] duly registered with the Department of Trade and Industry] / [a corporation formed under the laws of the Republic of the Philippines, with office and principal business address at [Operator's business address]], the privilege to INSTALL, MAINTAIN, and OPERATE Instawin terminals at [gaming facility address].

The validity of this Authority to Operate (ATO) is indicated in the accompanying Certificate to Operate (CTO) or Provisional Certificate to Operate (PCTO) Instawin terminals, and any renewals thereof. The ATO and CTO/PCTO, taken together, is the complete license issued by PAGCOR to an Instawin Operator.

This ATO is subject to the following terms and conditions governing the installation and operation of Instawin terminals, in accordance with the PAGCOR Charter, and PAGCOR issued regulations.

Definition of Terms:

"PAGCOR" is a government-owned and controlled corporation which is the governing body of the Instawin business. It defines all the rules, restrictions, guidelines, and procedures concerning the operations of Instawin.

"PAGCOR Charter" refers to the franchise and powers of PAGCOR granted under Presidential Decree No. 1869, as amended through Republic Act No. 9487.

"IEST" or Interactive Entertainment Solutions Tech., Inc., is a private entity/corporation which is the technology provider/project manager for Instawin operations. It also provides cash management and customer service support for the Instawin network.

"ATO" means Authority to Operate, referring to the document given to an approved Operator giving it the authority to operate Instawin terminals, and containing the Terms and Conditions and other PAGCOR regulations related to said operations.

"CTO" means Certificate to Operate which refers to a document issued by PAGCOR to an approved Operator, evidencing the authority for the installation and operation of Instawin terminals. The CTO shall be issued prior to commencement of operations and should be prominently displayed within the Instawin gaming area.

"PCTO" refers to the Provisional Certificate to Operate which shall be issued in lieu of the CTO in cases where the required City/Municipal Council Ordinance/Resolution stating no objections to the operations of Instawin terminals in that city/municipality has not been submitted, provided all other requirements are present.

"Operator" is an individual, corporation or other private entities which are authorized by PAGCOR to install and operate Instawin terminals across the country. They are the ones who provide the Instawin

"Operator" is an individual, corporation or other private entities which are authorized by PAGCOR to establish and operate InstaWin terminals across the country. They are the ones who establish the InstaWin site or gaming area and oversee/manage the daily operations of their respective InstaWin terminals, in accordance with PAGCOR policies and guidelines.

"InstaWin Games" refers to a suite of virtual games, i.e. casino games and soft or arcade-type of games, which are offered for play at InstaWin terminals.

"InstaWin Site" refers to the PAGCOR-approved gaming establishment offering InstaWin games, either operating mainly for InstaWin terminals or collocating inside a host-gaming facility.

"InstaWin Gaming Area" refers to the area inside a host-gaming facility where the terminals offering InstaWin games will be installed.

"Host-gaming Facility" refers to the PAGCOR-approved venue, such as bingo boutiques, poker clubs, where the InstaWin terminals may be collocated.

"Cash Bond Deposit" refers to the monetary requirement/deposit paid by the Operator in advance as PAGCOR's measure of security against the Operator's non-compliance with his/her financial obligations relative to InstaWin operation and penalties which may be imposed by PAGCOR.

"Gross Hold" means Total Players' Deposits or Cash In less Players' Cash Out

"Total Players' Deposits" means the sum of actual cash deposit by the player to the Cashier or terminals, that is converted to credits to be used in his/her game play.

"Players' Cash Out" is the remaining balance in the player's account that he/she could claim after his/her game play.

"Gross Bets" is the total amount of bets placed for all the games.

"Payouts" is the total amount won with the addition of the original bet placed for each hand.

"Progressive game" refers to certain InstaWin games offering one or more jackpot levels either on a per terminal basis or across all InstaWin terminals

"Seed Amount" refers to the initial amount of the jackpot prize for progressive games.

"Increment" is a percentage of the Gross Bets of the InstaWin progressive game/s which goes to the progressive jackpot.

"Progressive Jackpot" is the progressive prize amount won by player consisting of the seed amount and the accumulated increment.

"Gross Gaming Revenue (GGR)" is defined as Gross Bets net of Increment less Payouts net of Progressive Jackpot payouts less Seed Amounts.

A. General Undertakings

1. The Operator shall ensure that all players must have registered to be able to participate in InstaWin. Please refer to **Annex A** for details of the player registration procedure.
2. The Operator shall not allow play from the following:
 - a. Government officials connected directly with the operation of the Government or any of its agencies;
 - b. Members of the Armed Forces of the Philippines, including the Army, Navy, Air Force or Philippine National Police; and
 - c. Persons under 21 years of age or students of any school, college or university in the Philippines.
 - d. PAGCOR/ IEST officials and employees.
 - e. InstaWin Operators and their employees.
 - f. Unregistered players
3. The Operator shall comply with local government ordinances, these terms and conditions, and other PAGCOR regulations which may be issued in the future, and all pertinent laws, especially those governing gaming services in the country.
4. The Operator shall dutifully settle any tax obligation/s which may result from the operations of his/her InstaWin terminals, and his/her other businesses, if any.
5. The Operator shall submit to PAGCOR for its adjudication all disputes, disagreements and issues pertaining to all aspects of the InstaWin operations. The decision of PAGCOR over such disputes, disagreements and issues shall be final.
6. The Operator shall submit to PAGCOR (through IEST) the following documents **on or before** the dates indicated:
 - (i) **March 31st of each year**
 - a. Business Permit for the current year
 - b. Updated General Information Sheet (GIS) / DTI registration; if a stockholder is also a corporation, a copy of the latest GIS of said corporation should likewise be submitted. Any changes however during the year on the composition of the Board of Directors of a corporation or partnership should be reported to PAGCOR immediately (pls. see Item D. Material Change Reporting)
 - (ii) **May 15th of each year**
 - a. Audited Financial Statement and its Income Tax Return (ITR), duly filed with the Bureau of Internal Revenue (BIR)
 - b. Photocopy of PAGCOR Gaming Employment License (GEL) or photocopy of Official Receipt issued for paid GEL application fee of the Operator and his staff.

In addition to the foregoing, PAGCOR may require the submission of the latest NBI, police and court clearances of the directors and/or key officers of the Operator when it deems necessary.

B. Operational Responsibilities

The Operator shall be responsible for the following:

Site and Equipment

1. The Operator will provide and maintain a clean, safe, private and orderly gaming environment. The InstaWin site/gaming area must conform to the standards established by PAGCOR covering site setup and signage (**Annex B**).
2. The Operator will maintain computer and software specifications consistent with the requirements to run gaming software and auxiliary services. Please refer to **Annex B** for said specifications. The Operator shall comply with any upgrades/new specifications as may be required by PAGCOR in the future. The Operator is responsible for ensuring that software intellectual property is respected. The Operator shall not copy or modify the operating configuration of any of the equipment of the InstaWin site/gaming area. Only PAGCOR/IEST shall have access to the equipment.
3. Except for IEST-provided terminals, the Operator shall be responsible for the supply, repair and maintenance of all the equipment in the InstaWin site/gaming area. The Operator shall be required to restore any defective equipment to operational status immediately. Sites are required to maintain 100% operating capability at all times.
4. The InstaWin site/gaming area will be equipped with security cameras and video recording equipment per guidelines established by PAGCOR. Please refer to **Annex B** for the CCTV specifications and guidelines.

Personnel

5. The Operator shall provide all personnel relative to the operation of an InstaWin site/gaming area including, but not limited to, Cashiers and Gaming Assistants for product demonstrations and undertake the daily operations of the InstaWin terminals. All Gaming Assistants and Cashier must have undergone IEST training programs and certification. The Operator will provide their personnel compensation and benefits consistent with statutory regulations covering labor and employment. The Operator and his/her staff must secure a Gaming Employment License from PAGCOR.
6. The Operator shall provide at least one (1) armed and licensed security guard per shift, with metal detector, to secure the gaming facility during operating hours.

Marketing

7. The Operator shall conduct marketing activities necessary to promote and improve the performance of the InstaWin site/gaming area. Proposed marketing activities must be submitted to IEST, for review at least one (1) month before planned implementation. The same shall be subject to approval of PAGCOR prior to implementation.

Utilities / Supplies / Miscellaneous Expenses

8. The Operator shall shoulder all space rentals, utility expenses (including internet connectivity and backup thereof), office supplies and other miscellaneous expenses associated with the operation of the InstaWin site/gaming area.

Site's Load Credit Management and Gross Hold Remittance

9. The Operator shall post with IEST PhP50,000.00 cash as Cash Bond Deposit. PAGCOR may increase the required amount of Cash Bond Deposit as deemed necessary. The deposit amount is refundable upon closure of InstaWin operations, less any financial obligations to PAGCOR/IEST the Operator may have at the time of closure.

The Operator shall always maintain a Cash Bond Deposit of PhP50,000.00 with IEST. Should any deductions be made from this deposit to settle the obligations of the Operator with PAGCOR, e.g., penalties for offenses committed, the Operator shall immediately restore the deposit held by IEST at its original level.

10. The Operator is responsible for advancing redemptions from betting accounts (players' cash out) and shall be reimbursed by IEST the next banking day. The cut-off for determining the redemption reimbursement is 6:00 A.M. of the following day.
11. The Operator shall remit daily his/her Gross Hold to IEST on or before 3:00 P.M. Failure to do so may result in suspension of the load credit account which will only be lifted upon deposit of correct amount of Gross Hold. Operators shall be penalized and/or operations may be suspended or terminated, if the Operator continues to fail to remit his/her Gross Hold (please see Items F & G below).
12. The Operator shall comply with the InstaWin Financial Reporting Guidelines (**Annex C**).

Reports / Recordkeeping

13. The Operator shall generate the following reports (per site):
- a. Summary of Daily Sales Report; and
 - b. Summary of Daily Win/(Loss) Report (cut-off time: 6:00 am)

The reports shall cover every month of operations and shall be kept by the operator for a period of one (1) year. PAGCOR may require the submission of said reports as well as other reports as it deems necessary.

Other Operational Responsibilities

14. The Operator shall not be allowed to conduct any other activities inside the InstaWin premises except those authorized by PAGCOR.
15. The Operator must operate the InstaWin site/gaming area 24 hours daily, except as otherwise approved by PAGCOR, e.g. for InstaWin site/gaming area located inside the malls without 24 (hrs) by 7 (days) access. InstaWin gaming area must operate simultaneously with the operational hours of the host-gaming facility where it is collocated, as applicable. In the event said host-gaming facility's operations is suspended, the InstaWin operations thereat shall likewise be suspended.

16. The Operator will conform to the following PAGCOR calendar for holidays, unless otherwise prescribed by PAGCOR:

Holy Week	- 6:00 am of Good Friday to 12:00 noon of Black Saturday
Christmas	- 12 noon of December 24 th to 12 noon of December 25 th
New Year	- 12 noon of December 31 st to 12 noon of January 1 st

17. The ATO and CTO are non-assignable and non-transferable. The Operator is required to seek PAGCOR's written approval on any intended change in ownership or transfer of site of InstaWin site/gaming area.
18. The Operator shall abide by all guidelines/requirements and directives issued by PAGCOR, which include the following:
 - a. Procedures/Guidelines in Processing Requests for Change in Ownership of InstaWin Site/Gaming Area (**Annex D**)
 - b. Procedures/Guidelines in Processing Requests for Transfer of InstaWin Site/Gaming Area (**Annex E**)
 - c. Procedures/Guidelines for Renovation and Expansion of Existing InstaWin Site/Gaming Area (**Annex F**)
 - d. Procedures/Guidelines in Processing Renewal ATOs/CTOs (**Annex G**)
 - e. Procedures/Guidelines in Temporary Suspension or Voluntary Closure of InstaWin Site/Gaming Area (**Annex H**)
19. The Operator shall abide by all other guidelines and directives PAGCOR may issue in the future.
20. The Operator shall allow at any time inspection by PAGCOR/IEST of the InstaWin site/gaming area.

C. Operator's Share

In consideration of the services rendered by the Operator as defined in these undertakings, PAGCOR through IEST agrees to pay the Operator an Operator's Share equivalent to TWENTY EIGHT PERCENT (28%) of his/her site's or gaming area's Gross Gaming Revenue (GGR). Wherein GGR is basically computed as follows:

Gross Bets	xxx
Less: Payouts (excluding progressive jackpot actual payout)	xxx
% of progressive games Gross Bets (allocated for jackpot increment)	xxx
<u>Seed amounts* of progressive jackpots hit or won</u>	xxx
GROSS GAMING REVENUE (GGR)	100.00

**the seed amount of progressive jackpot hit or won is being deducted from the site/gaming area where the jackpot was hit.*

Please refer to Section 5 of Annex C InstaWin Financial Reporting Guidelines for specific computation based on type of InstaWin suite of games.

The Operator's Share shall be paid on a bi-monthly basis during the twentieth (20th) & fifth (5th) day of the succeeding month's date of operation. Cut-off period is from 1 to 15 and 16 to 30/31, respectively.

PAGCOR has authorized IEST to deduct any unsettled obligations of the Operator from his/her share, including deductions arising from any resulting damages caused by improper use or mishandling of the IEST-provided terminals and equipment either by the Operator or his/her customers.

IEST shall formally advise the Operators on the shares earned as well as the details of any deductions made from the same.

D. Material Change Reporting

If the Operator is a corporation, any change in, or addition to, the incorporators, stockholders and/or directors/key officers of the corporation must be reported to PAGCOR no later than (30) days from the occurrence of said material change and attach the duly accomplished Personal Disclosure Statement (PDS), as well as the NBI, police and local court clearances of new directors/key officers of the corporation. The Operator must subsequently submit the updated GIS duly received by SEC, no later than (30) days from receipt of the SEC.

The term "material change" includes changes in the composition of directors or key officers on account of an individual director or key officer's conviction in a criminal case, or if the director or key officer is adjudged to have civil liability.

Failure to report a material change to PAGCOR and submit the prescribed documents, may result in the imposition of penalty and demerits, as prescribed in **Annex I**.

E. Show Cause Notification

In the event of any complaints of players/customers lodged in with PAGCOR or non-compliance with any guidelines/requirements set by PAGCOR in relation to the operation of InstaWin site/gaming area, PAGCOR shall issue a "show cause letter" to the Operator requiring the latter to comply within fifteen (15) days, unless otherwise stated, from receipt of the same.

PAGCOR shall thereafter evaluate and may further conduct a hearing, prior to action to penalize, suspend or terminate the InstaWin operations, in accordance with the guidelines enumerated in Items F & G below. The decision on actions to be taken against the Operator, if any, is at PAGCOR's sole discretion.

F. Penalties and Demerits

I. Grounds for Imposition of Penalties and Demerits

The following are the grounds for the imposition of penalties and demerits:

1. Violation of any of the provisions, or of the guidelines, rules and regulation set by PAGCOR relative to the operation of the InstaWin site/gaming area, such as but not limited to:
 - a. Allowing play from the following:
 - (i) Government officials connected directly with the operation of the Government or any of its agencies;
 - (ii) Members of the Armed Forces of the Philippines, including the Army, Navy, Air Force and the Philippine National Police;
 - (iii) Persons under 21 years of age or students of any school, college or university in the Philippines;
 - (iv) PAGCOR/IEST officials and employees;
 - (v) InstaWin Operators and their employees; and
 - (vi) Unregistered players.
 - b. Non-remittance of Daily Gross Hold.

- c. Failure of the Operator to operate the InstaWin site/gaming area, except as approved by PAGCOR, upon lawful order of duly constituted authorities, including final judgments, or for force majeure, acts of GOD or fortuitous events; provided that upon the cessation of such causes, the Operator shall immediately continue its operation; otherwise, such continuous non-operation for said period shall be sufficient ground for imposition of penalties, suspension or termination.
 - d. Making any deductions from redeemed balances of customers.
2. Failure to comply with the prescribed submission of documentary requirements of PAGCOR.
 3. Failure to report material changes as defined in Item D above.

The list of various offenses with corresponding penalties and demerits is found in **Annex I**. These offenses will be considered in the Renewal of the ATO.

Penalties will be deducted from the Operator's Cash Bond Deposit and/or Share. Operator must immediately replenish said Deposit to ensure that betting credits are not affected.

A corresponding penalty of PhP1,000.00 per demerit assessed shall be paid by the Operator prior to the renewal of his/her ATO, on top of the annual renewal fees. In the event an Operator's ATO is not renewed or he/she did not opt to renew the same, the corresponding penalties for demerits shall be deducted from his/her Cash Bond Deposit and/or Share.

PAGCOR may establish other grounds for the imposition of penalties and/or demerits from time to time.

II. Sanctions for Unauthorized Change in InstaWin Site/Gaming Area Ownership/ Sale of ATO or Unauthorized Transfer of an InstaWin Site/Gaming Area

1. Immediate closure of the operations of the InstaWin site/gaming area.
2. Forfeiture of the PhP50,000.00 Cash Bond Deposit in favor of PAGCOR. In the event the Cash Bond Deposit at the time of closure is less than PhP50,000.00, PAGCOR shall take the balance from the Commission held by IEST.
3. If the original Operator has other existing InstaWin site/s and/or gaming area/s, the incident of his/her unauthorized change in ownership, sale of ATO or transfer of site/gaming area may cause the non-renewal of his/her other InstaWin sites/gaming areas. The same shall apply to the prospective Operator.

Both the original and prospective Operators may likewise be banned by PAGCOR from future operations of InstaWin site/gaming area.

G. Grounds for Revocation of ATO/Termination of InstaWin Terminal Operations

The following are the grounds for revocation of ATO/termination of InstaWin site/gaming area operations:

1. The Operator is criminally and civilly indicted and found guilty for the commission and participation in unlawful acts;
2. Upon a court order or a lawful order of a duly constituted authority of the land;

G. Grounds for Revocation of ATO/Termination of Instawin Terminal operations

The following are the grounds for revocation of ATO/termination of Instawin terminal operations:

1. The Operator is criminally and civilly indicted and found guilty for the commission and participation in unlawful acts;
2. Upon a court order or a lawful order of a duly constituted authority of the land;
3. Any order is made or an effective resolution passed for the winding up or dissolution of the Operator's business or when it ceases to carry on all or a material part of its operation.
4. Non-operations of the Instawin terminals for a period of (30) consecutive days, as a result of suspension of account due to non-remittance of daily Gross Hold.

Other grounds as may be mentioned in the procedures and guidelines issued or to be issued by PAGCOR in the future.

In the case of Operators holding a PCTO, failure to obtain and submit the required City /Municipal Council Resolution or Ordinance stating no objection to the Instawin terminal operations in the city/municipality within the period of one (1) year from the issuance of the PCTO shall result in the non-renewal of the ATO and the termination of Instawin terminal operations.

H. Post-Operational Responsibilities

Upon closure of an Instawin gaming area, whether voluntary or due to revocation of ATO, the Operator shall perform the following within (30) days from receipt of notice from PAGCOR.

1. Remove all Instawin signage, logo stickers and marketing collaterals within the premises.
2. Submit pictures of vacated gaming area.

Upon compliance, PAGCOR will notify IEST to refund the Cash Bond Deposit the Operator placed with IEST, net of any outstanding Gross Hold and other obligations to PAGCOR/IEST.

Failure to comply within the 30-day period will mean the forfeiture of the P50,000.00 Cash Bond Deposit in favor of PAGCOR.

Issued this ____ day of _____ 20__ at Manila, Philippines.

JORGE V. SARMIENTO
President and Chief Operating Officer
Philippine Amusement and Gaming Corporation

List of Annexes to the ATO InstaWin Terminals

- Annex A - Player Registration and Verification Procedures and Guidelines
(InstaWin v1) 07.29.2014
 - Annex B - InstaWin Site Specification Document (Version 1.1.0 - 14 July 2014)
 - Annex C - InstaWin Financial Reporting Guidelines (Ver07.09.14)
 - Annex D - Procedures/Guidelines in Processing Requests for Change in
Ownership of InstaWin Site/Gaming Area (InstaWin v1) 07.23.2014
 - Annex E - Procedures/Guidelines in Processing Requests for Transfer of
InstaWin Site/Gaming Area (InstaWin v2) 07.23.2014
 - Annex F - Procedures/Guidelines for the Renovation and Expansion of Existing
InstaWin Sites/Gaming Areas (InstaWin v1) 07.28.2014
 - Annex G - Procedures/Guidelines in Processing Renewal of Authority to Operate
(ATO) (InstaWin v1) 07.28.2014
 - Annex H - Procedures/Guidelines in Temporary Suspension/ Voluntary
Closure of InstaWin Site/Gaming Area (InstaWin v1) 07.29.2014
 - Annex I - List of Offenses and Corresponding Demerits and Penalties
(InstaWin v1) 07.28.2014
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ANNEX A

PLAYER REGISTRATION AND VERIFICATION PROCEDURES AND GUIDELINES

The Operator shall not allow play from the following:

1. Government officials and employees connected directly with the operation of the Government or any of its agencies;
2. Members of the Armed Forces of the Philippines (AFP), including the Army, Navy, Air Force or the Philippine National Police (PNP);
3. Persons under 21 years of age or students of any school, college or university in the Philippines.
4. PAGCOR / IEST officials and employees
5. InstaWin Operators and employees
6. Unregistered players

InstaWin Operators shall therefore only allow access to registered members. This is to prevent underage, vulnerable and banned players from entering and playing as well as dissuade any criminal activity within the premises. Players must show two (2) valid government-issued Identification Cards, containing a Photograph, Name and Date of Birth. Players must be 21 years of age at application.

Application/Registration Procedures:

New customers interested to play the InstaWin terminals must approach the cashier to register.

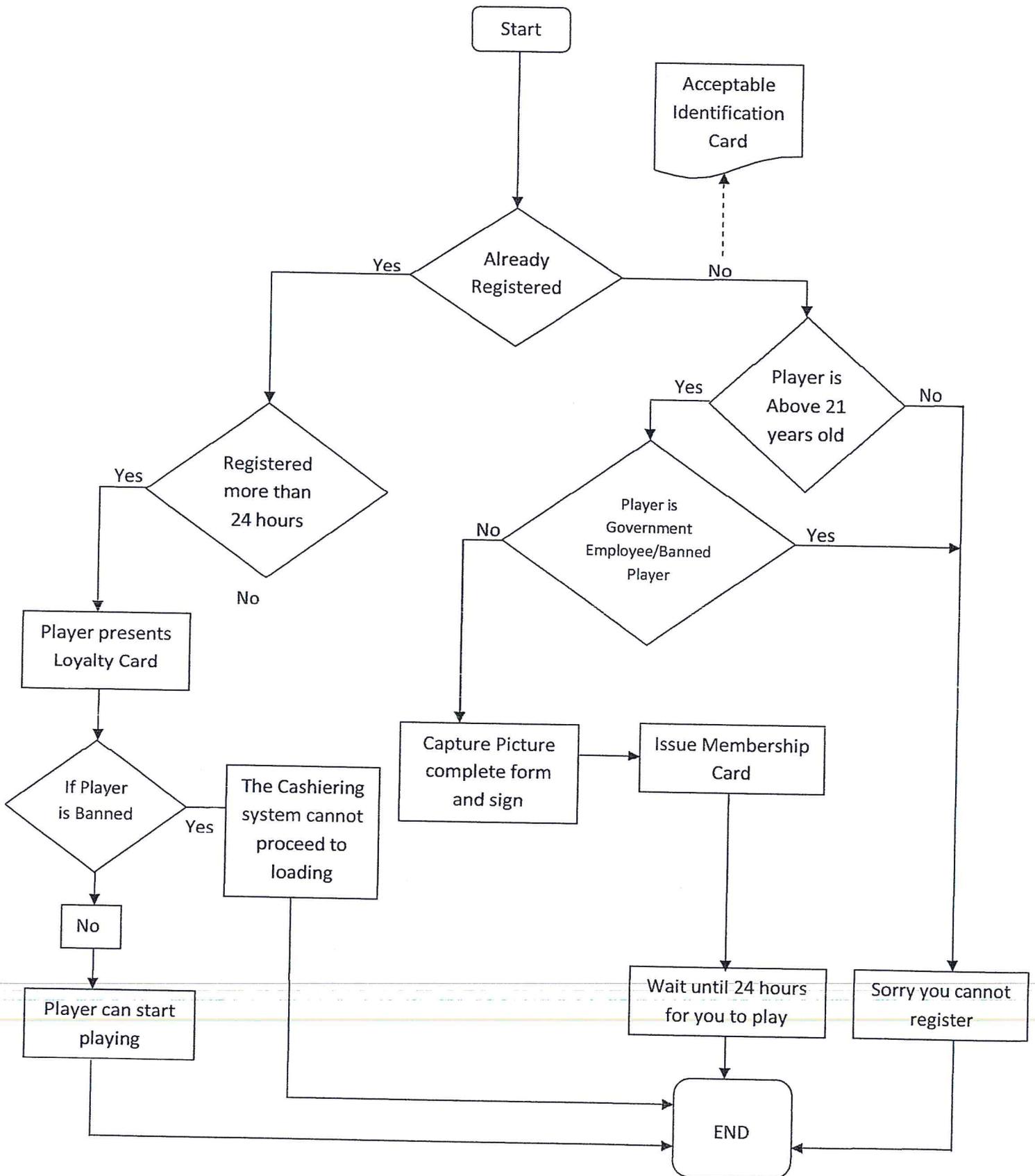
Player presents the two (2) valid government-issued IDs. If Player is above 21 years old and/or does not belong to any of Items nos. 1 to 5 above, Player shall fill up the registration form and sign. The Cashier/GA shall enter the data from the registration form through InstaWin membership system and capture Player's picture. Membership Card shall be issued to Player but he/she shall wait until 24 hours in order to play. Player is likewise required to deposit at least P500.00 as initial betting credit.

Player Registration flow diagram is attached.

Verification Procedure Prior to Play:

Cashier or GA will first verify that Player is registered before loading of credits into the terminal account. Unregistered players will be asked to register. Players who refuse to register or does not meet the requirements will be asked to leave the premises. The P500.00 minimum buy-in of a player upon entry to an InstaWin station is still mandatory.

Flow Diagram: Player Registration





Site Specification Document

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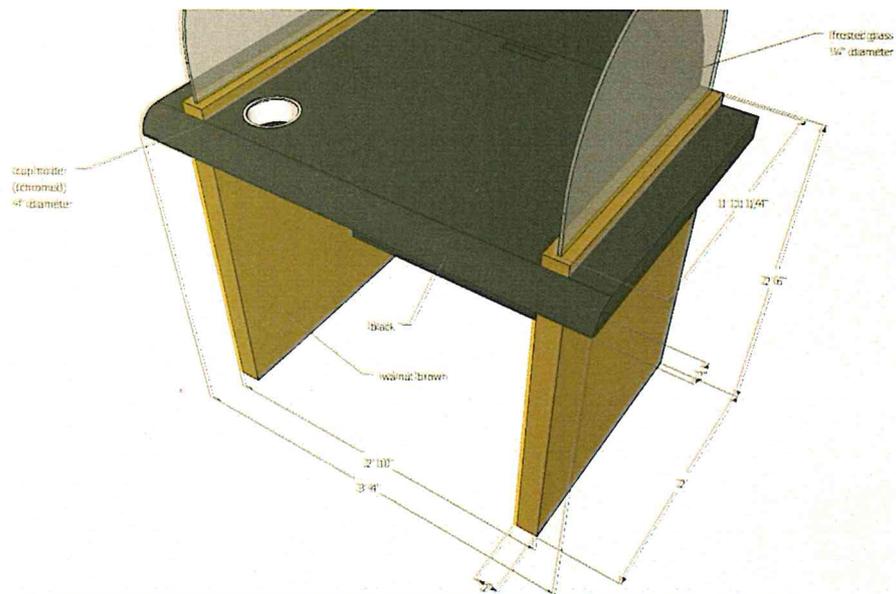
1. InstaWin Games Venue Interior

A. Floor Area / Terminal Specifications

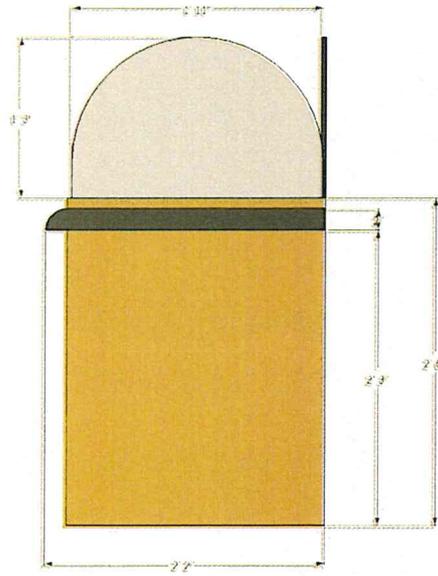
1. Gaming areas: **1 sqm : 1 terminal**
2. Minimum ceiling height: **7 feet (2.13 meters)**
3. Minimum number of gaming terminals: **10 units of total combined Cabinet Type and PC-based Terminals**
4. Minimum service aisle space: **36 inches (3 feet)**
5. Minimum workstation dimensions/specifications

a. PC-Based Workstations (TABLE DESIGNS ARE SAMPLES ONLY)

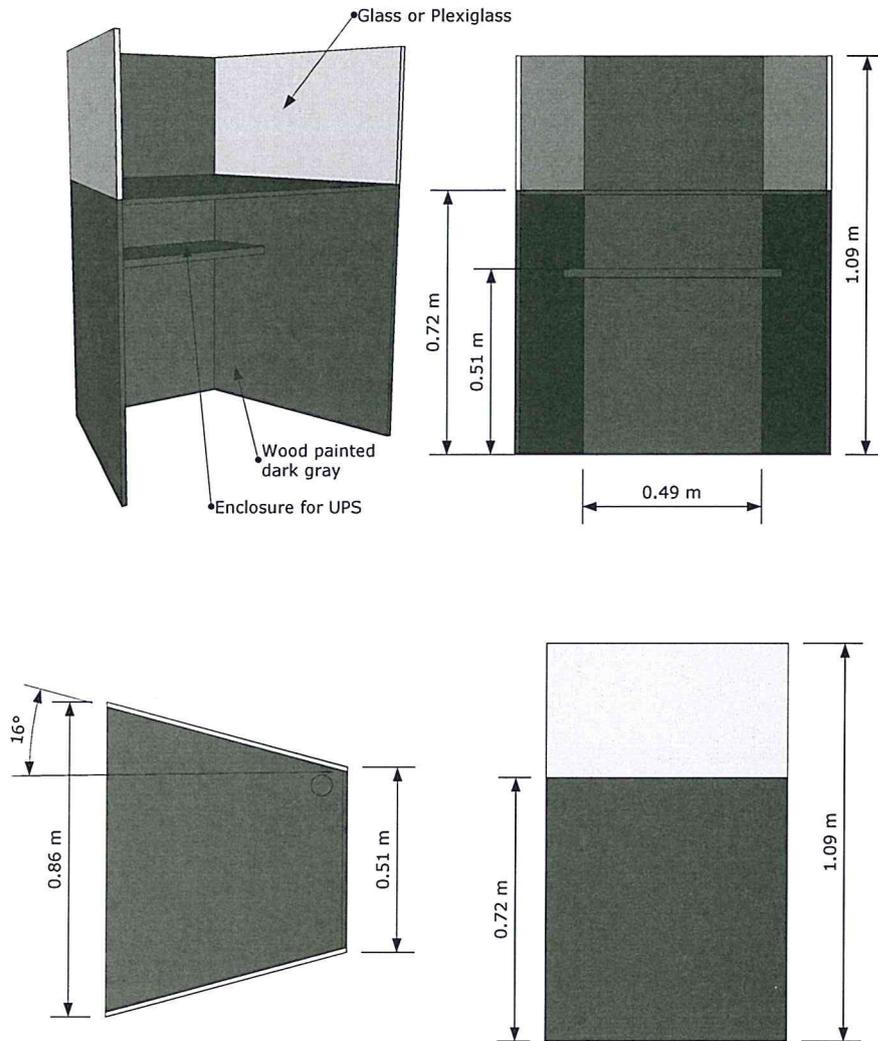
- o Width and Depth: **26 in. x 34 in.**



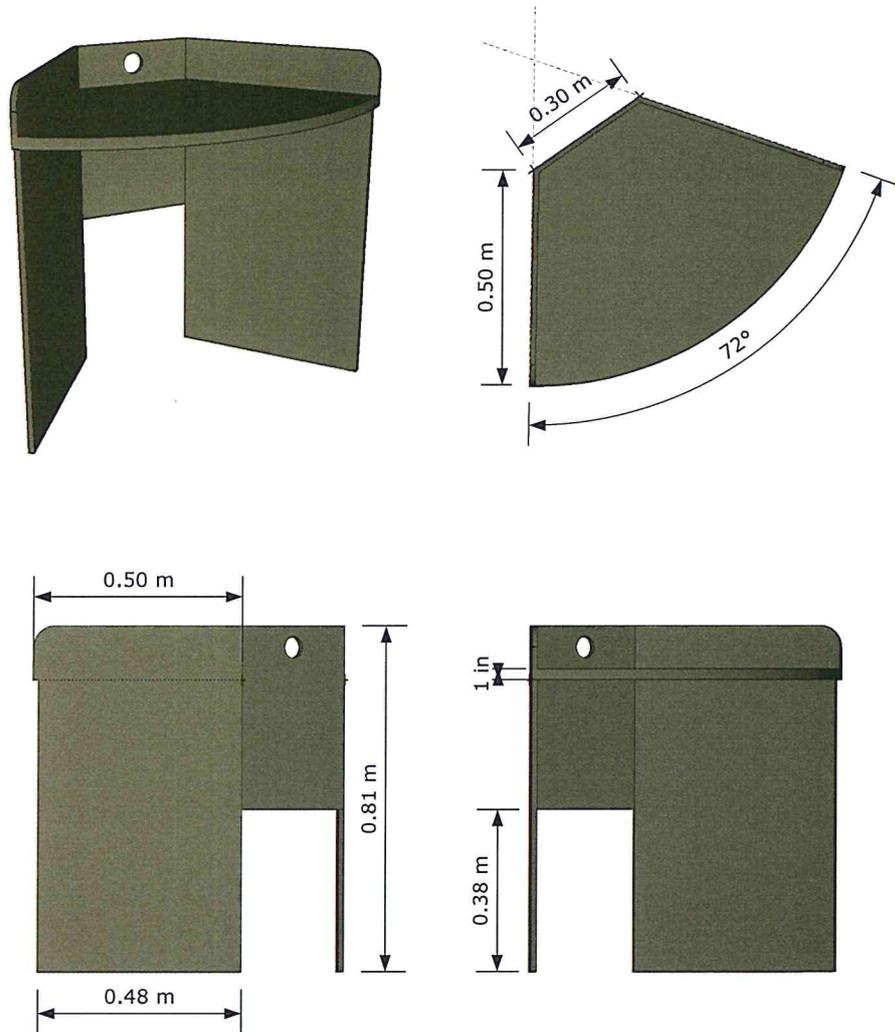
- Tabletop height: **28 inches**



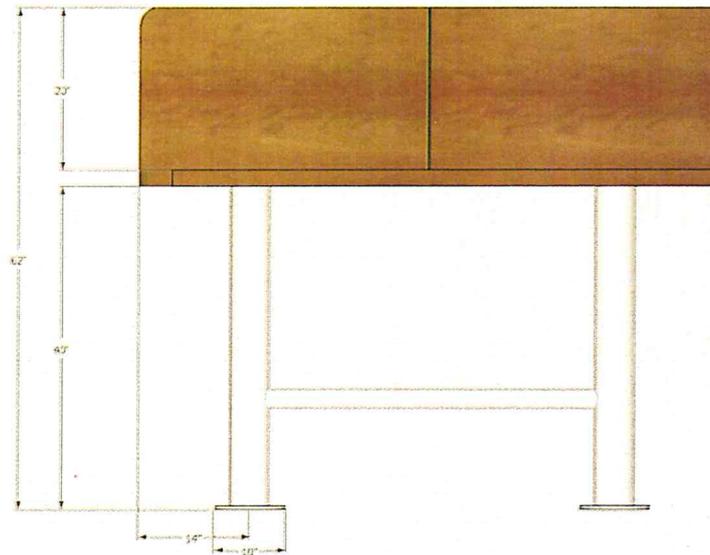
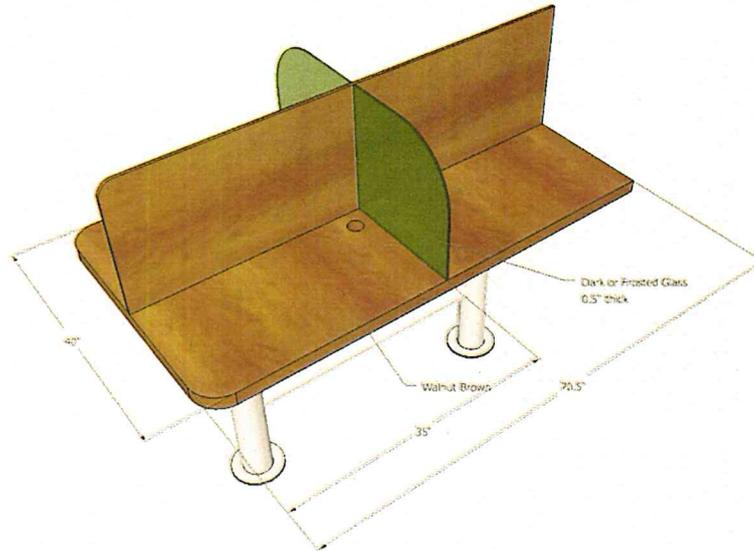
- Type 2 Table Design: see figure below



- Modular Round Table Design: see figure below

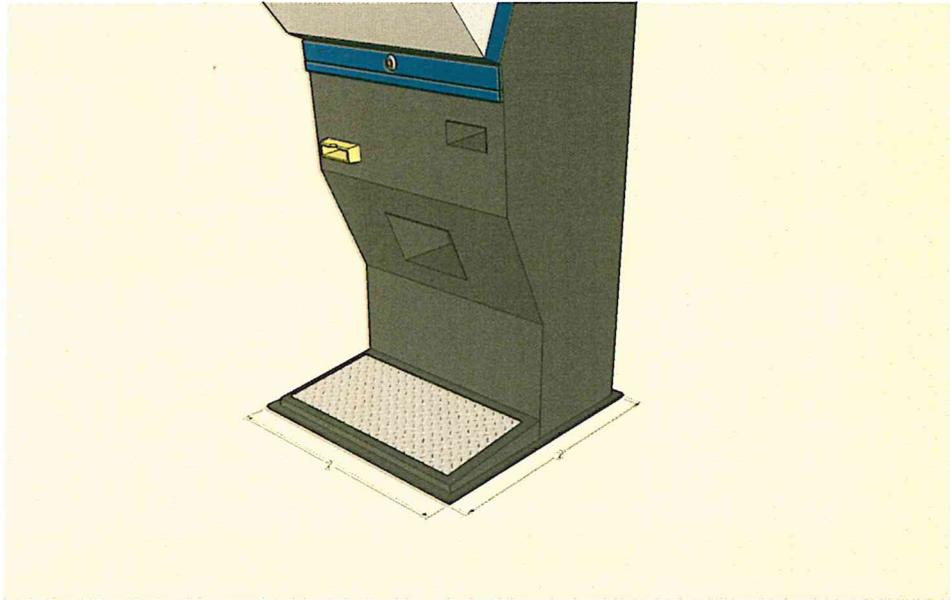


- o Bar-Type Tables: see figure below

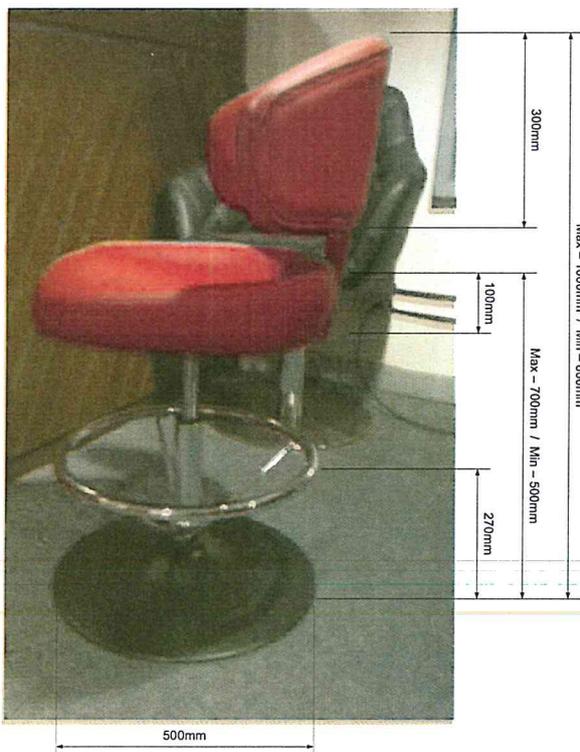


b. Cabinet-Type Workstations

- Terminal dimension (Inspired Rainmaker Terminal): **24 in. x 24 in. x 72 in.**



- Bar stool: **see figure below.**

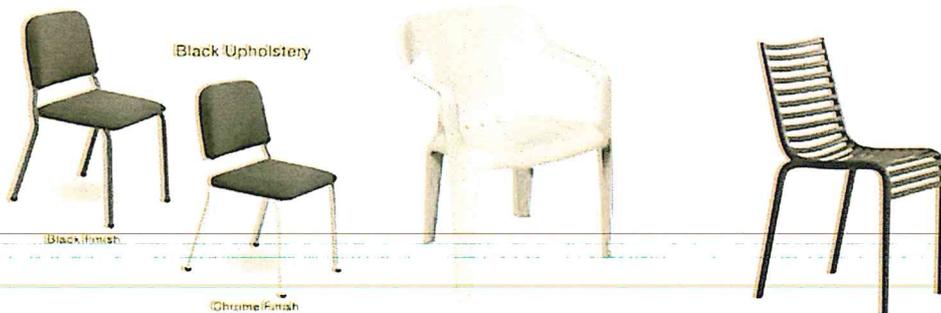


- PC-Based workstation chair: (see **SAMPLES** below)
The PC-Based workstation chairs can be any comfortable chair of standard height and made of quality materials **BUT MUST NOT** be made entirely of plastic such as monoblocks.

Allowed Designs



Disallowed Designs



6. Cashier's Booth:
 - a. Minimum dimension: **1.0 m x 2.0 m**
 - b. Counter-type with glass enclosure
 - c. Cash drawer with cash box
 - d. Enclosed well-ventilated cabinet for Server CPU
7. Color scheme – Operator may consult with IEST in regard to color scheme
8. Sample InstaWin Games venue rendering below







B. Lighting, Air-Conditioning and Ventilation

1. Warm, cozy atmosphere (4.4 watts / square meter)
2. Temperature range: **20°C to 25°C**
3. **Recommended** minimum A/C HP computation (assumption: room height is 7 feet):

$$\text{HP} = \text{Gaming Area (sqm)} \times 700 / 9000$$

C. Security / CCTV Systems

1. At least one (1) security guard on duty on 12-hour shift
2. PAGCOR mandates all InstaWin Games venues/areas to have CCTV System
 - a. It will serve as a deterrent for anomalous activities in the site.
 - b. This is done for a pro-active security monitoring.
3. Recommended placement of CCTV cameras and equipment specification:
 - a. At least 4 CCTV cameras located on the following:
 - i. Entrance/Exit of the site
 - ii. Cashier's booth
 - iii. General view of the gaming area

iv. Other areas such as emergency exits

Note:

- Additional number of surveillance cameras may be required depending on the approved floor layout.
- CCTV cameras must be operational 24/7 regardless of the site operating hours

b. Recommended CCTV Equipment Specifications:

i. Video

- NTSC / PAL (Auto Detection)
- H.264 Compression
- 4 / 8 / 16 Input Channel
- RCA Video Out
- 120 / 100 fps (minimum)
- 720 x 480 (NTSC / PAL), 1280 x 1024 (VGA)

ii. Audio

- 1 In/Out

iii. Recording / Playback

- Mode: Time (Continuous) / Motion Detection / Sensor / Motion & Sensor
- Playback: Search by Time / Event / Calendar

iv. Sensor / Alarm

- 4 with Optional Alarm

v. Storage / Backup

- Storage Support: SATA HDD x 1
- Backup Device: USB Stick

vi. Network

- 10 / 100 Ethernet (RJ-45)
- TCP/IP, Static IP, DHCP, PPPoE, DDNS
- Viewable by Client Application or Browser

vii. Others

- Power Supply: Input-AC 100V~240V 50/60Hz, Output-DC 12V
 - Operating Temperature: 5°C~45°C
-

D. Gaming Terminal Minimum Specifications

I. For PC-Based Gaming Terminals and Cashier Terminals

1. PC Gaming Terminal and POS Specifications:
 - a. Intel Pentium Dual Core G630 2.6GHz (better if Intel Core i3 2100 3.1GHz)
 - b. Intel Motherboard on board with Video Accelerated Processor
 - c. Memory 2GB RAM DDR3 PC1333
 - d. 80GB Hard Drive 7200 RPM 32MB Cache
 - e. Video Card 512MB/1GB DDR3 PCI Express (optional but recommended)
 - f. 10/100/1000Mbps Ethernet LAN Network Adapter
 - g. Optical CD-DVD Drive (Optional)
 - h. 20-22" non-wide LCD Monitor (DVI/VGA)
2. IEST will recommend or supply and commission the required gaming and POS terminals to ensure compliance to the minimum specification.
3. Only IEST's field support engineers and its authorized service contractors are allowed to service and repair the hardware provided.
4. Under no circumstances the hardware intended for gaming and POS will be used beyond its intended purpose and must not be physically moved out of the InstaWin Gaming venue without proper authorization.

II. For Cabinet-Type Gaming Terminals and Cashier Terminals

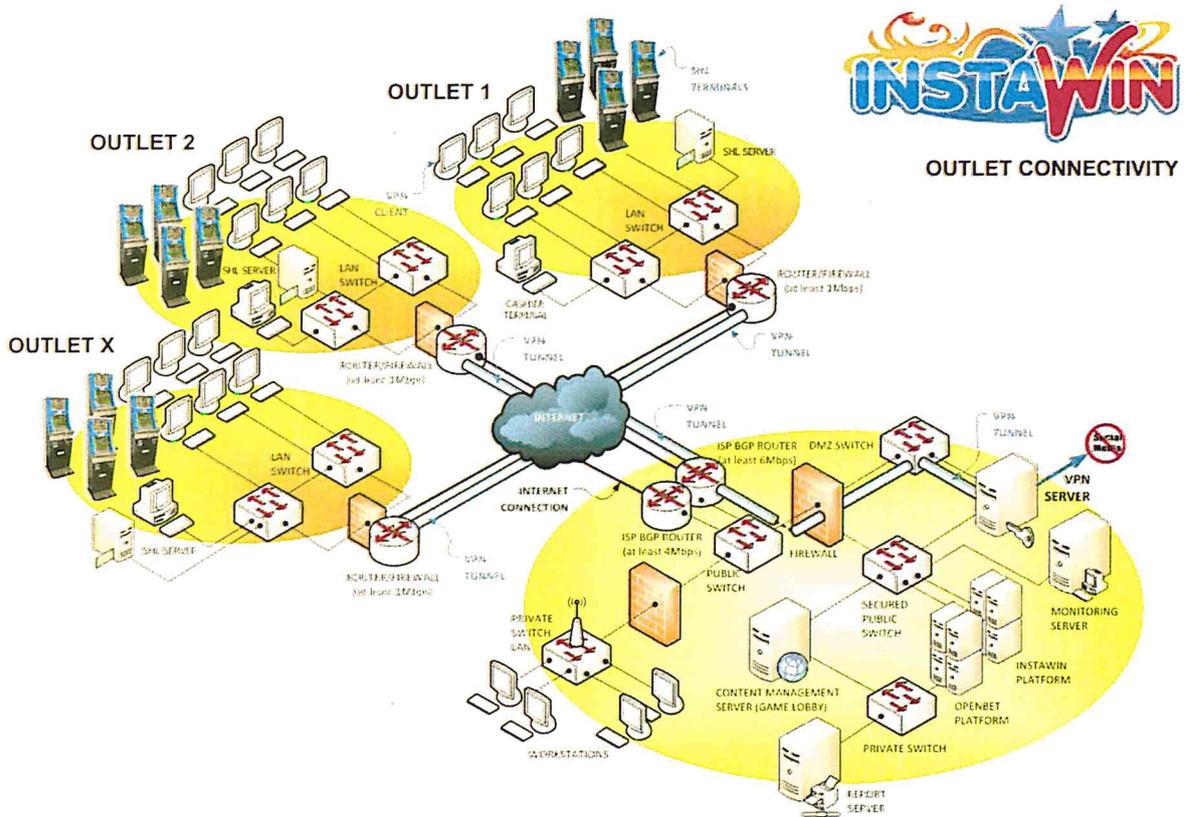
1. IEST's partner, Silver Heritage Ltd., will determine the gaming terminal specification according to the features of the games for the cabinet-type gaming terminals.
 2. Only SHL's field support engineers are allowed to commission, service and repair the hardware provided.
-

E. Software and Licensing

1. The following applications will be installed in the terminals mentioned in Section D.
 - a. Operating System
 - b. Firefox browser and related add-ons (for PC-Based Gaming Terminals)
 - c. Remote Management Software
 - d. Gaming Software

2. The InstaWin Games Operator is bound by the license agreement on all the applications installed in the terminals.

F. Network Design / Cabling



1. The InstaWin Games' network design supports network redundancy, load balancing and auto-failover to ensure business continuity and minimize downtime.
 - a. Switches and routers for the Cabinet-type gaming terminals are supplied by IEST's partner, Silver Heritage Ltd.
 - b. Switches and routers for the PC-Based gaming terminals are to be provided by the InstaWin Games Operator and must conform to the specifications.

2. Bandwidth Requirement

- a. Internet connectivity shall be provided by the venue Operator.
- b. Use of back-up connection is highly recommended. Bandwidth requirement for a given number of terminals for the back-up connection will be the same as the primary connection.

c. Bandwidth Requirement for PC-Based Gaming Terminals

No. of Terminals	Recommended Minimum Bandwidth
1 to 10	3 Mbps
11 to 20	5 Mbps
21 and up	8 Mbps

d. Bandwidth Requirement for Cabinet-Type Gaming Terminals

The gaming terminals does not require internet connectivity as they are all linked to the local venue server via structured cable. The venue server however, is directly linked to the UK Data Center via VPN and as such, require internet connectivity with the following bandwidth quality:

- DHCP IP address
- 512/256 kbps ADSL
- Ping time of < 500ms to UK
- Packet Loss of < 5%

3. Structured Cabling Guidelines

All LAN cables must:

- Conform to CAT 5E specifications
- Have connections from network devices to terminals and other peripherals
- Have a label from end to end
- Be placed on flexible PVC
- Be already crimped

4. All patch panel ports must be properly labeled.

5. Data cabinet should be placed inside the Cashier's booth.

6. Guidelines for network devices:

- a. All routers, switches, and modems should be placed in a secure cabinet preferably inside the Cashier's booth.
- b. The network should be connected via rack mountable switch.
- c. All network devices should be connected to a UPS.
- d. All network devices should be powered on and ready for testing.

G. Others

I. Gaming Assistant –To-Player Ratio

- a. Recommended ratio: **1 Gaming Assistant (GA) per 10 players**
- b. Rationale: GA is tasked to broaden and facilitate player experience. The recommended ratio is to ensure that the GA will contribute to efficient service for purposes of player retention.
- c. Operators are reminded to be fully compliant with PAGCOR's Gaming Employment License requirements as well as all the statutory regulations concerning labor laws (SSS, Philhealth, HDMF, etc.), timely remittance of employee's taxes to BIR, employee welfare, etc.

II. Other Equipment

- a. Telephone lines: 1
- b. UPS: 500VA-230V for each gaming terminals and 1kVA-230V for server/POS units and other network equipment (switch, modem, etc.)
- c. Printer: Color inkjet
- d. Flatbed Scanner: Color, A4 size or better (optional)

III. Fire and Safety

- a. Fire suppressions and extinguishing devices must conform to Bureau of Fire Protection (BFP) standards.
- b. Fire exits and its related directional signage must be in accordance to BFP guidelines.
- c. Emergency lighting: At least one (1) set of emergency light per door, and must conform to LGU requirements (if any).

IV. Posting of InstaWin Games Regulations

- a. The following regulations must be prominently displayed at strategic places:
 - i. House Rules
 - ii. Payout and Redemption Procedures
 - iii. Technical Assistance Number
 - iv. Certificate To Operate
- b. Marketing collaterals

II. InstaWin Games Venue Exterior

A. InstaWin Games Logo – Color guide and Typography



Color Guide:

-  - Red | R:208 G:45 B:39 | C:12% M:96% Y:99% K: 3%
-  - Blue | R:39 G:49 B:119 | C:100% M:96% Y:22% K:8%
-  - Yellow | R:252 G:175 B:28 | C:0% M:35% Y:98% K:0%
-  - White | R:255 G:255 B:255 | C:0% M:0% Y:0% K:0%

Typography:

The font used in the word "InstaWin" was derived from **Arial Rounded MT Bold**.

The logo may sometimes bear the name "Games". In such instances, the font used on the word "Games" is a *Brush Script Std*.

Proportion:

The overall ratio [width x height] is **3:1**

B. Standard Horizontal Signage

The standard horizontal signage comes in 2 sizes:

1. Small



This is the standard InstaWin Games signage that may be placed in the venues. When installed, the signage must be lighted at the back and **should not be redesigned or altered in any way.**

Dimension should follow a 1:2 ratio for the Height and Width respectively.

Actual Dimension: 17 in. x 34 in. (1:2)

Limitations of Use:

- Do not in any way modify the signage.
- No other logo or brand or text is permitted on the signage unless previously approved.
- The signage must be installed with ample clear view from the viewer's perspective.
- Resizing the signage should only be a last resort. The signage may be modified provided that the signage ratio/proportion is maintained (1:2). Please contact IEST for design assistance.

2. Large



The large signage can be used in place of the small signage when there is enough space to put it on or when the frontage of the venue is disproportionately large. When installed, the signage must be lighted at the back and **should not be redesigned or altered in any way**. Dimension should follow a 1:3 ratio for the Height and Width respectively.

Actual Dimension: **24 in. x 72 in.**

Limitations of Use:

- Do not in any way modify the signage.
- No other logo or brand or text is permitted on the signage unless previously approved.
- The signage must be installed with ample clear view from the viewer's perspective.
- Resizing the signage should only be a last resort. The signage may be modified provided that the signage ratio/proportion is maintained (1:3). Please contact IEST for design assistance.

INSTAWIN –FINANCIAL REPORTING GUIDELINES

(Ver 09.20.12)

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Section 1 -SCOPE AND COVERAGE

GENERAL GUIDELINES:

These guidelines are intended to comply with the reportorial requirements of Philippine Amusement Gaming Corporation (PAGCOR) who has the final authority to impose and mandate reportorial procedures on the basis of its General Requirements, promulgated Implementing Rules and Guidelines, and other issuances.

Inter-Active Entertainment Solutions Technologies, Inc. (IEST) may, however, recommend procedures to facilitate the compliance to PAGCOR requirements. These guidelines are intended for the operations of the InstaWin - PC based (Openbet and Serial Pool) and Terminal based (SHL) games and not to other PAGCOR Gaming Products installed at the Outlet.

These guidelines shall be limited to the reportorial requirements of IEST and PAGCOR.

The procedures stated herein shall be followed unless modified or amended thru the issuance of a memorandum or directive from IEST or PAGCOR.

Section 2 -DAILY / MONTHLY REPORTING

GENERAL GUIDELINES:

InstaWin Outlets are required to submit on a daily basis the gaming history of the previous day games result, regardless if there are or no game activities. In addition, every month-end the Outlet Operators are also required to submit monthly reports of the games result.

Irrespective of the Outlet's operating hours, the report should bear the 24-hour coverage with the opening hour of the day set at 0:00:00 and the closing time at 11:59:59 PM (i.e. Start Date: January 1, 2012 0:00:00 / End Date: January 1, 2012 11:59:59 PM).

PROCEDURES:

1. On a daily basis, the InstaWin Outlet will submit the following reports:
 - 1.1 For PC based games, the InstaWin Outlet will access the Operator's Web Panel (URL: <http://rpt.iest.com.ph/reports/>) and run and download the following reports:
 - a. Instawin Operator's Terminal Transactions - **Annex 1**
 - b. Instawin Operator's Cash Management Report - **Annex 2**
 - c. Instawin Operator's Summary Report - **Annex 3**
 - 1.2 For Terminal based games, the InstaWin Outlet will generate the following reports from the SHL IMP (In-Venue Management Portal):
 - a. Cashier Loaded Credits - **Annex 4**
 - b. Redeemed Tickets - **Annex 5**
 - c. Unredeemed Tickets - **Annex 6**
 - d. Cashier End Point Totals - **Annex 7**
 - 1.3 The reports can be exported in excel, pdf or csv format.
2. The PDF file of the foregoing reports will be emailed to IEST and PAGCOR (Refer to Section 7 of these guidelines for the authorized recipients of the reports) not later than 9:00 AM of the following business day.
3. Monthly, the InstaWin Outlet will generate similar reports covering the entire operating month. The PDF file will be emailed to IEST and PAGCOR not later than 9:00 AM of the following day or the next business day after the closing of the month.

In addition, the Operator will submit to IEST a list of terminals not functioning, under repair, switch off or defective at the end of the month at the time the monthly report was generated.

Section 3 - REMITTANCE OF GROSS HOLD

GENERAL GUIDELINES:

Gross Hold is defined as the Total Cash In minus Total Cash Out. This can also be expressed in the following formula:

	Amount
Total Cash In	xxx.xx
Less Total Cash Out	xxx.xx
Gross Hold	xx.xx

Total Cash In may consist of total deposits and reloads made through the Cashier, total ticket ins and / or total bill / notes.

Total Cash Out is redemptions paid by the Cashier which may be redeemed credits and / or paid out tickets. Gross Hold is denoted in the reports as "Balance".

PROCEDURES:

1. If the Gross Hold or Balance is positive, the amount will be remitted and deposited by the Outlet to IEST designated bank account.

For PC based games, the Operator's Gross Hold is indicated in the Operator's Cash Management Report as the "Balance", i.e. Total Amount Cash In less Total Amount Cash Out (Refer to **Annex 2**). And for Terminal based games, Gross Hold is also indicated in the Cashier's End Point Totals Report as the "Balance", i.e. Total In Amount less Ticket Out Amount, where Total In Amount is the sum of Cashier Tickets, Cashier Loaded Credit and Ticket In Amounts (Refer to **Annex 7**).

2. Daily, the InstaWin Outlet should deposit the Gross Hold to any of the IEST Bank Accounts as follows:

- a. Bank : BDO - Fort Legend Branch
Account No : 5688009410
Account Name : Inter-Active Entertainment Solutions Technologies, Inc.

- b. Bank : Metrobank – Bonifacio Global City Branch, Taguig
Account No : 007-492-00338-3
Account Name : Inter-Active Entertainment Solutions Technologies, Inc.

3. The deposit of the daily Gross Hold irrespective of the amount should be made on or before 3:00P.M. of the following day or the next banking day. Upon deposit, the Outlet Operator or the designated representative will inform IEST through email the details of the deposit or email a scanned copy of the deposit slip.

4. In the event that the InstaWin Outlet failed to deposit the daily Gross Hold without notifying IEST, the Outlet will be issued a warning and a demand to deliver the Gross Hold to IEST office at the following address:

Inter-Active Entertainment Solutions Technologies, Inc.
3rd Floor, Bonifacio Technology Centre
31st Street corner 2nd Avenue, Bonifacio Global City
Taguig City

5. Continued failure by the Outlet to deposit regularly the Gross Hold on a daily basis will cause IEST to issue official warnings that could result to the imposition of penalty as defined in Annex 1 of the ATO or suspension of the terminal operations / revocation of the ATO as defined under Item G of the ATO.
6. It will be at the discretion of the Outlet Operator to set policies on the threshold amount requiring the Cashier to immediately deposit (within the day) the cash on hand to IEST's designated bank accounts. It is recommended to deposit the Gross Hold when it reached PHP100,000.00 to minimize the risk of having substantial cash on hand at the site.
7. The Outlet should adequately inform IEST of the breakdown of the deposits in the event that the Gross Hold for the day is deposited in tranches due to the threshold policies set by the Outlet.

Section 4– OUTLET REPLENISHMENT

GENERAL GUIDELINES:

Outlet replenishment results when there is a negative Gross Hold or Balance, i.e. the "Total Cash In" is less than the "Total Cash Out" as indicated in the "InstaWin Operator's Cash Management Report" (See **Annex 8**, for PC based sample report showing a negative Balance, and **Annex 9**, "Cashier End Point Totals" for SHL Terminal with a negative Balance).

The amount that was advanced by the Operator shall be reimbursed by IEST on the same day thru a deposit to the Outlet's designated bank account.

PROCEDURES:

1. The Outlet Operator shall immediately inform IEST (by email) of the negative Gross Hold advanced by the Outlet. In support of the claim for reimbursement, the Operator will send the "Operator's Cash Management Report" or the "Cashier's End Point Total" that shows the negative Gross Hold or Balance.
2. IEST will reimburse the Operator by depositing the amount at the designated bank account of the Outlet Operator. A copy of the bank validated deposit slip will be sent to the Outlet Operator for reference.
3. The Outlet Operator is encouraged to maintain an adequate float amount to initially cover the negative Gross Hold.
4. Offsetting of the negative Gross Hold against the following days' Gross Hold shall not be allowed to facilitate transactions review and provide adequate audit trail.
5. At the end of each month, a reconciliation statement will be prepared by IEST to determine the Gross Hold for the month that should have been remitted by Operator using the month to date reports contained in Section 2 (3) of these Guidelines. The negative Gross Hold incurred during the month will be included in the calculation in determining the monthly Gross Hold that should be remitted to IEST.

Particulars	Amount
Gross Hold for the Month	x,xxx.xx
Add Replenishments	xxx.xx
Less Collected Gross Hold	xxx.xx
TOTAL GROSS HOLD FOR DEPOSIT	x,xxx.xx

Should the total Gross Hold or the Balance be negative, IEST shall deposit immediately the amount to the Operator's Bank Account and will inform the Operator by email of the deposit made.

Section 5– OPERATOR’S COMMISSION

GENERAL GUIDELINES:

Operator’s commission is the share of the Outlet from the Winnings generated from the operation of the InstaWin games. Operator’s Commission is equivalent to 25% of Winnings. Following are the sample computations of the Winnings and the Operator’s Commission:

A. For PC Based RNG Games (Openbet)

	Month 1	Month 2
	No Jackpot Winnings	Jackpot Won
ASSUMPTIONS:		
Gross Bet (GB)	5,000.00	10,000.00
Actual Payout [incl. seed money + increment] (AP)	3,000.00	7,000.00
Seed Money of Jackpot Won	250.00	250.00
Progressive Contribution (PC)	25.00	12.50
Jackpot Won (JW)	-	287.50

COMPUTATION OF OPERATOR’S COMMISSION:		
GROSS BETS (GB)	5,000.00	10,000.00
Less Gross Payout (GP)	3,000.00	7,000.00
Aggregate Winnings	2,000.00	3,000.00
Progressive Contribution (PC)	25.00	12.50
Jackpot Won (JW)		287.50
Progressive Contribution Paid	-	37.50
Seed Money of Jackpot Won	-	250.00
NET BETS PLACED (GB Net of PC)	4,975.00	9,987.50
Less Payouts Non-Progressive (AP-JW)	3,000.00	6,712.50
Less Seed Money of Jackpot Won	-	250.00
TOTAL WINNINGS (TW)	1,975.00	3,025.00
Less Franchise Tax (5% of TW)	98.75	151.25
WINNINGS (W)	1,876.25	2,873.75

OPERATOR’S COMMISSION (25% of W)	469.06	718.44
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Progressive Jackpots

A Progressive Prize / Jackpot is a community pool of money that accumulates value, or progresses, as a progressive game plays. A Progressive Prize / Jackpot consists of a minimum prize / jackpot amount (or seed) initially provided automatically by the system, plus increment based on a percentage of incoming stake amounts. When the Progressive Prize / Jackpot is won, it is reset to its minimum prize / jackpot amount (re-seeded by the Agent where it was won) and the process of increasing it by increment begins again.

Progressive Increment

Progressive contributions or increment amounts will be set aside and deducted from the Gross Bets of progressive games. The amount is deposited in a bank account maintained by IEST and will be used only for pay-off of the increment of the winning Progressive Jackpots. The accumulated amount is referred to as Progressive Fund.

Jackpot Winnings

When the Progressive Prize / Jackpot is won, the accumulated increment will be funded by IEST from the Progressive Fund and will be remitted to the Operator where the Progressive Jackpot was won. The refund / remittance will be made on the day the Progressive Jackpot was won or the next banking day.

B. For PC Based Serial Pool Games

	SAMPLE AMOUNT
GROSS BETS (GB)	100,000.00
Less Theoretical Payout	91,000.00
Total Winnings (TW)	9,000.00
Less Franchise Tax (5% of TW)	450.00
WINNINGS (W)	8,550.00

OPERATOR'S COMMISSION (25% of W)	2,137.50
---	-----------------

Theoretical Payout (TP) differs from the Actual Payout (AP) as the TP is determined using a pre-established payout ratio for each game in the system. This is to eliminate the occurrence of negative Total Winnings and assure the Operator its monthly share in the Winnings.

C. For Terminal Based SHL Games

	SAMPLE AMOUNT
GROSS BETS (GB)	100,000.00
Less Payout	92,000.00
Total Winnings (TW)	8,000.00
Less Franchise Tax (5% of TW)	400.00
WINNINGS (W)	7,600.00

OPERATOR’S COMMISSION (25% of W)	1,900.00
---	-----------------

PROCEDURES:

1. The Outlet Commission Report will be downloaded from the Web Reports (refer to **Annex 10** for PC based sample report and **Annex 11** for Terminal based games). Payment of Operator’s Commission will be processed by IEST on a bi-monthly basis during the twentieth (20th) and fifth (5th) day of the succeeding month’s date of operation. Cut-off period is from 1 to 15 and 16 to 30/31, respectively. A bank check will be prepared and delivered to the Outlet (or to be collected by the Outlet Messenger).
2. The Operator may elect and instruct IEST to deposit directly to the Operator’s designated bank account the bi-monthly commission. IEST will inform the Operator by email if the amount has already been deposited to the Operator’s bank account. A scanned copy of the deposit slip will be emailed to the Operator for reference.

Section 6 – LOADING CREDITS TO OUTLET’S ACCOUNT

GENERAL GUIDELINES:

Inherent to the PC Based Games System is the initial loading of bet credits before the Operator can accept cash deposit from its Players. Prior to the actual operation of PC based

games, IEST will load bet credit to Operator and credited in the gaming system. This credit will be used by the Operator for Cash In by Players who will play the PC based games.

PROCEDURES:

1. IEST before the actual operation of the PC based games will credit to the account of the Operator the initial amount of Fifty Thousand Pesos (PHP50,000.00). This amount is credited in the Gaming System and depleted every time a Cash In transaction is made by the Operator.
2. This amount is the maximum Players' Cash-In that an Operator can accept. The bet credit amount will increase during Players' Cash Out or when Payouts are made.
3. IEST and the Operator will monitor the level of bet credit and when the bet credit is depleted, IEST will replenish the amount provided that the Operator has religiously remitted the Gross Hold on a daily basis.
4. The Operator will accordingly inform IEST if the bet credit is depleted and IEST will reload an amount to the Operator's Account.

Section 7 – OUTLET CASHBOND

GENERAL GUIDELINES:

A Cash Bond deposit will be required from the Operator to stand as surety for the fulfillment of its obligations to PAGCOR. The amount will be used also to cover for possible fraudulent acts that may be committed by the Outlet Operator and / or its employees.

PROCEDURES:

1. A Cash Bond in the amount of PHP50,000.00 will be required from the Outlet Operator prior to commencement of operations.

2. The Cash Bond will be delivered to IEST or deposited to IEST bank account prior to the official activation of the machines which is upon IEST's receipt of PAGCOR's notification or advice for the Outlet's "go-live" operations.
3. The Cash Bond will be a non-interest bearing deposit.
4. Upon cessation of operations of an InstaWin gaming venue, IEST shall return to the Operator the Cash Bond Deposit, less any obligations the operator may have to PAGCOR/EST at the time of closure and subject to the Operator's compliance with the post-operational requirements.

Section 8– NOTICES

GENERAL GUIDELINES:

This section will define the recipient of the reports contained in these guidelines.

NOTICES:

Any notice or notification or communication in any form to be given by the Outlet or IEST may be delivered in person or sent by letter through registered mail or by a reputable international courier service or fax transmission and through email.

If to PAGCOR:

Attention : Mr. Thadeo Francis P. Hernando

Address : Vice President

Gaming Licensing & Development Department

Philippine Amusement and Gaming Corporation

1330 Roxas Boulevard, Ermita, Manila

If to IEST:

Attention : Mr. Emil Dela Cruz, General Manager

Address : 3rd Floor, Bonifacio Technology Centre
31st Street corner 2nd Avenue, Bonifacio Global City, Taguig City

Telefax : (632) 856-3394

Email : emildelacruz@iest.com.ph

ANNEX 1



Instawin Operator's Terminal Transactions
 Coverage Date: 01/01/2012 - 01/03/2012 11:02:03 AM

Outlet Name: All The Fun Operator: ATFB1TER06 @ ATFB1TER06 TERMINAL

* Today's 01/03/2012 data is not yet propagated

Terminal Address	Game Name	TransactionID	Transaction Date Time	Gross Bet	Payout
Address					
	Atlantic Prince	70	01/03/2012 2:10:47 PM	10.00	0.00
	Atlantic Prince	71	01/03/2012 2:10:55 PM	10.00	0.00
	Atlantic Prince	81	01/03/2012 2:17:43 PM	10.00	0.00
	Atlantic Prince	81	01/03/2012 2:17:55 PM	10.00	0.00
	Atlantic Prince	82	01/03/2012 2:18:00 PM	10.00	0.00
	Atlantic Prince	81	01/03/2012 2:18:20 PM	10.00	0.00
	Lot 10 Sport	84	01/03/2012 2:20:00 PM	100.00	0.00
	Cops N Robbers	88	01/03/2012 2:22:00 PM	45.00	0.00
	Cops N Robbers	88	01/03/2012 2:22:04 PM	45.00	22.00
	Cops N Robbers	87	01/03/2012 2:22:50 PM	45.00	22.00
	Cops N Robbers	88	01/03/2012 2:22:55 PM	45.00	0.00
	Cops N Robbers	88	01/03/2012 2:23:00 PM	45.00	0.00
	Cops N Robbers	88	01/03/2012 2:23:12 PM	45.00	0.00
	Cops N Robbers	88	01/03/2012 2:23:21 PM	45.00	0.00
	Cops N Robbers	88	01/03/2012 2:23:24 PM	9.00	0.00
	Cops N Robbers	88	01/03/2012 2:23:30 PM	9.00	1.00
	Cops N Robbers	88	01/03/2012 2:23:40 PM	9.00	0.00
	Cops N Robbers	88	01/03/2012 2:23:46 PM	9.00	0.00
	Cops N Robbers	88	01/03/2012 2:23:55 PM	9.00	0.00
	Cops N Robbers	88	01/03/2012 2:23:59 PM	9.00	0.00
	Cops N Robbers	88	01/03/2012 2:24:00 PM	9.00	0.00
	Cops N Robbers	88	01/03/2012 2:24:05 PM	9.00	10.00
	Cops N Robbers	100	01/03/2012 2:28:01 PM	9.00	0.00

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 Page 1 of 2



Instawin Operator's Terminal Transactions
 Coverage Date: 01/03/2012 - 01/03/2012 11:05:19 AM

Terminal Address	Game Name	TransactionID	Transaction Date Time	Gross Bet	Payout
	Cops N Robbers	101	01/03/2012 2:28:54 PM	9.00	0.00
	Cops N Robbers	102	01/03/2012 2:29:06 PM	9.00	0.00
	Cops N Robbers	103	01/03/2012 2:29:01 PM	9.00	4.00
	Cops N Robbers	104	01/03/2012 2:29:13 PM	9.00	0.00
	Cops N Robbers	105	01/03/2012 2:29:31 PM	9.00	0.00
	Zivonai	106	01/03/2012 2:30:40 PM	7.00	1.00
	Zivonai	107	01/03/2012 2:30:53 PM	7.00	0.00
	Zivonai	108	01/03/2012 2:30:59 PM	7.00	0.00
	Zivonai	109	01/03/2012 2:31:05 PM	13.00	0.00
	Zivonai	110	01/03/2012 2:31:14 PM	13.00	0.00
	Zivonai	111	01/03/2012 2:31:18 PM	13.00	13.00
	Zivonai	112	01/03/2012 2:31:33 PM	13.00	0.00
	Zivonai	113	01/03/2012 2:31:37 PM	13.00	0.00
	Zivonai	114	01/03/2012 2:31:44 PM	13.00	0.00
	Zivonai	115	01/03/2012 2:31:46 PM	13.00	0.00
	Zivonai	116	01/03/2012 2:31:50 PM	13.00	4.00
	Zivonai	117	01/03/2012 2:32:03 PM	13.00	403.00
		Total		104.00	407.00

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INSTAWIN OPERATOR'S TERMINAL TRANSACTIONS

ANNEX 2



Instawin Operator's Cash Management

Covering Date: 6/19/2012 - 6/19/2012 11:59:59 PM

Operator: ATFB1TER0C

Terminal Name	Total Count Cash In	Total Amount Cash In	Terminal Name	Total Count Cash Out	Total Amount Cash Out
ATFB1TER0C	2	700.00	ATFB1TER0C	1	529.50
Transaction Date/Time: 6/19/2012 3:11:00 PM		500.00	Request Date/Time: 6/19/2012 3:56:06 PM		529.50
Transaction Date/Time: 6/19/2012 3:45:00 PM		200.00	Fulfillment Date/Time: 6/19/2012 6:15:51 PM		
Grant Total: 2		700.00	Grand Total: 1		529.50
			BALANCE	PHP	170.50

Cash-Out Requests Summary

Pending Cash Out	0
Completed Cash Out	1

Printed by: ATFB1TER0C on 6/19/2012 6:06:02 AM

Page 1 of 1

OPERATOR'S CASH MANAGEMENT REPORT

ANNEX 4



Cashier Loaded Credit

DOJ Instawin Outlet

Start Date: 05/12/2011 | End Date: 05/12/2011 23:59:59

Date	Transaction ID	User	Amount (P)	Terminal
05/12/2011 16:11:12	1016	cashier	600.00	Terminal3
05/12/2011 17:43:06	1017	cashier	600.00	Terminal3
05/12/2011 18:42:27	1018	cashier	600.00	Terminal4
Total			300.00	

12/12

CASHIER LOADED CREDITS

ANNEX 5



Redeemed Tickets

DDJ Instantin Outlet

Session Start: 05/12/2011
Start Date: 05/12/2011 | End Date: 05/12/2011 23:59:59

Machine Description	Ticket ID	Count	Amount (P)	Issued Date	Redeemed Date	Report	Report
072917 : Terminal1		1					
Current Session		1					
	079790146335931449 : center@10.99.43.11		5.01	05/12/2011 18:23	05/12/2011 18:23	Track Back Ticket	Ticket Data
		1	5.01				
		1	5.01				
		1	5.01				

REDEEMED TICKETS

ANNEX 6



Unredeemed Tickets

003 Instawin Outlet

Start Date: 05/12/2011

Machine Description	Ticket ID	Count	Amount (P)	Date	Report	Report
172917 : Terminal1		1				
Previous Session		1				
	XXXXXXXXXXXXXXXX47763	1	1,000.00	22/11/2011 16:37:49	Track Back Ticket	Ticket Data
		1	1,000.00			
		1	1,000.00			
172918 : Terminal2		2				
Previous Session		2				
	XXXXXXXXXXXXXXXX23650		1,000.00	22/11/2011 13:26:25	Track Back Ticket	Ticket Data
	XXXXXXXXXXXXXXXX94151		2,994.62	14/07/2011 15:13:22	Track Back Ticket	Ticket Data
		2	3,994.62			
		2	3,994.62			
172919 : Terminal3		1				
Previous Session		1				
	XXXXXXXXXXXXXXXX34235		1,000.00	22/11/2011 13:26:27	Track Back Ticket	Ticket Data
		1	1,000.00			
		1	1,000.00			
172920 : Terminal4		1				
Previous Session		1				
	XXXXXXXXXXXXXXXX12195		1,000.00	22/11/2011 13:26:29	Track Back Ticket	Ticket Data
		1	1,000.00			
		1	1,000.00			
		5	6,994.62			

Date Time Executed: 25/12/2011 19:45:52



1 of 1

UNREDEEMED TICKETS

ANNEX 7



Cashier End Point Totals
DOI Instawin Outlet

Start Date: 04/12/2011
End Date: 04/12/2011 23:59:59

Terminal	Total In (P)	Cashier Tickets (P)	Cashier Loaded Credit (P)	Ticket In (P)	Ticket Out (P)	Played (P)	Won (P)	Balance (P)
	5,846.00	0.00	5,700.00	140.00	444.38	43,070.00	27,074.28	5,395.72
Terminal1	4,800.00	0.00	4,000.00	0.00	8.70	40,370.00	25,570.70	4,791.30
Terminal2	500.00	0.00	500.00	0.00	231.25	400.00	131.25	368.75
Terminal3	546.00	0.00	400.00	140.00	264.33	1,300.00	1,904.33	333.67
Terminal4	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Terminal5	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Terminal6	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

CASHIER END POINT TOTALS

ANNEX 8



Instawin Operator's Cash Management (consolidated)

Covering Date: 9/01/2012 - 9/01/2012 10:59:59 AM

Operator Name: Bingo Boutique - Visayas QC

Terminal Name	Total Count Cash In	Total Amount Cash In
BGBWLTERR01	1	400.00
BGBWLTERR02	2	200.00
BGBWLTERR04	1	100.00
BGBWLTERR05	4	450.00
BGBWLTERR06	1	100.00
Grant Total: 9		1,250.00

Terminal Name	Total Count Cash Out	Total Amount Cash Out
BGBWLTERR01	1	299.20
BGBWLTERR02	1	100.18
BGBWLTERR05	2	1,303.54
Grand Total: 4		1,702.92
BALANCE		(452.92)

Cash-Out Requests Summary

Requesting Cash Out	0
Completed Cash Out	4
Total Cash In: 1,250.00	
Total Cash Out: 1,702.92	
Amount to be remitted: -452.92	

PC Based Games with Negative Net Winnings

ANNEX 9



Cashier End Point Totals

All The Fun - InstaWin

Start Date: 05/12/2011 06:00:00

End Date: 06/12/2011 00:38:43

Terminal	Total In (P)	Cashier Tickets (P)	Cashier Loaded Credits (P)	Ticket In (P)	Ticket Out (P)	Played (P)	Won (P)	Balance (P)
	980.00	0.00	800.00	180.00	1,670.00	1,120.00	1,810.00	-690.00
Terminal1	200.00	0.00	200.00	0.00	180.00	220.00	300.00	20.00
Terminal2	100.00	0.00	0.00	100.00	0.00	100.00	0.00	100.00
Terminal3	80.00	0.00	0.00	80.00	80.00	0.00	0.00	0.00
Terminal4	100.00	0.00	100.00	0.00	220.00	60.00	180.00	-120.00
Terminal5	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Terminal6	500.00	0.00	500.00	0.00	1,190.00	640.00	1,330.00	-690.00

CASHIER END POINT TOTALS WITH NEGATIVE GROSS WINNINGS

ANNEX 11



Cashier End Point Totals

001 Instawin Outlet

Start Date: 01/07/2012

End Date: 31/07/2012 21:59:30

Terminal	Total In (P)	Cashier Tickets (P)	Cashier Loaded Credit (P)	Ticket In (P)	Ticket Out (P)	Played (P)	Won (P)	Balance (P)
	140,354.54	0.00	104,420.00	35,934.54	102,792.32	390,594.00	353,306.94	37,287.06
Terminal1	47,352.23	0.00	37,543.00	9,807.23	33,371.03	130,632.00	117,180.46	13,751.54
Terminal2	26,411.83	0.00	10,030.00	7,873.83	23,626.42	72,523.00	68,739.59	2,763.41
Terminal3	30,200.66	0.00	21,881.00	8,327.56	16,434.66	103,302.00	99,526.30	13,773.70
Terminal4	36,391.00	0.00	26,156.00	10,225.00	26,355.00	83,897.00	76,856.59	6,976.41
Terminal5	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Terminal6	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Gross Bet	390,594.00
Payout	353,306.94
<hr/>	
Total Winnings	37,287.06
Less Franchise Tax (10%)	1,864.35
<hr/>	
Winnings	35,422.71
<hr/>	
Outlet Commission (25% of W)	8,855.68
<hr/>	

Date/Time executed: 06/08/2012 12:00:02



1 of 2

TERMINAL BASED OPERATOR'S COMMISSION

ANNEX D

PROCEDURES/GUIDELINES IN PROCESSING REQUESTS FOR CHANGE IN OWNERSHIP OF INSTAWIN SITE/GAMING AREA

The Authority to Operate (ATO) and the accompanying Certificate to Operate (CTO) InstaWin Terminals are non-assignable and non-transferable. Should an existing Operator opt to cease management of its InstaWin operations and has offered the InstaWin site/gaming area to another party, requests shall be evaluated similar to new applications insofar as the prospective Operator of the InstaWin site/gaming area is concerned. Accordingly, the following procedures/requirements shall be adopted:

1. The current and prospective Operators shall accomplish and submit to IEST the attached Application Form, together with the following documentary requirements:

I. Existing Operator:

- Terms of the proposed sale of the InstaWin site/gaming area.
- Board Resolution that the Board of Directors has approved the sale of the InstaWin site/gaming area (for corporations)

II. Prospective Operator:

A. FOR NEW APPLICANTS

If an individual/ sole proprietorship

- a. DTI Registration of Business - *Business Name must have reference to "Gaming"*
- b. Duly accomplished Personal Disclosure Statement (PDS)
- c. Original bank certification [must have a minimum of THREE MILLION PESOS (PhP3,000,000.00)] under the Applicant's name
- d. Copy of filed ITR (duly stamped by BIR) for the previous year
- e. NBI Clearance
- f. Police Clearance
- g. Court Clearance
- h. Proof of Negotiated Lease/ Rights to the InstaWin site/gaming area

If a partnership/ corporation/company

- a. Company profile
- b. SEC Registration
- c. Articles of Incorporation, By-Laws and latest General Information Sheet (GIS) duly received by SEC:
 - Articles of Incorporation must show that gaming is one of its primary purpose of business; if secondary purpose, a copy of the Board's Ratificatory Vote on the same should be submitted;
 - Foreign ownership, if any, must comply with the Regular Foreign Negative List B of the Foreign Investment Acts of 1991 B69 (R.A. No. 7042, as amended by R.A. No. 8179)
 - If a stockholder is also a corporation, a copy of the Articles of Incorporation and latest GIS of said corporation should likewise be submitted
 - By-laws must support the *pre-emptive rights* of the stockholders of the corporation with regard to the transfer of shares of stock of the corporation
 - Authorized Capital Stock of at least FIVE MILLION PESOS (PhP5,000,000.00)

- d. Original bank certification [must have a minimum of THREE MILLION PESOS (Php3,000,000.00)] under the Applicant's name
- e. Audited Financial Statement and copy of filed ITR (both duly stamped by the BIR) for the previous year
 - for existing corporation
- f. Current Balance Sheet of the corporation/company
 - for newly formed corporation
- g. Disclosure Statement for any litigation against the company and status (past and present)
 - for existing corporation
- h. Proof of Negotiated Lease/ Rights to the InstaWin site/gaming area

FOR EACH MEMBER OF THE BOARD OF DIRECTORS (local and foreign nationals)

- a. Duly accomplished Personal Disclosure Statement (PDS)
- b. Copy of filed ITR (duly stamped by BIR) for the previous year
- c. NBI Clearance
- d. Police Clearance
- e. Court Clearance
- f. Copy of Alien Certificate of Registration (ACR) – for foreign nationals only

B. IF BUYER IS AN EXISTING OPERATOR

If an Individual/Sole Proprietorship

- a. Original bank certification [must have a minimum of THREE MILLION PESOS (Php3,000,000.00)] under the Applicant's name
- b. Copy of filed ITR (duly stamped by the BIR) for the previous year
- c. Latest copy of DTI Business Registration
- d. Proof of Negotiated Lease/ Rights to the InstaWin site/gaming area

If a partnership/corporation/company

- a. Original bank certification [must have a minimum of THREE MILLION PESOS (Php3,000,000.00)] under the Applicant's name
- b. Audited Financial Statement and ITR of the company (both duly stamped by the BIR) for the previous year
- c. ITR of each member of the Board of Directors (duly stamped by the BIR) for the previous year
- d. Latest copy of GIS duly received by SEC
 - o If a stockholder is also a corporation, a copy of the latest GIS of said corporation should likewise be submitted
- e. Proof of Negotiated Lease/ Rights to the InstaWin site/gaming area

Prospective Operator shall likewise pay the Application Fee of Php2,500.00 to PAGCOR upon submission of the Application Form.

- 2. Upon completion of the above, the submitted documents shall be evaluated.

No Deed of Sale / Deed of Assignment or Affidavit of Transfer or a similar document shall be executed between the parties concerned unless PAGCOR has approved the application of the prospective Operator. Further, the sale shall cover only the technical improvements, PCs & other fixtures in the site, and other incidental costs incurred by the Operator in establishing the InstaWin site/gaming

area. Sale of the ATO and CTO is prohibited. Violation hereof shall result to the imposition by PAGCOR of sanctions outlined in Item F.II of the ATO.

3. If the prospective Operator is an existing InstaWin Operator, his/her compliance with the undertakings as InstaWin Operator (such as daily remittance of Gross Hold, etc.) as well as the performance of his/her other InstaWin site/gaming area, shall be reviewed and taken into consideration in the evaluation of an application.
4. If the prospective Operator is found suitable, and all documents are found to be in order, he will pay the processing fee of PhP15,000.00. The necessary recommendation to the PAGCOR Board on the approval of the application of the prospective Operator, including the revocation of the ATO of the existing Operator, shall then be submitted.
5. Upon approval of the Board, an advice on the same will be issued to the new Operator requiring him to submit the following within sixty (60) days:
 - a. Deed of Sale between the original and the new Operator
 - b. Contract of Lease/ Proof of Ownership of the InstaWin site/gaming area
 - c. Business Permit under the new Operator's name – nature of business must pertain to Gaming and Amusement
 - d. Copy of Gaming Employment License ID or Original Receipt issued for paid GEL application fee (for new Operator and his/her employees)

The Authority to Operate (ATO) and the accompanying Certificate to Operate (CTO) with a validity period of one (1) year shall likewise be issued to the Operator. The new Operator may already assume management of the InstaWin site/gaming area but must comply with the above requirements within the prescribed period, otherwise, it may cause the suspension of the InstaWin operations and/or revocation of the ATO.

An advice to the existing Operator on the revocation of his/her ATO shall likewise be issued.

Should the Board disapprove however the recommendation, an advice will be issued to both the existing Operator and the applicant stating the reason thereof. The existing Operator shall then formally advise PAGCOR if he will continue with the operations of the InstaWin site/gaming area until the expiration of his/her ATO, or if he will cease operations altogether.

6. The new Operator shall inform PAGCOR/UEST of the details of his/her bank account which will be used for financial transactions relative to the operations of his/her InstaWin site/gaming area.
7. UEST shall process the change in bank account for the InstaWin site/gaming area only upon receipt of copies of PAGCOR's written approval of the application of the new Operator and the corresponding ATO and CTO.
8. If the original Operator opts to withdraw his/her Cash Bond Deposit from UEST, the new Operator shall then place its own Cash Bond Deposit with UEST. The original Operator may opt to transfer said deposit under the name of the new Operator. This shall be requested to PAGCOR/UEST in writing.
9. Any financial obligations to PAGCOR/UEST of the original Operator shall be deducted from either his/her last share or the Cash Bond Deposit. PAGCOR has authorized UEST to perform said deductions; UEST shall formally advise the Operator and itemize all deductions to be made.

ANNEX E

PROCEDURES/GUIDELINES IN PROCESSING REQUESTS FOR TRANSFER OF INSTAWIN SITE/GAMING AREA

Requests for transfer of InstaWin Site/Gaming Area shall be considered a new application. Accordingly, following procedures/requirements shall be adopted in processing such requests:

1. The Operator shall accomplish and submit to IEST the attached Application Form, i.e. Application for Transfer of InstaWin Site/Gaming Area, providing the following:
 - InstaWin Operator personal details
 - Current/Existing InstaWin site/host-gaming facility address and ATO/CTO validity
 - Proposed InstaWin site/host-gaming facility address, reason for site/gaming area transfer and list of other InstaWin sites/gaming areas operated by Operator, if any.
2. Submission of the duly accomplished Application for Transfer form in Item 1 shall be accompanied by a duly accomplished Application for the Operation of InstaWin Terminals – Part I, where location of the proposed InstaWin site/gaming area is presented together with the following site documentary requirements.
 - Location Map of the Proposed InstaWin site/host-gaming facility (indicate distance of Proposed InstaWin site/host-gaming facility from Schools, Places of Worship and Existing Operational InstaWin sites/host-gaming facilities or PeGS, PAGCOR branches/arcades and other PAGCOR authorized gaming establishments)
 - Pictures of Proposed InstaWin site/host-gaming facility (at least 5 photos with descriptive captions)

Proposed InstaWin site/host-gaming facility must comply with the following: (please refer to attached Annex A attached to Part I for detailed criteria)

- Distance from schools and churches – the proposed InstaWin site/host-gaming facility must not be within a two hundred (200) meter radius from any CHED-registered or DepEd-registered school and/or church.
- The proposed InstaWin site/host-gaming facility must be at least one (1) kilometer away from an existing operational/ approved InstaWin site/host-gaming facility and PeGS, subject to the criteria defined in Annex A attached to Part I.
- If found within the vicinity of a PAGCOR casino or arcade, there must be a major thoroughfare with center island separating these from the proposed InstaWin site/host-gaming facility.
- InstaWin site/host-gaming facility must have space for a minimum of 10 terminals, using a ratio of 3sqm per terminal as a general rule of thumb; If ratio is less than 3 sqm per terminal, a scaled floor layout shall be submitted showing the proposed set-up which should comply with the standard dimensions of tables and spacing requirements.
- InstaWin site/host-gaming facility will provide complementary gaming services, specifically Sports Betting.
- InstaWin site/host-gaming facility is preferably accessible 24/7, with parking for patrons
- Free-standing/Stand-alone InstaWin site will not be allowed.
- Proposed InstaWin site/host-gaming facility within residential subdivisions will not be allowed.

- • Proposed InstaWin site immediately bounded by informal settler dwellings will not be allowed.
3. Should the proposed InstaWin site/host-gaming facility be found acceptable, the Operator shall be advised to accomplish and submit Application for the Operation of InstaWin Terminals – Part II, together with the prescribed documentary requirements such as:

- Letter of No Objection (LONO) on the InstaWin gaming activity from the Local Government Unit (LGU) where the proposed InstaWin site/host-gaming facility is located – **should be a City/Municipal Council Resolution or Ordinance.**

If the same is not yet available at the time of application, the Applicant must submit a copy of **duly received application with the Council and a letter of consent from the Mayor.** Please note that should the application be approved based on these documents, the Operator will be given an AUTHORITY TO OPERATE (ATO) which shall be provisional in nature, as evidenced by the accompanying PROVISIONAL CERTIFICATE TO OPERATE (PCTO) to be issued to him/her. The Operator must secure, within one (1) year, the required Council Resolution/Ordinance stating its no objection to the InstaWin operations, otherwise, the ATO issued to him/her will not be renewed.

- Applicant's documentary requirements. Please see the list of requirements in attached specimen copy of Application for the Operation of InstaWin Terminals – Part II.

Attached also is the Procedural Guidelines in the Establishment of InstaWin Sites/Gaming Areas.

The Operator shall likewise pay the Application Fee of PhP2,500.00 upon submission of the Application Form.

4. If the proposed InstaWin site/host-gaming facility is found to be compliant with the distance requirements and complies with site criteria mentioned above, PAGCOR's authorized technical team (i.e., IEST's Roll-Out Group) shall conduct the economic and technical inspection of the proposed site/gaming area of InstaWin operation.

The Operator shall not enter into a Contract of Lease nor perform any renovations on its proposed site/host-gaming facility until such time when PAGCOR has expressly written its approval of the establishment of an InstaWin site/gaming area thereat. Violation hereof shall cause the disapproval of the application and the imposition by PAGCOR of sanctions outlined in Item F.II of the ATO.

5. The Operator's compliance with his/her undertakings as InstaWin Operator (such as daily remittance of Gross Hold, etc.) as well as the performance of his/her other InstaWin site/gaming area (if any), shall be reviewed and taken into consideration in the evaluation of an application.

6. If all documents are found to be in order, Operator will be asked to pay the processing fee of fifteen thousand pesos (PhP15,000.00). The necessary recommendation to the PAGCOR Board on the approval of the request for transfer of InstaWin site/gaming area shall then be submitted.

7. Upon approval of the Board, an advice will be issued to the Operator requiring him/her to submit the following, and construct/complete set-up of new InstaWin site/gaming area within ninety (90) days from receipt of the notice of approval:
 - a. Contract of Lease/ Proof of Ownership of the InstaWin site/gaming area
 - b. Business Permit under the new InstaWin site/host-gaming facility address – nature of business must pertain to Gaming and Amusement
 - c. Scaled floor layout and renderings of the approved InstaWin site/gaming area based on InstaWin site specifications (Annex B) – to be prepared and finalized in consultation with IEST, subject to PAGCOR's approval.

The ATO for the new InstaWin site/gaming area, valid for one (1) year, shall be issued to the Operator together with the advice of approval.

The Operator will also be advised of the revocation of his/her ATO for his/her original InstaWin site/gaming area, effective upon the commencement of operations of his/her new InstaWin site/gaming area but shall not be later than ninety (90) days from the receipt of approval and ATO of his/her new InstaWin site/gaming area.

Should the new Operator fail to comply within the prescribed period with the abovementioned pre-operational requirements and documents, it may cause the revocation of the approval and ATO given to him/her for the new InstaWin site/gaming area. The revocation of the ATO of his/her original InstaWin site/gaming area as prescribed above shall remain in effect.

Should the Board disapprove however the recommendation, an advice will be issued to the Operator stating the reason thereof. The Operator shall then formally advise PAGCOR if he/she will continue with the operations of the existing InstaWin site/gaming area until the expiration of the ATO, or if he/she will cease operations altogether.

8. Once the new InstaWin site/gaming area is complete, IEST shall conduct an inspection/pre-operating activities.
9. The accompanying PCTO/CTO shall be issued by PAGCOR to the Operator upon his/her compliance with all pre-operational requirements and documents and the satisfactory conduct of the pre-operational testing by IEST. Only upon receipt of the PCTO/CTO may the Operator commence operations of his/her new InstaWin site/gaming area.

ANNEX F

PROCEDURES/GUIDELINES FOR THE RENOVATION AND EXPANSION OF EXISTING INSTAWIN SITES/GAMING AREAS

A. Renovation

- Covers InstaWin sites/gaming areas whose Operators wish to significantly change the gaming environment of their current area. Renovations assume that there will be no change in address and that renovation plans conform to the InstaWin Site Specification Guidelines (Annex B).
- Process:
 - Step 1: Operator submits the following to IEST:
 - Letter of Intent addressed to PAGCOR on its planned renovation, and any temporary suspension of operations due to said renovation,
 - Proposed floor plan and interior renderings
 - Project Timetable
 - Step 2:
 - IEST evaluates application based on specification guidelines and conformance to gaming environment specifications. IEST to recommend changes to floor plan and renderings, if necessary.
 - Alternately, Operator can request for assistance from IEST on basic floor plan design and interior renderings to ensure that these meet specification guidelines.
 - Step 3:
 - IEST endorses to PAGCOR of Operator's intent to renovate/temporarily suspend operations due to renovation and certifies that floor plans and renderings meet specification guidelines.
 - PAGCOR shall evaluate and if found in order, approve the renderings and any temporary suspension of operation.
 - Step 4:
 - Operator renovates the InstaWin site/gaming area based on approved floor plan and renderings; upon completion, Operator submits documents to show compliance with LGU requirements (such as those pertaining to renovation activities).
 - IEST monitors progress of renovation to ensure it meets guidelines.
 - Step 5:
 - Upon completion of renovation, IEST team inspects the site to verify compliance with specification guidelines.
 - IEST shall submit a compliance report to PAGCOR on the renovated InstaWin site/gaming area and submits a compliance report with pictures to PAGCOR. PAGCOR reviews the same and if found in order, issues a notice to resume operations to the Operator.

PAGCOR may likewise require the renovation of InstaWin site/gaming area to conform to the specification guidelines. Failure to comply within the prescribed period of renovation may lead to imposition of penalty as defined in Annex I.

B. Terminal Expansion

- Covers instawin sites/gaming areas whose Operators plan on maximizing the use of excess space by adding additional gaming terminals.
- Total gaming terminals (existing + proposed) should comply with the rule of thumb of 3 sqm to 1 gaming terminal ratio for space utilization. Slightly lower ratios may be considered provided the dimensions of the gaming terminals, workstations, and spacing specifications are met.
- Operator may opt to renovate and add terminals simultaneously.
- Process:
 - Step 1: Operator submits the following to IEST:
 - Letter of Intent to Add Gaming Terminals
 - Existing floor plan and interior photos
 - Proposed floor plan and interior renderings
 - Proposed staffing plan
 - Proposed revisions to CCTV placements
 - Timeline of the renovation/set-up
 - Step 2: IEST evaluates application if proposed plan and renderings meet specifications for space usage, staffing, network, etc. Recommendations are provided to Operator so application meets requirements.
 - Step 3: IEST submits evaluation checklist to PAGCOR, with recommendation for approval. PAGCOR reviews documents and if found in order, provides approval.
 - Step 4:
 - Operator renovates area (if applicable), procures hardware, furniture, etc. and sets-up the additional terminals.
 - If required, Operator hires staff. New staff undergoes IEST training and secures GELs.
 - Operator submits documents to show compliance with LGU requirements such as those pertaining to renovation activities.
 - Step 5:
 - Once complete, IEST team goes onsite to do the following:
 - Verify conformity to specifications (floor layout, furniture, network, CCTV, manpower, etc.)
 - Install software and conduct pre-operational testing of terminals.
 - Step 6: IEST submits to PAGCOR the compliance and pre-operating reports and endorses the operation of the additional terminals. PAGCOR reviews said reports and if found in order, issues to the Operator a Notice to Commence operations of additional terminals.

C. Space Expansion

- Applicable to Instawin sites/gaming areas with proposed increased floor area of their existing space.
- The proposed expansion space must be contiguously located with the existing InstaWin site/gaming area. Proposed spaces with corridors or floors located in between will not be considered.
- Phased renovations of existing and proposed spaces will be allowed.
- Process:
 - Step 1: Operator submits the following to IEST:
 - Letter of Intent outlining the space expansion.

- Photos, proposed floor plan and interior renderings of the expansion space and existing area if the latter needs to be renovated to meet specifications. Floor plans and CCTV layout must be compliant with specification guidelines. Timeline of the whole renovation (expansion and existing areas)–may be done in 2 phases provided the renovation period of 2nd phase is done immediately after the 1st phase.
- Project timetable
- Terms of the lease for the additional space.
- Staffing plan to accommodate planned expansion.
- Step 2: IEST evaluates application and provides feedback on plans. Alternately, IEST can provide basic outline of floor plan and interior renderings to ensure compliance with specification guidelines.
- Step 3: IEST submits evaluation checklist to PAGCOR, with recommendation for approval. PAGCOR reviews documents and provides approval if found in order.
- Step 4: Operator performs the following tasks:
 - Renovate proposed expansion space. Renovation of existing area (if scheduled as Phase 2 of the renovation project) should be conducted in accordance with the approved timeline.
 - Purchase equipment, including additional CCTV cameras, if required.
 - Hire additional Gaming Assistants (GA). New hires must undergo IEST training and secure GEL.
 - Submits documents to show compliance with LGU requirements such as those pertaining to renovation activities.
- Step 5:
 - Once complete, IEST team goes onsite for the following:
 - Verify if site meets specifications (floor layout, furniture, network, CCTV)
 - Install software and conduct pre-operational testing of terminals.
- Step 6: IEST submits to PAGCOR the compliance and pre-operating reports and endorses the operation of the expanded space. PAGCOR reviews said reports and if found in order, issues to the Operator a Notice to Commence operations of expansion space with additional terminals.
- Step 7: Operator proceeds to renovate the remaining area under 2nd phase (if applicable); Steps 4 to 6 shall thereafter be followed for the 2nd phase renovation.

Failure to comply with the approved timelines on renovation may cause the imposition of penalties as defined in Annex I. In the case of 2-phase renovation with expansion, failure to renovate the original area according to the approved timeline after the expanded space was given the approval to commence operations may lead to suspension of the operations of the expanded space.

Note: Please use the following attached forms:

1. Renovation and/or Space/Terminal Expansion Plan Notification Form

- to notify PAGCOR regarding the renovation/expansion plan of the InstaWin site/gaming area.

2. Request for Pre-Operational Inspection (Form A)

- to request for inspection of the renovated InstaWin site/gaming area to verify compliance with specification guidelines.

ANNEX G

PROCEDURES/GUIDELINES IN PROCESSING RENEWAL AUTHORITY TO OPERATE (ATO)

The operations of Instawin site or InstaWin gaming areas without an ATO is strictly prohibited.

The Operators are advised to adhere to the following guidelines when renewing their ATOs:

Renewal of ATO of Instawin terminals currently operating under a regular ATO/CTO, or operating with a Provisional CTO where the City/Municipal Council's approval was obtained before the expiration date of the Provisional CTO shall be subject to the following guidelines:

1. The Operator shall accomplish and submit a duly accomplished Renewal Application Form to IEST with the InstaWin rating sheet (see item # 3 below) and pay the renewal fee of PhP15,000.00 by the third (3rd) week of the month preceding the renewal month.
2. The Operator must have submitted by March 31st of the current year the following documentary requirements:
 - o Copy of the Business Permit for the current year – nature of business must pertain to Gaming and Amusement
 - o DTI Registration (for sole proprietor) or Updated General Information Sheet (GIS) duly received by SEC (for corporations)

In the case of InstaWin sites/gaming areas with ATO expiration date prior to March 31st, the Operators are required to submit a copy of their application for the renewal of Business Permit at least two (2) weeks prior to the date of the expiration of their ATO. It is understood however that the copy of the Business Permit must still be submitted as prescribed above.

Failure to submit the above documents by March 31st shall cause the imposition of penalty and demerits as enumerated in Annex I.

3. The Operator's compliance with its undertakings relative to the operations of Instawin terminals shall likewise be rated by PAGCOR and IEST, and shall be a consideration in the renewal of his/her ATO. The rating sheet shall be disseminated to the Operators at the end of the year, to apprise them of their standing.
4. Should the Operator be found in good standing, and compliant with the abovementioned requirements, the Board recommendation for the approval of the renewal of ATO of the concerned site/s or gaming area/s valid for a period of (2) years shall then be processed.
5. The Operator shall be advised of the Board's action. Should the application for renewal be approved, the renewal CTO shall be issued in favor of the Operator, otherwise, the appropriate communication shall be sent.

Should the operator fail to abide by these ATO renewal guidelines, resulting in the imposition of penalties and demerits, and the non-issuance of a renewal CTO upon expiration of the current ATO, operations of the concerned InstaWin site/gaming area shall be automatically suspended. The Operator shall then be given (30) days from ATO expiration date to secure the ATO renewal otherwise the InstaWin site/gaming area will be permanently closed.

Renewal fees paid after the ATO expiration date shall be charged a penalty of ten percent (10%) for every month of delay or a fraction thereof.

Note: Please use the attached "**Request for Renewal of ATO**" form to apply for a renewal of ATO InstaWin site/gaming area.

ANNEX H

PROCEDURES/GUIDELINES IN TEMPORARY SUSPENSION/ VOLUNTARY CLOSURE OF INSTAWIN SITE/GAMING AREA

In the event the Operator has to temporarily suspend or decides to cease InstaWin operations, the following procedures shall apply. Failure of an Operator to comply with these procedures shall be taken into consideration in the renewal of ATO for his/her other InstaWin sites/gaming areas, if any, or in future application with PAGCOR.

A. Suspension of Operations

1. InstaWin Operators should notify PAGCOR at least fifteen (15) days prior to their intended date of suspension or closure of operation, stating the reasons and duration for the same. The suspension must first be approved by PAGCOR prior to implementation.
2. IEST shall suspend the account of the concerned Operator for the duration of said temporary suspension upon PAGCOR's advice.
3. Should an Operator fail to immediately resume his/her InstaWin site's/gaming area's operations as scheduled, a penalty shall be imposed in accordance with Annex I of this ATO.
4. Failure to resume operations for a prolonged period of time, i.e., 30 days and above after the approved suspension dates, may lead to the permanent closure of the InstaWin site/revocation of the ATO.

B. Voluntary Closure of InstaWin Site/Gaming Area

1. In the event of voluntary closure of operations, the Operator shall submit a written request to PAGCOR at least fifteen (15) days prior to the intended closure, stating the reason thereof. A recommendation on the revocation of the ATO of the InstaWin site/gaming area for closure shall then be submitted to the PAGCOR Board for approval/confirmation.
2. Upon approval, a written notice of the revocation of the ATO shall be issued by PAGCOR; Operator must remove all InstaWin signages, logo sticker, and marketing collaterals within the premises and shall submit pictures of the vacated site within (30) days from receipt of notice of approval. Failure to comply will mean the forfeiture of the Php50,000.00 Cash Bond Deposit in favor of PAGCOR.

Upon submission of the required pictures, PAGCOR shall advise IEST to refund within fifteen (15) days from receipt of notice, the Cash Bond Deposit of Php50,000.00 (net of any outstanding gross hold and other obligations to PAGCOR/IEST) of the concerned InstaWin Operator. IEST shall submit a report to PAGCOR on the refunded deposits.

Notwithstanding the approval of the voluntary closure of InstaWin operations, cessation within thirty (30) days from the start of the InstaWin site's/gaming area's operations shall mean the reimbursement by the Operator of the charges involved in the pull-out of the IEST-provided gaming terminals and equipment, which may be deducted from the Cash Bond Deposit (provided said deposit was not forfeited in favor of PAGCOR as described above). IEST shall provide Operator with the proper documentation relative to these charges (such as billing statements of forwarders) before the same may be charged to the Operator.

Note: Please use the following attached forms:

- 1. Temporary Suspension of Operations Approval Form (RGU-Form No. 11)**
 - to request for temporary suspension of InstaWin operations
- 2. Voluntary Closure Notification Form (RGU-Form No. 12)**
 - to notify PAGCOR of voluntary closure of InstaWin operations.

ANNEX I**LIST OF OFFENSES AND CORRESPONDING DEMERITS AND PENALTIES**

Notes:

- (1) Based on the nature of the offense, each will correspond to demerits and penalties.
- (2) Major offenses will be accorded a corresponding demerit and fine as penalties and will be deducted from Operator's Share and Cash Bond Deposit
- (3) Demerit points will be marked against the operator's performance scorecard at time of ATO renewal.
- (4) Notwithstanding the imposition of fines, the commission of offense/s by an Operator shall still be taken into consideration in the renewal of ATO.

Item / Description	Sanction	Demerit Points	Fine		Remarks
KEY PROVISIONS					
Allowing prohibited and unregistered player/s to place bets.	Demerit	5			
Failure to maintain a clean, safe and orderly gaming environment	Demerit	3			
Failure to maintain site/gaming area set-up standards	Demerit	3			
Failure to comply with site/gaming area set-up based on InstaWin Site Specification Document	Demerit	5			A 5-point demerit is imposed for failure on <u>each</u> of the following group of site/gaming area set-up elements: <ol style="list-style-type: none"> 1. Signage 2. PC; Software; Network Equipment, Design & Cabling; CCTV System 3. Terminals, Workstations, aisle spacing.
Failure to renovate InstaWin site/gaming area (in conformity with specifications) according to approved timeline or within the prescribed period of renovation.	Demerit	5			For InstaWin sites/gaming areas with approved renovation or space / terminal expansions (as defined in Annex F)

Item / Description	Sanction	Demerit Points	Fine		Remarks
Non-Remittance of Daily Gross Hold	Penalty + Demerit	5	PhP 30,000 *		Suspension of InstaWin site's/gaming area's load credit account shall also be applied, as defined in Item B.11 of the ATO; *The fine of PhP30,000 shall be imposed for non-remittance of Daily Gross Hold for seven (7) consecutive days
Making deductions from redeemed balances of customers	Penalty + Demerit	5	PhP 50,000		
Unauthorized suspension of operations	Demerit	3			Demerit is per day of offense;
Failure to resume operations after the approved temporary suspension schedule	Demerit	3			Demerit is per day of offense;
Failure to follow the PAGCOR-approved operational hours for the InstaWin site/gaming area	Demerit	1			
Failure to treat the banned database/file in a confidential manner	Demerit	5			
Failure to follow the banning procedure/guidelines, including banning of individuals not sanctioned by PAGCOR	Demerit	3			

Item / Description	Sanction	Demerit Points	Fine		Remarks
Document Submission					
Failure to submit Documentary Requirements on-time.	Penalty + Demerit	3	PhP 30,000	<p>If documents pertain to InstaWin site/gaming area, the demerit and fine of PhP30,000.00 shall be imposed on a per site basis;</p> <p>If documents pertain to Operator, only the demerit shall be imposed on a per site basis; the PhP30,000 fine shall be imposed on the Operator once (per offense)</p>	<p>Notwithstanding the penalty and demerits imposed, non-issuance of the corresponding renewal CTO document upon expiration of the ATO shall cause the automatic suspension of the InstaWin site's/gaming area's operations;</p> <p>Should the suspension reach a period of thirty (30) days, the InstaWin site/gaming area will be permanently closed.</p>
Failure to notify PAGCOR on material changes in its stockholders/ directors/ key officers, and submit the required documents as prescribed in Item D of the ATO.	Penalty + Demerit	3	PhP30,000 plus PhP1,000 for every month of delay of reporting		
Human Resources / Employment					
Failure to secure the required Gaming Employment License –Operator and employees such as Gaming Assistants and Cashiers	Demerit	5			Demerit is per person found without GEL; for multi-sites where personnel are rotated among sites, demerit will be imposed on the site where the employee is assigned at the time of discovery of violation
					PAGCOR HRDD issued a regulatory order (02-2009) which requires that <u>only employees licensed by PAGCOR shall be allowed to be deployed</u> in the gaming establishment.

Item / Description	Sanction	Demerit Points	Fine		Remarks
Information Technology and CCTV					
Use of unlicensed software; installation of unauthorized equipment in the InstaWin site's/gaming area's local area network	Demerit	3			
95% or less operational gaming terminals, due to defects, for a period of seven (7) consecutive days	Demerit	1			
Non-compliance to technical specifications, etc.	Demerit	1			
Unauthorized use of login credentials, passwords and network settings.	Demerit	5			
Failure to maintain standards on CCTV requirements and guidelines	Demerit	5			

Additional Guidelines:

- PAGCOR may issue additional list of offenses with corresponding penalty and/or fine/s, as deemed necessary.
- Fines will be deducted from the Operator's Cash Bond Deposit or Share. Operators must immediately replenish Deposit to ensure that Betting Credits are not affected.
- All InstaWin sites/gaming areas will be given one hundred (100) points at the start of their ATO/renewal ATO year. Demerits will be recorded through the course of the year and will be deducted from the sites' points pool.
 - Sites with a net score below fifty (50) will result in their ATO's not being renewed.
 - A corresponding penalty of PhP1,000.00 shall be imposed per demerit assessed. The total penalty shall be deducted from the Operator's Cash Bond Deposit or Share at the end of the ATO year. Should the Operator's Cash Bond Deposit and Share be found insufficient to cover his/her assessed penalties, the Operator shall be given thirty (30) days to settle the same

with PAGCOR. Failure to do so may cause the suspension or termination of operations of his/her InstaWin site/gaming area.

- Upon termination of an Instawin site's/gaming area's operations, voluntary or otherwise, the penalty of Php1,000 per demerit assessed will be deducted from the Operator's Cash Bond Deposit or Share.