

7. MONITORING OF PROTECTION AND PAYMENT OF PRIZE WINNERS

- There are different prize levels for different games. On average, approximately 47% of National Lottery sales are given out as prizes.
- It is a requirement of the licence that the Operator transfers prize money won, but not yet claimed, into the Participants Trust Fund, to keep it secure for future claims.
- Once in trust, these funds are under the control of independent trustees.
- The NLC reviews all payments that the Operator makes to the trust based on ticket sales and prize information.
- The NLC verifies that unclaimed and expired prizes are transferred to the NLDTF. These are prizes that have not been claimed within 365 days after the draw date.

8. PROTECTION OF THE NATIONAL LOTTERY BRAND, AND ENSURING INTEGRITY OF THE NATIONAL LOTTERY

- The NLC monitors the National Lottery website and other media to ensure integrity of the National Lottery information displayed therein;
- Ensure Trade Marks, Copyright, and National Lottery Logos properly appear on all National Lottery materials displayed or made available to the public. This is to ensure that players are able to tell the difference between the National Lottery and other gambling products available in the market.
- Retailer inspections are conducted to ensure that Retailers comply with regulatory requirements, which include, amongst others, the following:
 - That Retailers do not sell National Lottery tickets to persons under the age of 18;
 - That the advertising of the National Lottery is not distasteful or misleading;
- Testing and accreditation of the Online and automated channels of play is conducted to ensure integrity and reliability of information;
- Physical security inspections and system security reviews and tests are performed to ensure reliability, security and availability of all National Lottery systems and products.

9. MONITORING THE IMPLEMENTATION OF SOCIAL RESPONSIBILITY PROGRAMME, B-BBEE, SUPPLIER DEVELOPMENT INITIATIVES AND ECONOMIC EMPOWERMENT REQUIREMENTS

- The Act and License stipulates that the Operators shall initiate and support opportunities for social and economic empowerment; affirmative action; employment equity and representation; training and skills development; promotion of small business and job creation; advancement of women in business; and as well as winner counseling and financial advice.
- The Operator is also required to show commitment and comply with all B-BBEE legislation and undertake to localize its procurement of goods and services to the extent that it is reasonably possible, without having a detrimental effect on the running of the National Lottery.
- The Operator is required to submit progress reports on these initiatives and the NLC verifies the information reported.

10. COMPLAINTS ABOUT THE NATIONAL LOTTERY

- The NLC handles complaints raised in connection with the National Lottery.
- Complaints should be reported to the NLC as escalation after exhausting the Operator's complaints processes. However, the NLC accepts all complaints and forwards to the Operator all those that need to be preliminary handled by them. A follow-up is conducted to ensure that all complaints are adequately handled by the Operator in line with Licence requirements.

- Complaints handling contact details are as follows:

OPERATOR (ITHUBA HOLDINGS) COMPLAINTS AND HELPLINE:

- > **PLAYER HELPLINE: 0800 484 822**
- > **RETAILER HELPLINE: 0860 456 886**

NATIONAL LOTTERIES COMMISSION COMPLAINTS AND HELPLINE:

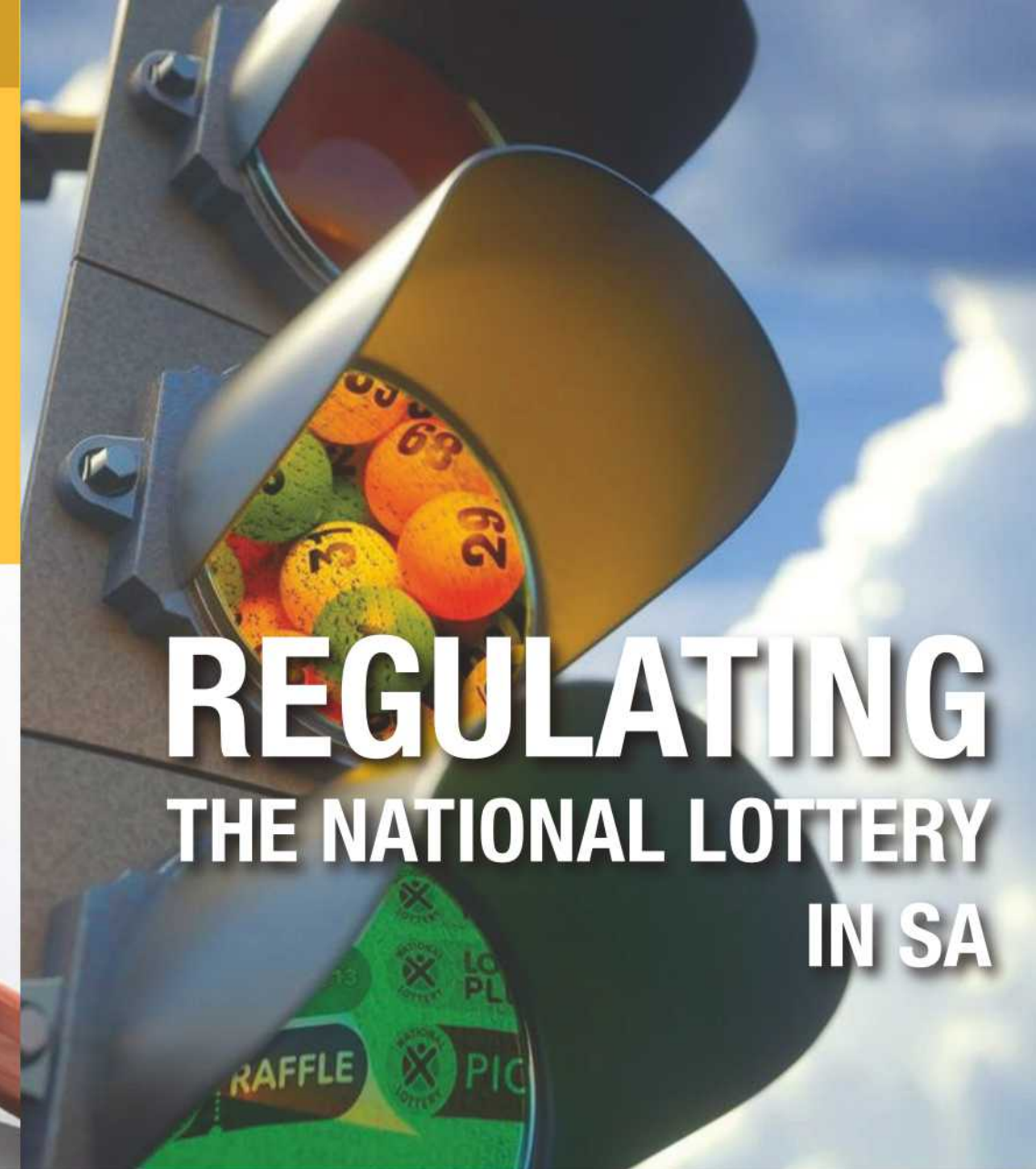
- > **SWITCH BOARD: 0860 065 383**
- > **FRAUD HOTLINE: 0860 012 013**
- > **EMAIL: LOTTOPLAYERS@NLCSA.ORG.ZA**

CONTACT US.
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INTRODUCTION

WHAT IS A LOTTERY?

Includes any game, scheme, arrangement, system, plan, promotional competition or device for distributing prizes by lot or chance and any game which the Minister of Trade and Industry may by notice in the Gazette declare to be a lottery.

WHAT IS A NATIONAL LOTTERY?

National Lottery means the Lotteries Contemplated in Part 1 of the Act (Lotteries Act) and includes all lotteries conducted in terms of the Licence to Operate the National Lottery issued by the Minister of Trade and Industry (i.e. – Current National Lottery Games: Lotto, Powerball, Daily Lotto, Eaziwin, Raffle)



WHAT IS SPORTS POOLS?

Sports Pools means any scheme, excluding any scheme or competition in respect of horse racing which is authorised by the Board, or which is conducted in the same format and manner and under the same circumstances as a scheme or competition in respect of horse racing that existed prior to 18 June 1997, under which –

(1) any Person is invited or undertakes to forecast the result of any series or combination of Sporting Events in the competition with other Participants; and

(2) a Prize is to be awarded to the competitor who forecasts the said result correctly or whose forecast is more nearly correct than the forecasts of other competitors, or a number of Prizes are to be awarded on the basis aforesaid, and for the purposes of this definition the forecast of a result includes not only the forecast of the Person, animal, thing or team that will be victorious or otherwise, but also any forecast relating to the system of scoring employed in the Sporting Event in question, or to the Person who will be responsible for the score

Current Sports Pools games are – Sports take 13 and Sports take 8.



WHO IS THE NATIONAL LOTTERY OPERATOR?

The Licence to Operate the National Lottery is issued to one operator, currently held by Ithuba Holdings (the Operator). The Licence commenced on 1 June 2015 and expires on 31 May 2023, subject to any extension which the Minister may grant.

Just because a scheme says “lotto” or “lottery” it does not mean it is an authorized National Lottery game. The following is the lawful and recognised logo for the National Lottery:



MANDATE

The National Lotteries Commission (NLC) was established in terms of the Lotteries Act No. 57 of 1997 as amended (the Act). The NLC's responsibilities in regulating the National Lottery, as set out in the Act and applicable regulations, are as follows:

- Advise the Minister on the issuing of the Licence to conduct the National Lottery;
- Ensure that the National Lottery and Sports Pools are conducted with all due propriety;
- Ensure that the interests of every participant in the National Lottery are adequately protected;
- Ensure that the net proceeds of the National Lottery are as large as possible;
- Advise the Minister on the efficacy of legislation pertaining to lotteries and ancillary matters;
- Advise the Minister on establishing and implementing a social responsibility programme in respect of lotteries;
- Perform such additional duties in respect of lotteries as the Minister may assign to the Board;
- Make such arrangements as may be specified in the Licence for the protection of prize monies and sums for distribution; and
- Advise the Minister on any matter relating to the National Lottery and other lotteries or any other matter on which the Minister requires the advice of the Board;

FUNCTIONS PERFORMED IN REGULATING THE NATIONAL LOTTERY

1. ENSURING THAT ALL PERSONS THAT RUN OR ARE ASSOCIATED WITH RUNNING THE NATIONAL LOTTERY ARE FIT AND PROPER

All directors and staff of the Operator, together with Retailers who sell National Lottery tickets are vetted. The NLC also ensures that key contractors that conduct business with the Operator are also vetted to ensure that the integrity of the National Lottery is maintained and players are protected.

2. REGULATORY APPROVALS AND MINISTERIAL ADVICE

The NLC receives proposals from the Operator such as new games, channels of play and amendments to game rules and prize pay-out structures. These proposals are assessed and the Board advises the Minister on approval thereof, as required in the Act and the Licence.

Before recommending approval on any proposals, or amendments thereto, the NLC considers issues such as:

- player protection
- projected returns to good causes
- protecting player funds
- legality
- impact on the National Lottery brand and intellectual property
- rationale for the design of the Game
- marketing plan and market research analysis in respect of the Game
- analysis of competing products, such as promotional competitions, Society Lotteries, casinos, horse racing and the like in the Republic
- The random number generator (RNG) is independently tested and certified to ensure independence and randomness

3. PROTECTING NATIONAL LOTTERY PLAYERS

Protecting players is central to all that we do. The following are some of the important activities we perform to protect players:

- ensuring that the Operator pays prizes promptly by conducting reviews of prize payments process for prize winners;
- protecting players against possible fraud, by checking that the Operator implements appropriate security procedures to verify the identity of winners who claim prizes;
- conducting reviews to ensure that the Operator protects the anonymity of winners, in line with Licence requirements;
- approving the descriptions and procedures for key processes (e.g. draws and prize payments);
- ensuring that clear information is available to players, including information on games available, how to play and how to claim prizes;
- handling complaints if a player is unhappy with the service they have received from either a Retailer or the Operator, after they have exhausted the Operator's complaints handling procedures (see process and contact details below);
- ensuring that there are controls in place to protect against excessive play;
- ensuring that there are controls in place to protect against underage play; and

4. ENSURING NATIONAL LOTTERY ARE FAIR

Through inspections, reviews, certification and testing:

- We ensure that all draws are fair, ball and numbers election is random and results are honestly recorded;
- There are approved procedures that govern the way in which National Lottery draws are carried out;
- Every draw is overseen by Independent Auditors who also provide assurance that the draw is carried out correctly;
- The Operator is required to carry out periodic tests and re-accreditation of both draw machines and ball sets to ensure randomness of draw results;
- Machines and ball sets used in each draw are randomly chosen by members of the public;

5. MONITORING OF PAYMENTS TO THE NATIONAL LOTTERY DISTRIBUTION TRUST FUND (NLDTF)

- The NLC ensures that the proportion of National Lottery ticket sales that goes to good causes, and as well as any other prescribed payment, is transferred from the Operator to the NLDTF in accordance with timelines specified in the Licence.
- The NLC makes sure that the Operator's payments are complete and accurate.

6. MONITORING OPERATOR COMPUTER GAMING SYSTEMS THROUGH INDEPENDENT VERIFICATION SYSTEMS (IVS)

- The NLC monitors the reliability, security and efficiency of the National Lottery's central gaming systems and network of terminals to ensure that every National Lottery ticket bought is properly recorded and included in the relevant draw.
- The system allows the NLC to agree sales figures and prize shares and make certain that the number of winners and prize amounts are accurate after each draw.
- The system also enables the NLC to confirm that monies due to good causes are correctly determined;

