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Index Rules and Methodology

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S-Network Global Gaming Index (WAGR) Rule Book (Section I)

This document provides the rules for calculating and maintaining the S-Network Global Gaming Index, hereafter referred to as the “WAGR”. Included in these rules are the following: 1) a description of WAGR, 2) the design specifications for WAGR, and 3) the index calculation and data elements.

I. General Description

The S-Network Global Gaming Index is a modified capitalization weighted, float adjusted composite equity index designed to serve as an equity benchmark for globally traded stocks which are principally engaged in the Gaming industry.

WAGR predominantly comprises public companies engaged in a) Casino and Casino Resorts; b) Sports and Race Betting Establishments, including racetracks; Online Gaming Businesses; and Gaming and Lottery Equipment and Technology Providers.

WAGR contains stocks selected from a universe of equity securities traded on recognized stock exchanges in a) the Americas, b) Europe, Middle East & Africa (EMEA) and c) Asia/Pacific, based on a set of objective screening criteria. A modified capitalization weighting methodology, adjusted for free float, is used to weight the eligible stocks, subject to certain capping processes.

The selection criteria include requirements for industry participation, primary exchange listing, minimum capitalization (adjusted for free float), minimum price and minimum average daily trading volume.

All companies contained in WAGR are categorized as being “principally engaged” in the Gaming industry. For the purposes of WAGR, a principally engaged company must generate more than 50% of its total revenues from activities directly related to Gaming. Included in the Gaming revenues are revenues generated from the operation of resort facilities connected to casino operations. Revenues from resort facilities that are not connected to casino operations are excluded. For capitalization weighting purposes, principally engaged companies are weighted based upon their full market capitalization, adjusted for free float

II. Index Value at Inception

WAGR shall have a value of 2000, as of its inception date of January 1, 2002. The indexes will be calculated both as Price Only Indexes and Total Return Indexes in both USD and EUR.

III. The Index Committee

The S-Network Gaming Index Committee (“The Committee”) will be composed of not less than three members. The Committee Chairman will have extensive experience in and expertise in financial markets and stock market characteristics. Two of the members will have specific Gaming industry expertise.

The Committee will be responsible for maintaining a comprehensive list of companies that are principally engaged in the business segment and the list will form the universe of stocks from which the index is developed. The universe of stocks will be updated quarterly.

Impartial selection criteria will then be applied to these stocks to determine whether or not they are to be included in the index, also on a quarterly basis.

The Committee will then review the stocks to be included in the Index and may reject any stock that it believes does not meet its overall standards for risk and sound business practice, with special consideration given to legal and regulatory issues related to online gaming businesses.

The Committee will meet quarterly, either in person or via teleconference, to discuss index issues and organize the quarterly rebalancings.

The composition of the Committee may from time to time be changed to reflect changes in market conditions.

IV. Eligibility Criteria

Only companies that meet the following eligibility criteria may be considered for inclusion in the Composite index.

- i) The company has been classified by the Committee as being principally engaged (>50% of gross revenues derived from business directly related to Gaming).
- ii) The company's stock must trade on a recognized North American, European or Asian stock exchange. (National Stock Exchange, formerly NASDAQ, stocks must be "reported securities" under 11Aa3-1 of the Securities and Exchange Act, i.e., National Market System stocks, and similar criteria apply to stocks with foreign listings.) Only actual common shares outstanding are eligible for inclusion. For companies with multiple share classes, the eligibility of each share class will be considered based upon overall liquidity (average daily trading volume) as if each represented a separate company. A list of approved exchanges is shown in Appendix A.
- iii) The stock will be determined at index inception and will be revised with each quarterly reconstitution to reflect current market levels. The minimum capitalization value for any stock will be greater than USD 200 million, or the equivalent amount in its listing currency. The minimum free float value for any stock will be greater than USD 100 million, or the equivalent amount in its listing currency.
- iv) A Composite constituent whose float-adjusted capitalization falls below 50% of the minimum on the date of the quarterly reconstitution shall be deleted from WAGR after the close on the effective date of the reconstitution.
- v) Companies with turnover (shares traded X share price) of less than USD 1 million per day for the three months prior to a rebalancing date shall not be eligible for inclusion in WAGR.
- vi) A constituent whose three-month average daily trading volume falls below USD 600,000 on the date of the quarterly rebalancing shall be deleted from the WAGR before the open of trading on the effective date.
- vii) If a company has been trading for fewer than three calendar months ("Recent IPO") but more than 22 trading days, the company's average daily share

volume for its entire trading history shall be used to calculate average daily turnover, which shall then be multiplied by the full number of trading days in the quarter. Such companies may be added to the Composite on any rebalancing date at the discretion of the Committee. Recent IPOs in non-US jurisdictions will be added only after meeting relevant US regulations with respect qualifications for US ownership.

V. Constituent Weightings

- i) All eligible companies are assigned weights based upon their respective market capitalizations, adjusted for free float and further adjusted for those companies categorized as materially engaged.
- ii) Any stock with an initial weight in excess of 15% of the total weight of the index shall be capped at 15% and the excess weight shall be redistributed across all other index constituents in the index in proportion to their respective weights in the index, less the weight of the capped company.
- iii) The sum of the weights of all stocks of more than 5% shall be capped at 40% and the weights of the 5% stocks shall be reduced on a proportional basis. The excess weight shall be applied to the remaining stocks in the index on a proportional basis.
- iv) Each constituent whose weight value was not previously limited will be capped at the lower of 4.9% or .01% less than the lowest weighted component previously adjusted, and the excess weight shall be redistributed across all the other index constituents in the index in proportion to their respective weights in the index, less the weight of the previously capped companies.
- v) The process referred to in section V.iv will be repeated until weights represent the respective market capitalization in descending order.

VI. Rules for Reconstitutions, Rebalances, and Index Changes

WAGR is calculated by S-Network Global Indexes (“Calculation Agent”). The Calculation Agent is also responsible for index maintenance and price dissemination. The calculation, maintenance and dissemination rules are as follows:

Index Changes. Shares outstanding totals for component stocks are updated during the quarterly review; however, if the number of float-adjusted shares outstanding for an index component changes by more than 5% due to a corporate action, the shares’ total will be adjusted immediately after the close of trading on the date of the event. Whenever possible, changes will be announced at least two business days prior to its implementation. The effective date for changes in shares outstanding due to stock dividends, splits and other corporate actions are adjusted at the discretion of the index committee its designee.

Index Reconstitutions. The Index is reconstituted quarterly; during which the Index Committee submits to the Calculation Agent a candidate list of all identifiable companies worldwide that are principally or materially engaged in the business (as described above)

including current Index constituents and recent IPOs. All candidates and current constituents are screened against the Composite selection criteria, and additions to and deletions from WAGR are determined. Once the Committee has approved additions and deletions, the Index is reconstituted and rebalanced to reflect all changes.

Additions and Deletions. Additions to WAGR are made at the close of trading on the quarterly reconstitution dates (third Friday of the last month of each calendar quarter).

Deletions to the Index are made 1) at the close of trading on the quarterly reconstitution dates (third Friday of the last month of each calendar quarter) for companies that fail to meet the inclusion criteria and 2) at the close of trading two business days before the effective of the relevant corporate action, in the event a company is de-listed, files for bankruptcy, is acquired or merges with another company. In certain instances in which a corporate action is pending but has a high probability of occurring, the Index Committee may delete the company at its discretion upon two days notice.

VII. Roles of Parties in the Quarterly Reconstitutions.

- i) The Committee, or its designee, will submit to the Calculation Agent a list of index constituents for possible inclusion in WAGR at the close of US markets on the Monday following the third Friday of the month prior to the rebalancing month.
- ii) The Calculation Agent will use the remaining criteria in V to statistically screen the list of index constituents to confirm their eligibility for the index based on closing prices and values as of last trading date of the second month of each calendar quarter.
- iii) On the first Friday of the rebalancing month, the Calculation Agent shall provide the Committee, or its designee, with a list of constituents for the WAGR.
- iv) The Committee shall approve or reject the changes and notify the calculation agent of its decisions not later than the Wednesday following the first Friday of the rebalancing month.
- v) Not later than the Wednesday following the first Friday of the rebalancing month, the Index Committee or its designee will issue a press release announcing additions and deletions to WAGR. The press release will be posted on the WAGR web site. (Announcement date.)
- vi) The Calculation Agent will provide final share weights to the Committee or its designee on the second Friday of the rebalancing month. Weights will be based on prices as of the close of trading on the preceding Thursday, or the Thursday prior to the second Friday of the rebalancing month.
- vii) The WAGR Index Committee or its designee will approve the final share weights prior to the close of US markets on the second Friday. Share weights will be disseminated to all licensees immediately following the Index Committee or its designee approval.
- viii) The Calculation Agent will distribute final share weights to all approved parties via email and FTP after the close of US markets on the second Friday.
- ix) The effective date of the rebalancing will be the third Friday of the rebalancing month. The Calculation Agent will post all final rebalancing data and information

on its FTP server on the second Friday of the rebalancing month barring the Index Committee Approval.

- x) WAGR will post all rebalancing data on its website prior to the open on the next business day following the rebalancing date.

VIII. Calculation of Index Values

- i) The Calculation Agent will calculate index values using closing price data it receives on each component security.
- ii) The Calculation Agent will distribute index values to vendors at the close of trading each day.
- iii) Official summaries will be disseminated between 17:00 (EST-US) and 19:00 (EST-US) (closing price).
- iv) If, during periods when the index is calculated, one or more markets are closed, the index calculation will continue using the last closing price for those stocks that trade on the closed exchange(s).
- vii) Stocks denominated in foreign currencies will be converted to USD with each reported price using exchange rates derived from Reuters. Official closing prices for the Index will be calculated using the Thomson Reuters Rates (4PM London).
- viii) The Index will be calculated and disseminated in USD and EUR.
- ix) The indexes will also be calculated and disseminated in USD and EUR using Luxembourg Dividend Tax Rates to calculate net total return.

IX. Dissemination

Index values will be disseminated in US dollars via the New York Global Index Feed using the following tickers:

<u>Index</u>	<u>Ticker</u>
S-Network Global Gaming Index (USD)	WAGR
S-Network Global Gaming Index (EUR)	WAGRE

Index values will be disseminated in EUR via the New York Global Index Feed using the following tickers:

X. Ongoing Maintenance

- i) In addition to the scheduled quarterly reviews, WAGR is reviewed on an ongoing basis. Changes in index composition and related weight adjustments are necessary whenever there are extraordinary events such as delisting, bankruptcy, mergers or takeovers involving index components. In these cases, each event will be taken into account as soon as it is effective. **A rebalance of**

the index affected by these events is at the discretion of the Index Committee or its designee in the event a significant component is affected by any of the above corporate actions. Whenever possible, the changes in the index's components will be announced at least two business days prior to their implementation date.

- ii) Changes of Eligible Securities. In the event that a component no longer meets the eligibility requirements described in Section V herein, it will be removed from the index.
- iii) Changes of Industry Classification. Companies are eligible for inclusion in the Composite based on the revenues received from its applicable business segment. Mergers, takeovers, and spin-offs, as well as organic growth in a company's business segments, may cause a company to lose its eligibility. In such a circumstance, the company will be deleted from the index. A company's classification may also require an immediate change as the result of a special event such as a merger, takeover or spin-off.
- iv) Splits and Spin-offs. If an index constituent splits or spins off a portion of its business to form one or more new companies, all of the companies involved in the spin-off will be immediately included in the GAMING, if they would otherwise qualify for membership.
- v) Mergers. If two index constituents merge, their component positions will be replaced by the surviving company immediately. The Calculation Agent will adjust the float-adjusted shares outstanding for the surviving company to reflect the changes in both its total shares and any float blocks, regardless of the percentage changes in the survivor. If an index constituent merges with a non-component company, its component position will be replaced by the new company, if the new company meets all eligibility criteria described in Section IV herein. In the event of mergers of equals, the combined trading history of the predecessor companies shall be used for evaluation.
- vi) Takeovers. If an index component is taken over by another component company, the former will be removed from the index immediately upon completion of the takeover. If an index component is taken over by a non-component company, it will be replaced by the acquiring company immediately, if the acquiring company meets all the eligibility criteria described in Section IV herein.
- vii) Share Offerings, Tenders and Purchases. If a component is involved in a secondary share offering, rights offering, or conversion of debt or preferred stock to common shares that results in an increase of more than 5% in float-adjusted shares outstanding, the Calculation Agent will adjust the shares outstanding and float as soon as practicable following completion of the transaction, subject to a two-day notification period. The Calculation Agent also will adjust float-adjusted shares outstanding decreases of 5% or more due to Dutch auctions, share repurchase programs, and block purchases by insiders, subject to a two-day notification period.
- viii) Removal of Companies Due to Delisting, Bankruptcy or Extreme Financial Distress. If an index constituent is de-listed by its primary market, or is in bankruptcy proceedings, it will be removed from the index.

* If an index component is de-listed by its primary market due to failure to meet financial or regulatory requirements, it will be removed from the index.

* If an index component enters bankruptcy proceedings, it will be removed from the index and will remain ineligible for re-inclusion until it has emerged from bankruptcy. However, the Committee may, following a review of the bankrupt company and the issues involved in the filing, decide to keep the company in the index.

* The Committee may, at its discretion, remove a company it has determined to be in extreme financial distress from WAGR, if the Committee deems the removal necessary to protect the integrity of the index and the interests of investors in products linked to that index.

ix) Pricing of Stocks in Extreme Financial Distress for Index Maintenance.

* When a stock is suspended from trading due to financial distress and subsequently de-listed by its primary market prior to resumption of trading, the Calculation Agent will use the best-available alternate pricing source to determine the value at which the company should be removed from the index.

* If the stock's primary market price is no longer available due to its suspension or de-listing, a current price from another exchange, such as a regional or electronic marketplace, may be used. In the absence of those prices in the case of U.S. securities, OTC Bulletin Board, OTC Equity (non-OTCBB stocks), and Pink Sheet traded prices could be applied in that order.

* If neither a traded price nor a bid/asked range is available, the Committee will evaluate the status of the suspended stock. The Committee may consult with managers of portfolios linked to Index in which the stock is a constituent in determining the value of the stock. If the Committee concludes that the security has become worthless or is likely to remain too illiquid to be traded, it will be removed from the index at .01 local currency of the stock.

XI. Float Adjustment

All stock issues in the index are assigned a float factor, ranging from 0 and 1, which accounts for publicly available and freely traded shares of the company.

Three types of shareholders whose holdings are considered to be control blocks are subject to float adjustment:

1. Holdings by other publicly traded corporations, venture capital firms, private equity firms/strategic partners or leveraged buy-out groups;
2. Holdings by government entities, including all levels of government (restricted only to governments of domestic listing markets);
3. Holdings by current or former officers and directors of the company, founders of the company, or family trusts of officers, directors or founders. Secondly, holdings of trusts, foundations, pension funds, employee stock ownership plans or other investment vehicles associated with and controlled by the company.

The holdings within each group form a cumulative total. In cases where holdings in a group exceed 10% of the outstanding shares of a company, the holdings of that cumulative group

will be excluded from the float-adjusted count of shares to be used in index calculations. To arrive at the 10% and over calculations, individual holdings below 5% will be ignored. Holdings under 5% will only be taken into account if they belong to clearly related shareholders like family members or board members.

Additionally, statutory limits on foreign ownership are recognized and applied where necessary.

Float factors are sourced through S-Network Global Indexes. In the event S-Network Global Indexes does not provide float data on a specific index constituent, a recognized publicly available source is used.

The Index Committee may review float data on a periodic basis and may conduct its own review of individual float factors it deems inconsistent with other publicly available float calculations and, in certain instances, may adjust the float factor used.

XII. Calculation and Adjustments

i) Input Data Sources

* Closing stock prices are provided by Reuters. The closing trading price is used for index calculation.

* The number of shares is determined separately for each class of stock. This information is obtained from regulatory filings and a variety of data vendors. The data also may be sourced from the companies themselves.

* Corporate actions are sourced from public news services, regulatory filings and data vendors. The companies themselves may be used as an additional source.

* Float data are obtained from a variety of sources including data vendors, exchanges, regulators and the companies themselves.

ii) Index Formula. The index is calculated using a Laspeyres formula. This formula is used for the calculation of the return index and the price index. The only difference is that the divisor D_t is different for the two Index (return index and price index).

The index is computed as follows:

$$\text{Index}_t = \frac{\sum_{i=1}^n (p_{it} \times q_{it})}{C_t \times \sum_{i=1}^n (p_{i0} \times q_{i0})} \times \text{Base Index Value} = \frac{M_t}{B_t} \times \text{Base Index Value}$$

The above mentioned formula can be simplified as: $\text{Index}_t = \frac{M_t}{D_t}$

Where:

$$D_t = \frac{B_t}{\text{base index value}} = \text{divisor at time (t)}$$

n = the number of stocks in the index

p_{i0} = the closing price of stock i at the base date (January 1, 2002)

q_{i0} = the number of shares of company i at the base date (January 1, 2002)

p_{it}	=	the price of stock i at time (t)
q_{it}	=	the number of shares of company i at time (t)
C_t	=	the adjustment factor for the base date market capitalization
t	=	the time the index is computed
M_t	=	market capitalization of the index at time (t)
B_t	=	adjusted base date market capitalization of the index at time (t)

Dividend payments are not taken into account in the price indexes, whereas dividend payments are reinvested in the index samples of the total return indexes.

- iii) Divisor Adjustments. Corporate actions affect the share capital of component stocks and therefore trigger increases or decreases in the index. To avoid distortion, the divisor of the index is adjusted accordingly.
- iv) Changes in the index's market capitalization due to changes in the composition (additions, deletions or replacements), weighting (following quarterly reviews or changes of more than 10% in a single component's share number) or corporate actions (mergers, spin-offs, rights offerings, repurchase of shares, public offerings, return of capital, or special cash or stock distributions of other stocks) result in a divisor change to maintain the index's continuity. By adjusting the divisor, the index value retains its continuity before and after the event.

* Formulae for Divisor Adjustment. The following formulae will be used for divisor adjustments. (Note: No divisor adjustments are necessary for stock splits, since market capitalization does not change and the share number and share price are adjusted prior to the opening of trading on the split's ex-date.)

$$D_{t+1} = D_t \times \frac{\sum (p_{it} \times q_{it}) \pm \Delta MC_{t+1}}{\sum (p_{it} \times q_{it})}$$

Where:

D_t	=	divisor at time (t)
D_{t+1}	=	divisor at time (t+1)
p_{it}	=	stock price of company i at time (t)
q_{it}	=	number of shares of company i at time (t)
ΔMC_{t+1}	=	add new components' market capitalization and adjusted market capitalization (calculated with adjusted closing prices and shares effective at time t+1 and/or minus market capitalization of companies to be deleted (calculated with closing prices and shares at time t)

Note: If the current trading price of an issue is unavailable, the previous trading session's closing price is used. However, if the issue is affected by any corporate action that requires an adjustment, then the adjusted price is used.

* Adjustments for Corporate Actions. An index divisor may decrease (▼) or increase (▲) or keep constant (■) when corporate actions occur for a component stock. Assuming shareholders receive "B" new shares for every "A" share held for the following corporate actions:

▼ A) CASH DIVIDEND (applied for return index only)

adjusted price = closing price - dividend announced by the company

▼ B) SPECIAL CASH DIVIDEND (applied for price and return index)

adjusted price = closing price - dividend announced by the company

■ C) SPLIT AND REVERSE SPLIT

adjusted price = closing price * A / B new number of shares = old number of shares * B / A

■ D) RIGHTS OFFERING

adjusted price = (closing price * A + subscription price * B) / (A + B) new number of shares = old number of shares * (A + B) / A

■ E) STOCK DIVIDEND

adjusted price = closing price * A / (A + B) new number of shares = old number of shares * (A + B) / A

▼ F) STOCK DIVIDEND OF A DIFFERENT COMPANY SECURITY

adjusted price = (closing price * A - price of the different company security * B) / A

▼ G) RETURN OF CAPITAL AND SHARE CONSOLIDATION

adjusted price = (closing price - dividend announced by company) * A / B new number of shares = old number of shares * B / A

▼ H) REPURCHASE SHARES-SELF TENDER

adjusted price = [(price before tender * old number of shares) - (tender price * number of tendered shares)] / (old number of shares - number of tendered shares)

new number of shares = old number of shares - number of tendered shares

▼ I) SPIN-OFF

adjusted price = (closing price * A - price of spun-off shares * B) / A

▲ J) COMBINATION STOCK DISTRIBUTION (DIVIDEND OR SPLIT) AND RIGHTS OFFERING

Shareholders receive B new shares from the distribution and C new shares from the rights offering for every A shares held:

* If rights are applicable after stock distribution (one action applicable to other). adjusted price = [closing price * A + subscription price * C * (1 + B / A)] / [(A + B) * (1 + C / A)] new number of shares = old number of shares * [(A + B) * (1 + C / A)] / A

* If stock distribution is applicable after rights (one action applicable to other). adjusted price = [closing price * A + subscription price * C] / [(A + C) * (1 + B / A)] new number of shares = old number of shares * [(A + C) * (1 + B / A)]

▲ K) STOCK DISTRIBUTION AND RIGHTS (NEITHER ACTION IS

APPLICABLE TO THE OTHER) adjusted price = [closing price * A + subscription price * C] / [A + B + C] new number of shares = old number of shares * [A + B + C]

- v) Computational Precision. Index values are rounded to two decimal places and divisors are rounded to integers. Any values derived by the index calculation engine from a corporate action used for the divisor adjustments and index computations are rounded to seven decimal places.

XIII. Data Correction Policy

To maintain a high standard of data integrity, a series of procedures have been implemented to ensure accuracy, timeliness and consistency. Input prices are monitored using a variety of computerized range-check warning systems. Fault tolerant methods are employed in the collection of market and corporate action data. Various verification and audit tasks are performed to ensure the quality of the data feeds and related market data. While every effort is taken to ensure the accuracy of the information used for the index calculation, an index error may occur due to incorrect or missing data, including trading prices, exchange rates, shares outstanding and corporate actions, due to operational errors or other reasons.

- i) Intraday Corrections. Reasonable efforts are employed to prevent erroneous data from affecting the Index. Corrections will be made for bad prices and incorrect or missing corporate actions as soon as possible after detection.
- ii) Index-Related Data and Divisor Corrections. Incorrect pricing and corporate action data for individual issues in the database will be corrected upon detection. In addition, an incorrect divisor of an index, if discovered within five days of its occurrence, will always be fixed on the day it is discovered to pre-vent an error from being carried forward.
- iii) If a divisor error is discovered more than five days after occurrence, the adjustment will depend upon how significant the error is, how far back the error occurred and the feasibility of performing the adjustment.

XIV. APPENDIX REVIEW SCHEDULE

Shares Updates

Frequency: Quarterly

Effective date: The Monday after the 3rd Friday of that month

Advance notice: At least two business days

Quarterly Review

Frequency: Quarterly

Effective date: The Monday after the 3rd Friday of that month

Advance notice: At least two business days

News Notification

Frequency: As needed

Effective date: As announced

Advance notice: At least two business days whenever possible

* Includes events such as de-listings, mergers, bankruptcies and other extraordinary events.

* Based on available news.

