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EXHIBIT 3.1

Transition Plan

Transition Plan

Introduction

The Integrated Services Agreement (ISA) calls for a Transition Plan to be prepared and submitted by GTECH and approved by the Commission prior to the Agreement Effective Date. This document describes the Transition Plan that GTECH proposes to implement. The Transition Plan's ultimate goal is to secure a smooth transfer of operations to the Provider.

The Transition Plan includes:

- Composition, responsibilities, and milestones for each of the Transition and Integration teams, as described later in the plan.
- A detailed Activity Plan showing all Transition activities and deliverables to be completed by the Provider and the Commission. This plan includes all significant components and subcomponents of each activity and deliverable, as well as a complete timetable.
- Identification of all activities which are critical to the performance of the Transition Services (later referred as Transition Milestones).
- A plan and timetable for terminating, assuming, or replacing any Commission Contracts.
- A plan and timetable for the Transition of the technology services (detailed in specific Gantt charts later in the document).
- A plan and budget for Services during the Ramp-up Period. (Budget is reported in the Financial Section of the plan.)
- Identification of major Transition risks and mitigation actions.
- The process for implementing the State's right to delay the Scheduled Base Services Commencement Date.
- A plan and timetable for implementing the Provider's assumptions, undertakings, and other related performance obligations.
- A plan and timetable for interviewing and offering full-time employment for any Commission Personnel.

The Provider will make an offer of full-time employment effective immediately after the Transition Completion Date to all Commission Personnel employed by the Commission as of the Agreement Effective Date who are engaged in a function that has been identified in the Initial Annual Business Plan as being a function that Provider will provide as part of the Services from and after the Transition Completion Date.

The Provider shall provide Transition-related reports as described under the Process for Monitoring the Progress of the Transition Plan heading.

Regarding the expenses incurred during the Transition, we consider that:

- The Provider and the Commission will agree on expenses related to Transition Activities, as referred to in the ISA Section 3.1B, Transition Expenses.
- To the extent included in the Business Plan, the Management fee for Contract years through May 5 include a pro rata portion of any start-up overhead expenses for Providers business operations with respect to providing Transition Services.

Basis for the Preparation of the Plan

Transitioning Hoosier Lottery services to a Provider will be a complex process and one that requires thoughtful planning and experienced coordination and management. The only such transition previously executed in the United States was for the Illinois Lottery during its evolution into private management. The lessons learned during the Illinois start-up and Transition will be essential for ensuring that the transition of services from the Hoosier Lottery to Provider is completed transparently, responsibly, successfully, and efficiently.

Key lessons learned in Illinois are:

STARTING BEFORE THE AGREEMENT EFFECTIVE DATE

Provider will anticipate and begin working on many of the Transition activities before the Agreement Effective Date, such as hiring and staffing key personnel, starting negotiations with current key providers to the Hoosier Lottery (where appropriate and permitted), and assigning people to Transition and Integration teams.

COLLABORATION OF THE PARTIES FROM DAY ONE

Many of the Transition activities will require active collaboration between the Commission and the Provider. The identification of people from the Commission and their assignment to Transition teams is a critical step in building the foundation of the Transition and cannot happen without collaboration. Having key Commission personnel available and committed to the Transition from the beginning is essential for achieving the defined schedule.

ACCESS TO KEY INFORMATION AND PEOPLE

The Provider has based its Business and Transition Plans on a great deal of information and experience, including the information provided by the Commission. Some Transition activities, such as those relating to technology systems and operations, personnel strengths and areas for improvement, compliance procedures, and others, require a deeper knowledge of current lottery operations and resources. Having complete access to information and Commission personnel will allow the Provider to perform a full and comprehensive assessment, which will further strengthen its Transition activities and plan.

Using what we have learned in Illinois and our other experiences worldwide for comparable lotteries, GTECH has developed a Transition Plan that:

- Is based on a tight but realistic timeline that sets the completion of the Transition on [REDACTED]. While minimizing the time spent in Transition, this schedule emphasizes the importance of limiting disruptions. The schedule also anticipates business growth initiatives during the Ramp-up Period, including retailer recruitment, branding innovation, and other marketing activities.
- Anticipates many Transition activities and begins work before the Agreement Effective Date, during a period we call the Mobilization Phase, described later in the Transition Plan.
- Identifies major risk areas and mitigation actions.

GENERAL TIMELINE OF THE TRANSITION PLAN

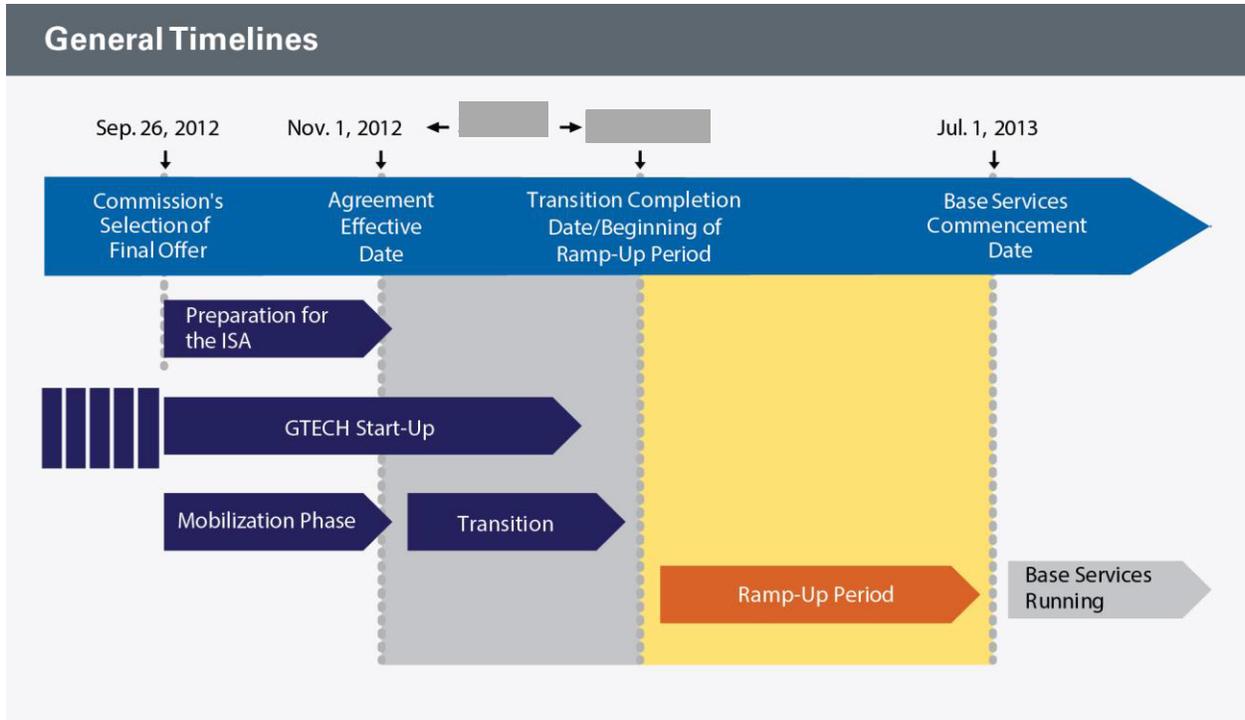
In developing the Transition Plan, we have made a number of assumptions with the goal of streamlining the overall process, including the following:

- Selection of the Final Offer on September 26, 2012.
- Execution of the ISA on or about November 1, 2012.

In this section, GTECH defines the following three periods:

- Mobilization Phase, beginning on September 26, 2012, and lasting through November 1, 2012.
- A Transition beginning November 1, 2012, and lasting [REDACTED]
- A Ramp-up Period beginning [REDACTED] and lasting through June 30, 2013. The following figure, General Timelines, illustrates the Transition Plan schedule, based on three major activities that will begin on the day following the Commission's selection, including the Ramp-up Period:
 - **Preparation for Agreement:** Execution of all activities, such as negotiations regarding possible items not fully defined in the ISA, and the administrative and legal preparation for executing the ISA, that must be completed before the Agreement Effective Date.
 - **Start-Up:** Organizational set-up of Provider, including set-up of headquarters, recruitment of non-Commission personnel and development of management support processes.
 - **Transition Activities:** Hand-over to the Provider of key operating processes currently managed by the Commission or by other providers. The Commission will continue to control all significant Lottery-related business decisions and activities. This activity, which will begin during the "Mobilization Phase" between the Commission's selection of the final offer and the Agreement Effective Date, is specifically addressed in this section. These activities will end with the "Certificate of Transition," establishing the end of the Transition Period.

Figure 3.0 – 1:

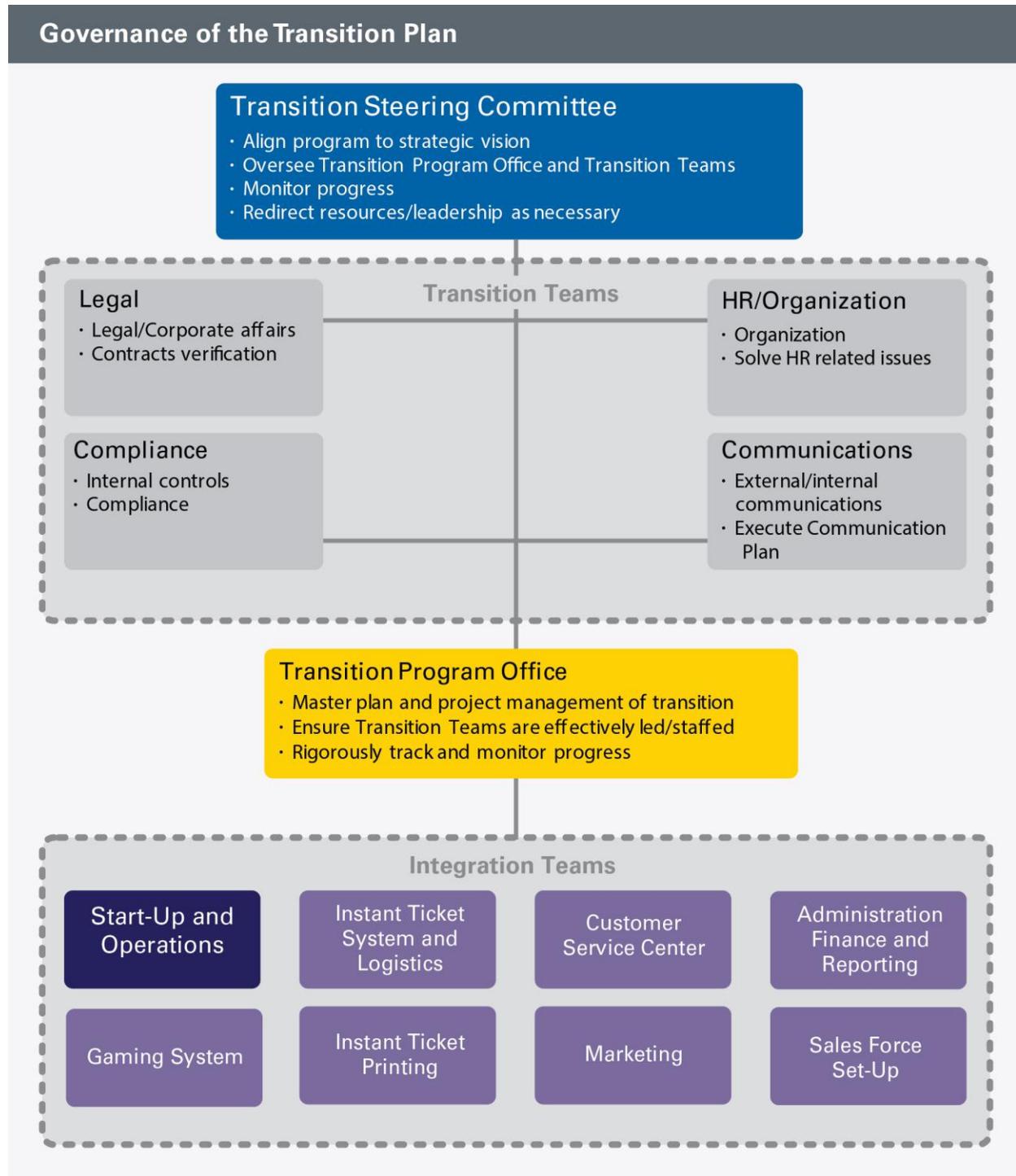


Governance of the Transition Plan

The Transition will require close coordination among the Commission, Provider, and current Lottery service providers. Cooperative efforts will also be needed for detailed planning, rigorous monitoring of the progress of the activities, identification of qualified Integration teams, and development of an effective governance structure.

The following figure depicts the governance and operational structures for management of the Transition.

Figure 3.0 – 2:



Achievement Through Cooperative Effort: The success of the Transition will be assured in part by the well- thought-out governance and operational structures in place.

TRANSITION STEERING COMMITTEE

The Committee will include key members of the Provider and representatives from the Commission. We propose that the Steering Committee be led by the Provider CEO. Its major responsibilities are:

- Review and approve cross-team comprehensive Master Plan.
- Approve Transition targets and milestones.
- Review and check milestone achievement.
- Decide on the most critical or contentious issues.
- Approve the submission of Transition Reports and the Provider Transition Notice to the Lottery.
- Discuss any issue arising from the Transition and mobilize the appropriate Transition/Integration teams or resources to address it in a timely fashion.

Committee meetings will be held at least monthly, but more often if necessary.

TRANSITION TEAMS

The four Transition teams depicted in the following figure will be staffed with representatives of the Provider and the Commission.

Figure 3.0 – 3:

Transition Teams			
	DESCRIPTION/OBJECTIVE	STAFFING	
		Lottery	GTECH
Legal	• Overview activities that can have legal/corporate relevance such as termination, assumption, and replacement of Commission Contracts	✓	✓
HR Organization	• Management of the transition of Commission personnel to the Provider • Solve any Human Resource related issues	✓	✓
Compliance	• Supervise and coordinate the set-up of controls, reports and backup procedures	✓	✓
Communication	• Coordination of communication efforts related to the Transition Plan and the Transition Phase, to internal and external stakeholders through the Communications Plan	✓	✓

These teams will deal with cross-functional issues that are particularly critical and need to be specifically addressed to ensure a smooth Transition and minimize any operational risks.

Each Transition Team will be responsible for overseeing the activities and plans of the Integration teams, providing support for what pertains to their responsibilities, to ensure the overall success of the initiative. They will develop a plan for their specific activities and work with the Transition Program Office to make sure all plans are synchronized with the Master Plan.

TRANSITION PROGRAM OFFICE

The different activities planned within each Integration Team are condensed in a single Master Plan, managed by the Transition Program Office. A single Master Plan guarantees:

- Consistency of plans among the Integration teams.
- Effective management of interdependencies.
- Identification of critical activities (those on the critical path).
- Risk analysis, in case of delays, and mitigation plan definition.
- Management of the plan and the updated progress/rescheduling.

The Transition Program Office will manage the Transition Master Plan and the process/timeline on a daily basis and oversee the Transition and Integration teams to ensure achievement of Transition milestones. The Program Office will set the agenda for the Transition Steering Committee, report activity progress, and propose major changes to the Transition Master Plan if dictated by issues arising from Transition activity.

The Program Office will also have the following responsibilities:

- Generate alignment among executives regarding activity progress.
- Maintain the Transition Master Plan to coordinate detailed work plans across Transition and Integration teams, check linkages between teams, and identify and maintain critical path activities.
- Verify overall resource requirements for the Transition and communicate additional resource needs.
- Work with the Steering Committee to ensure information flow and timely action related to any issues.

The Program Office will be led by a key member of the Provider.

INTEGRATION TEAMS

The Integration teams listed in the next figure are specialized by function, each focusing on a critical aspect of the business. They will be staffed with resources from the Provider.

Commission employees participate in some teams, particularly in the case of Commission personnel who are going to join the Provider as part of the ISA.

Figure 3.0 – 4:

Integration Teams			
	DESCRIPTION/OBJECTIVE	STAFFING	
		Lottery Support	GTECH
Start-Up and Operations	• Organizational set-up of Provider: HQ set-up/ recruitment of external personnel / set-up of management and operational processes (HR, payroll, ...)		✓
Gaming System		✓	✓
Instant Ticket System and Logistics	• Instant ticket management and validation system replacement • Self-Service takeover and new machine installation • GTECH takeover of logistics, warehousing, and distribution	✓	✓
Instant Tickets Printing	• Provider qualification of vendors for instant ticket design, planning, and printing	✓	✓
Sales Force Set Up	• Redesign of new sales force processes to refocus sales force on commercial support activities at retailer level (Product display, promotions...) • Integration of current lottery sales force into Provider organization (including taking responsibility of Lottery's inside sales team) • Set up a dedicated recruiting force	✓	✓
Marketing	• Takeover of marketing activities • Planning and starting rebranding activities	✓	✓
Customer Service Center	• Migrate customer care and retail service activities to Provider • Enhancement of the existing service with additional channels		✓
Administration Finance and Reporting	• Set-up of administrative/finance systems • Definition of implementation of financial/operational reporting	✓	✓

The Integration teams will:

- Develop/maintain detailed plans for their activities.
- Ensure achievement of Transition milestones that are within their scope of responsibility.
- Regularly update the Program Office (weekly) and Steering Committee (on demand) regarding status of activities and recommendations.
- Launch medium- and long-term initiatives with significant impact on the business.

Each Integration Team will have a Statement of Work, including:

- The overview of the Integration Team, complemented by the identification of the team leader, executive sponsors, related contact information, and required approvals and sign-offs.
- The mission statement, with descriptions of the team’s high-level objectives and a set of operating principles.
- Background information commensurate with the scope of responsibility.
- The list of initiatives that must be executed, timing, staffing requirements, and identification of existing operating constraints, and/or risks that the team is facing (mitigation actions shall be addressed).
- The Mobilization Plan, accompanied by dates for key meetings, milestones to review the work plan, and other Program Office requirements.

As part of their responsibility, Integration teams will update the Program Office on a weekly basis. Updates will contain milestone details (associated with the related owner), tracking linkages with other Transition or Integration teams, and a list of potential issues (roadblocks, etc.).

Transition Milestones and Master Plan

The Provider Transition Notice will be sent to the Commission no later than [REDACTED]. This date will allow the ten working days the Commission has requested to conduct any investigations deemed appropriate and issue the Certificate of Transition by [REDACTED].

Transition activities and Transition milestones are included in our plan and are summarized in the following figure.

Figure 3.0 – 5:



The Commission’s Approvals of the Compliance Plan and Internal Procedures on [REDACTED], includes the plans and procedures the Provider is required to submit according to the Integrated Service Agreement and Operating Standards. These are detailed in the Compliance Transition Team section later in the Transition Plan.

The detailed action to be executed regarding each of the existing Lottery contracts is illustrated under the heading, “Actions Regarding Existing Lottery Contracts,” later in this section.

With the completion of the Transition milestones the Transition teams will be removed. Their responsibilities will be transferred directly to Provider, whose work the Commission will oversee. The Integration teams will continue operating according to their respective plans.

The overall Master Plan of the Transition and Integration teams is illustrated in the following figure. The subsection under the Detailed Plan header describes the plan of each Transition and Integration Team in more detail.





Ramp-up Period Plan

Based on the Transition Plan that we propose, the Ramp-up Period will last from [REDACTED], to July 1, 2013.

The major activities, other than ordinary operations, that the Provider will execute are:

- New retailer recruitment.
- Preliminary marketing activities for rebranding the Hoosier Lottery.
- Launch of new warehousing, distribution, and logistics operations for instant tickets.
- Instant ticket inventory and validation system replacement.

The detailed activities and timelines for activities to be executed during the Ramp-up Period are defined later as a part of the descriptions of the Integration Teams.

The proposed budget for Services during the Ramp-up Period, which is consistent with the Initial Annual Business Plan, can be found in the Financial Plan.

Detailed Plan

MOBILIZATION OF THE TRANSITION

After the Commission's selection of GTECH, we plan approximately one month for the execution of the ISA. We will take advantage of this period to make sure that the Transition Period can start at the appropriate time.

The major activities that we will oversee during the Mobilization phase are presented below.

Staffing the Transition – Roles and Responsibilities

Staffing Provider and the entities described in the figure entitled Governance of the Transition Plan figure near the beginning of this section, will be finalized. This will include:

- Members of the Steering Committee.
- Leaders and members of the Program Office, the Transition teams, and the Integration teams.

Some of the selected people will also become part of Provider; others will act on an interim basis during the Transition.

Implement Transition Processes and Roles

Detailed meeting schedules for the Steering Committee, the Program Office, and the Transition and Integration teams will be established. Internal communications protocols will be developed, and the format of the major communication between entities (e.g., the weekly work plan that each Transition and Integration team has to submit to the Program Office) will be initiated.

Also, the use of emails, Web-based logs, and/or other collaborative tools and processes will be established. The Commission's contributors to the operating entities represented in the figure entitled Governance of the Transition Plan will be identified.

Starting Operational/Resource Assessment

Provider, with the collaboration of the Commission, will begin working in specific operational areas of the Lottery to anticipate any possible issues during the Transition. These areas include, among others:

- Technical systems.
- Sales operations.
- Commission personnel.

Craft the Communications Plan

The Communications Plan is vital to the success of the Transition. We will therefore effectively kick off the Communications Transition Team ahead of the Agreement Effective Date, to ensure that communication with all Lottery stakeholders is properly managed.

This will also include planning external press releases or road-shows with retailers, and a thorough assessment of the potential conflicts between the Provider's hires and the employees.

Before the Agreement Effective Date, all constituencies and potential issues will be jointly identified with the Commission, and the final version of the internal and external Communications Plans will be finalized. Together with the Lottery, we will seek preliminary agreement on any required additional need for external support in this area.

Beginning Negotiation with Existing Sub-Contractors

Provider will begin to attend to contracts that will be assumed or replaced.

Other Critical Issues

Together with the Lottery, we will establish:

- An early warning system to detect business slippage issues.
- Detailed governance policies for the Transition that include decision making issues internal or external to the Steering Committee, progress review formats and timing, and other issues related to jointly identified needs for expenditure during the Transition that cannot be easily attributed to the Commission or the Provider.

THE PROVIDER START-UP

GTECH has been working on the Hoosier Lottery opportunity for several months and has already executed a number of steps. These include shaping the organization, creating the operational footprint, and developing the timetable.

Steps already completed in the design of the new organization include:

- Organizational chart defined.
- Headcount of all the organizational functions defined.
- A number of key organizational positions staffed.
- Lottery expenses vs. GTECH quantified, including price schemes based on a mix of fixed and variable costs.
- Core processes designed and implementation plan developed.
- Transition Plan developed.
- Initial Business Plan developed.
- Metrics to measure implementation success and early alert for risk defined.
- Transition/implementation risk mapped, and mitigation actions identified.

Having invested in such activities will allow the Provider to guarantee a stable Transition. We plan to have our key personnel in place by [REDACTED] after beginning the Transition starting on November 1, 2012.

The following figures show the Statement of Work for the Provider's operations and the overall activity plan.

Figure 3.0 – 6:

Start-Up and Operations – Integration Team	
Integration Team	Objective
Name: Start-up and Operations Manager: TBD	Provider HQ setup/recruitment of external personnel/staffing of key personnel/setup of management and operational processes (HR, payroll)
Activity Metrics	
Transition Progress KPIs	
KPI	Rationale
<ul style="list-style-type: none"> • % of completion of key activities (recruiting...) 	<ul style="list-style-type: none"> • Progress in organization building

Figure 3.0 – 7:

Start-Up and Operations Integration Team – High-Level Gantt

TRANSITION TEAMS

The following paragraphs describe the activities of the Transition teams.

Legal

The Legal Transition Team will:

- Finalize the ISA with the Commission prior to the Agreement Effective Date.
- Provide advice and support relating to current employees of the Commission (including support to the HR Transition Team).
- Provide support in the execution of replacement contracts, the termination for assignment of existing Lottery contracts, and/or the assignment of existing Lottery contracts from the State to the Provider.
- Provide advice and support to the Transition and Integration teams.
- Satisfy all RFI Preclosing Deliveries.

The team will be staffed with people from:

- The Provider.
- The Commission.

A list of the timing of termination and replacement of Lottery contracts is summarized under the heading, Actions Related to Existing Lottery Contracts, in the Detailed Plan section.

HR/Organization

The HR/Organization Transition Team will:

- Supervise and facilitate the integration of current employees into Provider.
- Coordinate with the Communication Integration Team to manage internal communication.

The team will be staffed with people from:

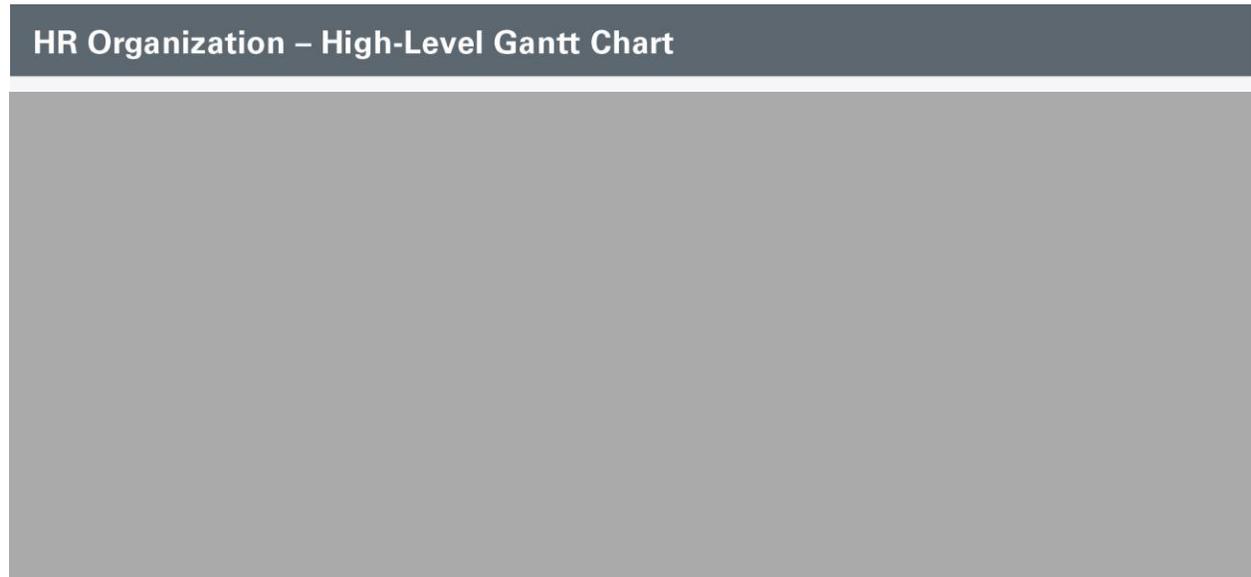
- The Provider: From HR and Organization departments.
- The Commission.

The activities that this team will carry out include:

- Coordination with the Commission’s HR department to prepare the work environment for Commission employees (work locations, job assignments, administrative matters, etc.).
- Preparation of the welcome meeting for Commission personnel.
- Assessment of Commission employees’ skills and definition of personnel training plans coordinating in particular with the Provider training department for sales force training.
- Control of employee or organizational qualification requirements including “jobs compendium, detailed job descriptions and lines of authority for all Key Management Personnel and Provider Personnel.”
- Supervision of the internal Communication Plan and coordination with the Communication Team for relevant communications.

The following figure shows a high-level Gantt chart of the activities to be performed during the Transition Period.

Figure 3.0 – 8:



TRANSITION EMPLOYMENT

Consistent with the Transition Plan, the Provider shall make an offer of full-time employment effective immediately after the Transition Completion Date to all Commission Personnel employed by the Commission as of the Agreement Effective Date and who are engaged in a function that has been identified in the Initial Annual Business Plan as being a function that the Provider will provide as part of the Services from and after the Transition Completion Date.

WARN ACT OBLIGATIONS

The Provider shall assume that all obligations and liabilities for the provision of the notice or payment in lieu of notice or any applicable penalties under the Warn Act arising as a result of the execution of the ISA. The form and content of any such notice is subject to Approval.

Compliance

The compliance Transition Team will:

- Supervise and coordinate the writing plans to comply with obligations set forth in the ISA and Operating Standards.
- Set-up organizational structures and processes to run the controls periodically.

The team will be staffed by:

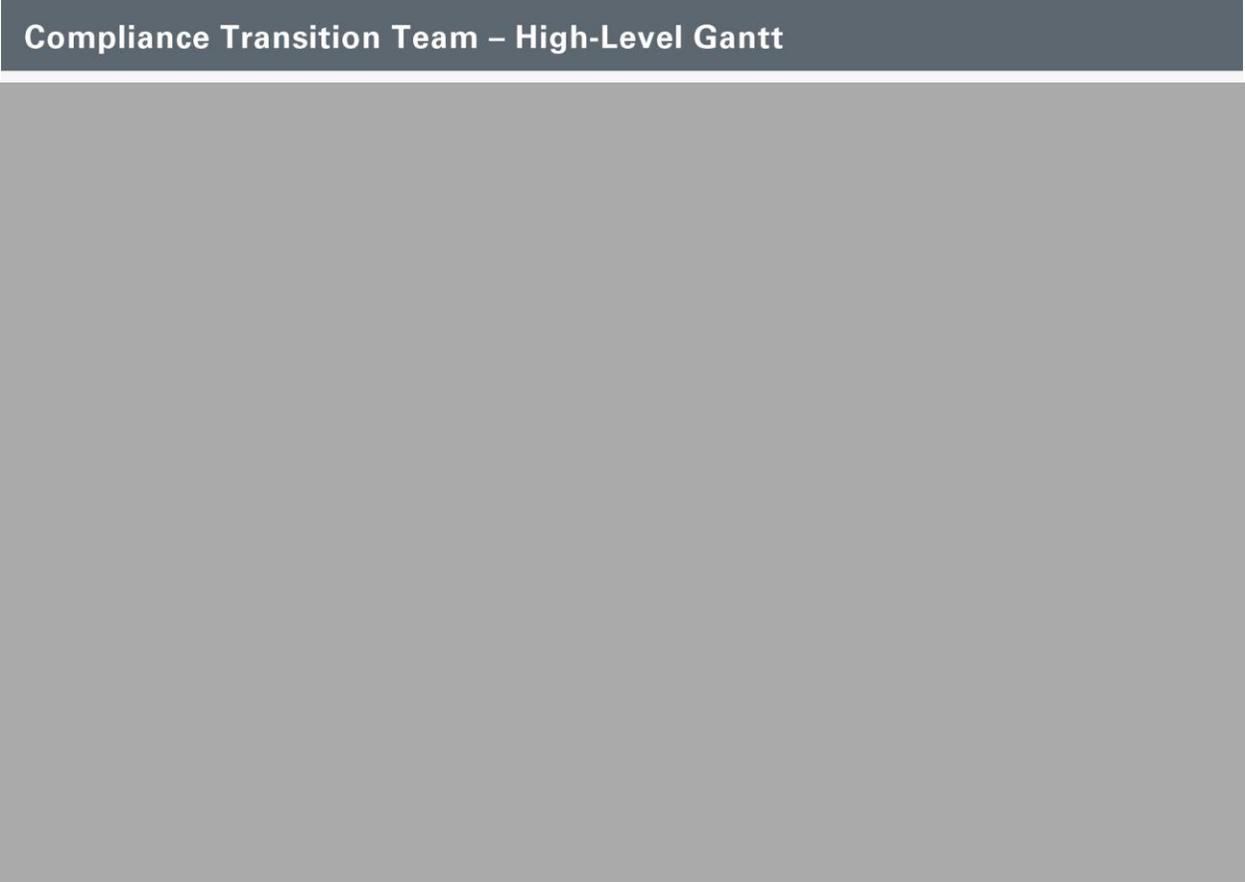
- Provider personnel who will be responsible for compliance and internal controls in the organization.
- Provider experts who have been involved in defining and running internal controls for both the organizations or have been involved in the preparation of similar plans for other lotteries.
- Commission personnel who have been identified as key contributors and members of the Compliance Transition Team.
- Possible third parties for consulting and certificate standards and procedures (ISO 27001 certification).

The activities that this team will perform include:

- Coordination and supervision of the writing of the requisite Provider internal controls and procedures to be compliant with the requirements defined in the ISA and Operating Standards for the Commission. These include, but are not limited to:
 - **Provider’s performance and financial reporting.**
 - **Security Plan:** To guarantee physical, financial, and data security of business operations and personnel of the Provider and its Vendors, including security related to instant ticket printing and distribution.
 - **Business Continuity and Disaster Recovery Plan:** Backup solutions to prevent/limit the business disruption in case of accidental events that compromise regular operations of the business.
 - **Compliance Program:** Set of initiatives to comply with Lottery Operating Standards Requirements and to prevent and detect criminal or unethical conduct including any business with third-parties.
 - **Responsible Gaming and Consumer Protection Programs:** Programs to manage Responsible Gaming including guidelines for advertising and management of loyalty programs for players, age limit verification policies, and Prohibited Practices for Consumer Protection.
 - **MWBE Plan** (equal employment and business opportunity plan): Plan to encourage participation of minorities and women in the Lottery business.
 - **Ethics Code:** Policies and procedures standards for the requirements of services.
 - **Organizational Table and Job Compendium:** Provider’s tables of organization detailing job descriptions and lines of authority for all Provider Key Personnel and other Provider Personnel.
 - **Loyalty Program Internal Control:** Internal Controls for the authorization and issuance of a Loyalty Program.
- Internal audit activities organization and proper procedures and team set-up that will:
 - Run such activities periodically.
 - Maintain and update the documentation.
 - Report to management the results of internal auditing.
 - Propose corrective action if needed.
 - Prepare reports for the Commission and other stakeholders.

The following figure shows the high level Gantt chart for the activities to be performed during the Transition Period.

Figure 3.0 – 9:



Communication

Organizations going through Transition usually face uncommon challenges and risks. Communication to external and internal stakeholders is therefore critical to a successful Transition. The Communication Plan is designed to address all audiences with a vested interest in Transition activities.

The Communication Transition Team will play a key role in communicating with all relevant internal and external stakeholders about the objectives and progress status of the Transition.

This team is responsible for defining and running a Communication Plan, which will be comprised of an internal (internal to the Provider and the Commission) and an external Plan.

The Communication Plan will ensure consistent, clear, timely, and productive communication across all the stakeholders during the Transition and aims at explaining the new business model.

To achieve this challenging objective, the Communication Plan will include:

- Definition of the key messages related to the Transition to Provider.
- Communication to target stakeholders (internal and external) to address, i.e.:
 - Commission Personnel.
 - Players.
 - Lottery Retailers.
 - Suppliers.
- Creation and implementation of a calendar for internal and external communication.

The Communication Team will be staffed with people from:

- Provider.
- The Commission.

KEY MESSAGES

GTECH believes that an effective communication of its vision to focus on energizing the Hoosier Lottery brand as a beacon of optimism and pride, and then building it into a platform for the introduction of compelling new products, operating principles, and ground rules are critical to the success of Transition; therefore, it will reiterate them at different occasions.

COMMUNICATION TARGETS

The Communication Team will customize the different external and internal communications to the different stakeholders according to their different characteristics, involvement, and expected degree of acceptance of the entire Transition.

COMMUNICATION PLAN AND CALENDAR

An example of the Communication Plan is provided in the following figure.

Figure 3.0 – 10:

Sample Communication Plan					
	Key Dates	Messages	Medium	Activities	Responsibilities
Employees	<ul style="list-style-type: none"> ISA effective date Date of transfer of employees direction to Provider 	<ul style="list-style-type: none"> Provider will create a highly efficient lottery, thus ensuring employees have a more resilient future and greater personal growth opportunities 	<ul style="list-style-type: none"> Top management briefing (Commission and Provider) Email 	<ul style="list-style-type: none"> Prepare brief statement Prepare email 	<ul style="list-style-type: none"> Provider top management/ Commission/ Communication Transition Team
Players and Social Community	<ul style="list-style-type: none"> ISA effective date End of Transition phase 	<ul style="list-style-type: none"> Provider will enhance Lottery products and services and increase contribution to State's Build Indiana Fund Responsible game focus 	<ul style="list-style-type: none"> Press release 	<ul style="list-style-type: none"> Prepare press release 	<ul style="list-style-type: none"> Provider top management/ Commission/ Communication Transition Team
Lottery Retailers	<ul style="list-style-type: none"> During Transition phase (after sales rep reallocation) 	<ul style="list-style-type: none"> Large investment to relaunch the brand Game enhancement Opportunity to increase Lottery Retailer's returns (performance based system) 	<ul style="list-style-type: none"> Email Sales rep Events Classroom trainings 	<ul style="list-style-type: none"> Prepare email Coordinate with Training Department Organize Lottery Retailer events 	<ul style="list-style-type: none"> Provider (sales, marketing, training)/ Communication Transition Team
Suppliers	<ul style="list-style-type: none"> ISA effective date 	<ul style="list-style-type: none"> Business as usual until all approvals have been obtained Continue to value business partnerships and support 	<ul style="list-style-type: none"> email 	<ul style="list-style-type: none"> Prepare email 	<ul style="list-style-type: none"> Provider procurement/ Communication Transition Team

HIGH-LEVEL TIMELINE

The following figure depicts the high-level timeline for the Communication Activities.

Figure 3.0 – 11:



INTEGRATION TEAMS

The following figures describe the activities of the Integration teams.

Figure 3.0 – 12:

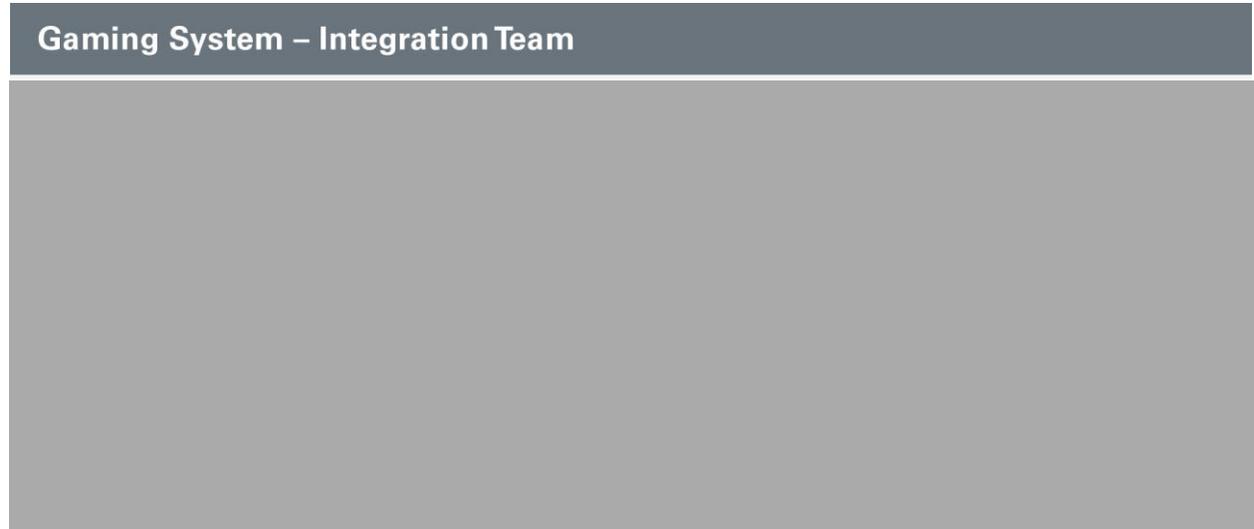


Figure 3.0 – 13:

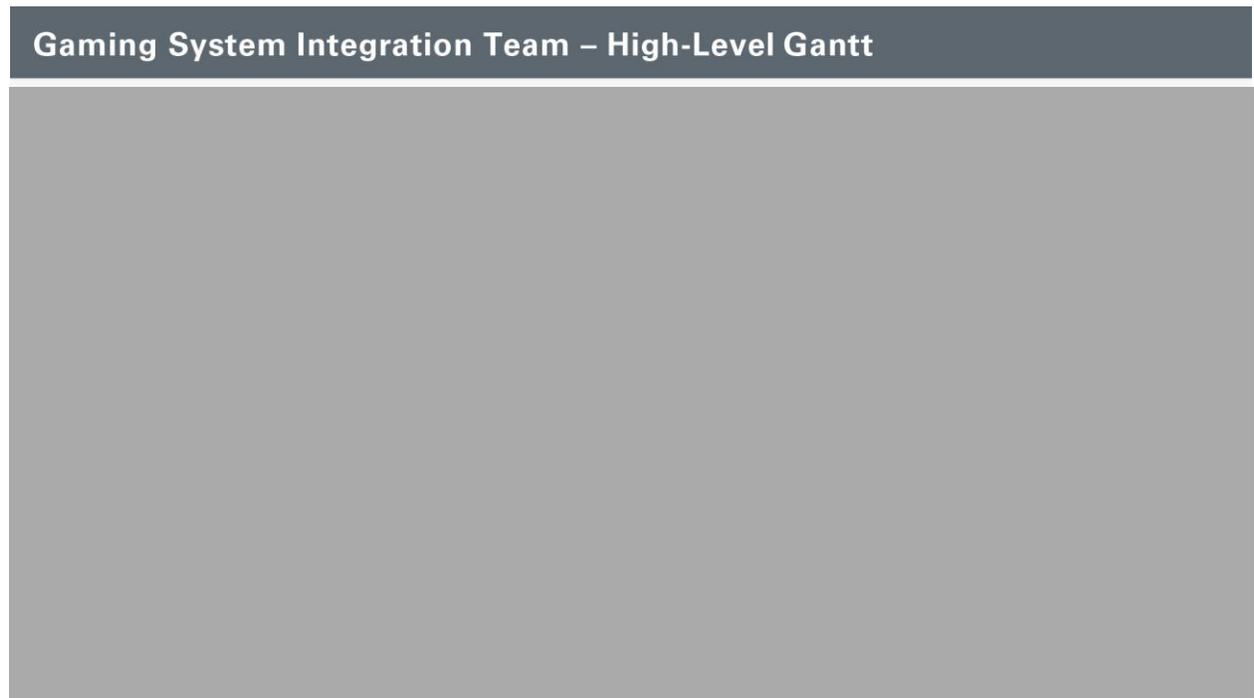


Figure 3.0 – 14:

Instant Ticket System and Logistics Integration Team			
Integration Team NAME: Instant Ticket System and Logistics		Objective <ul style="list-style-type: none"> Instant ticket management and validation system replacement Self-service takeover and new machine installation GTECH takeover of logistics, warehousing, and distribution 	
Milestones and Deliverables		Risks and mitigation	
(Empty area for Milestones and Deliverables)		(Empty area for Risks and mitigation)	
Activity Metrics			
Transition progress KPIs			
Self-Service		Instant Ticket System/Warehouse	
KPI	Rationale	KPI	Rationale
<ul style="list-style-type: none"> Self-Service installation rate 	<ul style="list-style-type: none"> Monitor Self-Service installation process 	<ul style="list-style-type: none"> Activities completion progress compared to activity plan 	<ul style="list-style-type: none"> Ensure system implemented by Go-Live date

Figure 3.0 – 15:

Instant Ticket System and Logistics Integration Team – High-Level Gantt
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Figure 3.0 – 16:

Instant Ticket Printing – Integration Team							
<table border="1"> <thead> <tr> <th>Integration Team</th> </tr> </thead> <tbody> <tr> <td> NAME: Instant Tickets Printing MANAGER: TBD </td> </tr> </tbody> </table>	Integration Team	NAME: Instant Tickets Printing MANAGER: TBD	<table border="1"> <thead> <tr> <th>Objective</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> Provider, with qualified instant ticket suppliers, will take over instant ticket design, planning, and printing </td> </tr> </tbody> </table>	Objective	<ul style="list-style-type: none"> Provider, with qualified instant ticket suppliers, will take over instant ticket design, planning, and printing 		
Integration Team							
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Objective							
<ul style="list-style-type: none"> Provider, with qualified instant ticket suppliers, will take over instant ticket design, planning, and printing 							
<table border="1"> <thead> <tr> <th>Milestones and Deliverables</th> </tr> </thead> <tbody> <tr> <td style="background-color: #cccccc;"> </td> </tr> </tbody> </table>	Milestones and Deliverables		<table border="1"> <thead> <tr> <th>Risks and mitigation</th> </tr> </thead> <tbody> <tr> <td style="background-color: #cccccc;"> </td> </tr> </tbody> </table>	Risks and mitigation			
Milestones and Deliverables							
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Transition progress KPIs							
KPI	Rationale						
<ul style="list-style-type: none"> Game creation & print production scheduling 	<ul style="list-style-type: none"> Monitor game development & print schedule for delivery 						

Figure 3.0 – 17:

Instant Ticket Printing Integration Team – High-Level Gantt

Figure 3.0 – 18:

Sales Force Set-Up – Integration Team			
Integration Team NAME: Sales MANAGER: TBD		Objective <ul style="list-style-type: none"> Redesign of new sales force processes to refocus sales force on commercial support activities at retailer level (Product display, promotions...) Integration of current lottery sales force into Provider Organization (including taking responsibility of Lottery's inside sales team) Set up a dedicated recruiting force 	
Milestones and Deliverables		Risks and Mitigation	
Activity Metrics			
Transition progress KPIs			
Caring of existing retailers		Recruiting of new retailers	
KPI	Rationale	KPI	Rationale
<ul style="list-style-type: none"> Average retailers' weekly sales per rep 	<ul style="list-style-type: none"> Monitor the effect of new sales reps assignment 	<ul style="list-style-type: none"> Recruiting process indicators: <ul style="list-style-type: none"> - # of prospects - # of phone contacts - # of retailers visited - # of signed contracts 	<ul style="list-style-type: none"> Monitor the effectiveness of recruiting process and verify alignment with target
<ul style="list-style-type: none"> # of reps' visits per week per rep 	<ul style="list-style-type: none"> Monitor service levels and reps' commitment 	<ul style="list-style-type: none"> Activation phase monitor <ul style="list-style-type: none"> - # of signed contracts - # of new retailer approved - # of new retailers activated - activation lead time 	<ul style="list-style-type: none"> Monitor activation process Identify process bottlenecks and adjust
<ul style="list-style-type: none"> Sales performance indicators for roll-out of new initiatives 	<ul style="list-style-type: none"> Evaluate effectiveness of new organization in driving new initiatives 		

Figure 3.0 – 19:

Sales Force Integration Team – High-Level Gantt
Gantt chart content is redacted

Figure 3.0 – 20:

Marketing – Integration Team					
<table border="1"> <thead> <tr> <th>Integration Team</th> </tr> </thead> <tbody> <tr> <td> NAME: Marketing MANAGER: TBD </td> </tr> </tbody> </table>	Integration Team	NAME: Marketing MANAGER: TBD	<table border="1"> <thead> <tr> <th>Objective</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> Takeover of marketing activities Planning and starting rebranding activities </td> </tr> </tbody> </table>	Objective	<ul style="list-style-type: none"> Takeover of marketing activities Planning and starting rebranding activities
Integration Team					
NAME: Marketing MANAGER: TBD					
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Milestones and Deliverables					
Risks and Mitigation					
Activity Metrics					
Transition Progress KPIs					
KPI	Rationale				
<ul style="list-style-type: none"> Sales per game <ul style="list-style-type: none"> on-line existing instant tickets newly launched instant ticket 	<ul style="list-style-type: none"> Assessment of business continuity during the transition phase Measure game/promotion success and adjust/plan quick changes 				
<ul style="list-style-type: none"> Number of launches of instant tickets 	<ul style="list-style-type: none"> Verify that launch process is properly managed during the transition phase 				

Figure 3.0 – 21:

Marketing Integration Team – High-Level Gantt

Figure 3.0 – 22:

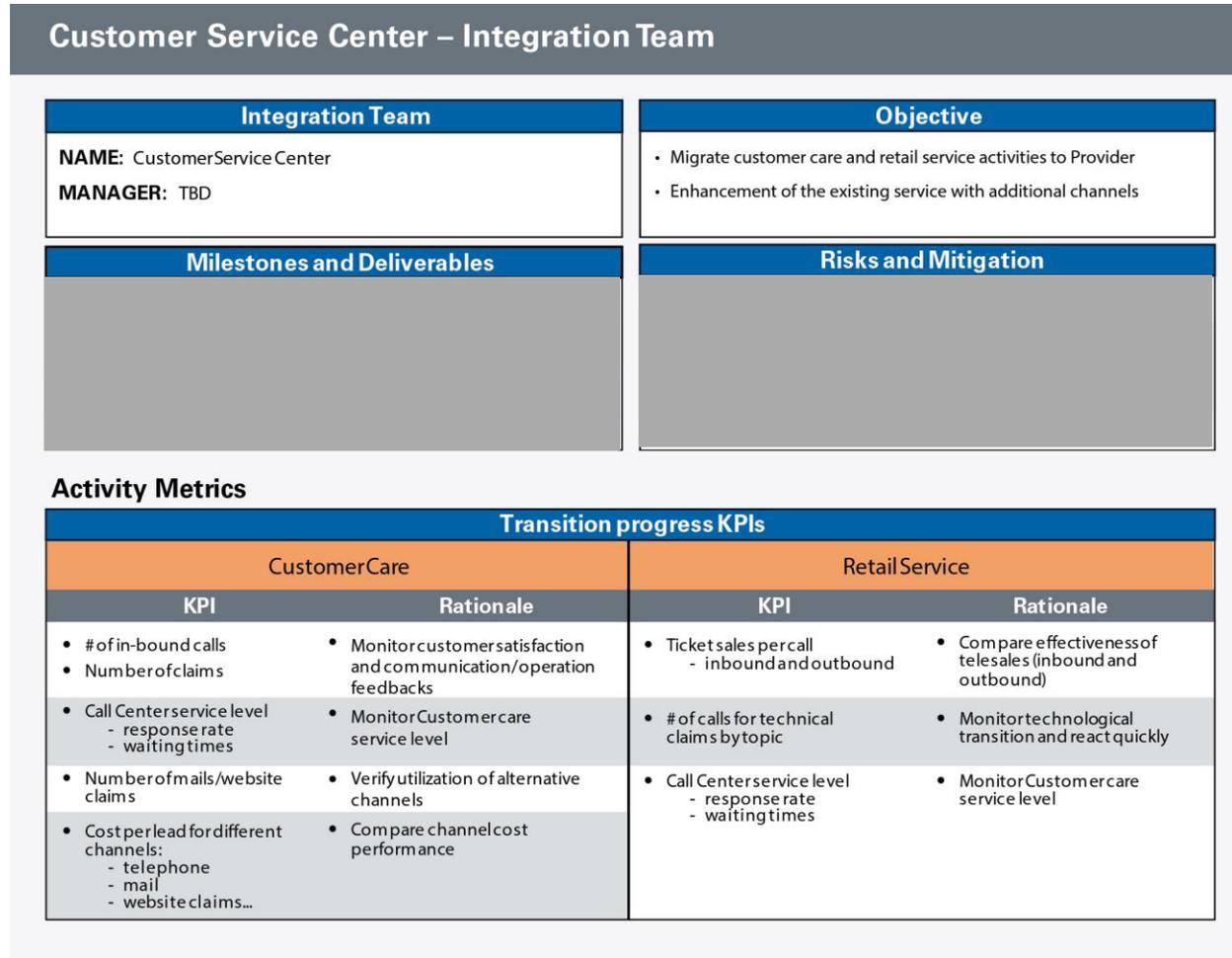


Figure 3.0 – 23:



Figure 3.0 – 24:

Administration, Finance, and Reporting – Integration Team							
<table border="1"> <thead> <tr> <th>Integration Team</th> </tr> </thead> <tbody> <tr> <td> NAME: Administration, Finance and Reporting MANAGER: TBD </td> </tr> </tbody> </table>	Integration Team	NAME: Administration, Finance and Reporting MANAGER: TBD	<table border="1"> <thead> <tr> <th>Objective</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> Set-up of administrative/finance systems Definition of implementation of financial/operational reporting </td> </tr> </tbody> </table>	Objective	<ul style="list-style-type: none"> Set-up of administrative/finance systems Definition of implementation of financial/operational reporting 		
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Transition progress KPIs							
KPI	Rationale						
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Figure 3.0 – 25:

Administration, Finance, and Reporting – High-Level Gantt

ACTIONS REGARDING EXISTING LOTTERY CONTRACTS

The figure below identifies the existing contracts with the Commission that fall under the operational responsibilities of the Provider as defined in the ISA. For each of them, we define the expected action that will be implemented during either the Transition Period or Ramp-up Period. Further details regarding these contracts will be provided in the Ramp-up Period Plan.

Figure 3.0 – 26: Status of Current Contracts

Contract	Termination Date and Renewals	Termination and Assignment	Action Items
1300 Lexington Partners			
Agreement to provide office space for HQ	Contract Dates: 9/16/2010 to 1/15/2020 Term of Base Contract: 10 years Renewal Years Remaining: Three 2- year options available	Section 2.2 Tenant cancellation rights: Can cancel on the seventh anniversary of lease Section 12.1 Consent to Assignment: Agreement shall not be assigned without the prior written consent of the Landlord	ISA Section 12.3.2 HQ Space Arrangement: The Commission will make space available for the Provider's operations [REDACTED] [REDACTED] [REDACTED]
J.V. Realty			
The leased premises: 1539 North Ironwood, South Bend, IN	Contract Dates: 4/1/2008 to 3/31/2012 Term Base Contract: 3 years Renewal Years Remaining: None, currently going month-to-month	Section 33 Termination for convenience and limited liability: The Commission can cancel any time for insufficient funds Section 9 Consent to Assignment and sublease: Agreement shall not be assigned without the prior written consent of the Landlord	ISA Section 12.3.1 Facilities: Provider will enter into a sublease agreement [REDACTED] [REDACTED] [REDACTED]
Spurling Properties			
The leased premises: 5625 East Virginia Street, Evansville, IN	Contract: 9/1/2007 to 8/31/2010 Term of Base Contract: 3 years Renewal Years Remaining: Currently year-to-year	Section 33 Termination for convenience and limited liability: The Commission can cancel for insufficient funds with 90 days' notice Section 7 Consent to Assignment and sublease: Agreement shall not be assigned without the prior written consent of the Landlord	ISA Section 12.3.1 Facilities: Provider will enter into a sublease agreement [REDACTED] [REDACTED] [REDACTED]
Indianapolis Airport Authority			

Contract	Termination Date and Renewals	Termination and Assignment	Action Items
ITVM agreement	Expires December 31, 2013	<p>Section 15 Termination for Convenience: Both parties reserve the right to terminate upon 30 days' written notice</p> <p>Agreement shall not be assigned without the prior written consent of the Authority</p>	<p>[REDACTED]</p> <p>[REDACTED]</p>
Indianapolis Airport Authority			
Kiosk lease agreement	<p>Contract Dates: 5/11/2011 to 4/30/2014</p> <p>Term of Base Contract: 3 years Renewal Years Remaining: None, but option to go month-to-month</p>	<p>Section 8 Termination: Authority can terminate for any reason without cause</p> <p>Agreement shall not be assigned without the prior written consent of the Authority</p>	<p>[REDACTED]</p> <p>[REDACTED]</p>
Pollard Banknote Limited Partnership			
Agreement for backup ticket printing for pull-tab	<p>Initial Contract Date: 9/1/2011 to 8/31/2013</p> <p>Term of Base Contract: 2 years Renewal Years Remaining: Four 1-year periods</p>	<p>Section 4.2.3 Termination for Convenience: The Lottery reserves the right to terminate upon 30 days written notice</p> <p>Section 1.4 Assignment: Agreement shall not be assigned without the prior written consent of the Lottery</p>	<p>[REDACTED]</p> <p>[REDACTED]</p>
Scientific Games			
Contract for electronic triple jackpot signs and maintenance	Expires September 22, 2013, with option to extend for two (2) additional 24-month periods	<p>Section 21.3 Termination for convenience: The Lottery can terminate upon 30 days' notice</p> <p>Section 2.3 Assignment: SGI may not assign without the prior written consent of the lottery</p>	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>

Contract	Termination Date and Renewals	Termination and Assignment	Action Items
Scientific Games			
Agreement for ticket printing for instant games	<p>Initial Contract Date: 1/2/2002 to 12/30/2007</p> <p>Term of Base Contract: 5 years Renewal Years Remaining: Six 1-year options/amendments – expires 12/31/2012</p>	<p>Section 5.1(c) Termination for convenience: The Lottery can terminate when in the best interest of the Lottery or State</p> <p>Section 2.3 Assignment: Agreement shall not be assigned without the prior written consent of the Lottery</p>	<p>January 1, 2013: Lottery will exercise its 90-day extension right, as defined in paragraph 4.3 of the current contract</p> <p>████████████████████</p> <p>████████████████████</p> <p>████████████████████</p> <p>████████████████████</p>
Scientific Games			
Agreement to provide online gaming contract	<p>Initial Contract Date: 10/22/2009 to 8/29/2016</p> <p>Term of Base Contract: 6 years Renewal Years Remaining: Four 1-year options</p>	<p>Section 31 Termination for convenience: The Lottery can terminate upon 30 days' notice</p> <p>Section 2.3 Assignment: SGI may not assign without the prior written consent of the Executive Director. Lottery can assign for any period of time</p>	<p>████████████████████</p> <p>████████████████████</p>
Scientific Games			
Contract for PTVM maintenance and service	Expires February 8, 2014, with option to extend with 90 days' notice	<p>Amendment date 5/11/2012</p> <p>Termination for convenience: The Lottery can terminate upon 30 days' notice</p> <p>Section 2.3 Assignment: Neither party shall assign without written consent of the other party</p>	<p>████████████████████</p> <p>████████████████████</p>

Contract	Termination Date and Renewals	Termination and Assignment	Action Items
Pollard Bank Note LP			
Agreement for the backup ticket printing for instants	Initial Contract Date: 1/2/2002 to 12/31/2007 Term of Base Contract: 5 years Renewal Years Remaining: Six 1-year options/amendments currently expiring 12/31/12	Section 5.1(c) Termination for Convenience: The Lottery reserves the right to terminate in its best interest. Section 2.3 Assignment: Agreement shall not be assigned without the prior written consent of the Lottery	January 1, 2013: Lottery will exercise its 90-day extension right, as defined in paragraph 4.3 of the current contract [REDACTED]
Arrow International			
Agreement to provide Pull-tab ticket printing	Initial Contract Date: 9/1/2011 to 10/31/2013 Term of Base Contract: 2 years Renewal Years Remaining: Four 1-year options	Section 4.2.3 Termination for Convenience: The Lottery reserves the right to terminate upon 30 days' written notice Section 1.4 Assignment: Agreement shall not be assigned without the prior written consent of the Lottery	[REDACTED]
Pitney Bowe's			
Rental agreement	Expires December 17, 2015	L10 Non Appropriation: Can only be canceled for non-appropriation of funds	[REDACTED]
GTECH Corporation			
ITVM maintenance every 6 months	Initial Contract Date: 4/30/2012 to 3/31/2014 Term of Base Contract: 2 years Renewal Years Remaining: 2 years with the possibility of 4 one-year extensions	Section 4.2.3 Termination for Convenience: State reserves the right to terminate upon 30 days written notice Section 1.3 Assignment: Agreement shall not be assigned without the prior written consent of the Lottery	[REDACTED]

Contract	Termination Date and Renewals	Termination and Assignment	Action Items
K&D Marathon Inc.			
Agreement for the purchase and maintenance of an electronic sign	Initial K Date: 7/15/2009 to 7/13/2013 Term of Base Contract: 4 years Renewal Years Remaining: Three 2-year periods	Section 4.2.3 Termination for Convenience: The Lottery reserves the right to terminate upon 30 days written notice Section 1.3 Assignment: Agreement shall not be assigned without the prior written consent of the Lottery	
Sunshine Billboards			
Agreement to provide maintenance and programming services	Initial Contract Date: 1/5/2011 to 1/4/2016 Term of Base Contract: 60 consecutive months Renewal Years Remaining: One 36-month extension	Section 6 Cancellation: Unpaid balance due at the time of cancellation	
Indy Sports Foundation			
Agreement to provide sponsorship	Initial Contract Date: 3/1/2012 to 2/28/2014 Term of Base K: 2 years Renewal Years Remaining: Three 1-year periods	Section 4.2.3 Termination for Convenience: The Lottery reserves the right to terminate upon 30 days written notice Section 1.4 Assignment: Agreement shall not be assigned without the prior written consent of the Lottery	
Indianapolis Colts			
License agreement to sell tickets	Initial Contract Date: 7/28/2009 to 7/27/2013 Renewal Years Remaining: Four 1-year periods	Section 5.2(E) Termination for Convenience: Both parties reserve the right to terminate upon 30 days written notice Section 1.8 Assignment: Not Assignable	

FULLY DEVELOPED ACTIVITY PLAN

GTECH has created a Microsoft Project Gantt Chart that outlines all project activity for the Transition. Please refer to the **Detailed Activity Plan** insert that follows this page.

Process for Monitoring the Progress of the Transition Plan

Tracking the progress of the Transition will be critical to the success of the Provider business model from the very beginning. This activity will therefore be the major focus of the Transition Program Office that will operate within the defined governance structure with three major guiding principles:

- **Accountability:** Integration and Transition Team decisions must be aligned with overall Provider and Commission objectives. For each team and milestone, individuals will be identified as accountable for follow-through and to measure performance.
- **Prioritization:** Finite resources will be allocated against highest value initiatives; individual team members will always be aligned against highest value interactions.
- **Early Warning:** Specific progress is put in place to identify and address issues and risks early. For this reason, on a weekly basis, each team will have to submit to the Program Office a detailed work plan, as described in the content entitled Governance of the Transition Plan.

The Program Office will adopt a set of metrics to identify early issues/risks and to monitor activity progress, as illustrated in the following figure.

Figure 3.0 – 27:

Metrics Adopted by the Program Office		
	BASE BUSINESS METRICS	TRANSITION SUCCESS METRICS
OBJECTIVE	<ul style="list-style-type: none"> Ensure that the base business is not disrupted by the Transition 	<ul style="list-style-type: none"> Instill team accountability and identify problem areas Ensure that integration efforts are focused on critical path and Transition milestones
ACTIVITY	<ul style="list-style-type: none"> Monitor key performance indicators throughout Transition 	<ul style="list-style-type: none"> Track milestones, decisions and issues related to the integration effort
EXAMPLE METRIC	<ul style="list-style-type: none"> Weekly sales Lottery Retailer's churn rate 	<ul style="list-style-type: none"> Percent of initiatives behind schedule Acceleration in retailer recruitment Synchronization of marketing activity and instant ticket launch Instant shipments executed under the new business process
ACCOUNTABILITY	<ul style="list-style-type: none"> Commission Chairman Provider CEO 	<ul style="list-style-type: none"> Integration Team leaders and, later, Provider managers

Metrics will include two major types:

- **Base business metrics** to monitor the evolution of the business and alert if the Transition is generating any issues.
- **Transition success metrics** to formally ensure the full control of each Transition and Integration activity.

These metrics will be first defined before the Agreement Effective Date and then refined during the Transition. They will then further evolve to the metrics system for the Provider to measure the effectiveness of the business processes.

TRANSITION-RELATED MEETING AND REPORTS

Beyond working with the Commission during the Transition, Provider will:

- Regularly report to the Commission on the progress of the Transition activities:
 - Weekly Meetings.
 - Monthly Steering Committee Meetings.
- Update the Transition Plan, should the Commission or Provider identify the opportunity/need to change the plan.
- Provide Transition-related reports in accordance with the schedule and frequency that has been specified within the Transition Plan.
- Provide additional Transition Reports as the Commission may reasonably request in regards to the performance of Provider.
- Provide the current status with respect to the Timetable which has been set forth in the Transition Plan.
- Provide notification to the Commission in writing of any material delays, along with identifying specific measures to address the delay and also mitigate the associated risks.

Risk Management and Mitigating Actions

Transfer of Lottery operations to a Provider is a significant change. The experience and insight GTECH has gained through our past conversions, including the Hoosier Lottery, has been used to identify possible risks and develop mitigation strategies.

The major risks we have identified for the Transition are easily categorized into three distinct groups:

- Problems during start-up and operational set-up.
- Factors that can cause obstacles or delay to the Hoosier Lottery rebranding.
- Daily business operation disruption.

The figure below takes each of the nine greatest risks we have identified and charts them based on their possible impact on the Transition and their probability of occurring. Four of those nine risks were identified as having a high probability and a high impact and will require the greatest care. Those three risks are:



Figure 3.0 – 28:



GTECH has defined a mitigation strategy to limit the effect of the identified risks, which includes backup plans to be performed in the event risks become problems and preventative initiatives to reduce the probability of that happening.

The figure below describes mitigation actions that have been defined for each risk.

Figure 3.0 – 29:

Transition Risks and Mitigation Strategy	
RISK	MITIGATION ACTIONS

 Risk management focus

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

For more detail regarding GTECH's conversion experience and expertise, as well as an overview of GTECH's technology, please refer to **Appendix E, Technology**.

Possible Areas of Concern



Process for Implementing State's Right to Delay Base Services Commencement Date

The Provider's Transition Plan, as well as the Business Plan, is based on the assumption that the Scheduled Base Services Commencement Date is July 1, 2013.

In the event of any Commission-initiated Transition extension, the Parties shall agree on appropriate adjustments to the Transition Plan, the Integration Plan, and all associated dates and milestones (including any dates reasonably required to be modified in the Initial Annual Business Plan and adjustments to the Bid Net Income and Budget to be made in accordance with Schedule 10.1). In the event of any State-initiated Transition extension, the Commission will communicate to the Provider the new Scheduled Base Services Commencement Date.

Provider will submit a proposal to the Commission for its approval containing an updated version of the five-year Business Plan in light of the delay communicated by the State. The proposal shall include:

- Adjustment of the Transition Plan, including redefinition of the schedule of Transition milestones.
- New scheduling of major initiatives within the Business Plan (product launches, promotions, media plan, retailer recruiting plan, technology deployments, and other major business projects) including activities originally planned for the Ramp-up Period.
- Review of the financial plan including costs to be sustained in the period before the new Scheduled Base Service Commencement Date.
- Adjustments to Bid Net Income and Budget to be made in accordance with Schedule 10.1 of the ISA.

EXHIBIT 5.3.2

INITIAL ANNUAL BUSINESS PLAN

PART C-PLAN