

Appendix A

Private Manager Agreement Incorporated Terms

Clause to be included in the body of the main Agreement:

The Parties acknowledge and agree that all terms, provisions and agreements set forth in Appendix A are hereby incorporated herein by reference with the same force and effect as though fully set forth herein. In the event of a conflict between the provisions of this Agreement and Appendix A, the provisions of Appendix A shall prevail.

1. State Policies and Rules, Operating Standards and Regulatory Requirements

- 1.1 The Contractor represents and warrants that at the time of entering the Agreement it has not been found disqualified by the State and is not prohibited from doing business within the State of Illinois for any reason.
- 1.2 The Contractor shall ensure that, in performing the services (including the provision of goods) required under the Agreement (the “**Services**”), the Contractor complies in all material respects with the State Policies and Rules, the then current Operating Standards and the Regulatory Requirements (including all Anti-Corruption laws and Employment Laws). The State Policies and Rules, Operating Standards and Regulatory Requirements are available on request. Camelot shall notify the Contractor in the event that any material amendments are made to the State Policies and Rules and/or the Operating Standards which, in the opinion of Camelot, may affect the Contractor and/or this Agreement. In the event that the Contractor becomes aware that it has failed to comply with any requirements of the State Policies and Rules and/or the Operating Standards, then the Contractor shall promptly inform Camelot in writing of such non-compliance and its impact or potential impact.
- 1.3 At Camelot’s or the State’s request, the Contractor will be required to furnish the State with a written certification that it is in compliance, in all material respects, with the State Policies and Rules and Regulatory Requirements (including Employment Laws) which are applicable to the Services.

2. Sale of Lottery Tickets

In the event that the Services include the sale of Lottery tickets the Contractor shall not sell any such tickets without first becoming licensed as a Lottery Retailer pursuant to 20 ILCS 1605/10.

3. Service Levels

- 3.1 The Contractor shall perform the Services at levels of accuracy, quality, completeness, timeliness, responsiveness, resource efficiency and productivity that are (i) equal to or higher than the accepted industry standards of first-tier providers of services similar to the Services (“**Industry Standards**”) and (ii) equal to or higher

than any applicable Service Levels set forth in Appendix 1 (Service Levels). Camelot shall notify the Contractor in the event that any material amendments are made to the Service Levels which, in the opinion of Camelot, may affect the Contractor and/or this Agreement.

- 3.2 If the Contractor fails to meet any of the Service Levels in accordance with Appendix 1 (Service Levels), then the Contractor shall indemnify Camelot for the full amount of any Service Level Credits, penalties and fines which Camelot is required to pay to the State in respect of such failure.

4. Reporting of Complaints

The Contractor agrees to promptly notify Camelot in writing in the event that it receives any complaints in relation to the Services or the Lottery. The Contractor will disclose the name of the party making the complaint, who the complaint is made against and the nature and circumstances that gave rise to the complaint.

5. Monthly Meeting

If required by the State, and on reasonable advance notice, the Contractor shall attend a meeting(s) in person in Illinois or by telephone, video or other electronic conference in order to discuss the Services and such other matters as the State or Camelot deems appropriate.

6. Background Checks

The Contractor acknowledges that Camelot and/or the State may conduct thorough background checks (prior to and/or during the Agreement) on the Contractor and its employees. Such background checks will be carried out by Camelot and/or by the State or by their appointed third parties. The background checks shall verify that each Contractor employee meets Camelot's and the State's standards for employment and that the Contractor is not subject to legal, credit or other constraints on providing the Services. Camelot shall provide copies of all background checks to the State.

7. Contractor Provisions

- 7.1 At the direction of the State, Camelot shall be entitled to terminate this Agreement on immediate written notice and within such period as the State may specify, for any reasonable reason. In the event that Camelot terminates the Agreement under this clause 7.1, the Agreement shall terminate without any termination penalty or fee on the part of Camelot or the State that is in addition to the payments outstanding in the ordinary operation of the Agreement.

- 7.2 At the direction of the State, Camelot shall be entitled to require the Contractor to remove a Contractor employee(s) from providing Services.

- 7.3 The Contractor acknowledges that the Services are provided for the benefit of the State and that, accordingly, the State is an expressly intended third-party beneficiary of the Agreement, entitled to enforce any provision thereof in accordance with its terms.

- 7.4 The Contractor acknowledges that all insurance coverages required to be maintained by the Contractor name the State as an “Additional Insured” or as otherwise specified herein, and include the blanket additional insured endorsement or its equivalent.
- 7.5 The Contractor undertakes to provide and maintain insurance at levels customary and appropriate for the Services to cover, at a minimum, the following:
- 7.5.1 Commercial General Liability Insurance covering bodily injury and property damage.
 - 7.5.2 Business Automobile Liability Insurance covering bodily injury, death and property damage, including all owned, non-owned, or hired autos.
 - 7.5.3 Umbrella Liability Insurance providing umbrella coverage excess of the underlying limits for Workers’ Compensation, Commercial General Liability, Business Auto Liability.
 - 7.5.4 Worker’s Compensation Insurance applicable to the laws of Illinois and Employers Liability Insurance which shall include a specific endorsement naming the State as an “Alternative Employer”.
 - 7.5.5 Professional Liability Insurance which, if relevant to the Services, shall include cover for claims and losses relating to network risks (such as data breaches, unauthorized access/use, identity theft, invasion of privacy, damage/loss/theft of data and media liability arising from material on websites or offline publications).
 - 7.5.6 Crime insurance covering any financial loss due to any fraudulent or dishonest acts on the part of the Contractor’s officers, employees, agents including coverage for third party theft of property in Contractor’s care, custody or control or while in transit, loss due to forgery or alteration of negotiable instruments or loss due to electronic funds transfer fraud, which shall include a specific endorsement naming the State as a “Loss Payee”.
- 7.6 The Contractor covenants and agrees that no Person shall be (i) excluded from participation in, or be denied benefits of, the PMA where such participation or benefits are obligated by the PMA or the Regulatory Requirements, or (ii) excluded from employment, denied any of the benefits of employment or otherwise be subjected to discrimination on the grounds of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex or any other protected category. The Contractor shall, upon request, show proof of such non-discrimination and shall post in conspicuous places, available to all employees and applicants, notices of non-discrimination.
- 7.7 The Contractor shall maintain documentation for all fees or charges incurred by Camelot under the Agreement or any modifications or amendments thereto. The books, documents, papers, accounting records and other evidence pertaining to the

Services shall be (i) maintained for a period of five (5) full years from the date of the final payment and (ii) subject to audit or inspection at any reasonable time and upon reasonable notice by the State or its duly appointed representatives. The Contractor shall make such materials available at its offices, and copies thereof shall be furnished to the State or its duly appointed representative by the Contractor, at no cost to the State or its duly appointed representative, if so requested, including for purposes of satisfying a request under Illinois FOIA. Such records shall be maintained in accordance with GAAP or IFRS, as applicable, and any other applicable procedures reasonably established by the State from time to time.

- 7.8 The Contractor acknowledges and agrees that that (a) notwithstanding the State's rights as a third party beneficiary, the Contractor does not have any contractual relationship with the State or right against the State, including for payment, labor, services, materials or equipment furnished for the Services; and (b) the Contractor on behalf of itself, its officers, directors, managers, members, subsidiaries, assigns, and Affiliates and its and their respective officers, directors, managers, members, subsidiaries, successors, assigns, and Affiliates (each a "**Contractor Party**") forever remises, releases, acquits, satisfies and forever discharges the State and its employees, officers, directors, managers, members, subsidiaries, assigns, Affiliates (including all departments and agencies thereof) and its and their respective officers, directors, managers, members, subsidiaries, successors, assigns, and Affiliates (each a "**State Party**") from any and all Losses that any Contractor Party may ever have against or seek from any State Party in connection with the Agreement; provided, however, if the State assumes the Agreement, then the Agreement may include as an exception to the foregoing provisions set forth in (a) of this clause 8 for such contractual relationship and (b) of this clause 7.8 for a breach by the State of such assumed Agreement, each such exception to be in form and substance satisfactory to the State.
- 7.9 The Contractor represents, warrants and covenants that during the term of the Agreement it shall:
- (a) not be debarred or prohibited by State Policies and Rules;
 - (b) if required by any applicable State Policies and Rules, be qualified and registered to transact business in the State of Illinois; and
 - (c) comply with all Operating Standards, State Policies and Rules and Regulatory Requirements (including all Anti-Corruption Laws and all Employment Laws), and upon the State's or Camelot's request, furnish to the State written certification that it is in compliance with all State Policies and Rules and Regulatory Requirements (including all Employment Laws) applicable to it.
- 7.10 The Contractor represents, warrants and covenants that it has not:
- (a) accepted, nor shall accept, any Prohibited Consideration from any Person;

(b) given, nor shall give, any Prohibited Consideration to any Person;

in each case in connection with, directly or indirectly, the Agreement.

- 7.11 The Contractor shall, on Camelot's or the State's request, (a) assign the Agreement to the State or the Replacement Manager or (b) enter into new contracts with the State, its Affiliates, another designated State of Illinois agency and/or the Replacement Manager on substantially the same terms and conditions, including price, as set forth in the Agreement. Any such assignment shall be without cost or penalty.
- 7.12 Contractor shall, upon notice of a Loss Event, cause to be paid into the Controlled Account all proceeds from Contractor's (a) insurance coverages that would otherwise be paid to Manager, including as an "additional insured" and (b) Contractor's performance security, if any.

8. Intellectual Property

- 8.1 The Contractor acknowledges and agrees that all worldwide right, title and interest in and to all State Intellectual Property and Camelot Intellectual Property is and shall be owned by the State and Camelot, respectively. Camelot may sublicense rights to the Contractor, solely to the extent necessary to allow the Contractor to provide the Services, and on written terms consistent with the requirements set out in the PMA and the intellectual property arrangements it has reached with the State. Such license shall automatically terminate at the end of the Agreement or the expiry of the PMA, whichever comes first.
- 8.2 In the event that the Contractor licenses, leases or otherwise provides to Camelot services or other software used in the operation of the Central Gaming System ("**Key Software**") that is owned by Camelot, the Contractor will establish an escrow pursuant to an escrow agreement (the "**Escrow Agreement**") entered between the Contractor, Camelot and an independent escrow agent who shall provide for the deposit, retention, administration, verification, and controlled access of the Key Software, including all software, interfaces, data structures, data marts, data definition language (DDL), design documents, other documentation, XML schemas, code, and any other materials associated with the Key Software, including source code and Related Documentation (collectively, the "**Escrow Materials**") to hold the Escrow Materials for such Key Software provided by the Contractor ("**Contractor Escrow Materials**"). Any fees associated with the deposit of Escrow Materials with the independent escrow agent shall be paid by the Contractor. Each Contractor Escrow Agreement will provide for the release of the relevant Contractor Escrow Materials and appropriate licenses to the State and Camelot in the event that: (a) the Contractor institutes bankruptcy, receivership, insolvency, reorganization or other similar proceedings and any such proceeding has not been dismissed or discharged within sixty (60) days after being instituted and the Contractor fails to perform its obligations under the Agreement during the pendency of any such proceeding; (b) the Contractor's admittance of any involuntary debts as they

mature; (c) the institution of any reorganization arrangement or other readjustment of debt plan of the Contractor not involving the Bankruptcy Code that has not been dismissed or discharged within sixty (60) days after it has been instituted; (d) the Contractor ceases to do business and there is no successor-in-interest to the Contractor that performs the Services; (e) the Contractor makes an assignment of all or substantially all of its assets for the benefit of creditors and there is no successor-in-interest to such Contractor that performs the Services or (f) the Contractor takes any corporate or other action to authorize or in furtherance of any of the foregoing.

- 8.3 The Contractor shall reasonably cooperate with and reasonably assist Camelot, at Camelot's expense, in connection with the investigation or pursuit to enforce and/or investigate violations of the Intellectual Property rights with regard to the Intellectual Property used in connection with the operation of the Lottery and/or the provision of Services.
- 8.4 The Contractor shall execute any documents or take any other actions as may reasonably be necessary, or as Camelot or the State may reasonably request, at Camelot's or the State's expense, to secure, register, patent and perfect Camelot or the State's rightful ownership of, as applicable, any Intellectual Property used in connection with the operation of the Lottery and/or the provision of the Services.

9. Ownership of Lottery Data

- 9.1 The Contractor acknowledges and agrees that the Lottery Data is and shall remain the property of the State or such other assignee designated by the State. The Contractor shall promptly deliver any Lottery Data (or the portion of such Lottery Data specified by the State) in its possession or direct or indirect control to the State in the format and on the media reasonably requested by the State: (a) at any time upon reasonable notice at the State's or Camelot's request; and (b) upon the expiration of the PMA (including any period of disentanglement of Camelot).
- 9.2 Upon the expiration of the PMA (including any period of disentanglement of Camelot) the Contractor shall return or destroy, as requested and directed by Camelot, all copies of Lottery Data in the possession of or under the control of the Contractor as soon as possible, but in no event later than thirty (30) business days following a request by the State or Camelot, and shall upon the State or Camelot's written request, deliver to the State written certification of such return or destruction signed by an authorized representative of the Contractor. The Contractor shall not utilize Lottery Data for any purpose other than the performance of the Services. The Contractor shall promptly notify Camelot in writing if it believes that the Lottery Data has been used in a manner inconsistent with the foregoing.
- 9.3 The Contractor shall develop and maintain procedures for data back-up and restoration to the last back-up and/or restoration of lost Lottery Data in their possession or control, using industry standard data restoration techniques. The Contractor shall adhere to the procedures and safeguards promulgated by the State as specified in the Operating Standards and shall correct (including data back-up and restoration from scheduled back-ups or, if not available on such back-ups, using generally accepted data restoration techniques) any unauthorized destruction, loss

or alteration of any Lottery Data in the Contractor's possession or direct or indirect control at no charge to the State except to the extent that the State or its Affiliates or any of their respective subcontractors are the direct or indirect cause of such destruction, loss or alteration of data.

10. Confidentiality

- 10.1 The Contractor agrees that at all times, except as expressly contemplated by clause 10.2, clause 10.4 or clause 11.1, it shall not disclose, and shall maintain the confidentiality of all Confidential Information of the State and Camelot. The Contractor shall use at least the same degree of care to safeguard and to prevent disclosing to Third Parties the Confidential Information of the State and Camelot as it employs to avoid unauthorized disclosure, publication, dissemination, destruction, loss or alteration of its own information (or information of its customers) of a similar nature, but not less than reasonable care.
- 10.2 The Contractor may disclose Confidential Information to its Affiliates, auditors, attorneys, accountants, consultants, contractors and subcontractors, so long as such Person is not a Competitor of Manager (collectively, "**Representatives**"), where: (i) such disclosure is necessary for the performance of the Services; and (ii) the receiving party of the Confidential Information (and its applicable officers and employees) agrees to confidentiality obligations substantially similar to those set forth in this clause 10 or by the nature of the relationship, the receiving party is subject to a duty of confidentiality that is substantially similar to those set forth in this clause 10. The Contractor hereby assumes full responsibility for the acts or omissions of its Representatives and shall ensure that Confidential Information is not disclosed or used in contravention of this Agreement. Any disclosure to Third Parties shall be under the terms and conditions as provided in this Agreement.
- 10.3 The Contractor shall not: (i) use the Confidential Information of the State and/or Camelot except as expressly contemplated by this Agreement; (ii) acquire any right in or assert any lien against the Confidential Information of the State and/or Camelot; (iii) sell, assign, transfer, lease or otherwise dispose of Confidential Information to Third Parties or commercially exploit such information; or (iv) refuse for any reason to promptly provide the Confidential Information (including all copies thereof) to the State and/or Camelot if requested to do so.
- 10.4 Clauses 10.1 through 10.3 shall not apply to any particular information which the Contractor can demonstrate: (a) is, at the time of disclosure to it, generally available to the public other than through a breach of the Contractor's or a Third Party's confidentiality obligations; (b) after disclosure to it, is published by the State and/or Camelot or otherwise becomes generally available to the public other than through a breach of the Contractor's or a Third Party's confidentiality obligations; (c) is already lawfully in the possession of the Contractor at the time of disclosure to it; (d) is received from a Third Party having a lawful right to disclose such information without any restriction on further disclosure; (e) is independently developed by the Contractor without reference to or use of Confidential Information of the State and/or Camelot; or (f) is necessary to be disclosed for the enforcement of the Contractor's rights under or with respect to this Agreement and then only to the

extent so necessary; provided, however, that the exclusions in the foregoing subsections (a), (b) and (c) shall not be applicable to the extent that the disclosure or sharing of such information by the Contractor is subject to any limitation, restriction, consent or notification requirement under any applicable data privacy laws then in effect.

11. Required Disclosures.

11.1 In the event that the Contractor is requested or required by Regulatory Requirement, other applicable law, or other applicable judicial or governmental order to disclose any Confidential Information, the Contractor shall provide Camelot with prompt notice of any such request or requirement so that Camelot and/or the State may seek a protective order or other appropriate remedy and/or waive compliance with the terms of this clause 11.1 and the Contractor shall request the party requesting or requiring disclosure to provide the Contractor and the State or Camelot with a reasonable amount of time to object to such production. In the event that such protective order or other remedy is not obtained, or that Camelot waives compliance with the terms of this clause 11.1, the Contractor (a) may disclose only that portion of the Confidential Information which legal counsel advises in writing is legally required to be disclosed, (b) shall deliver to Camelot written notice together with a description of any Confidential Information to be disclosed (including copies of the relevant portions of the relevant documents) as far in advance of its disclosure as is reasonably practicable, and (c) shall use its Reasonable Best Efforts to, and shall use its Reasonable Best Efforts to cause its representatives to, preserve the confidentiality of the Confidential Information (including cooperating with Camelot and/or the State in its efforts to obtain an appropriate protective order or other reasonable assurance that confidential treatment will be accorded to the Confidential Information). In addition, the Contractor shall not, and shall cause its representatives not to, oppose any action (and shall, if and to the extent requested by Camelot or the State), cooperate with and assist Camelot and/or the State at no cost or expense and cause its representatives to cooperate with and assist the State and/or Camelot, in any reasonable action by the State or Camelot to limit the scope of any such disclosure or obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded the Confidential Information.

11.2 The Contractor acknowledges that any Public Record (as defined in Illinois FOIA) related to the Lottery and this Agreement, including Public Records containing Confidential Information disclosed by Camelot to the State, may be subject to release to the public under Illinois FOIA, including pursuant to Section 7(2) thereof in response to a request for records (a **"FOIA Request"**). Upon receipt of any request for Public Records related in any way to this Agreement or the Lottery, the State shall promptly, but in any event within two (2) Business Days of its receipt of a FOIA Request, notify Camelot of such FOIA Request, to the extent legally permissible, in order to enable Camelot to seek an appropriate protective order or other remedy. The Contractor shall provide all reasonable assistance to Camelot in respect of this process. In the event that Camelot is not granted a protective order or other remedy, Camelot shall notify the Contractor and the Contractor shall promptly, but

in any event within two (2) Business Days following receipt of such notice, provide to Camelot (i) all Public Records in its possession that Camelot reasonably determines are responsive to such FOIA Request and (ii) any other Public Records related to the PMA, this Agreement or the Lottery that the State and Camelot reasonably determines are responsive to such FOIA Request and requests from the Contractor, regardless of whether the Contractor believes such Public Records are required to be disclosed in response to such FOIA Request.

12. State Audit Rights.

- 12.1 The Contractor shall permit the State and the State's Permitted Auditor's to conduct audits of the Contractor provided that such Permitted Auditors have agreed in writing to be bound by confidentiality terms. Upon the State's request the Contractor shall assist the State in conducting and/or responding to any audit or audit request (including assisting the State to obtain certifications or other confirmations required by the State Policies and Rules). The Contractor understands and agrees that the State and its Permitted Auditors shall have access to all Contractor records relating to the Agreement and all Contractor personnel and locations involved in the provision of the Services. The State and its Permitted Auditors shall not have access to or, be given access to: (i) proprietary information concerning or belonging to other Contractor customers; provided, however, if such information is commingled with information belonging to the State or Camelot, then such information shall be separated and such State or Camelot owned information shall be made available to the State and Camelot; (ii) Contractor locations or facilities, or areas within locations or facilities, that are not directly or indirectly involved in, the provision of the Services; and (iii) Contractor's internal costs or pricing model.
- 12.2 The Contractor shall provide the State and its Permitted Auditors with reasonable private workspace in which to perform an audit, plus access to photocopiers, telephones, facsimile machines, computer hook-ups and any other facilities or equipment reasonably requested for the performance of the audit.
- 12.3 The Contractor acknowledges that:
- 12.3.1 The State may engage in unannounced physical or electronic audits, inspections and visitations of the Contractor's locations if legally authorized to do so. These audits may be outside of normal business hours; and
- 12.3.2 If the State determines in good faith that the Contractor is not complying, in all material respects, with the Agreement, then the State may reasonably engage in physical or electronic audits, inspections or visits at the Contractor's locations.

13. Governmental Audits of the State.

- 13.1 The Contractor acknowledges that the State may be subject to regulation and audit by Governmental Authorities or standards organizations (including the Multi-State Lottery Association and any other applicable organization regulating Multi-State

Lottery Games or any other applicable multi-state lottery association) under applicable State Policies and Rules or contract provisions. In the event that a Governmental Authority or standards organization (including the Multi-State Lottery Association and any other applicable organization regulating Multi-State Lottery Games or any other applicable multi-state lottery association) exercises its right to examine or audit the State's books, records, documents or accounting practices and procedures pursuant to such State Policies and Rules or contract provisions, the Contractor shall provide all assistance reasonably requested by the State or such Governmental Authority or standards organization in responding to such audits or requests for information (including allowing the State to conduct an audit), and shall do so in an expeditious manner to facilitate the prompt closure of such audit or request.

- 13.2 In the event that an audit by a Governmental Authority other than the State or by a standards organization having jurisdiction over the State or Camelot results in a finding that the Contractor is not in compliance with any applicable Regulatory Requirement, the Contractor shall, at its own expense and within a commercially reasonable time period, specified by such auditor (or if no such specification, as agreed in writing by the parties), address and resolve the Regulatory Requirement deficiencies identified by such Governmental Authority or standards organization.

14. Ethics and Integrity

The Contractor acknowledges that it is obligated to meet high standards for ethics and integrity under this Agreement. Contractor covenants to Camelot that it shall not (a) take any action in the performance of this Agreement to create an unfair, unethical, or illegal competitive advantage for itself, its Affiliates or others or (b) have any financial or personal interests relating to the Lottery (other than this Agreement) without the explicit written consent of Camelot.

15. Ownership

The Contractor shall within thirty (30) days prior to any proposed Change in Control of the Contractor (i) inform Camelot of such proposed Change in Control of the Contractor and any other transfer, sale, assignment, gift, pledge or exchange of any economic interest, voting interest or other equity interest of Subcontractor by amending, modifying or supplementing any ownership disclosure form prescribed by the State or Camelot (the "**Ownership Disclosure Form**") whenever necessary to ensure that the information on any previously delivered Ownership Disclosure Form is true and accurate in all material respects, (ii) provide to Camelot the proposed amended, modified or supplemented Ownership Disclosure Form and (iii) provide to Camelot such other information as may be reasonably requested in connection with such Change in Control of the Contractor. The Contractor shall not effect any Change in Control of the Contractor if such Change in Control is expressly prohibited by any applicable State Policies and Rules. In the event a Change in Control of the Contractor occurs in breach of this Section 15, the Contractor shall have sixty (60) days to cure such breach.

16. Compliance with State Policies and Rules and Regulatory Requirements

Upon the State's or Camelot's request, Subcontractor shall furnish to the State written certification that Subcontractor is in compliance with all State Policies and Rules and Regulatory Requirements (including those non-discrimination Regulatory Requirements applicable to private sector employers) applicable to it.

17. Material Misstatement

The Contractor represents and warrants to Camelot that none of the reports, financial statements, certificates or other written information furnished by or on behalf of the Contractor or, to the knowledge of the Contractor, in connection with this Agreement, the Services or the Lottery, contains any material misstatement of fact.

18. Assignment

The Contractor acknowledges that, if reasonably requested by the State as part of the disentanglement of Camelot, it shall at no charge grant the State, its Affiliates, another designated State of Illinois agency and/or the Replacement Manager of the Lottery the use and benefit of the Agreement. The Contractor shall, upon Camelot's request, assign the Agreement to the State or the Replacement Manager and shall permit the State, its Affiliates, another designated State of Illinois agency and/or the Replacement Manager to assume prospectively the Agreement or enter into new contracts with the State, its Affiliates, another designated State of Illinois agency and/or the Replacement Manager on substantially the same terms and conditions, including price. There shall be no charge or fee imposed on any party for any such assumption of a contract. The Contractor shall: (a) represent and warrant that it is not in default under the Agreement and any subcontracts and third party contracts; (b) represent and warrant that all payments thereunder through the date of assignment are current; and (c) notify the State in writing of any default with respect to the Agreement and third party contracts of which it is aware at the time.

19. Indemnification

The Contractor shall indemnify, defend and hold harmless Camelot against all financial penalties levied by the State that arise directly or indirectly from any acts or omissions of the Contractor.

20. Transfer of Rights and Obligations

20.1 The Contractor agrees that it shall not assign, transfer or delegate or purport to assign, transfer or delegate any of its rights or obligations under the Agreement to any Person without the prior written consent of Camelot.

20.2 The Contractor shall not be entitled to sub-contract the performance of any of its obligations under the Agreement to any third party without the prior written consent of Camelot.

21. Subcontractors

- 21.1 If the Contractor enters into an agreement (a “**Subcontract**”) with a third party (a “**Subcontractor**”) for the subcontract of the performance of some material part or all of its obligations under the Agreement, then the Contractor shall ensure that any such Subcontract incorporates the provisions of this Schedule, on the same terms, with the effect that all of the provisions which are imposed on the Contractor will flow through to the Subcontractor.
- 21.2 The Contractor shall ensure that each Subcontract includes provisions obliging the relevant Subcontractor to include a provision in any Subcontract prohibiting the subcontract of the performance of some material part or all of that Subcontractor’s obligations without the prior written approval of Camelot, such approval not to be unreasonably withheld.

22. Termination and renewal

In the event that the PMA expires, is terminated or revoked, then the Agreement shall terminate immediately unless the State or any Replacement Manager elects to assume the Contract. Such termination in itself shall not constitute a breach of the Agreement by any Party to the Agreement and the Contractor shall not be entitled to any payment for damages or otherwise from Camelot in respect of any termination in accordance with this paragraph.

- 22.1 Any termination of the Agreement shall not affect any accrued rights or liabilities of any of the Parties nor shall it affect the coming into force or continuance in force of any provision of the Agreement which is expressly or by implication intended to come into or continue in force on or after such termination.

23. Change Clause

- 23.1 The Parties acknowledge that they have entered into the Agreement on the basis of the PMA, the Operating Standards, the State Policies and Rules and the Regulatory Requirements as at the date of the Agreement. In the event of the State making any changes to the PMA, the Operating Standards, the State Policies and Rules, the Regulatory Requirements or to any description for operations, or imposing any other requirements on Camelot which result in or necessitate any material change(s) to the nature, scope, specifications, implementation (including the timing of any such implementation), acceptance, testing or certification of any of the goods and/or services to be supplied by the Contractor under the Agreement, Camelot shall advise the Contractor of this fact in writing and shall advise the Contractor of any necessary changes to the Agreement, including this Schedule (“**Change Proposal**”). After consulting with the Contractor, Camelot may then, acting in its absolute discretion, order the Contractor to implement such Change Proposal (“**Change Order**”) irrespective of whether the cost of implementation has been agreed.
- 23.2 The Contractor shall promptly implement any Change Order issued by Camelot in accordance with clause 23.1 above.

- 23.3 Camelot shall pay the Contractor any additional costs as are reasonably and properly incurred by the Contractor (other than those arising as a result of the termination required by the State of any Subcontract as a result of a Change Order).
- 23.4 In the event that the Contractor and Camelot fail to agree on the costs of any Change Order, the matter may be referred at any time by either party to an expert whose decision shall be final and binding. The expert shall be appointed by agreement between the parties. The terms of appointment of the expert shall include the right to make an award of costs as he or she considers to be just and equitable. The Parties hereby undertake to supply the expert with all such assistance, documents and information as the expert may reasonably require for the purpose of such expert's determination. The Parties do not intend the reference to an expert to constitute an arbitration within the scope of any arbitration legislation and agree that the expert's decision is not a quasi-judicial procedure and that the Parties shall have no right of appeal against the expert's decision.
- 23.5 Any Change Order shall vary the provisions of the Agreement which shall otherwise continue unamended and in full force and effect.
- 23.6 The provisions of this clause 23 shall be without prejudice to any liability of any party arising from any breach of the Agreement by such party prior to any Change Order.

24. Conflict

In the event of a conflict between the provisions of this Schedule and the Agreement, the provisions of this Schedule shall prevail.

25. Conditionality

The Agreement is conditional upon any approval of the State for the Contractor that may be required in accordance with the PMA. For the purpose of obtaining such approval, the Contractor shall promptly provide such declarations as the State may require.

26. Definitions and Interpretation in this Schedule:

"Affiliate" means any Person that, directly or indirectly, through one or more intermediaries, Controls, is Controlled by or is under common Control with the Person specified.

"Agreement" means the agreement to which this Schedule is attached.

"Analytics Data" means data gathered, originated, prepared, obtained, received, computed, developed, or stored by or on behalf of Camelot which relates to or is used in connection with Camelot's proprietary analysis of the operation of the services including performance of technology, advertising effectiveness, consumer behavior, and trend analysis. "Analytics Data" may include information derived from or combined with Lottery Data provided that any such data contains no State Personal Data and is used only in anonymized and aggregated form.

“Anti-Corruption Laws” mean all laws, rules, and regulations of any jurisdiction applicable to Camelot or any of its Affiliates from time to time concerning or relating to bribery or corruption.

“Camelot” means Camelot Illinois LLC.

“Central Gaming System” means the comprehensive gaming system that includes software, hardware and service elements that support the gaming environment in the State of Illinois.

“Change in Control” means: (a) any transaction or combination of transactions as a result of which a Person that presently is in Control of a party ceases to be in Control of such party; (b) the sale, transfer, assignment, gift, pledge, exchange or other disposition, directly or indirectly, by operation of law or otherwise (including disposition in full or partial dissolution) to a Person of fifty percent (50%) or more of the beneficial ownership (as defined in Rule 13(d) of the Securities Exchange Act of 1934) of the voting, economic or other equity interest of a party, or of the assets of such party that constitute a substantial or material business segment of such party; or (c) with respect to the Contractor, the unit, division or operating group of the Contractor that is responsible for providing the Services is sold or transferred, directly or indirectly, to a Person or otherwise experiences a change in Control.

“Competitor of Manager” means IGT Global Solutions Corporation, Scientific Games International, Inc., Intralot S.A., Novomatic AG, Sugals & Damani Enterprises (P) Ltd., Tatts Group Limited, Pollard Games, Inc., NG International, Ltd., Zeal Network SE, Lottoland Holdings Limited, Jumbo Interactive Limited, and Lotto24 AG, and such other Persons specified by Manager from time to time.

“Confidential Information” means: (a) all information marked confidential, restricted or proprietary by the State and/or Camelot; and (b) any other information that is treated as confidential by the State and/or Camelot and would reasonably be understood to be confidential, whether or not so marked. In the case of the State, Confidential Information also shall include the Lottery Data, attorney-client privileged materials, attorney work product, customer lists, customer contracts, customer information and transaction data, rates and pricing, information with respect to competitors, strategic plans, account information, research information, financial/accounting information (including assets, expenditures, mergers, acquisitions, divestitures, billings collections, revenues and finances), IT and personnel information, marketing/sales information, information regarding businesses, plans, operations, Third Party contracts, licenses, internal or external audits, law suits, and regulatory compliance data. In the case of Camelot, Confidential Information also shall include the Analytics Data (excluding Lottery Data), attorney-client privileged materials, attorney work product, customer lists, customer contracts, customer information and transaction data, rates and pricing, information with respect to competitors, strategic plans, account information, research information, financial/accounting information (including assets, expenditures, mergers, acquisitions, divestitures, billings collections, revenues and finances), IT and personnel information, marketing/sales information, information regarding businesses, plans, operations, Third Party contracts, licenses, internal or external audits, law suits, and regulatory compliance data.

“Contractor” means [Entity selected to perform services or provide products under a contract with Camelot].

“Control” means, with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of management or policies of such Person, whether through the ownership of voting securities (or other ownership interests), by contract or otherwise. For this purpose, and without limiting the foregoing, any Person that owns more than fifty percent (50%) of the outstanding voting securities of any other Person shall be deemed to Control such other Person.

“Controlled Account” means the deposit account as specified by Manager.

“Employment Laws” means any and all Regulatory Requirements that relate to the employment of individuals, including all applicable provisions of State and Federal laws and regulations pertaining to discrimination against any employee or applicant for employment for any reason, including because of race, color, religion, age, gender, national origin, ancestry, marital status, sexual orientation, military status, physical or mental disability unrelated to ability, order of protection status, unfavorable discharge from military service, sexual or other forms of unlawful harassment and equal employment opportunity, including the Illinois Human Rights Act (775 ILCS 5); the Public Works Employment Discrimination Act (775 ILCS 10); the United States Civil Rights Act of 1964 (as amended) (42 U.S.C. §2000a-§2000h-6); Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §794); the Americans with Disabilities Act of 1990 (42 U.S.C., §12101 et seq.); Executive Orders 11246 and 11375 (Equal Employment Opportunity) and Executive Order 13160 (2000) (Improving Access to Services for Persons with Limited English Proficiency).

“Governmental Authority” means any federal, state, regional or local legislative, executive, judicial or other governmental board, department, agency, authority, commission, administration, court or other body, or political subdivision thereof (including the State, acting in its governmental capacity), or any official thereof.

“Illinois FOIA” means the Freedom of Information Act (FOIA) (5 ILCS 140).

“Intellectual Property” or **“IP”** means patents, trademarks, service marks, logos, get-up, trade names, internet domain names, rights in designs, copyright (including rights in computer software) and moral rights, database rights, semi-conductor topography rights, utility models, rights in know-how and other intellectual property rights, in each case whether registered or unregistered, and all rights or forms of protection having equivalent or similar effect anywhere in the world and registered includes registration, and applications for registration.

“Jointly Administered State Contract” means pre-existing State contracts that the State shall jointly administer with Camelot.

“Loss Event” means a Loss (or a Loss that is reasonably expected to occur) for which the Contractor is, or is reasonably expected to be, liable under the Agreement.

“Losses” means all actions, suits, proceedings, hearings, investigations, charges, complaints, claims, demands, injunctions, judgments, orders, decrees, rulings, damages, dues, penalties,

finances, costs, amounts paid in settlement, Liabilities, obligations, taxes, liens, losses, expenses, and fees, including court costs and reasonable attorneys' fees and expenses.

"Lottery" means the Illinois Lottery.

"Lottery Data" means any and all data, in electronic or other form, of any kind or nature that pertains, directly or indirectly, to the Lottery (including, without limitation: all personal data belonging to the State and all records, customer data, technical information, sales and performance data, files, materials, reports, audits, surveys, plans, analyses, charts, literature, brochures, mailings, recordings, correspondence, pictures, drawings, graphic representations, written procedures and documents, memoranda, forms and other such items that may be gathered, originated, prepared, obtained, received, computed, developed, used or stored by the State or any service provider that pertains, directly or indirectly, to the Lottery).

"Operating Standards" means the current policies and procedures that govern the operational provisions for the performance by Camelot of the services set out in the PMA (as amended, restated, supplemented or otherwise modified from time to time).

"Party" means Camelot and the Contractor.

"Person" means any individual (including the heirs, beneficiaries, trusts, executors, legal representatives or administrators thereof), corporation, partnership, joint venture, trust, limited liability company, limited partnership, joint stock company, unincorporated association, governmental organization, political sub-division, body politic or other entity.

"Permitted Auditors" means, collectively, (i) the internal and external auditors and regulators of the State, and (ii) other representatives, including customers, clients, vendors, licensees and other third parties, to the extent the State is legally or contractually obligated to submit to audits by such representatives.

"PMA" means the Private Management Agreement, dated October 13 2017, by and between the State and Camelot under which Camelot is the private manager for the Lottery.

"Prohibited Consideration" means any direct or indirect payment or other consideration (including, without limitation, any (i) commissions, payments, kickbacks, lavish or extensive entertainment, (ii) pay, remuneration, or gratuity of any value from any Person contracting with, or seeking to contract with, any State party, or (iii) other inducements, in each instance other than such payments and other consideration as are expressly permitted under the PMA (including related Lottery documents), and then only to the extent so permitted thereunder.

"Reasonable Best Efforts" means the with respect to a given goal, the efforts that a reasonable Person would use so as to promptly achieve that goal (including, where reasonably appropriate, promptly exercising all contractual, statutory, and other rights and powers available to it).

"Regulatory Requirements" means all federal, country, state, provincial, regional, territorial, local and other laws, rules and regulations, ordinances, interpretive letters and other official

releases of or by any Governmental Authority, decrees, orders and codes (including any requirements for permits, certificates, approvals and inspections), as the same are promulgated, supplemented and/or amended from time to time, including laws that apply directly or indirectly to the delivery or receipt of services under the PMA.

“Related Documentation” means, with respect to software, the Central Gaming System and other information technology systems, all materials, documentation, specifications, technical manuals, user manuals, flow diagrams, file descriptions and other written information that describe the function and use of such software, the Central Gaming System and other information technology systems.

“Replacement Manager” means the State, its Affiliate, a State agency or any replacement provider designated by the State to manage the Lottery.

“Service Level” means a service level requirement and the standard for performance for particular services, as set out in Appendix 1.

“State” means the State of Illinois, acting through the Department of the Lottery

“State Intellectual Property” means, collectively: (a) the Intellectual Property that is (i) owned, acquired, created, developed or invented by or on behalf of the State prior to or after the date the PMA is executed, including any lottery trademarks, or (ii) licensed, leased or otherwise made available to the State from a third party prior to or after the date the PMA is executed; (b) State New Intellectual Property; and (c) Work Product.

“State New Intellectual Property” means any modifications and enhancements to, and derivatives of, State Intellectual Property created, developed or invented by or on behalf of the State, including all modifications and enhancements to, and derivatives of, Work Product; in each case excluding any Intellectual Property owned by Camelot.

“State Policies and Rules” means (a) the standards, policies, practices, processes, procedures, controls and rules of the State publicly available or delivered to Camelot regarding confidentiality, security, record retention, safety and health and personal, professional and ethical conduct applicable to the provision of the Services and (b) all Regulatory Requirements, policies, and rules applicable to the provision of the Services, and all additions and modifications to each of subsections (a) and (b).

“Third Party” means a Person other than the Parties and an Affiliate of Camelot.

“Work Product” means any Intellectual Property commissioned specifically by the State for development pursuant to the PMA, any modifications or enhancements to State Intellectual Property, and any trademarks or other Intellectual Property relating to the identity of the Lottery; provided, however, that Work Product excludes any Intellectual Property owned by Camelot.

Appendix 1 – Service Levels

Service Level	Service Level Credits
LOTTERY SYSTEM	
<p><u>Lottery System Down</u></p> <p>Manager will ensure that neither the Central Gaming System(s) nor the iLottery System (each, a “Lottery System” or, collectively, the “Lottery Systems”) is Down for more than three (3) minutes during the operational hours for ticket sales or validation on any day.</p> <p>As used herein, a Lottery System shall be considered “Down” if, other than as the result of any user error or failure of any a third party (other than Manager, any Affiliate of Manager or any Subcontractor) system (e.g., retail communications network providers or Data Center WAN links): (i) Lottery Tickets cannot be entered, printed and sold, canceled (pursuant to permitted conditions), or validated from every installed and operational terminal or active iLottery account, during the operational sales period each day or (ii) the Lottery System cannot process requests and/or accept any connections. For the avoidance of doubt, a Lottery System shall not be considered “Down” during the period in which the Lottery System is inoperative for the scheduled end of day processing window that is typically two (2) hours in length and occurs between 1 A.M. and 5 A.M.</p> <p><u>Lottery System Degraded Performance</u></p> <p>Manager will ensure that a Lottery System is not Degraded for more than ten (10) minutes, as determined on an aggregate basis, during the operational hours for ticket sales or validation on any day.</p> <p>For example, if the Central Gaming System processes transactions from less than ninety-six percent (96%) of the installed and operational Lottery Terminals for five (5) minutes of each hour of an eight (8) hour day, then the Lottery System will be degraded for forty (40) minutes during such day.</p>	<p>If a Lottery System is Down or Degraded in violation of an applicable Service Level, the State may assess Service Level Credits.</p> <p>For example, if any Lottery System is Down or Degraded for three (3) minutes in the morning of a day and then five (5) minutes in the afternoon of a day, then the Lottery System will be Down or Degraded for eight (8) minutes for such day for purposes of determining Estimated Lost Net Income.</p> <p>If a Lottery System is Down or Degraded in violation of an applicable Service Level due entirely to an issue within a third party (other than Manager, any Affiliate of Manager or any Subcontractor) retail communications network or Data Center WAN links, then in lieu of payment of any applicable Service Level Credits otherwise payable, Manager shall pay to the State all amounts recovered by Manager from the applicable Subcontractor.</p> <p>If a Lottery System is Down or Degraded in violation of an applicable Service Level due to any reason other than the networks, then Service Level Credits shall equate to Estimated Lost Net Income.</p> <p>The total time during which a Lottery System is Down or Degraded will be calculated as the sum of all time during which the systems are Down or Degraded.</p>

As used herein, a Lottery System shall be considered "Degraded" if, other than as the result of any user error or failure of any third party (other than Manager, any Affiliate of Manager or any Subcontractor) system (e.g., retail communications network providers or Data Center WAN links):

For Central Gaming Systems:

- i. The Central Gaming System processes transactions from less than ninety-six percent (96%) of the installed and operational Lottery Terminals;
- ii. The Central Gaming System processes transactions from all installed and operational Lottery Terminals, but not for all gaming products and Lottery Retailer-related activities (e.g., the gaming host systems do not allow sales, cashes, or cancellations for on-line games, or do not support activations, disabling, or settlements for instant tickets);
- iii. Transactions do not log to at least two (2) geographically separated Lottery Systems, and to the Internal Control System;
- iv. Critical functions of Central Gaming System management and administration cannot be conducted by the management workstations at the normally scheduled day and time (e.g., file transfers to the State);
- v. Instant ticket inventory management (e.g., the ability to receive, order, pack, and ship instant tickets in a manner concordant with production schedules) is compromised;
- vi. During a defined promotion period the Central Gaming System cannot issue tickets or conduct transactions to support an intended promotion (per promotion specifications); or
- vii. Network and/or central lottery system monitoring identifies (a) a drop in sales per minute, as a result of network performance, of more than twenty-five percent (25%) compared to the previous five (5) minute period or in the time period just after a draw close, or (b) a drop of twenty-five (25%) compared to the same time period in the previous trading week. Additionally under test environments Lottery Terminals take in excess of two (2) seconds to process

a Lottery Ticket, measured as the 'send to cut' time.

For iLottery Systems:

If, other than as the result of any user error or failure of any third party (other than Manager, any Affiliate of Manager or any Subcontractor) system (e.g., Internet service providers, geolocation or banking systems):

The iLottery System suffers a period in excess of two (2) consecutive minutes where less than ninety-five (95%) of all plays complete within one (1) second or any single play fails to complete within five (5) seconds, except where Manager can demonstrate, using a Lottery industry credible source, such issue is caused by (1) geolocation checks that validate that play is being performed within Illinois and in some cases could exceed five (5) seconds, (2) user/player error or other circumstances attributable to the user/player, or (3) interruptions (whether partial or total) of the internet as measured using internal and external availability monitors;

The 95th percentile load time of key revenue driving web pages (for example pages that include registration, adding cards, loading funds, and ticket purchases; note that Manager will ensure that the site is designed and optimized to improve performance in such key areas) exceeds four (4) seconds, as measured by internal and external availability monitors from within the State of Illinois, except where Manager can demonstrate, using a Lottery industry credible source, such issue is caused by (1) user/player error or other circumstances attributable to the user/player or (2) interruptions (whether partial or total) of the internet as measured using internal and external availability monitors;

The player is unable to register and/or the iLottery System is unable to process registrations for more than two (2) consecutive minutes; or

<p>The iLottery System is unable to process a purchase for more than two (2) consecutive minutes, where the issue is not caused by an external factor/dependent system e.g. the Lottery System.</p>	
<p><u>Unauthorized System Access and Modification</u></p> <p>Manager shall ensure that Lottery System access is appropriate and as authorized. Personnel who are not authorized shall not access, modify, or otherwise manipulate Lottery System data, hardware or software. The Lottery may assess a Service Level Credit as a result in addition to any other damages that may occur as a result of such unauthorized access or modification. An “Incident” is each act of access, modification, or interference of a Lottery System’s data, hardware or software by an unauthorized Person.</p> <p>Manager shall ensure that Lottery System modifications are authorized in accordance with approved configuration management procedures. As used herein, “modification” does not include the replacement of a System component with an essentially similar working component in the event of necessary maintenance. If a Lottery System is modified without proper authorization, the State or the Lottery may require that the modification be removed and the Lottery System restored to its previous operating state at the Manager’s expense. Further, the Lottery may assess a Service Level Credit.</p> <p>Manager shall notify the State of any changes to the systems, and/or unscheduled deployment delays, that have not followed the agreed Change Management process, except in the case of Emergency Releases where retrospective permission was granted</p> <p>Planned outages will be communicated by Manager to</p>	<p>The State may assess Manager a Service Level Credit of up to \$10,000 per Incident in addition to any other Losses that may occur as a result of such unauthorized access or modification; provided, however, that the aggregate Service Level Credits for any series of coordinated Incidents during a twelve (12) consecutive month period shall in no event exceed \$100,000.</p>

<p>the State at least forty-eight (48) hours in advance and shall not be included within any outage reporting or availability calculation</p> <p>Emergency Releases and associated outages will follow a special route to be agreed by Manager and the State and shall not be included within any outage reporting or availability calculation</p> <p>In order to release software, software must meet the defined defect criteria threshold, as documented and agreed in the Test Strategy artifact. The State will be informed of all impending releases through the defined and agreed Release Management process.</p>	
<p><u>Inadequate System Modification and Testing</u></p> <p>Manager shall ensure that all Lottery System releases shall meet their specification standards as designed and approved, and proven through adequate testing. Additionally, Manager shall ensure that the deployment process is executed in accordance with the approved implementation plan and defect criteria thresholds.</p> <p>For Lottery System releases that have an impact on net income, should any system downtime or degraded performance be caused as a result of Manager’s failure to meet Lottery System requirements as defined per the specification standards, testing plans or adherence to agreed implementation plans, then a Service Level Credit may be assessed.</p>	<p>The State may assess a Service Level Credit equal to all substantiated costs incurred by the Lottery directly related to the erroneous release (whether incurred prior to or after corrective actions are taken), provided, that the substantiated (x) internal costs incurred by the Lottery directly related to the erroneous release (whether incurred prior to or after corrective actions are taken) shall in no event exceed \$50,000, and (y) external costs incurred by the Lottery directly related to the erroneous release shall in no event exceed \$25,000.</p>
<p><u>System Modification Delay</u></p> <p>Manager shall ensure that Lottery System modifications, game and promotion changes that are reasonably anticipated to have a Material Positive Effect on Net Income are not delayed beyond the agreed upon launch date, unless otherwise agreed by the Parties through the Change in Control process. For each such delay a Service Level Credit may be assessed.</p>	<p>The State may assess Manager a Service Level Credit of \$5,000 for the first partial or full day of delay beyond the agreed upon launch date, plus \$1,000 for each additional partial or full day of delay.</p>

RETAIL	
<p><u>Terminal Downtime and Peripheral Repair</u></p> <p>A - Manager shall ensure that “non-operational” Lottery Terminals are repaired or replaced and operational within twenty-four (24) hours of notification from the Lottery Retailer or from discovery via network monitoring and/or a reported incident or trouble call. A Lottery Terminal is considered “non-operational” if Lottery Tickets cannot be entered, printed and sold or canceled (under permitted conditions) or validations cannot be performed, or the reader and/or scanner cannot process wagers or play slips.</p> <p>B – Manager shall ensure that less critical failures that do not render Lottery Terminals non-operational are repaired or replaced within forty-eight (48) hours of notification from the Lottery Retailer or from discovery via network monitoring and/or a reported incident or trouble call.</p> <p>C - For peripheral and non-terminal devices that do not affect the operation of Lottery Terminals (for example, an out of service jackpot display), Manager shall complete such repair within seventy-two (72) hours from the time of notice by the applicable Lottery Retailer.</p>	<p>In the case of:</p> <p>(A) A “non-operational” Lottery Terminal that has not been repaired or replaced and made operational within twenty-four (24) hours of notification from the Lottery Retailer or from discovery via network monitoring and/or a reported incident or trouble call; or</p> <p>(B) A less critical failure that does not render the Lottery Terminal non-operational has not been repaired or replaced and made operational within forty-eight (48) hours of notification from the Lottery Retailer or from discovery via network monitoring and/or a reported incident or trouble call; or if at any time four percent (4%) or more of all installed and operational Lottery Terminals are unable to sell or validate Lottery Tickets, the State may assess Manager a Service Level Credit of the Estimated Lost Net Income for every Business Minute each such Lottery Terminal remains non-operational.</p> <p>(C) Peripheral and non-terminal devices that do not affect the operation of terminals (for example, an out of service jackpot display), if the required repair is not completed within seventy-two (72) hours of notice from the applicable Lottery Retailer, then such Lottery Terminal shall be considered “non-operational” until such repair is complete.</p>
<p><u>Lottery Retailer Equipment Installation Delays</u></p> <p>Manager shall ensure the installation of fully working Equipment (including but not limited to Lottery Terminals, telecommunications, network, peripheral devices and</p>	<p>The State may assess Manager a Service Level Credit on a per Retailer location basis of \$250 for each day, in excess of ten</p>

<p>cabling) at any Lottery Retailer within ten (10) Business Days (except where the applicable Lottery Retailer refuses an installation) from the date a request for a new Equipment installation is made by a retailer who has completed the required process and is approved by the Illinois Lottery to become a new retailer. Provided however, for Vending Terminals, the ten (10) Business Days shall be increased to twenty- (20) Business Days.</p>	<p>(10) Business Days from the date a request for approved new Equipment installation is made, that the Equipment is not installed and operable at a specified Retailer location (except where the Lottery Retailer refuses in writing an installation).</p>
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SECURITY

<p><u>Physical Security</u></p> <p>Manager must implement stringent security measures to prevent unauthorized entry and activity at the site(s) of its Large Subcontractors as appropriate, as well as support any applicable federal and local fire and safety regulations (a “Physical Security Breach”). At a minimum the program must (the “Physical Security Requirements”):</p> <ul style="list-style-type: none"> i. Prevent unauthorized Persons from accessing the facilities; ii. Provide a record of all entries and exits from each facility; iii. Include access control and an intrusion system at each site; and iv. Provide a system to monitor all activities at entrances/exits and all other high security/sensitive areas. 	<p>The State may assess Manager a Service Level Credit of \$10,000 per incident of Physical Security Breach due to Manager's failure to maintain Physical Security Requirements.</p>
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<p><u>Data Security</u></p> <p>The systems provided by Manager and its Large Subcontractors must adhere to the data protection requirements set forth in the Agreement, including those set forth in the Operating Standards (the “Data Security Requirements”). Any intrusion or attack on Lottery data which results in unauthorized access to or disclosure of Lottery data shall be a “Data Security Breach”.</p>	<p>The State may assess Manager a Service Level Credit of \$10,000 per Incident or series of coordinated Incidents during a twelve (12) consecutive month period of Data Security Breach due to Manager's failure to maintain Data Security Requirements. Manager will also be expected to facilitate and pay for all Losses associated with the breach, including but not limited to, notifying players, offering credit monitoring services, etc. and complying with the provisions of the State’s Cyber Security Policy, Identity Protection Act, Personal Information Protection Act and the Lottery’s Data Breach Notification Policy (including any updates and amendments thereof as well as successor legislation</p>
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	and policies thereto).
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DEFINED TERMS FOR PURPOSES OF THIS APPENDIX 1

As used in this Appendix 1, the following terms have the following meanings:

Estimated Lost Net Income

Will be calculated based on the product of (1) and (2) and adjusted if necessary in line with (3):

- (1) The number of Business Minutes in excess of three (3) Business Minutes a Lottery System is Down or Degraded during daily operational hours for sales or validations
- (2) Net income from a similar and representative time period during the previous twelve (12) months, meaning the same time of day, day of week and with similar Draw Games' jackpot amounts.
- (3) In the case of Degraded performance, the output from multiplying (1) and (2) above will be reduced by an amount determined by the net income achieved during the time period (1)

"Average Daily Net Income per Business Minute" means the Average Daily Net Income divided by Business Minutes per day.

"Business Minute" means a minute Lottery Tickets are available for sale between the hours of 6 A.M. and 11 P.M.

"Communication Network" means a mechanism and/or transport medium that enables inter-site connections, games management terminal connections, data center local area networks and the retailer network.

"Estimated Lost Terminal Net Income" is calculated when (i) "non-operational" Lottery Terminals are not repaired or replaced and operational within twenty-four (24) hours ("**Grace Period**") and is defined as the product of (x) the number of Down Business Minutes per Lottery Terminal (only for those affected Lottery Terminals and not all Lottery Terminals) in excess of the Grace Period and (y) the Average Daily Net Income per Business Minute per Lottery Terminal or (ii) four percent (4%) or more of the Lottery Terminals are unable to sell or validate Lottery Tickets and is defined as the product of (x) the number of Down Business Minutes per Lottery Terminal (only for those affected Lottery Terminals and not all Lottery Terminals) and (y) the Average Daily Net Income per Business Minute per Lottery Terminal.

"Lottery Terminal" means the Lottery Retailer terminal and lottery ticket printer, and check writing equipment provided by Manager.

Any player account which is owned or controlled by a player prohibited by Section 4.1.5 of the Operating Standards from purchasing a Lottery Ticket, playing a game or claiming a Prize shall be excluded from the calculation of any Service Level threshold or Service Level Credit.