



EVERI HOLDINGS INC.

GAMING COMPLIANCE AND REPORTING PLAN

1. INTRODUCTION

Everi Holdings Inc. and its Subsidiaries (collectively, “EVERI” or the “Company”) has established a Compliance Committee (the “Committee”) and Gaming Compliance and Reporting Plan (the “Plan”) to oversee procedures to enhance the likelihood that no activities of the Company or its Subsidiaries, in any of the specific jurisdictions in which the Company maintains operations, would impugn the reputation and integrity of the Company. The Company is required by the Nevada Gaming Authorities to maintain the Committee and Plan pursuant to its Revised Order of Registration. The nature of the gaming-related businesses in which the Company is engaged requires a particular sensitivity to the potential dangers of unsuitable associations and non-compliance with regulatory requirements. In addition to satisfying regulatory requirements, the Company believes that the Committee and Plan are an important tool to assist the Company in maintaining the highest standards of compliance with the regulatory requirements in jurisdictions in which EVERI operates and in implementing its policy to conduct business with honesty and integrity.

2. PURPOSE

The Committee and the Plan are created for the purposes of

- (a) reviewing compliance with gaming laws applicable to the business operations of EVERI;
- (b) performing due diligence in respect of proposed transactions and associations;
- (c) advising the Board of Directors of any gaming law compliance problem or situation that may adversely affect the objectives of this Plan; and
- (d) providing reports to Gaming Authorities as required and as the Committee deems appropriate.

The Committee will exercise reasonable efforts to identify and evaluate situations or relationships arising in the course of the business of the Company that may have a negative effect upon the reputation or integrity of the Company.

EVERI’s employees are expected to take an active role in its compliance efforts. Employees are expected to immediately report known regulatory violations and seek guidance when dealing with new or unfamiliar regulatory requirements, entering new markets, or introducing new products.

3. DEFINITIONS

The terms used in the Plan shall have the following meanings:

- 3.1 “**Board**” means the Board of Directors of EVERI.
- 3.2 “**CEO**” means the Chief Executive Officer of EVERI.
- 3.3 “**Compliance Committee**” or “**Committee**” means the EVERI Compliance Committee.
- 3.4 “**Compliance Officer**” means the individual appointed by the Board and employed by the Company to assist in the implementation and administration of the Plan. This appointment also requires administrative acknowledgement by the Chair of the Nevada Board.
- 3.5 “**Consultant**” means a Person, other than a Professional Advisor, engaged by EVERI to furnish advisory or consulting services related to EVERI’s interests or business operations for fees that are reasonably expected to exceed \$150,000 on an annual basis.
- 3.6 “**Customer**” means a Person, except a Subsidiary, who is buying, leasing, licensing, or otherwise contractually acquiring goods and/or services from EVERI in the course of that Person’s business, including any Gaming Location Operations.
- 3.7 “**Customer Loan Agreement**” means a contract pursuant to which EVERI agrees to extend credit to or provide a guaranty, indemnity, or co-signature for a loan on behalf of a Customer that is not



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for the exclusive purpose of financing the acquisition of EVERI Products and Services, including, without limitation, loans to purchase, finance, or pay for (a) furniture, fixtures, and equipment not acquired from EVERI for a Gaming Location Operation; (b) tenant improvements at a commercial premise of a Gaming Location Operation; and (c) working capital or prepaid expenses incurred in connection with the operation of a business that is a Gaming Location Operation that is not owned and operated by EVERI.

- 3.8 “**EVERI**” or “**Company**” means Everi Holdings Inc. and its Subsidiaries.
- 3.9 “**EVERI Products and Services**” means the products and services either or both distributed and sold, leased, or licensed by or on behalf of EVERI, including, without limitation, Gaming Devices, Gaming Systems, financial access services, ticket redemption, ticket printing, compliance software, loyalty solutions, check verification and warranty services, credit bureau services, wire transfer services and financial access software and hardware.
- 3.10 “**Executive**” means an individual appointed to and serving in a position of executive vice president or higher of EVERI.
- 3.11 “**Finance**” means EVERI’s corporate Finance Department under the direction and control of the Chief Financial Officer (“CFO”) of EVERI.
- 3.12 “**Gaming Authority**” or “**Gaming Authorities**” means any national, federal, state, tribal, or local gaming regulatory agency that has jurisdiction over EVERI’s gaming activities.
- 3.13 “**Gaming Device**” means any object used remotely or directly in connection with gaming or any game which affects the result of a wager by determining win or loss and which does not otherwise constitute associated equipment or anything else defined as a “gaming device” by statute or regulation.
- 3.14 “**Gaming Location Operation**” means any premise or establishment at which gaming or gambling activities are conducted pursuant to valid licenses and approvals issued by a Gaming Authority and at which EVERI conducts business or performs services as a slot route operator or other substantially similar license or permit.
- 3.15 “**Gaming System**” means the collective hardware, software, communications technology, computers, and databases used to operate a system for casino accounting and management, wide area networks of inter-casino linked games, centrally controlled or determined games, mobile gaming, internet-based games, or similar systems.
- 3.16 “**General Counsel or Chief Legal Officer**” means the General Counsel or Chief Legal Officer (“CLO”) of EVERI.
- 3.17 “**Independent Contractor**” means, with respect to a manufacturer, any person who (a) is not an employee of the manufacturer; and (b) pursuant to an agreement with the manufacturer, designs, develops, programs, produces, or composes a control program for use in the manufacture of a gaming device. As used in this definition, “control program” means any software, source language, or executable code of a gaming device which affects the result of a wager by determining win or loss.
- 3.18 “**Independent Distributor**” means a Person that is not a Subsidiary of EVERI that engages in the business of marketing, selling, distributing, or placing EVERI Products and Services, including, without limitation, independent sales organizations and dealers.
- 3.19 “**Investor Relations**” means EVERI’s corporate Investor Relations Department under the direction and control of the Chief Financial Officer (“CFO”) of EVERI.
- 3.20 “**Key Employee**” means any Person employed by the Company, other than an Executive or Board Director, in the position of senior vice president or higher and having the power to exercise significant influence over decisions concerning any part of the EVERI operation and may also be a person identified as a Key Employee by a Gaming Authority.



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- 3.21 **“Lease”** means any lease, right of occupancy, or license to use any real property of the Company.
- 3.22 **“Lobbyist”** means a Person engaged and compensated by EVERI to communicate or interact with a governmental or public official to influence action by a governmental authority. The term does not include any Person who is an employee of the Company or its Subsidiaries.
- 3.23 **“Material Financing”** means a financing, loan, or similar extension of credit by EVERI which exceeds the sum of \$25,000,000. This term does not include repayment or refinancing of existing credit.
- 3.24 **“Material Litigation”** means litigation in which EVERI is named as a defendant in which the recovery sought is reasonably expected to exceed \$1,000,000 or which is related to allegations of fraud, unethical behavior, or other similar forms of misconduct. Lawsuits founded in personal injury or workers’ compensation are specifically excluded from this definition.
- 3.25 **“Material Transaction”** means (a) any joint venture, partnership, or similar business association; (b) the acquisition by the Company of an equity interest in a Person; or (c) any transaction by which the Company acquires assets involving the expenditure of funds by the Company in excess of \$5,000,000.
- 3.26 **“Nevada Board”** means the Nevada Gaming Control Board.
- 3.27 **“Nevada Commission”** means the Nevada Gaming Commission.
- 3.28 **“Person”** means any association, corporation, firm, partnership, limited liability company, trust, or other form of business association as well as a natural person.
- 3.29 **“Plan”** means the EVERI Holdings Inc. Gaming Compliance and Reporting Plan, as amended from time to time.
- 3.30 **“Political Contribution”** is any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, services, or anything of value in connection with an election or to an organization or group formed to support or defend a referendum or ballot issue.
- 3.31 **“Product Compliance”** means EVERI’s corporate Product Compliance Department under the direction and control of the Chief Legal Officer (“CLO”) of EVERI.
- 3.32 **“Professional Advisor”** means a Person such as a licensed attorney, licensed accountant, law firm, accounting firm, financial institution chartered by a state or the federal government, or similar body in any foreign jurisdiction, underwriter or investment banker, broker-dealer or investment advisor regulated by state or federal regulatory authorities or similar body in any foreign jurisdiction, licensed real estate agent or broker, licensed insurance broker or outside investigators regulated by state or federal regulatory authorities or similar body in any foreign jurisdiction who is retained by EVERI for the purposes of advancing the interests of EVERI.
- 3.33 **“SEC”** means the United States Securities and Exchange Commission.
- 3.34 **“Subsidiary”** means a Person that directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with EVERI, and includes affiliates of EVERI. The term does not include Independent Distributors or Persons not controlled or managed by the Company that are associated with EVERI in a business venture.
- 3.35 **“Substantial Owner”** means any person having a beneficial ownership of 5% or greater of any class of voting securities of Everi Holdings Inc.
- 3.36 **“Unsuitable Person”** means a Person who (a) has been denied licensing or other related approvals by a Gaming Authority or who has been determined to be unsuitable to be associated with a gaming enterprise or related business either by a Gaming Authority or through independent investigation by EVERI; or (b) EVERI determines is unqualified as a business associate of EVERI based upon the nature of the relationship contemplated, and the Person’s reputation, associations, financial practices, financial condition and/or, if applicable, business probity.



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- 3.37 **“Unsuitable Situation”** means (a) engaging in business with an Unsuitable Person, (b) failing to comply with the applicable laws or regulations of a Gaming Authority, (c) a material violation of this Plan, or (d) any event, circumstance, or association that may bring discredit to the Company or the gaming industry.
- 3.38 **“Vendor”** means a third-party providing goods, services, supplies, or parts to EVERI to whom EVERI pays over \$500,000 in a calendar year. For purposes of this Plan, (a) services provided by a federal, state, local, or other governmental agency or authority in the United States; (b) employee benefits providers; or (c) utilities provided by a regulated utility company are not considered “services” and a review under this Plan is not required.

4. **COMPLIANCE COMMITTEE**

- 4.1 **Committee Composition.** The Committee shall be composed of no fewer than three members, at least one member who is independent of the Company and knowledgeable in the provisions of the Nevada Gaming Control Act and the regulations of the Nevada Commission, gaming law, regulated businesses, ethics, or gaming compliance, is sensitive to the concerns of Gaming Authorities and capable of determining the existence or likelihood of an Unsuitable Situation.
- 4.2 **Committee Appointments & Resignations.** Committee members shall be appointed by and serve at the pleasure of the Board. The Committee shall designate a Committee Chair from among the appointed members of the Committee. Committee members are not required to be employees of EVERI. An individual may resign his or her position as a member of the Committee by providing the Compliance Officer with notice. The Compliance Officer shall timely report and request administrative acknowledgement for any appointment or resignation of a Committee member to the Nevada Board in writing, within ten (10) business days, and to any other Gaming Authority that requests or requires such notification.
- 4.3 **Committee Authority.** The Committee shall make recommendations based upon the best information reasonably available at the time. It is understood that Executives of EVERI have responsibility over certain departments and Subsidiaries and that they must make decisions in their areas of responsibility using their own discretion and judgment with the assistance of information and recommendations provided by the Committee as well as other information that may be available to them.
- 4.4 **Committee Resources.** The Committee may use resources it deems necessary or appropriate to have investigations performed or reports prepared, including, but not limited to, employees and outside consultants with expertise in investigations, security, law enforcement, law, or finance. The Committee may consult with EVERI’s outside counsel specializing in gaming law with respect to matters involving compliance with regulatory requirements.
- 4.5 **Compensation and Indemnification of Committee Members.** The Board will prescribe the amount of compensation to be paid to any non-employee member of the Committee for services rendered to EVERI and reimburse such member for reasonable costs and expenses incurred in the discharge of duties and responsibilities hereunder. EVERI shall indemnify and hold harmless all Committee members to the fullest extent permitted by law in the same fashion and to the same extent as though they were officers of EVERI.

5. **COMMITTEE MEETINGS, QUORUM AND MINUTES**

- 5.1 **Quarterly and Special Meetings.** The Committee shall meet quarterly to review the information it has gathered through reports, investigations, or otherwise as required by the Plan. As required by the circumstances, a special meeting of the Committee may be called by any member and shall be called at the request of the Company. The meetings may be conducted in-person, by telephone or electronic communication, or by unanimous written consent. If there are no materials for the Committee to review for a given quarter, the Compliance Officer will document the reason the Committee did not meet, for audit purposes. In the event that action is required, and a meeting



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cannot be held quickly, the Compliance Officer, in consultation with the Chair of the Committee, as appropriate, shall be authorized to make a preliminary finding of suitability of a person, transaction, event, or entity, or direct such other action as may be warranted under the circumstances, subject to subsequent review and/or ratification by the Committee.

- 5.2 **Quorum.** The presence of a majority of the members of the Committee, to include the independent member, is required to compose a quorum for all its meetings. Actions taken by the Committee shall require a simple majority of the members present.
- 5.3 **Minutes.** The Compliance Officer shall be the recording secretary of the Committee and shall be responsible for supervising and coordinating all activities on behalf of the Committee in preparing all minutes and exhibits. The Compliance Officer shall keep minutes in sufficient detail to support a well-reasoned decision by the Committee. In those matters in which the Committee does not make a recommendation, the minutes shall reflect the reasons why the Committee did not make a recommendation. The Compliance Officer shall timely provide a copy of all approved minutes of the Committee, including any exhibits thereto, to the Nevada Board, and to any other Gaming Authority that requests or requires such notification.

6. **GENERAL OPERATION OF THE PLAN**

- 6.1 **Compliance Officer.** The Compliance Officer shall be appointed by and serve at the pleasure of the Board. The Compliance Officer may be assigned to an existing non-management or management position of EVERI, including, but not limited to, an Executive or General Counsel or CLO. The Compliance Officer shall administer the Plan and be responsible for coordinating all activities on behalf of the Committee and ensuring that the Committee is provided with all necessary documentation and information in respect of the Committee's performance of its duties. The Compliance Officer shall report to the Committee on any matter (a) required by this Plan; (b) that the Compliance Officer deems appropriate; or (c) as requested by the Committee. Except as otherwise designated herein, the Compliance Officer also shall be responsible for disseminating information from the Committee to the Board, appropriate Executives, and Gaming Authorities.
- 6.2 **Confidentiality of Reports and Documents.** Any reports, notices, and other documents prepared, compiled, or otherwise maintained in connection with the Plan, or provided to the Committee will be deemed privileged and confidential in accordance with the provisions of Sections 463.120 and 463.3407 of the Nevada Revised Statutes. Investigative files developed in accordance with any provision or requirement of the Plan will be maintained on a confidential basis. Such reports, notices, documents, and files will be available for inspection by the members of the Committee and authorized representatives of Gaming Authorities.
- 6.3 **Due Diligence Background Investigations.** The Regulatory Compliance Department shall conduct appropriate due diligence background investigations pursuant to this Plan and the Due Diligence Background Investigation Policy (the "Due Diligence Policy"). The Due Diligence Policy and its accompanying procedures document (the "Due Diligence Procedures") are established for the conduct of due diligence background investigations of Persons who may be involved in a business transaction, association, or relationship with the Company. The suitability of a Person may be reviewed by the Committee at the discretion of the Compliance Officer or the Committee. After conducting the due diligence background investigation, the Compliance Officer will submit a summary of the findings to the Committee for its review. The Compliance Officer may authorize continuation of a business relationship with a Person if he or she is satisfied that such relationship poses no material threat of an Unsuitable Situation until the appropriate background investigation has been submitted to the Committee.

The Due Diligence Policy is to be read in conjunction with the Plan and executed as set forth in the Due Diligence Procedures. In the event of any inconsistency by and among the Due Diligence Policy, the Due Diligence Procedures, and the Plan, the provisions of the Plan prevail. Terms not defined in the Due Diligence Policy have the meaning as set forth in this Plan.



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- 6.4 Reporting Detail.** Reports to the Committee and the minutes of meetings of the Committee will contain such information as may be reasonably obtained and appropriate to permit a well-reasoned decision by the Committee members on each subject considered by the Committee. The due diligence background investigation reports may contain the following information: Past business history; General background information and reputation; Law enforcement agency checks; Credit information; Litigation information; and any other information the Compliance Officer or Committee believes to be relevant.
- 6.5 Reporting Exceptions.** Independent investigation is not required in instances where the party is a Professional Advisor, is regulated by a governmental agency, such as a publicly held company regulated by the SEC, a financial institution regulated by federal banking authorities, or a company or individual regulated or licensed by one of the Gaming Authorities or gaming regulatory authority of a foreign jurisdiction, other than to determine such other party's standing with such governmental agency, unless reliance upon such authority is unwarranted.
- 6.6 Record Retention.** All records related to this Plan, including any exhibits, shall be retained for a period of five (5) years.
- 6.7 Subsequent Reviews.** Once every five (5) years all Vendors, Independent Contractors, Independent Distributors, Executives, Board Directors, Key Employees, Consultants, Lobbyists, Lessees and Tenants will be re-investigated to validate continuing suitability if still associated with EVERI.
- 6.8 Annual Training.** Through appropriate training, relevant employees of the Company shall be fully advised of their obligations to notify the Compliance Officer of matters subject to review under the Plan. All EVERI employees are required to complete annual online training on the content of the Plan to ensure a working knowledge of the requirements.

7. MATTERS SUBJECT TO REVIEW

The following matters will be reviewed by the Compliance Committee:

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| (1) Vendors and Independent Contractors | (10) Substantial Shareholders |
| (2) Executives, Board Directors, and Key Employees | (11) Compliance with Laws |
| (3) Consultants | (12) Acts of Wrongdoing |
| (4) Lobbyists | (13) Political Contributions |
| (5) Material Financings | (14) Foreign Gaming |
| (6) Material Transactions | (15) Sales and Leases of Gaming Devices and Gaming Systems |
| (7) Material Litigation | (16) Loans to Customers |
| (8) Lease | (17) Other Matters |
| (9) Independent Distributors | |

8. QUARTERLY REPORTING PROCESS

The Compliance Officer shall report to the Committee any relevant information coming to the attention of the Compliance Officer concerning **Section 7 – MATTERS SUBJECT TO REVIEW**, or that are required to be reported under the Plan that occurred in the prior quarter. The following matters, to the extent applicable, shall be included in the Compliance Officer's report and shall be reviewed by the Committee:

- 8.1 Vendors and Independent Contractors.** Prior to making a payment to a Vendor or Independent Contractor that would result in the Vendor or Independent Contractor receiving more than \$500,000 from the Company in the calendar year, a due diligence background investigation shall be conducted. Finance will submit to the Compliance Officer a report of the Vendors and Independent Contractors paid during the prior calendar year. The report will include the name, address, amount



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paid during the prior calendar year, and description of the goods or services provided for each Vendor or Independent Contractor. The Compliance Officer shall confirm that a due diligence background investigation was conducted for each Vendor or Independent Contractor meeting the threshold. The Compliance Officer will identify any Vendors and Independent Contractors that have not been previously investigated and will coordinate the background investigation, unless he or she determines such action and subsequent review is unnecessary or unwarranted under the exception provisions of Section 6.5 of the Plan.

- 8.2 Executives, Board Directors, and Key Employees.** Human Resources (“HR”) shall provide a quarterly report to the Compliance Officer that includes the name and title of any individual hired or promoted into a position of Executive or Key Employee during the quarter. The Compliance Officer shall confirm that a due diligence background investigation was conducted for each Executive or Key Employee listed on the quarterly report. HR shall provide the Compliance Officer a copy of the background investigative report obtained for the individual during the new hire or promotion process.

Prior to extending an offer to a potential new Board Director, as defined in the Plan, the Compliance Officer will coordinate a due diligence background investigation.

- 8.3 Consultants.** Prior to making a payment to a Consultant that would result in the Consultant receiving more than \$150,000 from the Company in the calendar year, a due diligence background investigation shall be conducted. Finance will submit to the Compliance Officer a report of the Consultants paid during the prior calendar year. The report will include the name, address, amount paid during the prior calendar year, and description of the goods or services provided by the Consultant. The Compliance Officer shall confirm that a due diligence background investigation was conducted for each Consultant meeting the threshold. The Compliance Officer will identify any Consultants that have not been previously investigated and will coordinate the background investigation unless he or she determines such action and subsequent review is unnecessary or unwarranted under the exception provisions of Section 6.5 of the Plan.

- 8.4 Lobbyists.** Prior to entering into an agreement with any Lobbyist, a due diligence background investigation shall be conducted. The EVERI representative seeking to retain such Lobbyist will provide to the Compliance Officer the name, address, and description of the goods or services provided by the Lobbyist. The Compliance Officer shall confirm that a due diligence background investigation was conducted. If the Lobbyist has not undergone a due diligence background investigation, the Compliance Officer will coordinate the background investigation unless he or she determines such action and subsequent review is unnecessary or unwarranted under the exception provisions of Section 6.5 of the Plan.

- 8.5 Material Financings.** The CFO shall report and provide to the Compliance Officer the terms of any commitment that constitutes a Material Financing, including the name, address, and description of the goods or services provided by each Person involved in the Material Financing. The Compliance Officer shall confirm that a due diligence background investigation was conducted. If the parties to the Material Financing have not undergone a due diligence background investigation, the Compliance Officer will coordinate the background investigation unless he or she determines such action and subsequent review is unnecessary or unwarranted under the exception provisions of Section 6.5 of the Plan.

The report to the Committee shall contain the following information, to the extent reasonably available: (a) Company or affiliate initiating the Material Financing transaction; (b) Source of the funds; (c) Disclosure of any material relationship between the Company, its Executive Officers, Board Directors, and any third-party to the Material Financing; (d) Description of the transaction (i.e., transaction date, transaction amount, and purpose); and (e) Disclosure of any finder, broker, or



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other persons to receive compensation in connection with the securing, arranging, negotiating, or otherwise dealing with the proposed Material Financing.

- 8.6 Material Transactions.** Prior to entering into any commitment that constitutes a Material Transaction, the CFO shall report and provide to the Compliance Officer the details of the Material Transaction. The Compliance Officer shall confirm that a due diligence background investigation was conducted. If the parties to the Material Transaction have not undergone a due diligence background investigation, the Compliance Officer will coordinate the background investigation unless he or she determines such action and subsequent review is unnecessary or unwarranted under the exception provisions of Section 6.5 of the Plan.

The report to the Committee shall contain the following information, to the extent reasonably available: (a) Company or affiliate initiating the Material Transaction; (b) Name, address, and legal form of the other party or parties to the transaction; (c) Type and description of the transaction (i.e., transaction date, transaction amount, nature of business, geographical area where business is conducted, and purpose); (d) Identification of all directors, principal officers, shareholders holding more than 10% interest, general partners and limited partners holding more than 10% interest; and (e) Disclosure of any finder, broker, or other persons to receive compensation in connection with the suggesting, proposing, arranging, negotiating, or otherwise dealing with the proposed Material Transaction, including the amount of compensation to be paid for such services.

- 8.7 Material Litigation.** The in-house counsel responsible for Material Litigation shall provide a quarterly written report to the Compliance Officer of Material Litigation against the Company. The report shall include a general description of the complaint, the parties, the date instituted, the court or agency in which the proceedings are pending, a brief description of the factual basis alleged to underlie the proceedings, the relief sought, the Company's response, and status. The Compliance Officer will review and submit a summary of this information to the Committee for its review.

- 8.8 Lease.** Prior to entering into a Lease, a due diligence background investigation shall be conducted. The EVERI representative seeking to enter such Lease will provide to the Compliance Officer the name, address, reasonably detailed description of the Lease, and identification of any Persons involved in the transaction, including any brokers or finders. The Compliance Officer shall confirm that a due diligence background investigation was conducted. If the Lease has not undergone a due diligence background investigation, the Compliance Officer will coordinate the background investigation unless he or she determines such action and subsequent review is unnecessary or unwarranted under the exception provisions of Section 6.5 of the Plan.

- 8.9 Independent Distributors.** Prior to entering into an agreement with any Independent Distributor, a due diligence background investigation shall be conducted. The EVERI representative seeking to retain such Independent Distributor will provide to the Compliance Officer the Independent Distributor's contact information, including name, address, and a description of the goods or services to be provided by the Independent Distributor. The Compliance Officer shall confirm that a due diligence background investigation was conducted. If the Independent Distributor has not undergone a due diligence background investigation, the Compliance Officer will coordinate the background investigation unless he or she determines such action and subsequent review is unnecessary or unwarranted under the exception provisions of Section 6.5 of the Plan.

Agreement between EVERI and an Independent Distributor shall contain provisions requiring the Independent Distributor: (a) to affirmatively represent in writing a commitment to abide by all laws of the jurisdiction(s) in which the Independent Distributor conducts business, as well as other applicable laws, regulations, and administrative orders; (b) to covenant that the Independent Contractor has been approved or licensed by the appropriate Gaming Authorities where required by law; and (c) to agree to use EVERI's name, logo, and trademarks only as expressly authorized in writing by EVERI.



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- 8.10 Substantial Shareholders.** Investor Relations shall provide a quarterly report to the Compliance Officer identifying all substantial shareholders of Everi Holdings Inc. that hold a 5% or greater interest. The Compliance Officer will review and submit a summary of this information to the Committee for their review.
- 8.11 Compliance with Laws.** The Compliance Officer shall provide a quarterly report to the Committee outlining any administrative actions taken or proposed to be taken against the Company that involve:
- (a) any law or regulation related to gaming from any Gaming Authority involving a potential fine or disciplinary action;
 - (b) any non-gaming law or regulation involving a potential fine or civil penalty of \$10,000 or more; or
 - (c) any other instance of material non-compliance coming to the attention of the Compliance Officer, that in the Compliance Officer's best judgment, warrants review by the Committee.

The Compliance Officer shall also prepare quarterly AML reports for the Committee's review that summarizes the results of any external or internal audits performed that pertain to the Company's AML program.

All members of Company management are responsible for promptly notifying the Compliance Officer, in writing, of the receipt of any notice of non-compliance with federal, state, tribe, or local laws, rules, or regulations.

- 8.12 Acts of Wrongdoing.** Each Executive, Board Director, or Key Employee shall promptly report to the Compliance Officer any information relating to any written notice of any civil, criminal, or adverse administrative actions taken or proposed to be taken against such Executive, Board Director, or Key Employee. The Compliance Officer will submit a report to the Committee identifying any known acts of wrongdoing by an Executive, Board Director, or Key Employee. The Committee will review and report to the Board, information that involves:
- (a) Any criminal action involving (i) a felony, (ii) any material crime against EVERI or involving embezzlement or larceny, (iii) a violation of any tax, import tax or fee, or customs laws of any country or, (iv) any violation of gaming law;
 - (b) Any adverse administrative actions by any Gaming Authority relating to a gaming license or gaming approval of the Executive, Board Director, or Key Employee;
 - (c) Allegations of wrongdoing by any employee of EVERI if the Committee believes the Board or its Audit Committee should review the matter.
- 8.13 Political Contributions.** Finance shall provide a quarterly report to the Compliance Officer summarizing all political contributions made by the Company in the prior quarter and include a report of any violations of any federal or state campaign finance or election laws during such time period. The Compliance Officer will review all Political Contributions made by EVERI to ensure the required written authorization was properly obtained. No political contributions are to be made using Company funds or assets, or the funds or assets of any Company subsidiary, to any political party, political campaign, political candidate or public official in the United States or any foreign country unless the contribution is lawful and expressly authorized in writing.
- 8.14 Foreign Gaming.** The Compliance Officer shall conduct a review of jurisdictions in which the Company is engaged in Gaming Activities to determine if it has made all required Foreign Gaming filings. The Compliance Officer shall report to the Committee with respect to any violations of Foreign Gaming filing requirements with Gaming Authorities and the corrective action taken to prevent or reduce the occurrence of future violations.



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8.15 Sales and Leases of Gaming Devices and Gaming Systems. Product Compliance has in place measures reasonably designed to verify that all sales, purchases, leases, and other dispositions of Gaming Devices or Gaming Systems made by the Company are with Independent Distributors and Customers that are approved, licensed, or exempted by the appropriate Gaming Authorities, or are otherwise made in compliance with any Gaming Regulations or federal law. The Company shall maintain records of all purchases, sales and leases of Gaming Devices or Gaming Systems by the Company, in accordance with applicable Gaming Regulations. The records shall contain the following information, to the extent reasonably available:

- (a) The name and address of the seller, purchaser, or lessor;
- (b) A complete description of the Gaming Devices or Gaming Systems, including serial number of each;
- (c) Identity of the state or foreign jurisdiction into which the Gaming Devices or Gaming Systems are to be shipped;
- (d) Verification that the seller, purchaser, or lessor holds a valid gaming license; and
- (e) Verification that the jurisdiction permits importation of the Gaming Devices or Gaming Systems.

Product Compliance shall confirm that before any Gaming Device or Gaming System is installed and implemented, all necessary Gaming Authority approvals have been obtained and conditions for operation have been satisfied by EVERI or the Customer. The Compliance Officer will report any notices of non-compliance to the Committee.

8.16 Loans to Customers. Prior to entering into any Customer Loan Agreement, Finance will report and provide to the Compliance Officer the details of the loan. Thereafter, the Compliance Officer will coordinate the background investigation unless he or she determines such action and subsequent review is unnecessary or unwarranted under the exception provisions of Section 6.5 of the Plan. After reviewing the investigative report, the Compliance Officer will submit a summary of the findings to the Committee for their review.

The report to the Committee shall contain the following information, to the extent reasonably available:

- (a) Company or affiliate initiating the Customer Loan Agreement;
- (b) Name, address, and legal form of the Customer and any other Person receiving a benefit from the Customer Loan Agreement, including any beneficiary guarantee, indemnity, or co-signature from EVERI;
- (c) Description of the transaction and business relationships between EVERI and the Customer or its affiliates (i.e., transaction date, transaction amount, nature of business, geographical area where business is conducted, and purpose); and
- (d) Disclosure of any finder, broker, or other persons to receive compensation in connection with the suggesting, proposing, arranging, negotiating, or otherwise dealing with the proposed Customer Loan Agreement, including the amount of compensation to be paid for such services.

If any such Customer Loan Agreement qualifies as, or is related to, a Material Financing or Material Transaction, it shall be reviewed pursuant to the sections of this Plan concerning Material Financings or Material Transactions, respectively.

8.17 Other Matters. In addition to the foregoing matters, the CEO, President, General Counsel, CFO, Executive, Board Director, Key Employee, or any other EVERI representative, shall notify the Compliance Officer of any relevant information concerning regulatory matters involving the



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Company or any Subsidiary. The Compliance Officer shall review and report to the Committee any other matters or relevant information coming to the attention of the Compliance Officer that, in the Compliance Officer's reasonable judgment, warrants review by the Committee.

9. **COORDINATION WITH GAMING AUTHORITIES**

- 9.1 **Annual Report to the Nevada Gaming Control Board.** Within sixty (60) days following the end of each calendar year, the Compliance Officer shall prepare and submit, on the Committee's behalf to the Chair of the Nevada Board, a written summary of the Committee's achievements, activities, and assessments of the Committee over the preceding twelve (12) months.
- 9.2 **Cooperation with Gaming Authorities.** The Compliance Officer shall reasonably ensure that appropriate Persons within the Company are aware of, cooperate, and comply with all requests and requirements of the Nevada Board or any other Gaming Authority, including, without limitation, the disclosure of all minutes, records, logs, due diligence, reports or documents filed with the SEC, stock exchanges, other securities commissions, or any other foreign, federal, local, or state government office as required by such Gaming Authorities.
- 9.3 **Notification to Gaming Authorities for Non-Routine Audits and Investigations.** The Compliance Officer will promptly notify the Chair of the Nevada Board of any unscheduled information requests, audits, or other non-routine inquiries from the Financial Crimes Enforcement Network ("FinCEN"), the Internal Revenue Service ("IRS"), the Federal Bureau of Investigation ("FBI"), the Department of Justice's Asset Forfeiture and Money Laundering Section ("DOJ"), the SEC, the United States Attorney's offices, or any other state or federal agencies, or foreign equivalents, regarding the Company's compliance with Anti-Money Laundering ("AML")-related processes or controls.

10. **AMENDMENTS TO THE PLAN**

The Plan may be amended or modified at the direction of the Board, the Committee, the General Counsel or CLO, or any Gaming Authority. Amendments or modifications to the Plan require prior approval of the Committee and must be submitted for administrative approval to the Chair of the Nevada Board, within ten (10) business days of Committee approval. EVERI will promptly notify all necessary Gaming Authorities in writing of any amendments or modifications to the Plan as required by regulation and once approved by the Nevada Board.