

**Attachment Three**  
**Service Level Agreements and Liquidated Damages Provisions**

**A. Assessment of Liquidated Damages**

The Lottery and the Contractor agree that it will be extremely impractical and difficult to determine the anticipated or actual damages that the Lottery may sustain in the event of any delay in performing, or failure to perform, by the Contractor of its obligations under this Contract. The goods and services to be provided under this Contract are not readily available on the open market; any breach by the Contractor may delay and disrupt the Lottery's operations and may lead to damages. Therefore, the parties agree that the liquidated damages as specified in all the sections below are reasonable and will remain reasonable as long as the Contract is in force.

In no case shall liquidated damages be measured in terms of potential lost revenue or potential lost net profit to the Lottery, unless otherwise explicitly stated by the parties in this agreement, and to the extent that the Lottery determines, or alternatively, that a court of competent jurisdiction determines that actual loss can be measured precisely and that the written liquidated damages provision is unreasonable and/or unenforceable as a matter of law.

Assessment of liquidated damages shall be in addition to, and not in lieu of, such other remedies as may be available to the Lottery. Except and to the extent expressly provided herein, the Lottery shall be entitled to recover liquidated damages under each section applicable to any given incident.

1. Notification of Liquidated Damages

All assessments of liquidated damages shall be made by the Lottery. Upon determination that liquidated damages are to or may be assessed, the Lottery shall notify the Contractor of the assessment in writing. The Contractor shall submit a quarterly report detailing the Contractor's performance against the required service level agreements detailed in Section IV *Service Level Agreements and Liquidated Damages*, Paragraph B. *Calculation of Liquidated Damages* Subparagraph 5. *Player Support Center (PSC)* and Subparagraph 6 *Payout and Risk Operations (PRO)*.

2. Conditions for Termination of Liquidated Damages

As determined by the Lottery, the following are the conditions under which the Contractor may obtain relief from the continued assessment of liquidated damages that have been imposed.

Except as waived in writing by the Lottery, no liquidated damages imposed shall be terminated or suspended until the Contractor issues a written notice verifying the correction of the condition(s) for which liquidated damages were imposed, and all the Contract corrections have been subjected to system testing or other verification at the discretion of the Lottery.

The Contractor shall conduct systems testing of any correction as the Lottery deems necessary. Such testing shall be developed jointly by the Lottery and the Contractor and approved by the Lottery. The Lottery shall be the sole judge of the

accuracy of any documentation provided.

The documentation necessary for verification and approval shall be determined by the Lottery. The Lottery shall be the sole judge of the accuracy of any documentation period.

A Contractor notice of correction will not be accepted until the correction is verified by the Lottery.

3. Severability of Individual Liquidated Damages

If any portion of the liquidated damages provisions is determined to be unenforceable in one or more applications, that portion remains in effect in all applications not determined to be invalid and is severable from the invalid applications. If any portion of the liquidated damages provisions is determined unenforceable, the other provision or provisions shall remain in full force and effect.

4. Waivers of Liquidated Damages

It is expressly agreed that the waiver of any liquidated damages due the Lottery shall constitute a waiver only as to such liquidated damages and not a waiver of any future liquidated damages nor shall such waiver constitute a waiver of any other remedies, legal or equitable, which may be available to the Lottery. Failure to demand assessment of payment of liquidated damages within any period of time shall not constitute a waiver of such claim by the Lottery.

5. Payment of Liquidated Damages

All assessed liquidated damages will be deducted from any monies owed the Contractor by the Lottery and in the event the amount due the Contractor is not sufficient to satisfy the amount of the liquidated damages, the Contractor shall have the damages deducted from subsequent invoices. Recovery of liquidated damages will be accomplished by invoice deduction, lump sum payments, or a combination thereof within thirty (30) days. At the Lottery's sole option, the Lottery may obtain payment of assessed liquidated damages through one (1) or more claims upon the Performance Bond or insurance requirements listed herein.

6. Applicability of Liquidated Damages

The Contractor shall not be required to pay liquidated damages solely due to matters of "force majeure" or for time delays specifically approved by the Lottery.

The Contractor shall not be responsible or liable for any late delivery or delay or failure of performance caused in whole or in part by the Lottery's delay in performing, or failure to perform, any of its obligations under this Contract. In the event of any such delay or failure, the Contractor and the Lottery shall negotiate in good faith an extension of all or any subsequent due dates as reasonably necessary. The foregoing is in addition to, and not in lieu of, all other remedies the Contractor may have for any failure or delay by the Lottery.

**B. Calculation of Liquidated Damages**

1. Definitions:

The below definitions are included to provide clarity to the below sections.

- Active Players: Lottery players who accessed the Contractor's system within the last 30 calendar days.
- Class A Reports: Daily business reports used for reconciliation, DBG Journal feeds, Draw flow reports (Hourlies, EOD)
- Major Back-Office Functionality: Player Management, UCR Management, Fraud Management, Customer Service Management, Online players, Campaign Management
- Operational Core Functionality: Bonuses, Emails Withdrawal request (processing)
- Service Core Functionality: Registration, Login, Instant Bet, Deposit, Purchase Shopping Cart, Draw-Flow Issues
- System: Contractor's platform, player account management, Rewards, communication platform, and other related services.

- Liquidated Damages: Damages assessed within twelve months of the incident. Negotiations between Contractor and Lottery may occur on value of Liquidated Damages or other make-good value based on the agreement between both parties.

## 2. System Service Level Agreements and Liquidated Damages

### (i) *System Modifications and Changes*

- (a) The Contractor shall install correct modifications or changes to the System within the time mutually agreed to in writing by the Lottery and the Contractor. If the Contractor incorrectly installs or misconfigures a revenue generating modification (such as a new game or promotion) for deployment to Production, the Lottery may impose Liquidated Damages of the estimated lost profit as calculated by the Lottery for each day that the modification is not deployed correctly, to a maximum of fifty thousand dollars (\$50,000) for each incident. If the Contractor incorrectly installs or misconfigures a non-revenue generating modification (such as a new payment type), the Lottery may impose Liquidated Damages of fifty thousand dollars (\$50,000) for each incident.
- (b) The Contractor will ensure that modification batches or changes to the System meet the schedule and deadlines as outlined and agreed upon by Contractor and Lottery. If the Contractor fails to adhere to schedule, then the Lottery may impose Liquidated Damages of ten thousand dollars (\$10,000) for missing the deadline plus one thousand dollars (\$1,000) per day after the deadline. If the Contractor fails to adhere to schedule for any revenue generating Draw Game, the Lottery may impose Liquidated Damages of the estimated lost profit as calculated by the Lottery for each day that the modification is not deployed to a maximum of fifty thousand dollars (\$50,000) for each incident. Contractor will not be responsible for Liquidated Damages if it is determined by the Lottery that failure to adhere to the schedule is based, in whole or in part, on the performance or failure to perform of the Lottery or a third-party not contracted directly with Contractor.
- (c) The Contractor shall provide the Lottery with quality tested software and hardware within a minimum of thirty (30) days prior to the deployment for Lottery Acceptance Testing, unless mutually agreed upon by Contractor and Lottery. Each contract year, the Lottery and the Contractor shall assess the prior year's software release deployment performance, and at the Lottery's sole discretion, the following Service Level Agreements and Liquidated Damage provisions may be invoked for the next contract year, but shall not be invoked prior to October 1, 2025. If the software or hardware is not provided within thirty (30) days, the Lottery may impose Liquidated Damages of five hundred dollars (\$500) per day until the software or hardware is provided. If untested software or hardware is turned over for Lottery Acceptance Testing or the software or hardware does not meet the specification standards established by the Lottery in the Business Requirement Document or

comparable, the Lottery may impose Liquidated Damages of five thousand dollars (\$5,000) for the first violation (return or retraction of the software or hardware) and ten thousand dollars (\$10,000) for each subsequent violation pertaining to the same software/hardware delivery.

- (d) The Contractor shall not modify any software or hardware without the prior written consent of the Lottery. "Modification" does not include replacement of a System component with an essentially similar working component in the event of necessary maintenance. If the Contractor modifies any software or hardware without the prior written approval of the Lottery, the Lottery may issue a written order that the modification be removed, and the System restored to its previous operating state at the Contractor's expense. Further, the Lottery may impose Liquidated Damages of twenty thousand dollars (\$20,000) per violation in addition to any other damages that may occur as a result of such unauthorized modification.

(ii) *iLottery System Down*

- (a) Excluding pre-approved downtime for maintenance as confirmed by the Lottery and the Exceptions noted in subparagraph (ii)(d) below, the Contractor shall ensure that the core and operational functionality of the System is available as measured over the course of each calendar month at least 99.9% of the time. The System shall be unavailable for no more than fifteen (15) minutes during any single calendar day. The System is "available" for the purposes of this Subsection (ii) (a) when it is able to accept any connections and/or process any player requests including but not limited to the following: registration, login, instant wagering, draw game wagering, redeeming bonuses, deposit, and withdrawal. The Lottery may impose Liquidated Damages in an amount calculated as the lost profits for the System down time, per minute, for each minute exceeding 15 minutes in a single calendar day or each minute below 99.9% availability during any calendar month (each such minute, a "Minute Down").

Lost profits are defined as Net Profit Per Minute multiplied by Minutes Down.  
Net Profit Per Minute is calculated as follows:

Net Profit Per Minute = Sales Per Minute multiplied by the Lottery Net Profit Percentage

- Sales Per Minute = Sales Per Hour divided by 60
  - Sales Per Hour = An average of the historical sales for each hour of the incident for same day for the previous three (3) weeks and for three (3) weeks after the incident for a total of six (6) weeks (the "Calculation Period").

- Net Profit Percentage
  - eInstants: 100% minus average game prize payout rate minus System Fee rate minus (weighted average of (i) Instant Games Content Fee rate and (ii) Third-Party Instant Games Content Fee) rate minus applicable Content Aggregation Fee rate minus average promotional rate, each as calculated during the relevant Calculation Period = Net Profit Percentage. Note that “average promotional rate” will be translated into a percentage of gross wagering activity, where it is typically referenced as a percentage of net gaming revenues.
  - Draw-Based Games (designed for prize payouts of 60% or less): 100% minus designed game prize payout rate minus Draw-Based Games Content Fee rate minus average promotional rate, as calculated during the relevant Calculation Period = Net Profit Percentage. Note that “average promotional rate” will be translated into a percentage of gross wagering activity, where it is typically referenced as a percentage of net gaming revenues.
  - Draw-Based Games (designed for prize payouts greater than 60%): 100% minus designed game prize payout rate minus System Fee minus average promotional rate, as calculated during the relevant Calculation Period = Net Profit Percentage. Note that “average promotional rate” will be translated into a percentage of gross wagering activity, where it is typically referenced as a percentage of net gaming revenues.
  
- (b) Excluding pre-approved downtime for maintenance as confirmed by the Lottery and the Exceptions noted in subparagraph (ii)(d) below, the Contractor will ensure that Major Back-Office Functionality in the System is available as measured over the course of each calendar month at least 99.9% of the time. The System will be unavailable for no more than fifteen (15) minutes during any single calendar day. The System is "available" for the purposes of this Subsection (ii) (b) when it is able to accept any connections and/or process any staff requests including but not limited to the following: player management, UCR management, fraud management, customer service management, online player management, and campaign management. The Lottery may impose Liquidated Damages in an amount of three thousand dollars (\$3,000) for the first hour with this amount increasing one thousand dollars (\$1,000) each hour to a maximum of ten thousand dollars (\$10,000) per hour, or fraction thereof, which is greater than fifteen (15) minutes in duration during any calendar day or for each minute below 99.9% availability during any calendar month.
  
- (c) In the event that both the core and operational functionality of the System and the Major Back-Office Functionality in the System are down simultaneously, the Lottery may impose the greater of the Liquidated Damages assessable pursuant to subparagraphs (a) or (b) above, but may not assess Liquidated

Damages under each of subparagraphs (a) and (b). It is the intention of the parties that Liquidated damages be assessed without duplication.

(d) No period of System inoperability will be included in calculating availability to the extent that such downtime is due to any of the following (“Exceptions”):

- The Lottery's, or any individual player's, misuse of the System;
- Failures of the Lottery's, or any individual player's, internet connectivity;
- Internet or other network traffic problems other than problems arising in or from networks actually or required to be provided or controlled by the Contractor or its Subcontractors;
- The Lottery's, or any individual player's, failure to meet any minimum hardware or software requirements set forth in the Specifications; or
- Planned periods of maintenance authorized by the Lottery.

(iii) *iLottery System - Degraded Performance*

(a) The Contractor will ensure that the System does not evidence Degraded Performance for more than one (1) hour during the operational hours on any calendar day (excluding pre-approved downtime for maintenance as confirmed by the Lottery and the Exceptions noted in subparagraph (ii)(d) above).

(b) Degraded Performance means that the System is operating and processing transactions, but not for all gaming products and/or player-related activities. The System will be considered to be evidencing Degraded Performance if twenty percent (20%) or more of Active Players are prevented from performing Service Core Functionality flows or the System appears to be taking longer than three (3) seconds to provide a response to twenty percent (20%) or more of Active Players.

(c) The Lottery may impose Liquidated Damages in the amount of one-thousand dollars (\$1,000) for each hour of degraded time, or fraction thereof, which is greater than one (1) hour in duration during the operational period on any calendar day. If two (2) degraded performance events of more than one (1) hour in length have already occurred in a Business Week (Monday 12:00 a.m (ET) through Sunday 11:59 p.m. (ET)), the grace period of one (1) hour shall be rescinded, and Liquidated Damages shall begin immediately with any subsequent degraded performance event in that Business Week.

(d) No period of System degradation will be included in calculating availability to the extent that such Degraded Performance is due to any of the Exceptions noted in subparagraph (ii)(d) above.

(iv) *iLottery System - Timely and Accurate Reports and Processing*

(a) The Contractor shall produce and deliver timely, sufficient, and accurate Class A reports within the time frames specified by the Lottery including but not

limited to the following reports: Daily business reports used for reconciliation, Draw Game Journal feeds, Draw flow reports (hourlies, end of day), Data files, Regulatory Exclusion Program data files, and Internal Control System (ICS) operations and reporting for results verification

(b) The Contractor shall produce and deliver timely, sufficient, and accurate Information Security reports within the time frames specified by the Lottery including but not limited to the following reports. Contractor shall submit a copy of each report to the Lottery at [info\\_security@valottery.com](mailto:info_security@valottery.com).

- Monthly Reports:

By the 5<sup>th</sup> calendar day of each month during the term of this Contract, Contractor shall provide the Lottery with the following written monthly reports:

- Service Level Performance Report - a report that contains information with respect to the performance of the System and Services. Such report, unless otherwise agreed upon by the parties, shall be in conformity with the reporting Contractor provides to its other customers utilizing system and licensed services identical or similar to the System and Services provided to the Lottery.
- System/Application Patching Compliance Report – a report that illustrates that the Contractor has installed security relevant software and firmware updates within thirty (30) days of the release of the updates.
- Scanning Reports (OS, Middleware, Applications and Interfaces) Report – a report that illustrates vulnerability scanning of Cloud Service Providers Operating Systems/infrastructure, databases and web applications.
- Geographic Locations of Data Being Hosted Report – a report that illustrates the location of Lottery data.

- Quarterly Reports:

By the 5<sup>th</sup> calendar day of the first month of a calendar quarter, during the term of this Contract, Contractor shall provide the Lottery with the following written quarterly report

- Summary Report of Intrusion Detection Scans and Intrusion Prevention Scans – a report that demonstrates that Contractor protects Lottery data with intrusion monitoring tools from unauthorized access, modification and deletion.

(c) For ICS operations, if one of the two systems is inoperable or out of balance, the Lottery may impose Liquidated Damages of \$25,000 per day that the system is out of balance. If both ICS systems are out of balance or inoperable at draw processing time, causing a draw processing delay of thirty (30) minutes or longer to completion of draw processing, the Lottery may impose Liquidated Damages of \$25,000 per hour, or fraction thereof, after the thirty (30) minute grace period until the draw can be completed. The Lottery acknowledges that it is a requirement of this Contract that the Contractor provide ICS system integration and monthly maintenance through Spectra Systems. The Lottery further acknowledges and agrees that it is a requirement of this Contract that the Lottery provide all hardware, hardware setup and network connectivity. Accordingly, the Lottery agrees that the Contractor will not be responsible for Liquidated Damages if it is determined by the Lottery that failure to adhere to the requirements of this Subsection (iv) (b) is based, in whole or in part, on the performance or failure to perform of the Lottery. Further, the Lottery agrees that if it is determined by the Lottery that failure to adhere to the requirements of this Subsection (iv) (b) is based, in whole or in part, on the performance or failure to perform of the Spectra Systems, Contractor shall be entitled to replace Spectra Systems with an alternate third-party ICS operator that meets the Lottery's requirements, which shall be no less than the existing ICS requirements.

(d) The Contractor shall produce and deliver timely, sufficient, and accurate Class A and/or Information Security reports as requested by the Lottery within the time frames specified by the Lottery. Upon the notification of any late or inaccurate reports by either the Contractor or the Lottery, the Contractor shall have two (2) hours after notification to provide a corrected report or the Lottery may impose Liquidated Damages of fifty dollars (\$50) per hour, or fraction thereof, after the two (2) hour grace period until the corrected report is provided.

(v) *Accurate Processing of Data/Files*

The Contractor shall provide accurate data in all material respects including account management and financial reporting, APIs, and SDK. Below is a list of the reports, APIs, and SDK features that are required to be accurate, active, and up to date. Upon the notification of inaccurate, inactive, or not updated data by either the Contractor or the Lottery, the Contractor shall have four (4) hours after notification to resolve the issue or the Lottery may impose Liquidated Damages of twenty-five dollars (\$25) per hour, or fraction thereof, after the four (4) hour grace period until the issue is resolved.

- (a) Reporting, including but not limited to:
- i Big Winners Report
  - ii Bonus Report

- iii Bounce Back Report
- iv Close Account Reasons Report
- v Email Tracking Report
- vi Game Statistics Report
- vii Players Activity Report
- viii Profit Report
- ix Complete and accurate handling of Voluntary Exclusion Program Data provided by the Lottery, and the corresponding accurate restriction (on/off) for player account records

(b) APIs, including but not limited to:

- i GetPlayerDetails
- ii Immediate Bonus
- iii iLottery Progressive Jackpots
- iv GetRaffleList
- v FreeGames
- vi iLottery API
- vii GetGamesList
- viii SSO: Login, logout, keep alive

(c) SDK, including but not limited to:

- i Customer Engagement Platform API
- ii GeoComply
- iii Braintree
- iv GetBalance
- v GetBanner
- vi GetShoppingCartStatus
- vii GetSession
- viii PlayerDetailsUpdated
- ix LastGamesPlayedFeed
- x TopGamesPlayedFeed
- xi Open/CloseGameProviderSession
- xii Recent Winners API
- xiii StartGameProviderSession

(vi) *Unauthorized Access or Compromise*

The Contractor shall preclude its employees not authorized by the Lottery from accessing, modifying, or otherwise interfering with System data or software. The Lottery may impose Liquidated Damages of ten thousand dollars (\$10,000) per person per Incident in addition to any other damages that may occur as a result of such unauthorized access or compromise. An "Incident" is each act of access, modification, or interference with System data or software by an unauthorized person. An Incident must be reported to the Lottery within one (1) hour of discovery of occurrence to the Deputy Executive Director of Marketing, Chief Technology Officer, and Director of Information Security.

(vii) *Lottery System - Failure to Report Events*

- (a) The Contractor shall immediately report all significant events, either personally or by telephone, within one (1) hour of the discovery of the event, to the Deputy Executive Director of Marketing, Chief Technology Officer, and Director of Information Security. The Contractor shall send all written reports and notifications by email. At a minimum, the Contractor shall provide a written report for each of the following types of events within twenty-four (24) hours:
- i System takeovers
  - ii Major communications failures
  - iii Significant operator errors
  - iv Out of balance conditions
  - v Emergency software or hardware changes
  - vi Security violations
  - vii Duplicate accounts
  - viii Failure of a payment method to process transactions
  - ix Inability for players to withdraw funds
  - x Inability of individuals to register for accounts
  - xi System failure that could damage Lottery integrity
  - xii Other conditions as defined by a memorandum of understanding
  - xiii Any situation which may cause the general public to become alarmed and/or which may damage the integrity or public image of the Lottery.
- (b) If the Contractor fails to report any event as required, the Lottery may impose Liquidated Damages of one thousand dollars (\$1,000) per day or fraction thereof, until an incident is correctly reported.
- (c) The Contractor shall provide event reports for the significant events above within seventy-two (72) hours after the event. If the Contractor fails to provide the event report on the scheduled time, the Lottery may impose Liquidated Damages of one thousand dollars (\$1,000) per incident. If the Lottery requests an event report for an issue not indicated above, the Contractor shall provide the incident report within seven (7) calendar days of the incident. If the Contractor fails to provide the incident report on the scheduled time, the Lottery may impose Liquidated Damages of two hundred dollars (\$200) per incident.

(viii) *Failure to Comply*

The Contractor shall comply with all commitments contained within the Contract including clarification, amendments, and audit recommendations. If the Contractor fails to comply with an obligation, where not otherwise addressed by other Liquidated Damage provisions, the Lottery may impose Liquidated Damages of five hundred dollars (\$500) per day or per incident (at the Lottery's discretion) until the condition is rectified.

(ix) *Failure to Comply with Required Multi-Jurisdictional Standards*

The Contractor shall comply with all required Lottery and/or multi-jurisdictional standards. If the Contractor fails to comply with any required Lottery or multi-jurisdictional association standard, the Lottery may impose Liquidated Damages of five thousand dollars (\$5,000) for each instance of non-compliance. In addition, the Lottery may impose an additional five thousand dollars (\$5,000) for each subsequent seven (7) calendar day period, or portion thereof, for each instance for which compliance has not been achieved.

(x) *Failure to Provide New Employee Documentation and Obtain Security Clearance Prior to Employment*

The Contractor shall provide the Lottery with all required employee documentation for completion of background and security checks prior to employment on the Contract. If an employee is placed in service on the Contract before the employee has been approved by the Lottery, the Lottery may impose Liquidated Damages of five hundred dollars (\$500) for each violation and fifty dollars (\$50) per day that the employee worked on the Lottery account.

(xi) *Dedicated Staffing Levels*

The Contractor shall maintain the minimum staff position of dedicated Senior Account Manager, staff position of dedicated Games Support Coordinator, and staff position of dedicated Product Solution Manager. Dedicated staff will exclusively provide support to the Lottery. The Contractor shall fill any vacant position in no more than six (6) months. If the Contractor fails to maintain the minimum staffing for a period greater than six (6) months, the Lottery may impose Liquidated Damages of five hundred dollars (\$500) per day after the six-month period. The Lottery will be advised of any impending changes to staffing assignments for resources assigned to work exclusively on services provided to the Lottery. While final staffing decisions rest with the Contractor, the Lottery will have an opportunity for input prior to final decisions.

3. Games Service Level Agreements

- (a) The Contractor shall provide any eInstant game offered through the its Studio or aggregation services for Lottery Acceptance Testing within thirty (30) days of scheduled launch date (unless mutually agreed upon by Contractor and Lottery). The Lottery may impose Liquidated Damages of one hundred dollars (\$100) for each day, or fraction thereof, that an eInstant game is not available for testing. Contractor will not be responsible for Liquidated Damages if it is determined by the Lottery that failure to adhere to the schedule is based, in whole or in part, on the performance or failure to perform of the Lottery or a third-party not contracted directly with Contractor.
- (b) The Contractor shall not modify any eInstant game, prize structure, or working papers during Lottery Acceptance Testing or after deployment to Production without the prior written consent of the Lottery. If the Contractor modifies any eInstant game without the prior written approval of the Lottery, the Lottery may

issue a written order that the modification be removed and the eInstant restored to its previous operating state at the Contractor's expense. Further, the Lottery may impose Liquidated Damages of one thousand dollars (\$1,000) per violation in addition to any other damages that may occur as a result of such unauthorized modification.

- (c) The Contractor shall deploy to Production any eInstant game offered through the System on the scheduled launch date (unless an extension is authorized in writing by the Lottery). The Lottery may impose Liquidated Damages of ten thousand dollars (\$10,000) for each day, or fraction thereof, that an eInstant game is not deployed to Production. Contractor will not be responsible for Liquidated Damages if it is determined by the Lottery that failure to adhere to the schedule is based, in whole or in part, on the performance or failure to perform of the Lottery or a third-party not contracted directly with Contractor.
- (d) The Contractor shall not deploy any eInstant game to Production without the written approval by the Lottery. If the Contractor deploys any eInstant game to Production without written approval, the Lottery may impose Liquidated Damages of one thousand dollars (\$1,000) for each hour, or fraction thereof, that the game is available on Production.
- (e) The Contractor shall implement all mutually agreed upon third-party content providers either on the agreed upon schedule. If Contractor fails to implement the mutually agreed upon third-party content providers on the schedule, the Lottery may impose Liquidated Damages of twenty-five thousand dollars (\$25,000) for each day that the new online content provider is not able to launch a game. Contractor will not be responsible for Liquidated Damages if it is determined by the Lottery that failure to adhere to the schedule is based, in whole or in part, on the performance or failure to perform of the Lottery or a third-party not contracted directly with Contractor.

#### 4. Promotions Service Level Agreements

The Contractor's system shall support the distribution of bonuses to players (each, a "promotion"). If a bonus does not operate as expected due to the fault of the Contractor, the Lottery may impose Liquidated Damages of ten thousand dollars (\$10,000) for each incident in addition to reimbursing for the difference between the budgeted promotional amount and the actual payout amount. For example, budgeted promotional amount is one hundred thousand dollars (\$100,000) and Lottery calculates actual bonus payout amount at one hundred thirty thousand dollars (\$130,000) due to the erroneous operation of the promotion; the Contractor shall reimburse the Lottery thirty thousand dollars (\$30,000) for the additional bonus cost as agreed upon by the Lottery and Contractor, in addition to any applicable Liquidated Damages to be assessed at the Lottery's discretion. The Lottery shall be responsible for properly configuring and testing each promotion. If it is determined by the Lottery that the failure of a bonus to operate as expected was due to the performance or failure to perform of the Lottery, or otherwise attributable to the

improper configuration or testing of a promotion, the Contractor will not be responsible for reimbursement of costs or Liquidated Damages.

5. Customer Support Center (CSC)

(a) *Service Level Agreement*

<b>Channel</b>	<b>SLAs</b>	<b>Special Cause Variation SLA Calculation = Average Weekly Volume over previous 12 weeks * 120%</b>
<b>Phone</b>	Ninety-five percent (95%) of inbound calls to be answered by a live agent within one hundred twenty (120) seconds	Eighty percent (80%) of inbound calls to be answered by a live agent within five (5) minutes.
	Ninety-nine percent (99%) of all calls without a busy signal	Ninety-nine percent (99%) of all calls without a busy signal
	Abandoned call rate will not exceed ten percent (10%)	Abandoned call rate will not exceed twenty percent (20%)
<b>Chat</b>	Ninety-nine percent (99%) of all chats will be answered by live agent within 5 minutes	Eighty percent (80%) of all chats will be answered by live agent within 5 minutes
	Abandoned live chat rate will not exceed five percent (5%)	Abandoned live chat rate will not exceed twenty percent (20%)
<b>Email</b>	Respond to ninety-five percent (95%) of all email inquiries within three (3) calendar days with one hundred percent (100%) answered within five (5) days.	Respond to ninety-five percent (95%) of all email inquiries within three (3) calendar days with one hundred percent (100%) answered within five (5) days.
<b>Hours of Operation (HOOP)</b>	Contractor shall provide twenty-four (24) hour, seven (7) day a week customer service to Lottery Players.	Contractor shall provide twenty-four (24) hour, seven (7) day a week customer service to Lottery Players.

(b) *Liquidated Damages*

The Lottery may impose Liquidated Damages of two thousand dollars (\$2,000) per week for the first requirement not met in the category of phone, chat or email, and an additional three thousand dollars (\$3,000) per week for the second requirement not met in a different category of phone, chat or email, for a maximum of five thousand dollars (\$5,000) per week in the event that any Service Level Agreements associated with Customer Service are not satisfied during a week. The Lottery may impose Liquidated Damages of one thousand dollars (\$1,000) per hour (after a ten (10) minute grace period) if the service is interrupted; this provision supersedes any weekly SLA assessment. Interrupted service is defined as any of the channels (Phone, Chat, and/or Email) are unavailable to players, Lottery, or call center staff.

6. Payout and Risk Operations (PRO)

(a) *Service Level Agreement*

Activity	SLAs	Special Cause Variation SLA Calculation = Average Weekly Document Volume over previous 12 weeks* 120% -
<b>Document Processing for Withdrawals</b>	Ninety-five percent (95%) of player prize payment requiring additional compliance verification are acted upon within 1 calendar day of the claim. Acted upon may include approval and release of the prize payment, changing the status of the prize payment to the next level of review by the Lottery, denial of the prize payment, or communication to the account holder with notification of additional documentation required to be provided by the account holder.	Ninety-five percent (95%) of player prize payment requiring additional compliance verification are acted upon within 2 calendar days of the claim. Acted upon may include approval and release of the prize payment, changing the status of the prize payment to the next level of review by the Lottery, denial of the prize payment, or communication to the account holder with notification of additional documentation required to be provided by the account holder.
<b>Document Processing without Withdrawal</b>	Ninety-five percent (95%) of player account documentation is reviewed and acted upon within 1 calendar day of receipt by the Contractor. Acted upon may include approval or response to the account holder with notification of additional documentation required.	Ninety-five percent (95%) of player account documentation is reviewed and acted upon within 2 calendar days of receipt by the Contractor. Acted upon may include approval or response to the account holder with notification of additional documentation required.
<b>Withdrawal TAT</b>	Ninety-nine percent (99%) of player account withdrawals, after approval, are initiated within twenty-four (24) hours.	Ninety-nine percent (99%) of player account withdrawals, after approval, are initiated within twenty-four (24) hours.
<b>Hours of Operation (HOOP)</b>	Contractor shall provide twenty-four (24) hour, seven (7) day a week service to Lottery Players.	Contractor shall provide twenty-four (24) hour, seven (7) day a week service to Lottery Players.

(b) *Liquidated Damages*

The Lottery may impose Liquidated Damages of two thousand dollars (\$2,000) per week for the first requirement not met, and an additional three thousand dollars (\$3,000) per week for the second requirement not met, for a maximum of five thousand dollars (\$5,000) per week in the event that any Service Level Agreement associated with Payments & Risk Operations are not satisfied during a week. The Lottery may impose Liquidated Damages of five thousand

dollars (\$5,000) after a 24-hour grace period, if the service is interrupted, and an additional \$5,000 for each successive 24-hour period of service interruption; this provision supersedes any weekly SLA assessment. Interrupted service is defined as service that is unavailable to players, the Lottery, or PRO staff. If the Contractor fails to properly identify a transaction as invalid, fraudulent, or noncompliant, the Lottery may impose Liquidated Damages of five thousand dollars (\$5,000) per instance, plus the value of the transaction that was erroneously approved by the Contractor. Examples of invalid, fraudulent, or noncompliant transactions include, but may not be limited:

- Approval of withdrawals to an account not properly verified as owned by the account holder
- Approval of a claim/win before approval and release by additional required reviewers (security hold items)
- Transactions that violate anti-money laundering requirements
- If multiple payment methods are being used against a single player account.
- Multiple Accounts opened that appear to be the same player.
- Self-Exclusion related (2 players on the same account but 1 is self-excluded)
- Lost/Stolen payment card.
- Payment Method sharing- more than 1 player is using the same payment method
- Payment Name mismatch—payment name does not match with patron name on account.
- Fraud Suspect Player Deposit Attempt- Handling of players which are currently under suspicion of fraud and have attempted a deposit.
- Unauthorized Activity – Player claims an activity on their account was performed by someone other than themselves.

7. All Other Service Level Agreements

The following service level agreements shall be upheld for all areas not defined above.

(a) *Severity Levels*

All issues not previously defined above shall be assigned a Severity Level as defined below:

Severity	Description
Critical-P1	<ul style="list-style-type: none"> <li>• The ability to conduct business or service has stopped – Downtime event</li> </ul>
Critical-P2	<ul style="list-style-type: none"> <li>• An Incident that prevents at least twenty percent (20%) of the Active Players from performing the Service Core Functionality flows</li> <li>• An incident causing an impact on Service Core Functionality flows due to system response time increased by 100% for a duration &gt; 30 minutes</li> </ul>

	<ul style="list-style-type: none"> <li>• Critical security risk, data leak or risk of data leak or any security risk classified as Open Worldwide Application Security Project (OWASP) Top Ten</li> </ul>
Critical-P3	<ul style="list-style-type: none"> <li>• An Incident that prevents less than twenty percent (20%) of the Active Players from performing the Service Core Functionality flows</li> <li>• An Incident that prevents Operational Core Functionality for at least 50% of the Active Players</li> <li>• An incident in Major Back-Office Functionality preventing daily operations with no reasonable workaround</li> <li>• Issues with a Regulation Authority</li> </ul>
Critical-P4	<ul style="list-style-type: none"> <li>• Service loss or disruption experienced by up to 5% of Active Players, affecting Service Core Functionality flows</li> <li>• An Incident that prevents Operational Core Functionality for up to 20% of the Active Players</li> <li>• An incident in Major Back-Office Functionality affecting daily operations with a reasonable workaround</li> </ul>
High	<ul style="list-style-type: none"> <li>• An incident affecting the system standard operation, but not preventing Active Players from performing Service Core Functionality flows</li> <li>• An incident affecting the system standard operation, but not preventing Active Players from performing Operational Core Functionality flows</li> </ul>
Low	<p><b>Minor issues, anything else that could be classified as Incident, as per the Incident definition above.</b></p> <ul style="list-style-type: none"> <li>• Examples: A graphical layout issue that does not cause confusion as to how the site should be used</li> <li>• Minor problem with reports</li> <li>• Etc.</li> </ul>

*(b) Response and Resolution Times*

For issues assigned a Severity Level, Contractor shall adhere to the following Response and Resolution times:

<b>CRITICAL-P1</b>	
Required Response Time:	5 minutes
Required Resolution Time:	As soon as practicable and no later than four <b>(4) hours</b> to provide a workaround that restores the services or system to a state that allows use of the system in all material respects and does not materially impair the system's performance criteria. Thereafter, as soon as practicable exercising best and continual efforts to resolve the service error until full restoration of function is provided.
<b>CRITICAL-P2</b>	
Required Response Time:	30 minutes
Required Resolution Time:	As soon as practicable and no later than <b>12 hours</b> to provide a workaround that restores the services or system to a state that allows use of the system in all material respects and does not materially impair the system's performance criteria. Thereafter, as soon as practicable exercising best and continual efforts to resolve the service error until full restoration of function is provided.
<b>CRITICAL-P3</b>	
Required Response Time:	30 minutes
Required Resolution Time:	As soon as practicable and no later than <b>24 hours</b> to provide a workaround that restores the services or system to a state that allows use of the system in all material respects and does not materially impair the system's performance criteria. Thereafter, as soon as practicable exercising best and continual efforts to resolve the service error until full restoration of function is provided.
<b>CRITICAL-P4</b>	
Required Response Time:	48 Hours
Required Resolution Time:	As soon as practicable and no later than <b>7 calendar days</b> to provide a workaround that restores the services or system to a state that allows use of the system in all material respects and does not materially impair the system's performance criteria. Thereafter, as soon as practicable exercising best and continual efforts to resolve the service error until full restoration of function is provided.

<b>HIGH</b>	
Required Response Time:	3 calendar days
Required Resolution Time:	As soon as practicable and no later than <b>14 calendar days</b> to provide a workaround that restores the services or system to a state that allows use of the system in all material respects and does not materially impair the system's performance criteria. Thereafter, as soon as practicable exercising best and continual efforts to resolve the service error until full restoration of function is provided.
<b>LOW</b>	
Required Response Time:	10 calendar days
Required Resolution Time:	<b>Next version release (up to 30 calendar days).</b>

*(c) Liquidated Damages*

In the event that Contractor fails to respond to a Critical-P1 or a Critical-P2 incident within the Required Response Time specified above, the Lottery may impose Liquidated Damages at the rates set forth below. It is the intention of the parties that Liquidated Damages be assessed without duplication. If Liquidated Damages are assessable pursuant to any other Section of this Contract, no Liquidated Damages shall be assessable pursuant to this Section.

- Critical-P1 - \$1,000 per minute following a grace period of 15 minutes.
- Critical-P2 - \$1,000 per every 5 minutes following a grace period of 1 hour.

**C. Right of Set-off.**

Without prejudice to any other right or remedy it may have, the Lottery reserves the right to set off at any time any amount then due and owing to it by the Contractor against any amount payable by the Lottery to the Contractor under this Contract.

**D. Support Not to be Withheld or Delayed**

The Contractor shall not withhold or delay any Services or fail to perform any other obligations hereunder by reason of: (a) the Lottery's good faith withholding of any payment or amount in accordance with this Section; or (b) any dispute whatsoever between the parties, including any payment or other dispute arising under or concerning this Contract or any other agreement between the parties.