



Antitrust Compliance Policy

EFFECTIVE DATE:

06/10/16

SCOPE

This Antitrust Compliance Policy (the “Policy”) applies globally to all employees, officers and directors of Light & Wonder, Inc. and its subsidiaries (together, “Light & Wonder” or the “Company”).

POLICY PURPOSE

As our Code of Business Conduct makes clear, Light & Wonder is committed to complying with the various laws and regulations that are implicated by our business and collective efforts to deliver value to our customers and shareholders. This Policy further explains the Company’s commitment to complying with the antitrust and competition laws of the United States and all countries in which the Company does business.

As an officer, director, or employee of the Company, you are required to avoid all actions, which violate or create the appearance or possible appearance of violating the antitrust laws. Among other issues discussed in this Policy, all communications with competitors pose a heightened risk that they will be construed as violating the antitrust laws. Therefore, all communications with competitors and all other employee activities must be in accordance with this Policy and with any other advice from the Legal Department. If you have questions, then please contact the Legal Department at the contact information provided below.

It is the responsibility of all directors, officers, and employees to understand and abide by this Policy. Supervisory employees have heightened responsibility to ensure compliance with this Policy, as outlined below. Violations of this Policy are grounds for disciplinary action, up to and including termination of employment.

It is not possible for this Policy to describe all of the antitrust issues that may be implicated by the Company’s business. However, this Policy is designed to assist employees in understanding basic antitrust law issues and identifying situations that may merit the attention of the Legal Department. Put simply, this Policy is designed to make you aware of the kinds of conduct that can raise antitrust issues so that you will know when to ask the Legal Department for advice and guidance. You are required to seek the assistance of the Legal Department if you have any question regarding whether a particular situation or proposed course of action could violate this Policy.

This Policy contains the following sections:

- I. Antitrust Law - What It Is and Why Compliance Is Essential**
- II. Responsibilities of Supervisors**
- III. Compliance Reporting and Contact Information**
- IV. Prohibited Conduct**
- V. What to Watch Out for and Discuss with the Legal Department**
- VI. Do’s and Don’ts**

- VII. Interactions with Competitors
- VIII. Consequences for a Violation of This Policy
- IX. Regular Antitrust Compliance Training
- X. Conclusion

I. ANTITRUST LAW – WHAT IT IS AND WHY COMPLIANCE IS ESSENTIAL

Antitrust law is the body of laws governing competition between and among businesses. Over 100 countries have adopted antitrust or competition laws—most modeled on the laws of the United States or the European Union. These laws are designed to protect and promote vigorous competition and the benefits to consumers that flow from such competition. The antitrust laws throughout the world prohibit collusion between competitors, such as fixing prices, rigging bids, dividing customers or geographic markets, and agreeing to limit output.

The antitrust laws also prohibit a variety of other anticompetitive conduct in dealings with customers, suppliers, and distributors and regulate the behavior of dominant companies. Finally, the antitrust laws may prohibit mergers with competitors or acquisitions of competitor assets if those acts would result in anticompetitive harm to the market, and require that certain mergers, acquisitions, divestitures, and joint ventures be reported to and approved by the antitrust regulatory authorities (the Department of Justice and/or Federal Trade Commission in the United States).

Light & Wonder is committed to complying fully with the antitrust laws. As explained in the Code of Business Conduct, Light & Wonder' policy is to compete fairly and lawfully at all times. To avoid questionable conduct, Light & Wonder employees must always ensure that they make business decisions and take action independently, that is, without discussions or coordination with competitors. The Light & Wonder Legal Department is always available to provide advice on this complicated area of law.

The penalties for violation of the antitrust laws can be severe. Some antitrust violations are considered felonies carrying sentences of up to 10 years in prison and individual fines of up to \$1 million. This means that you, personally, could go to jail for violating the antitrust laws in certain circumstances. Corporate fines can run into hundreds of millions of dollars. Consumer and private parties can also sue violators and potentially recover triple their damages.

This Policy lays out simple rules that will help guide you in many situations. Where additional advice is needed to determine how to comply, you are not expected to make the necessary legal judgments. Rather you should seek advice from management and the Legal Department. Thus, if you have any question about this Policy, or believe you need to convey information relevant to a possible violation affecting Light & Wonder, you must contact Light & Wonder' Legal Department, and you are always encouraged to do so.

II. RESPONSIBILITIES OF SUPERVISORS

This Policy provides rules that govern all Company directors, officers, and employees. But the role of supervisory employees is especially important. Supervisory employees are expected to take steps to ensure that employees that report to them attend required training and comply with both the Code of Business Conduct and this Policy. This policy generally requires employees to report violations of the Policy or to seek guidance from their supervisors or the Legal Department when there is any question as to whether a proposed course of action violates antitrust law. Supervisors **must** give their prompt attention to any inquiry by a subordinate as to these issues, and **must** involve the Legal Department if there is any question as to whether particular conduct is appropriate.

III. COMPLIANCE REPORTING AND CONTACT INFORMATION

You are required to report any potential violation of this Policy to your supervisor or the Legal Department. If you report a potential violation to your supervisor and your supervisor does not take prompt action in response to the report, then you are required to report the potential violation to the Legal Department directly. In addition, as outlined below, you are required to seek guidance from the Legal Department as to certain issues.

The dedicated contact person in the Legal Department for antitrust compliance is John L. Cuddihy, our Deputy General Counsel for Litigation and Compliance. His direct line is (702) 532-7056, and his e-mail address is john.cuddihy@scientificgames.com. You should contact Mr. Cuddihy to report any violations of this Policy or to seek guidance under this Policy. If you cannot reach Mr. Cuddihy for any reason, then please call the Legal Department and ask to be placed in contact with another attorney from the Legal Department.

Should you prefer to remain anonymous, you may report the violation on [Ethicspoint](#), a comprehensive and confidential online portal that allows employees to report potentially illegal or unethical activities without fear of reprisal or retaliation.

In addition, recent media reports have reported on certain instances in which the Federal Bureau of Investigation or the European Commission's antitrust enforcement authorities have executed search warrants at the offices of certain corporations while conducting antitrust investigations. Should you become aware that the FBI or any other law enforcement agency is conducting such a search of any Company office, you **must immediately** contact Mr. Michael Fries, the company's Senior Vice President and Chief Compliance Officer by both phone and email to report the search. Mr. Fries' direct line is (702) 532-5387 and his e-mail address is mfries@lnw.com. If you cannot reach Mr. Fries, then please contact the Legal Department, and report the search to Mr. Cuddihy or to any other available attorney.

IV. PROHIBITED CONDUCT

A fundamental principle of the antitrust laws is that companies in the marketplace should act independently of their competitors. Accordingly, Light & Wonder **MUST NOT** enter into any agreements or understandings with competitors to:

- Fix sale or purchase prices ("price-fixing");
- Fix other terms of sale or purchase;
- Restrict capacity or output;
- Divide or allocate product markets, geographic markets, or customers;
- Refrain from supplying a product or service;
- Limit quality competition or research;
- Exclude competing firms from a market; or
- Refrain from recruiting each other's employees.

Price-fixing includes not only agreements on specific prices, but also agreements among competitors on minimum prices, discounts, rebates, or credit terms. Agreements among buyers of a product or service as to the prices they will pay are as illegal as agreements among sellers of a product or service as to the prices they will charge.

The mere existence of such agreements is illegal, even if the companies involved did not act upon them or even if their action arguably enhanced (for example, lowered prices or increased the number of bidders) rather than harmed competition. Please remember that an actual agreement, whether formal (a contract) or informal (a handshake), is not required for an antitrust law violation to occur. An agreement can be inferred from conduct and other circumstances. For this reason any contact with competitors, through trade associations or otherwise, may present an opportunity for allegations that the parties entered into an anti-competitive agreement. In addition, an agreement may be inferred based on discussions or exchanges of confidential information with competitors. As a result, Light & Wonder employees should avoid contacts of any kind with competitors that could create the appearance of improper agreements or understandings.

V. WHAT TO WATCH OUT FOR AND DISCUSS WITH THE LEGAL DEPARTMENT

In addition to forbidding collusion with competitors (as discussed more fully in Section IV above), the antitrust laws also regulate the manner in which companies interact with suppliers, distributors and customers. Aggressive competition is often perfectly lawful (and leads to lower prices for consumers). But nonetheless, there are particular issues as to which you must seek guidance from the Legal Department before proceeding. Those issues are:

- Exclusive agreements with customers or suppliers;
- Discounts to customers contingent on achieving a certain market share with the customer;
- Bundling of goods and services and discounts for bundled products;
- Agreements that require a customer to purchase one product in order to be able to buy another product;
- Agreements that restrict a customer's choices in using or reselling a Light & Wonder product or service;
- Pricing products below cost in order to win incremental business;
- Charging different customers different amounts for the same product;
- Redesigning products where a competitor's product is interoperable with the Light & Wonder product and the effect or purpose of the redesign would be to prevent or impair customers from using the competitor's product;
- Bringing suits against competitors to enforce intellectual property rights;
- Entering into distribution relationships with competitors;
- Entering into joint ventures with competitors;
- Altering a long-standing and profitable course of dealing with a competitor.

Some states and countries also consider agreements between suppliers and their distributors or resellers concerning the resale price of products to be harmful to competition. Such conduct is sometimes called "resale price maintenance" or "vertical price-fixing." Because different jurisdictions may assess the legality of resale price maintenance differently, you should always consult the Legal Department before entering into any such agreement or understanding. You should also always seek guidance from the Legal Department with respect to any efforts to set or influence the price at which a customer or distributor can advertise or sell a Light & Wonder product.

VI. DO'S AND DON'TS

The following guidelines are intended to provide an easy initial reference to help you recognize and avoid potential antitrust problems before they occur.

- A. **DO** avoid all unnecessary contacts, formal or informal, with competitors. Any contacts with competitors must relate to a clearly permissible activity and should be discussed in advance with the Legal Department.
- B. **DON'T** enter into any agreement, "gentlemen's understanding" or discussion with any competitor concerning the following subjects:
 - 1. prices or discounts;
 - 2. service or product mix, or product characteristics;
 - 3. terms or conditions of sale;
 - 4. selection, classification, rejection or termination of customers or classes of customers;
 - 5. the territories in which Light & Wonder or the competitor offers or could offer products;
 - 6. exchange of competitive information such as operating or production costs, profit margins, or marketing plans;
 - 7. bids or the intent to bid, including whether or not to bid;
 - 8. volume of production or output of any products; or
 - 9. any other matter inconsistent with Light & Wonder' complete freedom of action and independence in the conduct of its business.
- C. **DON'T** attend meetings with competitors (including trade association gatherings) at which any of the foregoing impermissible subjects are discussed.
- D. **DO** stop any conversation with a competitor that strays into an improper area or, if you cannot stop it, **DO** leave the meeting in a way that will be remembered by all who were there. Immediately report the conversation to the Legal Department.
- E. **DON'T** obtain information about competitors (particularly price quotes) directly from competitors. Should you obtain information about a competitor through legitimate channels (such as customers or other industry sources and from published data) **DO** document how you obtained that information.
- F. **DO** obtain the approval of the Legal Department before considering any agreement or engaging in a discussion with any customer that would influence, dictate or restrict the prices, terms or conditions under which the customer may resell products that the customer buys from Light & Wonder.
- G. **DO** obtain the prior approval of the Legal Department before entering into any agreements or understandings that:
 - 1. dictate or restrict the territory or markets in which the customer may resell products;

2. dictate or restrict the customers or classes of customers to which the customer may resell;
 3. prohibit or restrict a customer from handling the products of a competitor;
 4. require a customer to purchase a certain product or group of products from Light & Wonder as a condition of selling another product to the customer; or
 5. require a customer to buy its entire requirements for a particular product from Light & Wonder or to deal exclusively with Light & Wonder.
- H. **DON'T** discuss or enter into any agreement or understanding with any customer or supplier concerning the following subjects:
1. Light & Wonder' selection, classification, rejection or termination of other customers or classes of customers;
 2. restrictions on Light & Wonder in determining what services or products to sell to whom, at what prices, and in what territories or markets; or
 3. any other matter inconsistent with Light & Wonder complete freedom of action and independence in the conduct of its business.
- I. **DON'T** terminate or refuse to sell to an existing customer because of the customer's resale pricing or practices without first obtaining the approval of, and instructions from, the Legal Department.
- J. **DON'T**, without first consulting the Legal Department:
1. offer different prices or other terms of sale for substantially similar services or products to competing customers; or
 2. offer different services, products, or allowances to one customer to the detriment of another competing customer.
- K. **DON'T** offer secret rebates or commissions to a customer.
- L. **DO** consult with the Legal Department, if there is any question in your mind regarding the propriety of a particular practice or course of action. Examples include:
1. changing distribution channels or drafting or revising distribution or license agreements;
 2. knowingly offering the same or similar bid price as a competitor;
 3. purchasing from a supplier at terms known to be more favorable than terms the supplier offers to other purchasers; or
 4. allocating scarce products disproportionately.

VII. INTERACTIONS WITH COMPETITORS

While avoiding any communications with competitors is the best way to eliminate any possible implication or inference of an unlawful agreement, contacts with competitors are often unavoidable and sometimes procompetitive, such as in the case of trade association activities or even joint ventures. But any contacts with competitors could be seen as unlawful even if not, so you should take precautions when communicating with competitors to avoid problematic topics. The following are rules to follow when preparing for, and conducting, a meeting with a competitor.

- A. Involve the Legal Department. Involve the Company's lawyers in preparing for and conducting the meeting. Where possible, have a Company lawyer attend the meeting as a safeguard.
- B. Prepare and Follow an Agenda. Prepare a draft agenda before the meeting and, once finalized, stick to it during the meeting. Document after the fact that the meeting tracked the agenda. If, despite your best efforts to limit the discussion to the agenda, any other topics were discussed, document after the fact what those topics were. This will ensure that if anyone scrutinizes this meeting later, we will have a clear record of what was discussed, and that the topics were appropriate.
- C. Do Not Discuss. Absolutely do not discuss prices, market conditions, customers, bids, terms of trade, production costs, marketing plans/strategies, plans to expand or reduce production capacity, market territories, other competitors, or any competitively sensitive information with respect to any product in which you compete. The fact that Light & Wonder does not compete in another geographic area does not mean it is safe to speak about any of these topics with respect to that geographic area—simply do not discuss these topics with a competitor with respect to any geographic market. Also, avoid any discussion about supply or demand trends, even if that information is publicly available. Unfortunately, appearances matter in this setting and talking about the market for a product in which you compete can lead to inappropriate topics or be misinterpreted later.
- D. React Fast. Immediately end any discussion of any of the topics above by the competitor. This includes interrupting before the competitor completes whatever he or she is saying and making clear to the competitor that you cannot and will not discuss competitively sensitive information. It is against Company policy. If the competitor does not immediately stop discussing these topics, leave immediately.
- E. Report Anything Suspect to Counsel. If the Company's counsel is not present, be sure to report immediately after the meeting any discussion of these topics to the Legal Department.
- F. Possible Deal Discussions. As referenced in Section I, there are specific antitrust regulations and protocols that apply in the context of mergers, acquisitions, divestitures and joint ventures. Should discussions include or turn to potential transactions involving the purchase or sale of any business or assets or any joint venture, any such discussion should only be undertaken subject to precautions governing the exchange of competitively sensitive information required to assess such a transaction, including, but not limited to, limits on (i) who from each side should have access to competitively sensitive information and otherwise participate in aspects of the transaction, (ii) the sharing of information to information that is reasonably necessary to assess the transaction, (iii) the timing of such exchanges, and (iv) the use of such information. Accordingly, any such discussions should not proceed beyond the conceptual level without a careful plan coordinated with the Legal Department regarding how such discussions should proceed, and with confidentiality agreements in place. If you are working on one of the foregoing types of transactions and the seller, purchaser or joint venture partner, as the case may be, competes with the Company in any respect, please contact the Legal Department.
- G. Questions or Doubts? If you have any doubts or questions about what you have seen or heard, or what to do, call the Legal Department and discuss it.

VIII. CONSEQUENCES FOR A VIOLATION OF THIS POLICY

Light & Wonder' policy is to conduct its operations in strict compliance with all antitrust laws. The

¹ Note that if you are meeting to negotiate supplying products to a competitor in response to a competitor's request, you may of course provide prices at which you are willing to sell product to the competitor, but do not discuss prices you are offering or plan to offer to third parties (whether those sales are in competition with the competitor or not).

Company’s goal is to compete vigorously and effectively in the marketplace within the spirit and the letter of the law.

Any violation of this Policy by an individual or group will not be tolerated. Any violation of this Policy is grounds for disciplinary action, up to and including termination of your employment. In addition, the Company may be required to report any unlawful conduct in which its officers, directors, or employees engage to the relevant enforcement agencies, including the United States Department of Justice, which may consider bringing criminal or civil charges against the individuals who engaged in the misconduct or against the Company.

If you have questions or concerns about any conduct, you must contact the Legal Department for advice.

IX. REGULAR ANTITRUST COMPLIANCE TRAINING

To ensure that every Company officer, director, or employee is kept up-to-speed on this Policy and any changes in antitrust law that may arise from time to time, the Company will require all such employees (other than purely secretarial or administrative personnel) to attend regular antitrust compliance workshops that will be run by the Legal Department. The Legal Department will schedule those workshops directly with each employee. Attendance is mandatory.

X. CONCLUSION

The Company devotes a great deal of time and effort to its antitrust compliance program for a number of reasons:

- Light & Wonder is committed to competing fairly and complying with the antitrust and competition laws;
- The sanctions for violations are severe;
- Antitrust investigations and litigation are costly and disruptive to business; and
- Antitrust issues arise in many varied, and sometimes subtle, forms.

Light & Wonder reserves the right to change or modify this Policy at any time. Should any provision of this Policy be or become unlawful by virtue of an applicable law, such provision shall be considered null and void to the extent necessary to render the remaining portion of this Policy lawful.