



**AMENDMENT NO. 13**  
*to the*  
**CONTRACT FOR LOTTERY OPERATIONS AND SERVICES**  
*between the*  
**TEXAS LOTTERY COMMISSION**  
*and*  
**IGT GLOBAL SOLUTIONS CORPORATION**

**WHEREAS**, the Texas Lottery Commission (the “Commission” or “Texas Lottery”) and IGT Global Solutions Corporation, with an assumed name in the State of Texas of “IGT Solutions Corporation” (formerly known as GTECH Corporation) (“IGT”) (collectively, “the Parties”) entered into a contract for Lottery Operations and Services with an effective date of December 14, 2010, as amended by Amendment No. 1 effective August 10, 2011, Amendment No. 2 effective January 30, 2012, Amendment No. 3 effective September 19, 2012, Amendment No. 4 effective March 8, 2013, Amendment No. 5 effective April 4, 2013, Amendment No. 6 effective October 23, 2014, Amendment No. 7 effective January 6, 2016, Amendment No. 8 effective October 13, 2016, Amendment No. 9 effective November 1, 2018, Amendment No. 10 effective March 18, 2019, Amendment No. 11 effective February 25, 2021, and Amendment No. 12 effective August 8, 2022 (collectively, the “Contract”);

**WHEREAS**, Section 3.4 of the Contract states the Contract may be amended only by a written agreement signed by both Parties, and in accordance with Tex. Gov’t Code Ann. §466.1005(b) and Commission Rule 401.105(g), only written agreements signed by the Executive Director of the Texas Lottery or their designee shall be binding on the Texas Lottery, and only written agreements signed by an officer of IGT Global Solutions shall be binding on IGT: and

**WHEREAS**, the Parties desire to amend the Contract as more specifically set forth below.

**NOW, THEREFORE**, pursuant to Section 3.4 of the Contract, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to amend the Contract as follows:

**1. Section 3.60.2 (see Amendment No. 2) is replaced in its entirety with the following:**

*Assessment of Sanctions.* Once the Texas Lottery has determined that sanctions are to be assessed, the Executive Director or Executive Director’s designee may notify **GTECH IGT** of the assessment(s). Failure or delay in notifying does not impact the Texas Lottery’s

assessment of sanctions and providing notice is not a condition precedent thereto. The Texas Lottery will withhold sanctions from payments to **GTECH IGT**, or, if no payments are to be made, the Texas Lottery will make demand of payment of sanctions. **GTECH IGT** must make payment within ten (10) Days of the Texas Lottery's demand. In the event **GTECH IGT** fails to pay within the ten (10) Day period, the Texas Lottery may make a claim for payment against the performance bond under Section 3.36, with or without notice to **GTECH IGT**.

For any assessment, **GTECH IGT** may offer the Texas Lottery goods or services in lieu of, or to offset against, the assessment. **GTECH IGT** must provide a complete description of all proposed goods or services, together with supporting documentation to verify the value of the goods or services. The Texas Lottery, in its sole discretion, will decide whether to accept any goods or services offered ~~or to withhold sanctions from payments to GTECH~~. Should the Texas Lottery reject the goods or services offered, or **to the extent that** the value of the goods or services offered is less than the sanction assessment, **and except as provided in Section 3.76**, the Texas Lottery will withhold sanctions from payments to **GTECH IGT** or make demand of payment of sanctions as described above.

**In addition to the foregoing, for any assessment, the Texas Lottery, in its sole discretion, may direct IGT to hold in abeyance all or part of the amount of the assessment as provided in Section 3.76.**

**2. Section 3.61.3 (see Amendment No. 2) is replaced in its entirety with the following:**

*Liquidated Damages Assessment.* Once the Texas Lottery has determined that liquidated damages are to be assessed, the Executive Director or Executive Director's designee may notify **GTECH IGT** of the assessment(s). Failure to notify does not impact the Texas Lottery's assessment of damage and is not a condition precedent thereto. The Texas Lottery will withhold liquidated damages from payments to **GTECH IGT**, or, if no payments have been made, the Texas Lottery will make demand of payment of liquidated damages. **GTECH IGT** must make payment within ten (10) Days of the Texas Lottery's demand. In the event **GTECH IGT** fails to pay within the ten (10) Day period, the Texas Lottery may then make a claim for payment against the performance bond with or without notice to **GTECH IGT**.

For any assessment, **GTECH IGT** may offer the Texas Lottery goods or services in lieu of, or to offset against, the assessment, **GTECH IGT** must provide a complete description of all proposed goods or services, together with supporting documentation to verify the value of the goods or services. The Texas Lottery, in its sole discretion, will decide whether to accept any goods or services offered ~~or to withhold liquidated damages from payments to GTECH~~. Should the Texas Lottery reject the goods or services offered, or **to the extent that** the value of the goods or services offered is less than the liquidated damages assessment, **and except as provided in Section 3.76**, the Texas Lottery will withhold liquidated damages from payments to **GTECH IGT** or make demand of payment of liquidated damages as described above.

**In addition to the foregoing, for any assessment, the Texas Lottery, in its sole discretion, may direct IGT to hold in abeyance all or part of the amount of the assessment as provided in Section 3.76.**

3. **Attachment H, Annual Credit (see Amendment No. 8) is replaced in its entirety with the following:**

#### **ANNUAL CREDIT**

The Texas Lottery relies on marketing advice and expertise from IGT in making business decisions about Lottery Products. As IGT will be compensated under the Contract based on a percentage of Sales (see definition in the Glossary of Terms), it is important to the Texas Lottery that the interests of IGT and the Texas Lottery are generally aligned to ensure the greatest return to the State of Texas, consistent with the Lottery's objectives in RFP Section 1.3. The prize payout percentage from the sale of Lottery Products is a significant factor in determining net revenue and must be considered by IGT when providing advice and expertise to the Texas Lottery. IGT shall provide credits to the Texas Lottery based on lottery sales and increases in the overall prize payout percentage for Texas Lottery games as follows:

*Annual Credit Based on Increase in Overall Prize Payout Percentage.* Effective upon successful conversion, and continuing through the Contract term (and any renewals thereof), IGT shall provide a yearly credit to the Texas Lottery equal to 12% of IGT's annual incremental revenue from sales above those revenues from sales over the previous state fiscal year (September 1 through August 31) for every .1% increase (rounded to the nearest tenth) in the overall prize payout percentage for Texas Lottery scratch ticket and draw games, using the prize payout percentage for the previous state fiscal year as the basis. Sales are defined as sold tickets processed by the Lottery Gaming System, less any tickets that have been canceled or returned, less any promotional tickets or promotional coupons and less any retailer adjustments. State Fiscal Year 2011 revenue and prize payout percentage will be the basis for the calculation for the state Fiscal Year beginning September 1, 2011. This credit calculation shall be conducted annually (in September) each state fiscal year and the Texas Lottery will withhold the credit, if any, from payments to IGT. Such credit will not exceed 50% of IGT's incremental annual revenue in any state fiscal year.

*Annual Credit Based on Declining or Flat Lottery Sales and Increase in Overall Prize Payout Percentage.* Effective upon successful conversion, and continuing through the Contract term (and any renewals thereof), IGT shall provide a yearly credit to the Texas Lottery equal to 4.5% of the year-to-year decline (comparing current year dollar returns to the state to returns in the immediately preceding year), calculated on a modified accrual basis, in Texas Lottery monthly transfers to the state under Tex. Gov't Code Ann. § 466.355 (or as may be amended), excluding Texas Lottery transfers of any unspent administrative funds – provided, during the applicable period, (i) overall lottery sales are flat or decline and (ii) the overall prize payout percentage for Texas Lottery scratch ticket and draw games increases by at least .1% (rounded to the nearest tenth). This credit

calculation shall be conducted annually (in September) each state fiscal year and the Texas Lottery will withhold the credit, if any, from payments to IGT. This Annual Credit section will be rendered null and void and no additional credits will be due if Texas law mandates a reduction to the prize payout percentage.

**Annual Rebate Based on Increase in Sales.** Effective upon successful conversion, and continuing through the Contract term (and any renewals thereof), IGT shall provide a yearly rebate to the Texas Lottery based on exceeding sales thresholds with an annual growth rate of 1.10% as outlined in Attachment 3 of this Amendment No. 8, which supersedes and replaces the previous Attachment 3 and is incorporated into and expressly made a part of the Contract. The rebates shall be calculated as follows:

## **REBATE**

### **Rebate for exceeding Tier 1 Low Range Sales Threshold**

IGT shall provide a yearly rebate to the Texas Lottery equal to 20% of IGT's annual revenue from sales for those sales in excess of the Tier 1 Low Range Sales threshold designated on Attachment 3 up to Tier 1 High Range Sales.

### **Rebate for exceeding Tier 1 High Range Sales**

IGT shall provide a yearly rebate to the Texas Lottery equal to 25% of IGT's annual revenue from sales for those sales in excess of the Tier 1 High Range Sales threshold designated on Attachment 3.

For the purpose of the rebate calculations, Sales are defined as sold tickets processed by the Lottery Gaming System, less any tickets that have been canceled or returned, less any promotional tickets or promotional coupons and less any retailer adjustments. This rebate calculation shall be conducted annually (in September) each state fiscal year and the Texas Lottery will withhold the rebate, if any, from payments to IGT. **In addition to the foregoing, for any Annual Credit or Rebate, the Texas Lottery, in its sole discretion, may direct IGT to hold in abeyance all or part of the amount of the Annual Credit or Rebate as provided in Section 3.76.**

4. **Section 3.76, NEW OR INNOVATIVE TECHNOLOGY (see Amendment No. 8) is replaced in its entirety to read as follows:**

The Texas Lottery continually evaluates operations to identify innovations that 1) meet Texas Lottery requirements, 2) maximize revenue to the state of Texas, and 3) are clearly within the statutory authority of the Texas Lottery. Throughout the Contract term, IGT shall promptly notify the Texas Lottery of any such innovations not currently deployed or required under another Contract provision (including services, software, hardware and/or equipment) that could potentially increase revenue to the state of Texas. Should the Texas Lottery determine any such innovation is of potential value to the State and meets the aforementioned criteria, the Texas Lottery and IGT shall meet in good faith to mutually develop and agree on detailed specifications, terms **(including the cost of the innovation or any compensation)**, and conditions for the deployment of the innovation(s).

The Texas Lottery makes no commitment to quantity or timing for the deployment of any such innovations. The Texas Lottery, in its sole discretion, shall make all final decisions regarding lottery operations consistent with its statutory charge to generate revenue for the state. All proposed innovations must be authorized by Texas law, and do not include video lottery, casino gaming, internet-based lottery sales, fantasy sports, or any other activities not authorized by law.

**Effective September 1, 2022 through August 31, 2026, in order to 1) effectively plan and fund any new or innovative technology, or 2) obtain any new or innovative goods or services that could potentially increase lottery sales and revenue, the Texas Lottery may direct IGT to hold in abeyance the entire amount or a partial amount of any sanction, liquidated damages, Annual Credit or Rebate that is due to the Texas Lottery. In accordance with existing processes and procedures, the Texas Lottery shall document the assessment of any sanction, liquidated damages, Annual Credit or Rebate that is due to the Texas Lottery. The Texas Lottery may choose not to withhold all or part of an assessment amount from payments due to IGT or to accept goods or services in lieu of a sanction or liquidated damages assessment, and instead may direct IGT to hold in abeyance the entire amount or a partial amount of the assessment for the exclusive use by the Texas Lottery 1) for the implementation of any new or innovative technology, or 2) to obtain any new or innovative goods or services that could potentially increase lottery sales and revenue. The Texas Lottery will record any assessment amount not deducted from IGT's invoice as a pre-paid asset and credit the Lottery Operator expense. All funds from any amounts held in abeyance by IGT may be used to offset the cost of implementation for new innovations, goods or services identified by IGT or the Texas Lottery and approved by the Texas Lottery. Upon implementation or acquisition of any such innovations, goods or services, the Texas Lottery shall record the transaction as a Lottery Operator expense and credit the pre-paid asset. The Texas Lottery may withhold from payments to IGT upon notice to IGT or make demand of payment of the amount of any remaining funds held in abeyance that have not been identified for use by February 28, 2026, or at any time during the Contract term if the Texas Lottery determines no new innovations, goods or services will be implemented.**

This section 3.76 shall supersede any conflicting or contrary provision of the Contract.

4. Except as amended hereby, all of the terms of the Contract remain in full force and effect. All capitalized terms not specifically defined herein shall have the meaning assigned to such terms in the Contract.
5. This Amendment shall be effective upon execution by both Parties.

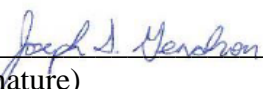
[SIGNATURE PAGE FOLLOWS]

**TEXAS LOTTERY COMMISSION**

By:   
GARY GRIEF  
EXECUTIVE DIRECTOR

09/21/2022  
(Date)

**IGT GLOBAL SOLUTIONS CORPORATION**

By:   
(Signature)

Joseph S. Gendron  
(Printed Name)

COO, Global Lottery  
(Title)

9/13/2022  
(Date)