

**STATE OF ILLINOIS
CONTRACT TRANSPARENCY DOCUMENT**

CONTRACT NUMBER:	CAMELOTF18
AGENCY NUMBER:	458
AGENCY NAME:	Illinois Department of the Lottery
VENDOR NAME:	Camelot Illinois LLC

SCOPE OF CONTRACT

The State, while continuing to conduct and maintain oversight and control over the Lottery, has engaged Camelot Illinois LLC as Manager to provide the Services described in the private management agreement (“PMA”) while maintaining the highest levels of integrity and responsibility. The PMA sets forth the terms and conditions of the management engagement between the State and Manager pursuant to which Manager shall coordinate and manage the specific Lottery operations described in the agreement, including developing opportunities for innovation, analytics and market responsiveness for the Lottery.

Camelot will provide to the State all equipment and services and perform all functions necessary to operate the Lottery on behalf of the State, other than those functions reserved for the State as set forth in the PMA, which will include the following services: (a) The services, equipment, functions, responsibilities and tasks set forth in the PMA (including in Schedule 4.1 (Operational Responsibilities of Manager) and in the Operating Standards, commencing on the Base Services Commencement Date or such other date as specified in Schedule 4.1A (Services Commencement Schedule); (b) The Manager Transition Services, commencing on the Agreement Effective Date; and (c) The Disentanglement Services, commencing on the date provided in Section 14.2.1 of the PMA.

In regard to Manager’s Operational Responsibilities:

SCHEDULE 4.1
OPERATIONAL RESPONSIBILITIES OF MANAGER

<u>Area</u>	<u>Description</u>
<i>Technology</i>	
Central Gaming System	Install, maintain and update as necessary a Central Gaming System, which includes hardware, Software, communications, network, and equipment and other components necessary for the sales, validation and inventory management of the Lottery

Data and Reports	Provide data and reports necessary to facilitate the State's ability to carry out its obligations, including (i) collecting and maintaining the financial data necessary to properly prepare the Lottery's financial statements and enable the State to conduct appropriate financial analysis on revenues and expenses and (ii) Lottery Retailer settlement and adjustments
Websites	Design, maintain and host the Lottery website
Sales Channels	
Retail Hardware	Install, maintain, and update as necessary or desirable retail hardware and Software components necessary for the sales, validation and inventory management of the Lottery
Instant Ticket Vending	Install, maintain, and update as necessary instant ticket vending reasonably acceptable to the State, including dispensing machines, distribution channels, networking and other components used in the sale of instant ticket Lottery Games
Internet and Mobile	Provide, maintain and upgrade as necessary the functionality to sell Lottery Tickets via the Internet or mobile devices which functionality shall include geolocation, age verification and electronic payment technology, provide and maintain customer relationship management functionalities
Product	
New Lottery Game Design	Design, format, develop and maintain the appearance and mechanics of new Lottery Games
Payout Structure	Establish prize structures for Lottery Games
Managing Product Portfolio	Manage the portfolio of current Lottery Games, including any recommended adjustment to the format and rules of Lottery Games, maintain the appearance and mechanics of Lottery Games
Pricing	Establish the price of each Lottery Game
Subscriptions	Develop and implement a subscription program for Lottery Games
Platform and Channel Development	Develop new Lottery platforms and channels, as appropriate
Logistics	
Printing	Print Lottery Tickets
Distribution	Distribute Lottery Tickets and consumables (including management of returns and destruction)

Operation	Develop, operate, and maintain a responsible gaming program
Staffing	
Management of Lottery Employees	Direct and control the duties of each Lottery employee subject to the Employee Use Agreement; provided, however, that such direction and control (a) must be consistent with State Policies and Rules, and where applicable, any collective bargaining agreement, and (b) will not result in such persons becoming employees of Manager
Procurement	
Bidding	Create proposals necessary to procure bids for required services of the Lottery in accordance with this Agreement
Selection	Select Subcontractors in support of Lottery operations
Management	Manage Subcontractors
Compliance	
Underage Play	Develop and implement policies and programs aimed at preventing underage play
Excessive Play	Develop and implement policies and programs aimed at preventing excessive play
Lottery Game Rules	Comply with rules related to multi-jurisdictional games offered by the Lottery
Legal	
Legislation	Monitor and maintain compliance with all State Policies and Rules
Collective Bargaining Agreement	Monitor and maintain compliance with collective bargaining agreements, as applicable pursuant to the Employee Use Agreement
Contracts	Prepare, negotiate and monitor contracts with Subcontractors
Lottery Game Rules	Prepare Lottery Game rules consistent with applicable law
American Disabilities Act	Provide retailer training on (a) how to comply with the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101 <i>et seq.</i>) (the "ADA"), and (b) how to report noncompliance with the ADA

Intellectual Property	<p>With respect to any State Intellectual Property that is developed or created by Manager, any Affiliate of Manager or any Subcontractor under this Agreement, at the reasonable request of the State:</p> <ul style="list-style-type: none"> • Assist the State with determining whether registration is appropriate and, if so, work with the State to prosecute any and all applications for registrations and renewals; and provide required documentation to effect the transfer or assignment to the State, provided, all legal and filing fees shall be paid by the State and deemed an Administrative Expense; • Use Reasonable Best Efforts to investigate claims made against such State Intellectual Property and assist the State in taking appropriate action to defend or enforce the State's rights in such State Intellectual Property, provided, any legal fees in connection with any action shall be paid by the State and deemed an Administrative Expense; and • Use Reasonable Best Efforts to investigate claims or allegations of misuse or infringement of such State Intellectual Property and assist the State in taking appropriate action to defend or enforce the State's rights in such State Intellectual Property, provided, any legal fees in connection with any action shall be paid by the State and deemed an Administrative Expense. 	
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In regard to Transition:

During the Transition, which begins on the Agreement Effective Date and ends on the Transition Completion Date (both periods as defined in the PMA), Manager shall perform the services, functions and responsibilities and provide the deliverables associated with the Transition that are expressly assigned to or imposed on Manager in the Transition Plan (which excludes the State Transition Activities and those services, functions, responsibilities and deliverables assigned to or imposed on the Current Manager (Northstar Lottery Group, LLC) pursuant to the Termination Agreement or the Northstar Disentanglement Plan or otherwise as mutually agreed to by the Parties) (collectively, the "Manager Transition Services"). The State will perform the services and functions specified as State responsibilities in the Transition Plan or the Disentanglement Master Plan or as otherwise specified in this Agreement (the "State Transition Activities"). Manager and the State shall each reasonably cooperate with the other in connection with its performance of its respective activities and obligations during the Transition, and the State shall use its Reasonable Best Efforts to cause the Current Manager (and the Current Manager's Affiliates and subcontractors and vendors) to cooperate with Manager in connection with Manager's performance of the Manager Transition Services, including transferring Lottery Data to Manager in the appropriate format in a reasonable time frame as directed by Manager and free of material errors and corruption.

In regard to Disentanglement:

Manager is obligated, with the State's reasonable cooperation, to use its Reasonable Best Efforts to accomplish a complete transition from Manager to the State, its Affiliates, another State of Illinois agency or any replacement provider designated by the State (the "Replacement Manager") as directed by the State, of any terminated Services being provided by Manager as of the Termination Date, without any material interruption of, or material and adverse impact on, the Services being provided, except as mutually agreed by the Manager and the State and

set forth in the applicable Disentanglement Services Plan. The obligations set forth in Section 14 of the PMA and the Disentanglement Services Plan are collectively referred to in the PMA as the "Disentanglement Services."

AGREEMENT EXECUTED BY: Vendor representative name(s) and title(s).	Adam Barry, Vice President of Camelot Illinois LLC
SUBCONTRACTORS: If applicable, list name(s) of subcontractors disclosed.	<p>The following subcontractors are being disclosed; however, the use of disclosed subcontractors is subject to the requirements provided in Section 7 of the PMA.</p> <p>1) Scientific Games; 2) Intralot; 3) Camelot Global Services (North America) Inc.; 4) Camelot Global Services Limited; 5) Camelot Global Lottery Solutions Limited; 6) Isobar; 7) Premier Lotteries Limited; 8) Sogeti USA LLC; 9) Electronic Nation LLC, dba QualiTest; 10) ZeroDayLab Limited; 11) Outform Inc.; 12) MultiLot AS; 13) O’Keefe Reinhard & Paul; 14) FCB Chicago; 15) ELSE London Ltd.; 16) Tierpoint; 17) Equinix; 18) Verifi/CAMS; 19) LexisNexis Risk Solutions; 20) Idology; 21) Vantiv, LLC; 22) First Data Merchant Services, LLC; 23) Secure Trading; 24) Location Smart; 25) Fifth Third Bank; 26) Richter; 27) Pollard Banknote; 28) 2CV Research (US); 29) Consumer Insights Group; 30) Incite LLC; 31) Intrinsic/4Media; 32) Elsym Consulting, Inc.; 33) Call Credit; 34) AllStaff Recruiting Inc.; 35) iCall Service Inc.; 36) Marketing Alternatives; 37) Flowers Communications; 38) Instant Technology; 39) Grisko; 40) M & G; 41) MOTR GrafX; 42) OH Community Partners; 43) Pugh Jones Johnson, P.C.; 44) Purple Group; 45) Special Project Staffing by Salem, Inc., dba The Salem Group; 46) The San Jose Group, Co.; 47) Brothers & Thompson, PC; 48) Leo Burnett; and 49) Angel Flight Services.</p>
RATE OF PAY: List detail if unit of measure is Multiple Rate (MR) or Other (OT).	<p>(MR) Based on the submitted business plan and Section 10 of the PMA, the contract is estimated to cost \$2.16 billion, which includes earning performance incentives. Components of the estimated cost are:</p> <ol style="list-style-type: none"> 1. Management Fee. This category consists of normal operating and overhead cost of the management company to include compensation, facilities, insurance, general legal expenses, and development of an i-lottery platform. This cost will not exceed .896% of actual revenue unless specifically approved by the Lottery, and will be trued up annually based on actual approved supporting documentation. 2. Operating Allowance. This category consists of expenses for (1) development, installation, operation and ongoing maintenance of the gaming system, (2) developing and printing all instant ticket games and related expenses for distribution, licensing, and responsible gaming features, (3) all aspects of marketing and promotion of lottery games, the IL Lottery brand, and providing responsible gaming efforts, and (4) i-lottery banking and transaction costs, and related technology expenses. This cost will not exceed 4.89% of actual revenue unless specifically approved by the Lottery. 3. Incentive Compensation. Manager may earn an annual incentive on lottery profits that exceed the Lottery’s statutorily required payments. There is a cap on incentive compensation of 5% of total profits that cannot be exceeded. If Camelot does not reach the annual profit thresholds for earning incentive compensation then no payments will be made. The contract also contains early termination provisions for poor performance. <p>The estimated cost of \$2.16 billion is based Camelot’s projections included in the contract. All actual costs will be trued up at least annually.</p>
RENEWAL OPTION: Yes or No. If yes, specify option(s).	No