

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q**

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2020

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 001-32622

EVERI HOLDINGS INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

20-0723270

(I.R.S. Employer Identification No.)

7250 S. Tenaya Way, Suite 100

Las Vegas

Nevada

(Address of principal executive offices)

89113

(Zip Code)

(800) 833-7110

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 par value	EVRI	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of May 29, 2020, there were 85,321,497 shares of the registrant's \$0.001 par value per share common stock outstanding.

EXPLANATORY NOTE

The Company was unable to file this Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 (the "Quarterly Report"), by the original deadline of May 11, 2020, without unreasonable effort or expense due to the outbreak of, and local, state, and federal governmental responses to, the Coronavirus Disease 2019 ("COVID-19") pandemic.

The Company's operations have experienced significant disruptions as a result of the circumstances surrounding the COVID-19 pandemic. The Company filed a Current Report on Form 8-K on April 21, 2020 supplementing the risk factors disclosed in Part I, Item 1A of its Annual Report on Form 10-K for the fiscal year ended December 31, 2019 (the "Annual Report"), to address the impact of the COVID-19 pandemic on the Company. Such impacts include, but are not limited to, the institution of social distancing and sheltering-in-place requirements in many states and communities where the Company and its customers operate, resulting in: temporary closures of nearly all of the Company's casino customers, significantly impacting demand for the Company's products and services, as well as office closures, the furlough of approximately 80% of the Company's employees, and the Company's issuance of a work-from-home policy to protect its remaining

employees and their families from potential virus transmission among co-workers. The office closures, employee furloughs, and work-from-home policy have, in turn, caused a delay in the preparation and filing of the Quarterly Report with a majority of the Company's remaining employees working remotely to complete and file the Quarterly Report.

On March 4, 2020, the Securities and Exchange Commission issued an order (Release No. 34-88318) under Section 36 of the Securities Exchange Act of 1934 (the "Exchange Act") granting exemptions from specified provisions of the Exchange Act and certain rules thereunder, as superseded by a subsequent order (Release No. 34-88465) issued on March 25, 2020 (collectively, the "Order"). As previously disclosed in the Current Report on Form 8-K filed May, 4, 2020, for the reasons discussed above, the Company is relying on the Order to delay the filing of this Quarterly Report.

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PART I: FINANCIAL INFORMATION

Item 1. Financial Statements.

EVERI HOLDINGS INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS) INCOME
(In thousands, except earnings per share amounts)

	Three Months Ended March 31,	
	2020	2019
Revenues		
Games revenues		
Gaming operations	\$ 45,686	\$ 44,286
Gaming equipment and systems	11,583	23,087
Gaming other	21	54
Games total revenues	<u>57,290</u>	<u>67,427</u>
FinTech revenues		
Cash access services	36,973	40,832
Equipment	6,351	7,028
Information services and other	12,694	8,488
FinTech total revenues	<u>56,018</u>	<u>56,348</u>
Total revenues	<u>113,308</u>	<u>123,775</u>
Costs and expenses		
Games cost of revenues⁽¹⁾		
Gaming operations	4,545	4,124
Gaming equipment and systems	6,824	12,529
Games total cost of revenues	<u>11,369</u>	<u>16,653</u>
FinTech cost of revenues⁽¹⁾		
Cash access services	3,555	2,697
Equipment	3,891	4,330
Information services and other	873	958
FinTech total cost of revenues	<u>8,319</u>	<u>7,985</u>
Operating expenses	39,272	34,648
Research and development	8,355	7,531
Depreciation	16,243	14,789
Amortization	19,324	16,297
Total costs and expenses	<u>102,882</u>	<u>97,903</u>
Operating income	<u>10,426</u>	<u>25,872</u>
Other expenses		
Interest expense, net of interest income	17,499	20,400
Loss on extinguishment of debt	7,378	—
Total other expenses	<u>24,877</u>	<u>20,400</u>
(Loss) income before income tax	<u>(14,451)</u>	<u>5,472</u>
Income tax benefit	(997)	(388)
Net (loss) income	<u>(13,454)</u>	<u>5,860</u>
Foreign currency translation, net of tax	(1,958)	504
Comprehensive (loss) income	<u>\$ (15,412)</u>	<u>\$ 6,364</u>

(1) Exclusive of depreciation and amortization.

	Three Months Ended March 31,	
	2020	2019
(Loss) earnings per share		
Basic	\$ (0.16)	\$ 0.08
Diluted	\$ (0.16)	\$ 0.08
Weighted average common shares outstanding		
Basic	84,624	70,334
Diluted	84,624	75,256

See notes to unaudited condensed consolidated financial statements.

EVERI HOLDINGS INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except par value amounts)

	At March 31, 2020	At December 31, 2019
ASSETS		
Current assets		
Cash and cash equivalents	\$ 49,941	\$ 289,870
Settlement receivables	1,897	70,282
Trade and other receivables, net of allowances for credit losses of \$5,593 and \$5,786 at March 31, 2020 and December 31, 2019, respectively	68,946	87,910
Inventory	39,347	26,574
Prepaid expenses and other current assets	26,991	27,896
Total current assets	187,122	502,532
Non-current assets		
Property and equipment, net	127,042	128,869
Goodwill	681,508	681,635
Other intangible assets, net	265,690	279,187
Other receivables, net	15,499	16,661
Other assets	19,343	20,339
Total non-current assets	1,109,082	1,126,691
Total assets	\$ 1,296,204	\$ 1,629,223
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Settlement liabilities	\$ 11,440	\$ 234,087
Accounts payable and accrued expenses	159,200	173,103
Total current liabilities	170,640	407,190
Non-current liabilities		
Deferred tax liability, net	25,226	26,401
Long-term debt	1,041,650	1,108,078
Other accrued expenses and liabilities	14,339	33,566
Total non-current liabilities	1,081,215	1,168,045
Total liabilities	1,251,855	1,575,235
Commitments and contingencies (Note 13)		
Stockholders' equity		
Convertible preferred stock, \$0.001 par value, 50,000 shares authorized and no shares outstanding at March 31, 2020 and December 31, 2019, respectively	—	—
Common stock, \$0.001 par value, 500,000 shares authorized and 109,806 and 84,806 shares issued and outstanding at March 31, 2020, respectively, and 109,493 and 84,497 shares issued and outstanding at December 31, 2019, respectively	110	109
Additional paid-in capital	450,976	445,162
Accumulated deficit	(226,394)	(212,940)
Accumulated other comprehensive loss	(2,777)	(819)
Treasury stock, at cost, 25,000 and 24,996 shares at March 31, 2020 and December 31, 2019, respectively	(177,566)	(177,524)
Total stockholders' equity	44,349	53,988
Total liabilities and stockholders' equity	\$ 1,296,204	\$ 1,629,223

See notes to unaudited condensed consolidated financial statements.

EVERI HOLDINGS INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Three Months Ended March 31,	
	2020	2019
Cash flows from operating activities		
Net (loss) income	\$ (13,454)	\$ 5,860
Adjustments to reconcile net (loss) income to cash used in operating activities:		
Depreciation	16,243	14,789
Amortization	19,324	16,297
Non-cash lease expense	1,056	983
Amortization of financing costs and discounts	854	890
Loss on sale or disposal of assets	87	513
Accretion of contract rights	2,170	2,122
Provision for bad debts	3,750	2,864
Deferred income taxes	(1,175)	(513)
Reserve for inventory obsolescence	362	441
Loss on extinguishment of debt	7,378	—
Stock-based compensation	2,483	1,773
Changes in operating assets and liabilities:		
Settlement receivables	67,604	(175,748)
Trade and other receivables	15,846	(12,385)
Inventory	(13,131)	57
Other assets	856	(17,739)
Settlement liabilities	(221,832)	19,931
Other liabilities	(19,257)	27,677
Net cash used in operating activities	(130,836)	(112,188)
Cash flows from investing activities		
Capital expenditures	(22,507)	(22,194)
Acquisitions, net of cash acquired	(10,000)	(20,000)
Proceeds from sale of property and equipment	30	33
Placement fee agreements	(585)	(5,329)
Net cash used in investing activities	(33,062)	(47,490)
Cash flows from financing activities		
Borrowings under revolving credit facility	35,000	—
Repayments of unsecured notes	(89,619)	—
Repayments of credit facility	(13,500)	(2,050)
Fees associated with prepayment of debt	(6,491)	—
Proceeds from exercise of stock options	1,642	4,686
Treasury stock	(42)	(15)
Net cash (used in) provided by financing activities	(73,010)	2,621
Effect of exchange rates on cash and cash equivalents	(2,592)	(343)
Cash, cash equivalents and restricted cash		
Net decrease for the period	(239,500)	(157,400)
Balance, beginning of the period	296,610	299,181
Balance, end of the period	\$ 57,110	\$ 141,781

See notes to unaudited condensed consolidated financial statements.

	Three Months Ended March 31,	
	2020	2019
Supplemental cash disclosures		
Cash paid for interest	\$ 10,855	\$ 12,470
Cash (refunded) paid for income tax, net	(78)	92
Supplemental non-cash disclosures		
Accrued and unpaid capital expenditures	\$ 4,488	\$ 3,209
Accrued and unpaid liabilities for acquisitions added during the year	—	27,556
Transfer of leased gaming equipment to inventory	5,529	4,673
Operating lease right-of-use assets obtained in exchange for new lease obligations	704	1,078

See notes to unaudited condensed consolidated financial statements.

EVERI HOLDINGS INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
(In thousands)

	Common Stock— Series A		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Treasury Stock	Total Stockholders' Equity (Deficit)
	Number of Shares	Amount					
Balance, January 1, 2019	95,100	\$ 95	\$ 298,929	\$ (229,457)	\$ (1,998)	\$ (176,464)	\$ (108,895)
Net income	—	—	—	5,860	—	—	5,860
Foreign currency translation	—	—	—	—	504	—	504
Stock-based compensation expense	—	—	1,773	—	—	—	1,773
Exercise of options	864	1	4,970	—	—	—	4,971
Restricted share vesting and withholding	2	—	—	—	—	(15)	(15)
Balance, March 31, 2019	<u>95,966</u>	<u>\$ 96</u>	<u>\$ 305,672</u>	<u>\$ (223,597)</u>	<u>\$ (1,494)</u>	<u>\$ (176,479)</u>	<u>\$ (95,802)</u>
Balance, January 1, 2020	109,493	\$ 109	\$ 445,162	\$ (212,940)	\$ (819)	\$ (177,524)	\$ 53,988
Net loss	—	—	—	(13,454)	—	—	(13,454)
Foreign currency translation	—	—	—	—	(1,958)	—	(1,958)
Stock-based compensation expense	—	—	4,173	—	—	—	4,173
Exercise of options	298	1	1,641	—	—	—	1,642
Restricted share vesting and withholding	15	—	—	—	—	(42)	(42)
Balance, March 31, 2020	<u>109,806</u>	<u>\$ 110</u>	<u>\$ 450,976</u>	<u>\$ (226,394)</u>	<u>\$ (2,777)</u>	<u>\$ (177,566)</u>	<u>\$ 44,349</u>

See notes to unaudited condensed consolidated financial statements.

EVERI HOLDINGS INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

In this filing, we refer to: (a) our unaudited condensed consolidated financial statements and notes thereto as our “Financial Statements,” (b) our Unaudited Condensed Consolidated Statements of Operations and Comprehensive (Loss) Income as our “Statements of Operations,” and (c) our Unaudited Condensed Consolidated Balance Sheets as our “Balance Sheets.”

1. BUSINESS

Everi Holdings Inc. (“Everi Holdings,” or “Everi”) is a holding company, the assets of which are the issued and outstanding shares of capital stock of each of Everi Payments Inc. (“Everi FinTech” or “FinTech”) and Everi Games Holding Inc., which owns all of the issued and outstanding shares of capital stock of Everi Games Inc. (“Everi Games” or “Games”). Unless otherwise indicated, the terms the “Company,” “we,” “us,” and “our” refer to Everi Holdings together with its consolidated subsidiaries.

Everi is a leading supplier of entertainment and technology solutions for the casino, interactive, and gaming industry. With a focus on both customers and players, Everi develops, sells, and leases games and gaming machines, gaming systems and services, and is an innovator and provider of core financial products and services, self-service player loyalty tools and promotion management software, and intelligence and regulatory compliance solutions. Everi’s mission is to provide casino operators with games that facilitate memorable player experiences, offer secure financial transactions for casinos and their patrons, and deliver software applications and self-service tools to improve casino operations’ efficiencies and fulfill regulatory compliance requirements.

Everi Holdings reports its results of operations based on two operating segments: Games and FinTech.

Everi Games provides gaming operators with gaming technology products and services, including: (a) gaming machines, primarily comprising Class II and Class III slot machines placed under participation or fixed-fee lease arrangements or sold to casino customers; (b) providing and maintaining the central determinant systems for the video lottery terminals (“VLTs”) installed in the State of New York and similar technology in certain tribal jurisdictions; and (c) business-to-consumer (“B2C”) and business-to-business (“B2B”) interactive gaming activities.

Everi FinTech provides gaming operators with financial technology products and services, including: (a) services and equipment that facilitate casino patrons’ self-service access to cash at gaming facilities via Automated Teller Machine (“ATM”) cash withdrawals, credit card cash access transactions and point-of-sale (“POS”) debit card purchase and cash access transactions; (b) check warranty services; (c) self-service player loyalty enrollment and marketing equipment, including promotion management software and tools; (d) software and services that improve credit decision making, automate cashier operations, and enhance patron marketing activities for gaming establishments; (e) equipment that provides cash access and other cash handling efficiency-related services; and (f) compliance, audit, and data solutions.

Impact of COVID-19 Pandemic

The COVID-19 pandemic has negatively impacted the global economy, disrupted global supply chains, lowered equity market valuations, created significant volatility in the financial markets, increased unemployment levels, caused temporary, and in certain cases, closures of many businesses. The gaming industry was not immune to these factors as our casino customers closed their gaming establishments in March of this year, and as a result, our operations have experienced significant disruptions. In light of the COVID-19 pandemic, we have been affected by various measures, including, but not limited to: the institution of social distancing and sheltering-in-place requirements in many states and communities, which significantly impacted demand for our products and services, and which resulted in office closures, the furlough of approximately 80% of our employees, and the implementation of a work-from-home policy to protect our remaining employees and their families from potential virus transmission among co-workers.

The impact of the COVID-19 pandemic also exacerbates the risks disclosed in the Annual Report, including, but not limited to: our ability to comply with the terms of our indebtedness, our ability to generate revenues, earn profits and maintain adequate liquidity, our ability to service existing and attract new customers, maintain our overall competitiveness in the market, the potential for significant fluctuations in demand for our services, overall trends in the gaming industry impacting our business, as well as potential volatility in our stock price.

The impact of the COVID-19 pandemic on the Company’s operations, and significant and sustained decline in our stock price, qualified as a triggering event necessitating the evaluation of our long-lived assets and goodwill for indicators of impairment.

We conducted a qualitative interim impairment assessment as of March 31, 2020. See [“Note 9 — Property and Equipment”](#) and [“Note 10 — Goodwill and Other Intangible Assets.”](#)

Liquidity

While our revenues from January 2020 through the middle of March 2020 were on pace to potentially exceed the results from the same period in the prior year, the closure of casino properties in light of COVID-19 resulted in reductions in revenue and had a significant impact on our results of operations and financial condition.

In March 2020, we completed the full draw down of our available capacity of \$35.0 million under the Revolving Credit Facility in order to improve our liquidity and preserve financial flexibility in light of the uncertainty in our industry and the global economy as a result of COVID-19 (as discussed and defined in [“Note 12 — Long-Term Debt”](#)).

In April 2020, we entered into a fourth amendment (the “Fourth Amendment”) to our existing Credit Agreement (as defined in [“Note 12 — Long-Term Debt”](#)), which among other things, amended our debt covenants to provide relief with respect to our senior secured leverage ratio (as discussed in [“Note 19 — Subsequent Events”](#)).

In April 2020, we also entered into a new credit agreement, which provides for a \$125.0 million senior secured term loan, which is secured on a pari passu basis with the loans under our existing Credit Agreement. The entire amount was borrowed on the Closing Date (as discussed and defined in [“Note 19 — Subsequent Events”](#)).

We have implemented a range of actions to maintain balance sheet flexibility and preserve liquidity as a result of the business disruption caused by the rapid nationwide spread of COVID-19, including, but not limited to:

- The executive officers elected to accept the following reductions to their compensation during the pendency of the COVID-19 pandemic in order to better position the Company to withstand the challenging conditions that have caused global and domestic disruption in the current economic environment, such that: (a) the Chief Executive Officer will forgo 100% of his base salary compensation; (b) the President and Chief Operating Officer’s annual base salary will be reduced to \$95,000; and (c) all other executive officers’ annual base salaries will be reduced to \$110,000;
- The independent members of the Board of Directors of the Company elected to forgo 100% of their quarterly cash compensation for Board and related committee services;
- We furloughed approximately 80% of our staff;
- We reduced the salaries of those remaining non-executive employees anywhere from 15% to 70%;
- We suspended certain employee benefits, such as providing a Company match on 401(k) contributions;
- We implemented a remote working environment, including establishing a work-from-home policy for our employees;
- We cancelled or delayed material capital expenditures; and
- We suspended all share repurchases under our previously authorized repurchase program.

Government Relief

In late March 2020, the U.S. government enacted the Coronavirus Aid Relief and Economic Security Act (the “CARES Act”) in response to the COVID-19 pandemic. We have taken advantage of the following components contained within the CARES Act:

- Employee Retention Payroll Tax Credit: We are applying a credit against payroll taxes for 50% of eligible employee wages paid or incurred from March 13, 2020 to December 31, 2020. This employee retention payroll tax credit would be provided for as much as \$10,000 of qualifying wages for each eligible employee, including health benefits;
- Employer Social Security Tax Payment Deferral: We are deferring payment of the employer portion of the social security taxes due on remaining payments and from enactment of the CARES Act through December 31, 2020, with 50% due by December 31, 2021 and 50% due by December 31, 2022; and
- Alternative Minimum Tax (“AMT”) Credit Refund: We are applying for a refund of our AMT tax credits as the CARES Act affords us the ability to accelerate the recovery of such credits.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Our unaudited condensed consolidated financial statements included herein have been prepared by us pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). Some of the information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the United States (“GAAP”) have been condensed or omitted pursuant to such rules and regulations, although we believe the disclosures are adequate to make the information presented not misleading. In the opinion of management, all adjustments (which include normal recurring adjustments) necessary for a fair statement of results for the interim periods have been made. The results for the three months ended March 31, 2020 are not necessarily indicative of results to be expected for the full fiscal year. The Financial Statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Annual Report.

We evaluate the composition of our revenues to maintain compliance with SEC Regulation S-X Section 210.5-3, which requires us to separately present certain categories of revenues that exceed the quantitative threshold on our Statements of Operations.

Revenue Recognition

Overview

We evaluate the recognition of revenue based on the criteria set forth in Accounting Standards Codification (“ASC”) 606 — Revenue from Contracts with Customers and ASC 842 — Leases, as appropriate. We recognize revenue upon transferring control of goods or services to our customers in an amount that reflects the consideration we expect to receive in exchange for those goods or services. We enter into contracts with customers that include various performance obligations consisting of goods, services, or combinations of goods and services. Timing of the transfer of control varies based on the nature of the contract. We recognize revenue net of any sales and other taxes collected from customers, which are subsequently remitted to governmental authorities and are not included in revenues or operating expenses. We measure revenue based on the consideration specified in a contract with a customer and adjust it, as necessary.

Disaggregation of Revenues

We disaggregate revenues based on the nature and timing of the cash flows generated by such revenues as presented in [“Note 18 — Segment Information.”](#)

Contract Balances

Since our contracts may include multiple performance obligations, there is often a timing difference between cash collections and the satisfaction of such performance obligations and revenue recognition. Such arrangements are evaluated to determine whether contract assets and liabilities exist. We generally record contract assets when the timing of cash collections differs from when revenue is recognized due to contracts containing specific performance obligations that are required to be met prior to a customer being invoiced. We generally record contract liabilities when cash is collected in advance of us satisfying performance obligations, including those that are satisfied over a period of time. Balances of our contract assets and contract liabilities may fluctuate due to timing of cash collections.

The following table summarizes our contract assets and contract liabilities arising from contracts with customers:

	Three Months Ended March 31,	
	2020	2019
Contract assets⁽¹⁾		
Balance at January 1 — current	\$ 8,634	\$ 5,199
Balance at January 1 — non-current	6,774	6,111
Total	15,408	11,310
Balance at March 31 — current	8,559	7,058
Balance at March 31 — non-current	6,902	7,040
Total	15,461	14,098
Increase	\$ 53	\$ 2,788
Contract liabilities⁽²⁾		
Balance at January 1 — current	\$ 29,150	\$ 14,661
Balance at January 1 — non-current	354	809
Total	29,504	15,470
Balance at March 31 — current	31,226	23,892
Balance at March 31 — non-current	185	458
Total	31,411	24,350
Increase	\$ 1,907	\$ 8,880

- (1) The current portion of contract assets is included within trade and other receivables, net, and the non-current portion is included within other receivables, net in our Balance Sheets.
- (2) The current portion of contract liabilities is included within accounts payable and accrued expenses, and the non-current portion is included within other accrued expenses and liabilities in our Balance Sheets.

We recognized approximately \$11.0 million and \$6.1 million in revenue that was included in the beginning contract liability balance during the three months ended March 31, 2020 and 2019, respectively.

Games Revenues

Our products and services include electronic gaming devices, such as Native American Class II offerings and other electronic bingo products, Class III slot machine offerings, VLTs, B2C and B2B interactive gaming activities, accounting and central determinant systems, and other back office systems. We conduct our Games segment business based on results generated from the following major revenue streams: (a) Gaming Operations; (b) Gaming Equipment and Systems; and (c) Gaming Other.

We recognize our Gaming Operations revenue based on criteria set forth in ASC 842 or ASC 606, as applicable. The amount of lease revenue included in our Gaming Operations revenues and recognized under ASC 842 was approximately \$34.0 million and \$33.8 million for the three months ended March 31, 2020 and 2019, respectively.

FinTech Revenues

Our FinTech products and services include solutions that we offer to gaming establishments to provide their patrons with cash access-related services, self-service player loyalty and marketing tools, and other information-related products and services. These solutions include: access to cash at gaming facilities via ATM cash withdrawals, credit card cash access transactions, and POS debit card purchase and cash access transactions; check warranty services; self-service ATMs and fully integrated kiosks and maintenance services; self-service player loyalty enrollment and marketing equipment, including promotion management software and tools; compliance, audit, and data software; casino credit data and reporting services; marketing and promotional offering subscription-based services; and other ancillary offerings. We conduct our FinTech segment business based on results generated from the following major revenue streams: (a) Cash Access Services; (b) Equipment; and (c) Information Services and Other.

Equipment revenues are derived from the sale of our cash access and loyalty kiosks and related equipment and are accounted for under ASC 606, unless such transactions meet the definition of a sales type or direct financing lease, which are accounted for under ASC 842. We did not have any new cash access kiosk and related equipment sales contracts accounted for under ASC 842 during the three months ended March 31, 2020 and 2019.

Restricted Cash

Our restricted cash primarily consists of: (a) funds held in connection with certain customer agreements; (b) deposits held in connection with a sponsorship agreement; (c) wide area progressive (“WAP”)-related restricted funds; and (d) Internet-related cash access activities. The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the Balance Sheets that sum to the total of the same such amounts shown in the statement of cash flows for the three months ended March 31, 2020.

	Classification on our Balance Sheets	At March 31, 2020	At December 31, 2019
Cash and cash equivalents	Cash and cash equivalents	\$ 49,941	\$ 289,870
Restricted cash - current	Prepaid expenses and other current assets	7,068	6,639
Restricted cash - non-current	Other assets	101	101
Total		\$ 57,110	\$ 296,610

Fair Values of Financial Instruments

The fair value of a financial instrument represents the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value estimates are made at a specific point in time, based upon relevant market information about the financial instrument.

The carrying amount of cash and cash equivalents, restricted cash, settlement receivables, short-term trade and other receivables, settlement liabilities, accounts payable, and accrued expenses approximate fair value due to the short-term maturities of these instruments. The fair value of the long-term trade and loans receivable is estimated by discounting expected future cash flows using current interest rates at which similar loans would be made to borrowers with similar credit ratings and remaining maturities. The fair value of the long-term accounts payable is estimated by discounting the total obligation using the appropriate interest rate. As of March 31, 2020 and December 31, 2019, the fair value of trade and loans receivable approximated the carrying value due to contractual terms generally being slightly over 12 months. The fair value of our borrowings is estimated based on various inputs to determine a market price, such as: market demand and supply, size of tranche, maturity, and similar instruments trading in more active markets. The estimated fair value and outstanding balances of our borrowings are as follows (in thousands):

	Level of Hierarchy	Fair Value	Outstanding Balance
March 31, 2020			
Term loan	2	\$ 589,614	\$ 735,500
Senior unsecured notes	2	\$ 216,890	\$ 285,381
Revolving credit facility	2	\$ 28,058	\$ 35,000
December 31, 2019			
Term loan	2	\$ 753,494	\$ 749,000
Senior unsecured notes	2	\$ 401,738	\$ 375,000

The term loan, senior unsecured notes, and revolving credit facility were reported at fair value using Level 2 inputs based on quoted market prices for these securities.

Reclassification of Prior Year Balances

Reclassifications were made to the prior-period Financial Statements to conform to the current period presentation where applicable.

Recent Accounting Guidance

Recently Adopted Accounting Guidance

Standard	Description	Date of Adoption	Effect on Financial Statements
ASU No. 2016-13 , Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments and subsequent amendments	This ASU replaces the incurred loss impairment methodology in current GAAP with a methodology that reflects lifetime expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates.	January 1, 2020	This guidance primarily impacts our trade and other receivables, including those related to revenues from contracts with customers that may contain contract assets with respect to performance obligations that are satisfied for which the customers have not yet been invoiced. We adopted this guidance using the modified retrospective method. The adoption of ASC 326 did not have a material effect on our Financial Statements and did not result in a cumulative-effect adjustment. Refer to “Note 6 — Trade and Other Receivables” for further discussion.
ASU No. 2018-15 , Intangibles — Goodwill and Other — Internal-Use Software (Subtopic 350-40): Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract	This ASU aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal-use software license).	January 1, 2020	The adoption of this ASU did not have a material effect on our Financial Statements or on our disclosures.

Recent Accounting Guidance Not Yet Adopted

Standard	Description	Date of Planned Adoption	Effect on Financial Statements
ASU No. 2019-12 , Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes	This ASU simplifies the accounting for income taxes by removing certain exceptions for investments, intraperiod allocations, and interim calculations, and adds guidance to reduce the complexity of applying Topic 740.	January 1, 2021	We are currently evaluating the impact of adopting this ASU on our Financial Statements and our disclosures; however, we do not expect the impact to be material.

We do not anticipate recently issued accounting guidance to have a significant impact on our Financial Statements as of March 31, 2020.

3. LEASES

We determine if a contract is, or contains, a lease at the inception, or modification, of a contract based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control over the use of an asset is predicated upon the notion that a lessee has both the right to (a) obtain substantially all of the economic benefit from the use of the asset; and (b) direct the use of the asset.

Operating lease right-of-use (“ROU”) assets and liabilities are recognized based on the present value of minimum lease payments over the expected lease term at commencement date. Lease expense is recognized on a straight-line basis over the expected lease term. Our lease arrangements have both lease and non-lease components, and we have elected the practical expedient to account for the lease and non-lease elements as a single lease.

Certain of our lease arrangements contain options to renew with terms that generally have the ability to extend the lease term to a range of approximately 1 to 10 years. The exercise of lease renewal options is generally at our sole discretion. The expected lease terms include options to extend or terminate the lease when it is reasonably certain that we will exercise such option. The depreciable life of leased assets and leasehold improvements are limited by the expected term of such assets, unless there is a transfer of title or purchase option reasonably certain to be exercised.

Lessee

We enter into operating lease agreements for real estate purposes that generally consist of buildings for office space and warehouses for manufacturing purposes. Certain of our lease agreements consist of rental payments that are periodically adjusted for inflation. Our lease agreements do not contain material residual value guarantees or material restrictive covenants. Our lease agreements do not generally provide explicit rates of interest; therefore, we use our incremental collateralized borrowing rate, which is based on a fully collateralized and fully amortizing loan with a maturity date the same as the length of the lease that is based on the information available at the commencement date to determine the present value of lease payments. Leases with an expected term of 12 months or less (short-term) are not accounted for on our Balance Sheets.

Supplemental balance sheet information related to our operating leases is as follows (in thousands):

	Classification on our Balance Sheets	At March 31, 2020		At December 31, 2019	
Assets					
Operating lease ROU assets	Other assets, non-current	\$	11,779	\$	12,257
Liabilities⁽¹⁾					
Current operating lease liabilities	Accounts payable and accrued expenses	\$	6,033	\$	5,824
Non-current operating lease liabilities	Other accrued expenses and liabilities	\$	8,720	\$	9,628

(1) The amount of operating lease liabilities recorded on our Balance Sheets upon the adoption of ASC 842 on January 1, 2019 was approximately \$18.0 million.

Supplemental cash flow information related to leases is as follows (in thousands):

	Three Months Ended March 31,			
	2020		2019	
Cash paid for long- and short-term leases	\$	1,788	\$	1,704
Operating lease ROU assets obtained in exchange for lease obligations ⁽¹⁾	\$	704	\$	15,132 ⁽²⁾

(1) The amounts exclude amortization for the period.

(2) The amount includes approximately \$14.1 million of operating lease ROU assets obtained in exchange for existing lease obligations due to the adoption of ASC 842.

Other information related to lease terms and discount rates is as follows:

	At March 31, 2020	At December 31, 2019
Weighted average remaining lease term (in years)	3.15	2.96
Weighted average discount rate	5.25 %	5.25 %

Components of lease expense, which are included in operating expenses, are as follows (in thousands):

	Three Months Ended March 31,	
	2020	2019
Lease Cost:		
Operating lease cost	\$ 1,372	\$ 944
Variable lease cost	\$ 445	\$ 439

Maturities of lease liabilities are summarized as follows as of March 31, 2020 (in thousands):

Year Ending December 31,	Amount
2020 (excluding the three months ended March 31, 2020)	\$ 4,978
2021	5,416
2022	3,122
2023	1,529
2024	564
Thereafter	328
Total future minimum lease payments	\$ 15,937
Amount representing interest	1,184
Present value of future minimum lease payments	\$ 14,753
Current operating lease obligations	6,033
Long-term lease obligations	\$ 8,720

Lessor

We generate lease revenues primarily from our gaming operations activities, and the majority of our leases are month-to-month leases. Under these arrangements, we retain ownership of the electronic gaming machines (“EGMs”) installed at customer facilities. We receive recurring revenues based on a percentage of the net win per day generated by the leased gaming equipment or a fixed daily fee. Such revenues are generated daily and are limited to the lesser of the net win per day generated by the leased gaming equipment or the fixed daily fee and the lease payments that have been collected from the lessee. Certain of our leases have terms and conditions with options for a lessee to purchase the underlying assets. The cost of property and equipment the Company is leasing to third-parties as of March 31, 2020 is approximately \$212.9 million, which includes accumulated depreciation of approximately \$118.7 million.

We did not have any new sales transactions that qualified for sales-type lease accounting treatment during the three months ended March 31, 2020 and 2019. Our interest income recognized in connection with sales-type leases executed in the prior periods is immaterial.

Supplemental balance sheet information related to our sales-type leases is as follows (in thousands):

	Classification on our Balance Sheets	At March 31, 2020	At December 31, 2019
Assets			
Net investment in sales-type leases — current	Trade and other receivables, net	\$ 873	\$ 874
Net investment in sales-type leases — non-current	Other receivables	\$ 1,070	\$ 1,288

4. BUSINESS COMBINATIONS

We had no material acquisitions for the three months ended March 31, 2020.

Atrient, Inc.

On March 8, 2019, we acquired certain assets of Atrient, Inc. (“Atrient” or the “Seller”), a privately held company that develops and distributes hardware and software applications to gaming operators to enhance gaming patron loyalty, pursuant to an asset purchase agreement. Under the terms of the asset purchase agreement, we paid the Seller \$20.0 million at the closing of the transaction and an additional \$10.0 million during the three months ended March 31, 2020 with another \$10.0 million being due two years following the date of closing. The related liabilities were recorded at fair value on the acquisition date as part of the consideration transferred and were included in accounts payable and accrued expenses as of March 31, 2020 and accounts payable and accrued expenses and other accrued expenses and liabilities as of December 31, 2019.

In addition to the cash payments, we have recorded approximately \$9.0 million in contingent consideration liabilities based upon the achievement of certain revenue targets with a maximum payout of up to \$10.0 million. The related liabilities were recorded at fair value on the acquisition date as part of the consideration transferred and are remeasured each reporting period. The inputs used to measure the fair value of our liabilities are categorized as Level 3 in the fair value hierarchy. Contingent consideration liabilities as of March 31, 2020 and December 31, 2019 were approximately \$9.5 million and \$9.4 million, respectively, and were included in accounts payable and accrued expenses and other accrued expenses and liabilities of our Balance Sheets as of March 31, 2020 and December 31, 2019, respectively.

Micro Gaming Technologies, Inc.

On December 24, 2019, we acquired certain assets of Micro Gaming Technologies, Inc. (“MGT”), a privately held company that develops and distributes kiosks and software applications to gaming patrons to enhance patron loyalty, in an asset purchase agreement. The acquired assets consist of existing contracts with gaming operators, technology, and intellectual property intended to allow us to provide gaming operators with self-service patron loyalty functionality delivered through stand-alone kiosk equipment and a marketing platform that manages and delivers gaming operators marketing programs through these patron interfaces. This acquisition further expands our financial technology player loyalty offerings within our FinTech segment. Under the terms of the asset purchase agreement, we paid MGT \$15.0 million at the closing of the transaction and per the original agreement, additional \$5.0 million was due by April 1, 2020 with a final payment of \$5.0 million due two years following the date of closing. In light of the COVID-19 pandemic, we entered into an amendment to the asset purchase agreement allowing us to remit the additional \$5.0 million by July 1, 2020 with a final payment of \$5.0 million due by July 1, 2021. The related liabilities were recorded at fair value on the acquisition date as part of the consideration transferred and were included in accounts payable and accrued expenses and other accrued expenses and liabilities as of March 31, 2020 and December 31, 2019 for current and non-current portions, respectively. The total consideration for this acquisition will be approximately \$25.0 million. The acquisition did not have a significant impact on our results of operations or financial condition.

The estimates and assumptions incorporated in accounting for the transaction included the projected timing and amount of future cash flows and discount rates reflecting risk inherent in the future cash flows. The estimated fair values of assets acquired and liabilities assumed and resulting goodwill are subject to adjustment as the Company finalizes its purchase price accounting. The significant items for which a final fair value has not been determined include, but are not limited to: the valuation and estimated useful lives of intangible assets, contract liabilities, including deferred and unearned revenues, and deferred income taxes. We do not expect our fair value determinations to materially change; however, there may be differences between the amounts recorded at the closing date of the transaction and the final fair value analysis, which we expect to complete no later than the fourth quarter of 2020.

The financial results included in our Statements of Operations for the three months ended March 31, 2020 reflected revenues of approximately \$2.6 million attributed to the MGT business. Due to the integration of the acquired business into our existing player loyalty operations during the current period, presentation of net income contributed by MGT is impracticable. Acquisition-related costs incurred during the three months ended March 31, 2020 were not material.

The unaudited pro forma financial data with respect to the revenue and earnings as if the MGT acquisition occurred on January 1, 2019 would reflect revenues of approximately \$127.3 million and net income of approximately \$5.7 million for the three months ended March 31, 2019.

5. FUNDING AGREEMENTS

We have commercial arrangements with third-party vendors to provide cash for certain of our ATMs. For the use of these funds, we pay a cash usage fee on either the average daily balance of funds utilized multiplied by a contractually defined cash usage rate or the amounts supplied multiplied by a contractually defined cash usage rate. These cash usage fees, reflected as interest expense within the Statements of Operations, were approximately \$1.5 million and \$1.7 million for the three months ended March 31, 2020 and 2019, respectively. We are exposed to interest rate risk to the extent that the applicable rates increase.

Under these agreements, the currency supplied by third-party vendors remains their sole property until the funds are dispensed. As these funds are not our assets, supplied cash is not reflected in our Balance Sheets. The outstanding balances of ATM cash utilized by us from these third-parties were approximately \$141.6 million and \$292.6 million as of March 31, 2020 and December 31, 2019, respectively.

Our primary commercial arrangement, the Contract Cash Solutions Agreement, as amended, is with Wells Fargo, N.A. (“Wells Fargo”). Wells Fargo provides us with cash in the maximum amount of \$300 million with the ability to increase the amount by \$75 million over a 5-day period for holidays, such as the period around New Year’s Day. The term of the agreement expires on June 30, 2022 and will automatically renew for additional one-year periods unless either party provides a 90-day written notice of its intent not to renew.

We are responsible for any losses of cash in the ATMs under this agreement, and we self-insure for this type of risk. There were no losses for the three months ended March 31, 2020 and 2019.

6. TRADE AND OTHER RECEIVABLES

Trade and other receivables represent short-term credit granted to customers and long-term loans receivable in connection with our Games and FinTech equipment and compliance products. Trade and loans receivable generally do not require collateral. The balance of trade and loans receivable consists of outstanding balances owed to us by gaming establishments. Other receivables include income tax receivables and other miscellaneous receivables.

The balance of trade and other receivables consisted of the following (in thousands):

	At March 31, 2020	At December 31, 2019
Trade and other receivables, net		
Games trade and loans receivable	\$ 32,905	\$ 51,651
FinTech trade and loans receivable	23,376	23,723
Contract assets	15,461	15,408
Insurance settlement receivable ⁽¹⁾	7,650	7,650
Other receivables	3,110	3,977
Net investment in sales-type leases	1,943	2,162
Total trade and other receivables, net	84,445	104,571
Non-current portion of receivables		
Games trade and loans receivable	(544)	(1,018)
FinTech trade and loans receivable	(6,983)	(7,581)
Contract assets	(6,902)	(6,774)
Net investment in sales-type leases	(1,070)	(1,288)
Total non-current portion of receivables	(15,499)	(16,661)
Total trade and other receivables, current portion	\$ 68,946	\$ 87,910

(1) Refer to [“Note 13 — Commitments and Contingencies”](#) for a discussion on the insurance settlement receivable.

Allowance for Credit Losses

As discussed in [“Note 2 — Basis of Presentation and Summary of Significant Accounting Policies.”](#) we adopted ASC 326 effective January 1, 2020 using the modified retrospective approach such that the new guidance applies to the reporting periods following the adoption date with prior period presentation not being impacted. The adoption of ASC 326 did not have a

material impact on our Financial Statements and did not result in a cumulative-effect adjustment as of the adoption date. Our operations were not significantly impacted, both for short- and long-term accounts receivable, due to the following:

- Our FinTech business acts as a merchant of record for settlement transactions for our cash access related customers wherein cash is held by the Company; therefore, we generally have the ability to withhold the necessary funds from customers to satisfy the outstanding receivables associated with equipment, information and other products and services.
- Our Games business sells EGMs to gaming establishments on a relatively short-term basis and collections are reasonably certain based on historical experience, financial stability of our customers, and lack of concentration of our receivables. The material portion of long-term loans receivable balance is fully collateralized, and therefore, does not represent a risk of credit loss. The risk of credit loss is further reduced by the fact that both segments generally share the same top customers such that sales made by the Games business to the existing FinTech customers are secured by our ability to withhold the necessary funds through the FinTech revenue arrangements.

We continually evaluate the collectability of outstanding balances and maintain an allowance for credit losses related to our trade and other receivables and notes receivable that have been determined to have a high risk of uncollectability, which represents our best estimates of the current expected credit losses to be incurred in the future. To derive our estimates, we analyze historical collection trends and changes in our customer payment patterns, current and expected conditions and market trends along with our operating forecasts, concentration, and creditworthiness when evaluating the adequacy of our allowance for credit losses. In addition, with respect to our check warranty receivables, we are exposed to risk for the losses associated with warranted items that cannot be collected from patrons issuing these items. We evaluate the collectability of the outstanding balances and establish a reserve for the face amount of the current expected credit losses related to these receivables. The provision for doubtful accounts receivable is included within operating expenses and the check warranty loss reserves are included within cash access services cost of revenues in the Statements of Operations.

The activity in our allowance for credit losses for the three months ended March 31, 2020 and 2019 is as follows:

	Three Months Ended March 31,	
	2020	2019
Beginning allowance for credit losses	\$ (5,786)	\$ (6,425)
Provision	(3,750)	(2,865)
Charge-offs and recoveries	3,943	3,009
Ending allowance for credit losses	\$ (5,593)	\$ (6,281)

7. INVENTORY

Our inventory primarily consists of component parts as well as work-in-progress and finished goods. The cost of inventory includes cost of materials, labor, overhead, and freight, and is accounted for using the first in, first out method. The inventory is stated at the lower of cost or net realizable value.

Inventory consisted of the following (in thousands):

	At March 31,	At December 31,
	2020	2019
Inventory		
Component parts, net of reserves of \$2,224 and \$2,007 at March 31, 2020 and December 31, 2019, respectively	\$ 27,306	\$ 24,864
Work-in-progress	925	94
Finished goods	11,116	1,616
Total inventory	\$ 39,347	\$ 26,574

8. PREPAID EXPENSES AND OTHER ASSETS

Prepaid expenses and other assets include the balance of prepaid expenses, deposits, debt issuance costs on our Revolving Credit Facility (defined herein), restricted cash, operating lease ROU assets, and other assets. The current portion of these assets is included in prepaid expenses and other current assets and the non-current portion is included in other assets, both of which are contained within the Balance Sheets.

The balance of the current portion of prepaid expenses and other assets consisted of the following (in thousands):

	At March 31, 2020	At December 31, 2019
Prepaid expenses and other current assets		
Prepaid expenses	\$ 15,256	\$ 11,272
Restricted cash ⁽¹⁾	7,068	6,639
Deposits	3,286	8,501
Other	1,381	1,484
Total prepaid expenses and other current assets	\$ 26,991	\$ 27,896

(1) Refer to [“Note 2 — Basis of Presentation and Summary of Significant Accounting Policies”](#) for discussion on the composition of the restricted cash balance.

The balance of the non-current portion of other assets consisted of the following (in thousands):

	At March 31, 2020	At December 31, 2019
Other assets		
Operating lease ROU assets	\$ 11,779	\$ 12,257
Prepaid expenses and deposits	6,943	7,378
Debt issuance costs of revolving credit facility	411	460
Other	210	244
Total other assets	\$ 19,343	\$ 20,339

9. PROPERTY AND EQUIPMENT

Property and equipment consists of the following (dollars in thousands):

	Useful Life (Years)	At March 31, 2020			At December 31, 2019		
		Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net Book Value
Property and equipment							
Rental pool - deployed	2-4	\$ 212,924	\$ 118,687	\$ 94,237	\$ 196,571	\$ 106,888	\$ 89,683
Rental pool - undeployed	2-4	29,966	22,745	7,221	31,901	22,970	8,931
FinTech equipment	3-5	29,364	21,974	7,390	29,947	22,114	7,833
Leasehold and building improvements	Lease Term	12,198	8,589	3,609	11,815	8,150	3,665
Machinery, office, and other equipment	2-5	46,179	31,594	14,585	48,860	30,103	18,757
Total		\$ 330,631	\$ 203,589	\$ 127,042	\$ 319,094	\$ 190,225	\$ 128,869

Depreciation expense related to property and equipment totaled approximately \$16.2 million and \$14.8 million for the three months ended March 31, 2020 and 2019, respectively.

We review our property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable.

Interim Assessment for Impairment of Property and Equipment

We identified a potential indicator of impairment for our property and equipment as a result of the COVID-19 pandemic. As our operations have experienced significant disruptions and revenue reductions and we have been impacted by various measures discussed in [“Note 1 — Business.”](#) we revised our cash flow projections to reflect the current economic environment, including the uncertainty surrounding the nature, timing, and extent of reopening of our casino customers. The results of our interim assessment indicated no impairment of our property and equipment as of March 31, 2020.

To the extent new facts and circumstances arise in light of COVID-19, we expect to revise our cash flow projections accordingly as our estimates of future cash flows are highly dependent upon certain assumptions, including, but not limited to, the amount and timing of the economic recovery globally, nationally, and specifically within the gaming industry. More specifically, given the significant degree of uncertainty with respect to the timing of the reopening of casino properties throughout North America and the resulting demand from patrons that visit these gaming establishments, we may need to further adjust our assumptions and determine the impacts to our property and equipment, accordingly.

Furthermore, the evaluation of impairment of property and equipment requires the use of estimates about future operating results. Changes in forecasted operations can materially affect these estimates, which could materially affect our results of operations. The estimates of expected future cash flows require significant judgment and are based on assumptions we determined to be reasonable; however, they are unpredictable and inherently uncertain, including, estimates of future growth rates, operating margins, and assumptions about the overall economic climate as well as the competitive environment within which we operate. There can be no assurance that our estimates and assumptions made for purposes of our impairment assessments as of the time of evaluation will prove to be accurate predictions of the future. If our assumptions regarding business plans, competitive environments or anticipated growth rates are not correct, we may be required to record impairment charges in future periods, whether in connection with our normal review procedures periodically, or earlier, if an indicator of an impairment is present prior to such evaluation.

10. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

Goodwill represents the excess of the purchase price over the identifiable tangible and intangible assets acquired plus liabilities assumed arising from business combinations. The balance of goodwill was approximately \$681.5 million and \$681.6 million at March 31, 2020 and December 31, 2019, respectively.

We test our goodwill for impairment on October 1 each year by conducting the “Step 1” analysis, which requires a comparison of the carrying amount of each reporting unit to its estimated fair value, or more frequently if the events or changes in circumstances indicate that it is more likely than not that the fair value of a reporting unit is less than its carrying value.

Other Intangible Assets

Other intangible assets consist of the following (dollars in thousands):

	Useful Life (Years)	At March 31, 2020			At December 31, 2019		
		Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Other intangible assets							
Contract rights under placement fee agreements	3-7	\$ 58,516	\$ 23,058	\$ 35,458	\$ 58,516	\$ 20,888	\$ 37,628
Customer contracts	3-14	71,975	50,716	21,259	71,975	49,477	22,498
Customer relationships	3-7	231,100	110,825	120,275	231,100	105,584	125,516
Developed technology and software	1-6	314,265	228,627	85,638	314,343	224,274	90,069
Patents, trademarks, and other	2-18	19,682	16,622	3,060	19,682	16,206	3,476
Total		\$ 695,538	\$ 429,848	\$ 265,690	\$ 695,616	\$ 416,429	\$ 279,187

Amortization expense related to other intangible assets was approximately \$19.3 million and \$16.3 million for the three months ended March 31, 2020 and 2019, respectively.

We paid approximately \$0.6 million and \$5.6 million in placement fees for the three months ended March 31, 2020 and 2019, respectively. The payment for the three months ended March 31, 2019 included approximately \$0.3 million of imputed interest.

We evaluate our other intangible assets for potential impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable.

Interim Assessment for Impairment of Goodwill and Other Intangible Assets

The impact of the COVID-19 pandemic on the Company's operations, and significant and sustained decline in our stock price, qualified as a triggering event during the three months ended March 31, 2020 and accordingly, management performed a review of potential indicators of impairment for the carrying amount of goodwill at each of our reporting units and other intangible assets. Our operations have experienced significant disruptions and revenue reductions and we have been impacted by various measures discussed in ["Note 1 — Business."](#) We conducted a qualitative interim impairment assessment as of March 31, 2020, which included an evaluation of our revised cash flow projections to reflect the current economic environment, including the uncertainty surrounding the nature, timing, and extent of reopening of our casino customers, and assessed the amount of cushion for each of the reporting units in the 2019 impairment test. We determined that it was more likely than not that the fair value of each of the reporting units exceeded its respective carrying amount as of March 31, 2020. Therefore, an interim quantitative impairment test of our goodwill at the reporting unit level was not required to be performed. In addition, the results of our interim assessment indicated no impairment of our other intangible assets as of March 31, 2020.

We continue to evaluate and monitor all key factors impacting the carrying value of the Company's recorded goodwill and other intangible assets. To the extent new facts and circumstances arise in light of the impact of the COVID-19 pandemic on the Company's operations, we expect to revise our cash flow projections accordingly as our estimates of future cash flows are highly dependent upon certain assumptions, including, but not limited to, the amount and timing of the economic recovery globally, nationally, and specifically within the gaming industry. More specifically, given the significant degree of uncertainty with respect to the timing of the reopening of casino properties throughout North America and the resulting demand from patrons that visit these gaming establishments, we may need to further adjust our assumptions and we may be required to perform a quantitative test for impairment for our goodwill and other intangible assets in future periods.

Furthermore, the evaluation of impairment of goodwill and other intangible assets requires the use of estimates about future operating results. Changes in forecasted operations can materially affect these estimates, which could materially affect our results of operations. The estimates of expected future cash flows require significant judgment and are based on assumptions we determined to be reasonable; however, they are unpredictable and inherently uncertain, including, estimates of future growth rates, operating margins, and assumptions about the overall economic climate as well as the competitive environment within which we operate. There can be no assurance that our estimates and assumptions made for purposes of our impairment assessments as of the time of evaluation will prove to be accurate predictions of the future. If our assumptions regarding business plans, competitive environments, or anticipated growth rates are not correct, we may be required to record non-cash impairment charges in future periods, whether in connection with our normal review procedures periodically, or earlier, if an indicator of an impairment is present prior to such evaluation.

11. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

The following table presents our accounts payable and accrued expenses (in thousands):

	At March 31, 2020	At December 31, 2019
Accounts payable and accrued expenses		
Trade accounts payable	\$ 63,752	\$ 78,627
Contract liabilities	31,226	29,150
Litigation accrual ⁽¹⁾	14,000	14,000
Contingent consideration and acquisition-related liabilities ⁽²⁾	23,954	14,902
Accrued interest	6,450	1,347
Operating lease liabilities	6,033	5,824
Payroll and related expenses	5,122	18,058
Cash access processing and related expenses	3,923	5,511
Other	2,924	3,253
Accrued taxes	1,816	1,846
Placement fees	—	585
Total accounts payable and accrued expenses	\$ 159,200	\$ 173,103

(1) Refer to [“Note 13 — Commitments and Contingencies”](#) for discussion on this legal matter.

(2) Refer to [“Note 4 — Business Combinations”](#) for discussion on the contingent consideration and acquisition-related liabilities.

12. LONG-TERM DEBT

The following table summarizes our outstanding indebtedness (in thousands):

	Maturity Date	Interest Rate	At March 31, 2020	At December 31, 2019
Long-term debt				
\$820 million Term Loan Facility	2024	LIBOR+2.75%	\$ 735,500	\$ 749,000
\$35 million Revolving Credit Facility	2022	LIBOR+4.50%	35,000	—
Senior Secured Credit Facilities			770,500	749,000
\$375 million 2017 Unsecured Notes	2025	7.50%	285,381	375,000
Total debt			1,055,881	1,124,000
Debt issuance costs and discount			(14,231)	(15,922)
Total long-term debt after debt issuance costs and discount			\$ 1,041,650	\$ 1,108,078

Senior Secured Credit Facilities

Our Senior Secured Credit Facilities consist of an \$820.0 million, seven-year senior secured term loan facility (the “Term Loan Facility”), and a \$35.0 million, five-year senior secured revolving credit facility (the “Revolving Credit Facility”) provided for under our credit agreement with Everi FinTech, as borrower, and Everi Holdings with the lenders party thereto and Jefferies Finance LLC, as administrative agent, collateral agent, swing line lender, letter of credit issuer, sole lead arranger and sole book manager (the “Credit Agreement”).

In March 2020, we completed the full draw down of our available capacity of \$35.0 million under the Revolving Credit Facility in order to improve our liquidity and preserve financial flexibility in light of the uncertainty in our industry and the global economy as a result of COVID-19. In accordance with the terms of the Revolving Credit Facility, the proceeds from this borrowing are being used for working capital, general corporate purposes and other permitted uses.

The Term Loan Facility and the Revolving Credit Facility had an applicable weighted average interest rate of 4.43% and 5.73%, respectively, for the three months ended March 31, 2020.

Senior Unsecured Notes

In December 2017, we issued \$375.0 million in aggregate principal amount of 7.50% Senior Unsecured Notes due 2025 (the “2017 Unsecured Notes”) under an indenture (the “2017 Notes Indenture”), dated December 5, 2017, among Everi FinTech (as issuer), Everi Holdings and certain of its direct and indirect domestic subsidiaries as guarantors, and Deutsche Bank Trust Company Americas, as trustee. Interest on the 2017 Unsecured Notes accrues at a rate of 7.50% per annum and is payable semi-annually in arrears on each June 15 and December 15 since June 15, 2018.

In January 2020, we completed a partial redemption payment of approximately \$84.5 million of aggregate principal with respect to the 2017 Unsecured Notes. In March 2020, we completed an open market repurchase of approximately \$5.1 million of aggregate principal with respect to the 2017 Unsecured Notes. The total outstanding balance of the 2017 Unsecured Notes following the redemption and repurchase transactions was approximately \$285.4 million. We incurred a loss on extinguishment of debt of approximately \$7.4 million, which consisted of a \$6.3 million redemption premium related to the satisfaction and redemption of a portion of the 2017 Unsecured Notes, and non-cash charges for the accelerated amortization of the related debt issuance costs of approximately \$1.1 million.

Compliance with Debt Covenants

We were in compliance with the covenants and terms of the Senior Secured Credit Facilities as of March 31, 2020. Refer to [“Note 19 — Subsequent Events”](#) for updates to our debt covenant requirements in connection with the execution of the Fourth Amendment to our Credit Agreement on April 21, 2020.

We were in compliance with the terms of the 2017 Unsecured Notes as of March 31, 2020.

13. COMMITMENTS AND CONTINGENCIES

We are involved in various legal proceedings in the ordinary course of our business. While we believe resolution of the claims brought against us, both individually and in the aggregate, will not have a material adverse impact on our financial condition or results of operations, though litigation of this nature is inherently unpredictable. Our views on these legal proceedings, including those described below, may change in the future. We intend to vigorously defend against these actions, and ultimately believe we should prevail.

Legal Contingencies

We evaluate matters and record an accrual for legal contingencies when it is both probable that a liability has been incurred and the amount or range of the loss may be reasonably estimated. We evaluate legal contingencies at least quarterly and, as appropriate, establish new accruals or adjust existing accruals to reflect: (a) the facts and circumstances known to us at the time, including information regarding negotiations, settlements, rulings, and other relevant events and developments; (b) the advice and analyses of counsel; and (c) the assumptions and judgment of management. Legal costs associated with such proceedings are expensed as incurred. Due to the inherent uncertainty of legal proceedings as a result of the procedural, factual, and legal issues involved, the outcomes of our legal contingencies could result in losses in excess of amounts we have accrued.

We have accrued approximately \$14.0 million for the legal contingencies in connection with Fair and Accurate Credit Transactions Act (“FACTA”)-related matters based on ongoing settlement negotiations with various parties. We expect to recover within the next year approximately \$7.7 million of the amount accrued from certain of our insurance providers, for which we recorded an insurance settlement receivable included within trade and other receivables, net on our Balance Sheets, as recovery is deemed to be probable. In addition, we are seeking relief from a certain other carrier, Peleus Insurance Company, pursuant to the provisions of our policy; however, we have not recorded any amounts with respect to this specific insurance carrier as there have been no commitments, settlements or determinations entered into as of the date of this periodic filing.

FACTA-related matters:

Geraldine Donahue, et. al. v. Everi FinTech, et. al. (“Donahue”), is a putative class action matter filed on December 12, 2018, in Circuit Court of Cook County, Illinois County Division, Chancery Division. The original defendant was dismissed and the Company was substituted as the defendant on April 22, 2019. Plaintiff, on behalf of himself and others similarly situated, alleges that Everi FinTech and the Company (a) have violated certain provisions of FACTA by their failure, as agent to the original defendant, to properly truncate patron credit card numbers when printing cash access receipts as required under FACTA, and (b) have been unjustly enriched through the charging of service fees for transactions conducted at the original defendant’s facilities. Plaintiff seeks an award of statutory damages, attorney’s fees, and costs. The parties have reached an agreement in principle for settlement of this matter, which will include the settlement and resolution of all the FACTA-related

matters pending against the Company and Everi FinTech. The settlement requires court approval, which the parties are in the process of working to obtain.

Oneeb Rehman, et. al. v. Everi FinTech and Everi Holdings, was a putative class action matter pending in the U.S. District Court for the Southern District of Florida, Ft. Lauderdale Division filed on October 16, 2018. The original defendant was dismissed and the Company was substituted as the defendant on April 22, 2019. Plaintiff, on behalf of himself and others similarly situated, alleged that Everi FinTech and the Company (a) had violated certain provisions of FACTA by their failure, as agent to the original defendant, to properly truncate patron credit card numbers when printing cash access receipts as required under FACTA, and (b) had been unjustly enriched through the charging of service fees for transactions conducted at the original defendant's facilities. Plaintiff sought an award of statutory damages, attorney's fees, and costs. This matter has been dismissed in anticipation of court approval of the settlement in *Donahue*.

Mat Jessop, et. al. v. Penn National Gaming, Inc., was a putative class action matter filed on October 15, 2018, pending in the U.S. District Court for the Middle District of Florida, Orlando Division. Everi FinTech was added as a defendant on December 21, 2018. Penn National Gaming, Inc. ("Penn National") was dismissed by the Court with prejudice on October 28, 2019, leaving only claims against Everi FinTech. Plaintiff, on behalf of himself and others similarly situated, alleged that Everi FinTech had been unjustly enriched through the charging of service fees for transactions conducted at Penn National facilities. Plaintiff sought injunctive relief against both parties, and an award of statutory damages, attorney's fees, and costs. This matter has been dismissed in anticipation of court approval of the settlement in *Donahue*.

Everi Payments Inc. and Everi Holdings Inc. v Peleus Insurance Company is a civil action filed by the Company on January 28, 2020, pending in the District Court, Clark County, Nevada alleging defendant breached its contractual obligations under an excess insurance policy when it denied the Company coverage of the FACTA-related matters described above. Everi FinTech and the Company are seeking actual and consequential damages for breach of contract, costs, attorney's fees, and other fees and expenses incurred by Everi FinTech and the Company, up to and including amounts related to the settlement in *Donahue*.

NRT matter:

NRT Technology Corp., et. al. v. Everi Holdings Inc., et. al., is a civil action filed on April 30, 2019 against the Company and Everi FinTech in the United States District Court for the District of Delaware by NRT Technology Corp. and NRT Technology, Inc., alleging monopolization of the market for unmanned, integrated kiosks in violation of federal antitrust laws, fraudulent procurement of patents on functionality related to such unmanned, integrated kiosks and sham litigation related to prior litigation brought by Everi FinTech (operating as Global Cash Access Inc.) against the plaintiff entities. Plaintiffs seek compensatory damages, trebled damages, and injunctive and declaratory relief. We are currently unable to determine the probability of the outcome of this legal matter or estimate the range of reasonably possible loss, if any.

In addition, we have commitments with respect to certain lease obligations discussed in ["Note 3 — Leases"](#) and installment payments under our asset purchase agreements discussed in ["Note 4 — Business Combinations."](#)

14. STOCKHOLDERS' EQUITY

In February 2020, our Board of Directors authorized and approved a new share repurchase program granting us the authority to repurchase an amount not to exceed \$10.0 million of outstanding Company common stock with no minimum number of shares that the Company is required to repurchase. This new repurchase program commenced in the first quarter of 2020 and authorizes us to buy our common stock from time to time in open market transactions, block trades or in private transactions in accordance with trading plans established in accordance with Rules 10b5-1 and 10b-18 of the Securities Exchange Act of 1934, as amended, or by a combination of such methods, including compliance with the Company's finance agreements. The share repurchase program is subject to available liquidity, general market and economic conditions, alternate uses for the capital and other factors, and may be suspended or discontinued at any time without prior notice. In light of COVID-19, we have suspended all share repurchases under the repurchase program and no repurchases occurred during the quarter.

15. WEIGHTED AVERAGE COMMON SHARES

The weighted average number of shares of common stock outstanding used in the computation of basic and diluted earnings per share is as follows (in thousands):

	Three Months Ended March 31,	
	2020	2019
Weighted average shares		
Weighted average number of common shares outstanding - basic	84,624	70,334
Potential dilution from equity awards ⁽¹⁾	—	4,922
Weighted average number of common shares outstanding - diluted ⁽¹⁾	84,624	75,256

- (1) We were in a net loss position for the three months ended March 31, 2020, and therefore, no potential dilution from the application of the treasury stock method was applicable. The potential dilution excludes the weighted average effect of equity awards to purchase approximately 0.2 million and 6.7 million shares of common stock for the three months ended March 31, 2020 and 2019, respectively, as the application of the treasury stock method, as required, makes them anti-dilutive.

16. SHARE-BASED COMPENSATION

Equity Incentive Awards

Generally, we grant the following types of awards: (a) time-based options; (b) market-based options; (c) time-based restricted stock; and (d) restricted stock units (“RSUs”) with either time- or performance-based criteria. We estimate forfeiture amounts based on historical patterns.

A summary of award activity is as follows (in thousands):

	Stock Options Granted	Restricted Stock Units Granted
Outstanding, December 31, 2019	11,969	3,451
Granted	—	275
Exercised options or vested shares	(298)	(15)
Canceled or forfeited	(12)	(13)
Outstanding, March 31, 2020	11,659	3,698

There are approximately 2.5 million awards of our common stock available for future equity grants under our existing equity incentive plans.

Stock Options

Our time-based stock options granted under our equity plans generally vest at a rate of 25% per year on each of the first four anniversaries of the option grant dates, and expire after a ten year period.

Our market-based options granted in 2017 under our 2014 Equity Incentive Plan (as amended and restated effective May 22, 2018, the “Amended and Restated 2014 Plan”) and our 2012 Equity Incentive Plan (as amended, the “2012 Plan”) vest at a rate of 25% per year on each of the first four anniversaries of the grant date, provided that as of the vesting date for each vesting tranche, the closing price of our shares on the New York Stock Exchange is at least a specified price hurdle, defined as a 25% premium to the closing stock price on the grant date. If the price hurdle is not met as of the vesting date for a vesting tranche, then it shall vest and become vested shares on the last day of a period of 30 consecutive trading days during which the closing price is at least the price hurdle. These options expire after a ten year period.

There were no market-based or time-based option awards granted during the three months ended March 31, 2020 and 2019.

The following table presents the options activity for the three months ended March 31, 2020:

	Number of Options (in thousands)	Weighted Average Exercise Price (per Share)	Weighted Average Life Remaining (Years)	Aggregate Intrinsic Value (in thousands)
Outstanding, December 31, 2019	11,969	\$ 5.06	5.5	\$ 100,143
Granted	—			
Exercised	(298)	\$ 5.50		
Canceled or forfeited	(12)	\$ 4.56		
Outstanding, March 31, 2020	11,659	\$ 5.05	5.3	\$ 4,359
Vested and expected to vest, March 31, 2020	11,548	\$ 5.07	5.3	\$ 4,336
Exercisable, March 31, 2020	9,933	\$ 5.43	5.1	\$ 3,038

As stated above, we had no options granted during the three months ended March 31, 2020 and 2019. The total intrinsic value of options exercised was approximately \$1.3 million and \$3.3 million for the three months ended March 31, 2020 and 2019, respectively.

There was approximately \$1.1 million in unrecognized compensation expense related to options expected to vest as of March 31, 2020. This cost was expected to be recognized on a straight-line basis over a weighted average period of 0.7 years. We recorded approximately \$0.7 million in non-cash compensation expense related to options granted that were expected to vest as of March 31, 2020. We received approximately \$1.6 million in cash from the exercise of options for the three months ended March 31, 2020.

There was approximately \$2.7 million in unrecognized compensation expense related to options expected to vest as of March 31, 2019. This cost was expected to be recognized on a straight-line basis over a weighted average period of 2.3 years. We recorded approximately \$1.0 million in non-cash compensation expense related to options granted that were expected to vest as of March 31, 2019. We received approximately \$4.7 million in cash from the exercise of options for the three months ended March 31, 2019.

Restricted Stock Units

The fair value of each RSU grant is based on the market value of our common stock at the time of grant.

The time-based RSUs generally vest at a rate of 25% per year on each of the first four anniversaries of the grant dates.

The following table presents our RSU awards activity for the three months ended March 31, 2020:

	Shares Outstanding (in thousands)	Weighted Average Grant Date Fair Value (per share)	Weighted Average Life Remaining (years)	Aggregate Intrinsic Value (in thousands)
Outstanding, December 31, 2019	3,451	\$ 9.05	1.7	\$ 46,342
Granted	275	\$ 8.06		
Vested	(15)	\$ 7.31		
Forfeited	(13)	\$ 9.52		
Outstanding, March 31, 2020	3,698	\$ 8.98	1.4	\$ 12,201
Vested and expected to vest, March 31, 2020	2,800	\$ 8.91	1.2	\$ 9,241

There were approximately 0.3 million and 0.1 million shares of RSU awards granted for the three months ended March 31, 2020 and 2019, respectively. There were approximately 14,624 and 2,084 RSU awards that vested during the three months ended March 31, 2020 and 2019, respectively.

There was approximately \$12.7 million and \$6.4 million in unrecognized compensation expense related to RSU awards expected to vest as of March 31, 2020 and 2019, respectively. This cost was expected to be recognized on a straight-line basis over a weighted average period of 2.2 years and 2.8 years as of March 31, 2020 and 2019, respectively. We recorded approximately \$1.8 million and \$0.8 million in non-cash compensation expense related to the RSU awards during the three months ended March 31, 2020 and 2019, respectively.

17. INCOME TAXES

The income tax benefit reflected an effective income tax rate of 6.9% for the three months ended March 31, 2020, which was less than the statutory federal rate of 21.0%, primarily due to an increase in our valuation allowance due to book loss incurred during the period, partially offset by certain indefinite lived deferred tax assets that can be offset against our indefinite lived deferred tax liabilities. The income tax benefit reflected an effective income tax rate of negative 7.1% for the three months ended March 31, 2019, which was less than the statutory federal rate of 21.0%, primarily due to a decrease in our valuation allowance for deferred tax assets, the benefit from stock option exercises and the benefit from a research credit.

We have analyzed filing positions in all of the federal, state, and foreign jurisdictions where we are required to file income tax returns, as well as all open tax years in these jurisdictions. As of March 31, 2020, we recorded approximately \$1.4 million of unrecognized tax benefits, all of which would impact our effective tax rate, if recognized. We do not anticipate that our unrecognized tax benefits will materially change within the next 12 months. We have not accrued any penalties and interest for our unrecognized tax benefits. We may, from time to time, be assessed interest or penalties by tax jurisdictions, although any such assessments historically have been minimal and immaterial to our financial results. Our policy for recording interest and penalties associated with audits and unrecognized tax benefits is to record such items as a component of income tax in our Statements of Operations.

For interim income tax reporting, the Company estimates its annual effective tax rate and applies it to its year-to-date ordinary income. Our projection of certain indefinite lived deferred tax assets affecting the valuation allowance is particularly dependent upon current and anticipated future revenue and cash outflows. However, the operations of our main customers remain closed as a result of the COVID-19 pandemic and we could be impacted by unanticipated developments or by events beyond our control. Future changes to estimates used in this projection could result in material changes in the annual effective tax rate with a corresponding impact on the provision for income taxes.

As discussed in “[Note 1 — Business](#),” in late March 2020, the CARES Act was enacted in light of the COVID-19 pandemic. We are taking advantage of the various income and payroll tax provisions in the CARES Act and are continuing to analyze its impact in our tax accounts.

18. SEGMENT INFORMATION

Operating segments are components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision-making group (the “CODM”). Our CODM consists of the Chief Executive Officer, the President and Chief Operating Officer, and the Chief Financial Officer. Our CODM allocates resources and measures profitability based on our operating segments, which are managed and reviewed separately, as each represents products and services that can be sold separately to our customers. Our segments are monitored by management for performance against our internal forecasts.

We have reported our financial performance based on our segments in both the current and prior periods. Our CODM determined that our operating segments for conducting business are: (a) Games and (b) FinTech:

- The Games segment provides solutions directly to gaming establishments to offer their patrons gaming entertainment-related experiences including: leased gaming equipment; sales of gaming equipment; gaming systems; interactive solutions; and ancillary products and services.
- The FinTech segment provides solutions directly to gaming establishments to offer their patrons cash access-related services and products, including: access to cash at gaming facilities via ATM cash withdrawals; credit card cash access transactions and POS debit card cash access transactions; check warranty services; kiosks for cash access and other services; self-service enrollment, player loyalty and marketing equipment; maintenance services; compliance, audit, and data software; casino credit data and reporting services; and other ancillary offerings.

Corporate overhead expenses have been allocated to the segments either through specific identification or based on a reasonable methodology. In addition, we record depreciation and amortization expenses to the business segments.

Our business is predominantly domestic with no specific regional concentrations and no significant assets in foreign locations.

The following tables present segment information (in thousands):

	Three Months Ended March 31,	
	2020	2019
Games		
Revenues		
Gaming operations	\$ 45,686	\$ 44,286
Gaming equipment and systems	11,583	23,087
Gaming other	21	54
Total revenues	\$ 57,290	\$ 67,427
Costs and expenses		
Cost of revenues⁽¹⁾		
Gaming operations	4,545	4,124
Gaming equipment and systems	6,824	12,529
Cost of revenues	11,369	16,653
Operating expenses	14,805	14,667
Research and development	6,195	5,847
Depreciation	14,728	13,374
Amortization	15,585	13,782
Total costs and expenses	62,682	64,323
Operating (loss) income	\$ (5,392)	\$ 3,104

(1) Exclusive of depreciation and amortization.

	Three Months Ended March 31,	
	2020	2019
FinTech		
Revenues		
Cash access services	\$ 36,973	\$ 40,832
Equipment	6,351	7,028
Information services and other	12,694	8,488
Total revenues	\$ 56,018	\$ 56,348
Costs and expenses		
Cost of revenues⁽¹⁾		
Cash access services	3,555	2,697
Equipment	3,891	4,330
Information services and other	873	958
Cost of revenues	8,319	7,985
Operating expenses	24,467	19,981
Research and development	2,160	1,684
Depreciation	1,515	1,415
Amortization	3,739	2,515
Total costs and expenses	40,200	33,580
Operating income	\$ 15,818	\$ 22,768

(1) Exclusive of depreciation and amortization.

	At March 31, 2020	At December 31, 2019
Total assets		
Games	\$ 878,472	\$ 902,888
FinTech	417,732	726,335
Total assets	\$ 1,296,204	\$ 1,629,223

Major Customers. No single customer accounted for more than 10% of our revenues for the three months ended March 31, 2020 and 2019. Our five largest customers accounted for approximately 15% and 16% of our revenues for the three months ended March 31, 2020 and 2019, respectively.

19. SUBSEQUENT EVENTS

On April 21, 2020, we entered into the Fourth Amendment to our existing Credit Agreement, which among other things: (a) permits the incurrence of incremental equivalent debt subject to a 4.50:1.00 Consolidated Secured Leverage Ratio (as defined in the Credit Agreement) for calculation periods prior to December 31, 2021; and (b) amends the consolidated secured leverage ratio covenant, including to remove the maximum consolidated secured leverage ratio for the quarters ending June 30, 2020, September 30, 2020 and December 31, 2020 and to change the computation methodology of the consolidated leverage ratio for the quarters ending March 31, 2021, June 30, 2021, and September 30, 2021.

On April 21, 2020 (the “Closing Date”), we entered into a new credit agreement, dated as of April 21, 2020 (the “Incremental Term Loan Credit Agreement”), which provides for a \$125.0 million senior secured term loan (the “Incremental Term Loan”), which is secured on a pari passu basis with the loans under our existing Credit Agreement. The entire amount of the Incremental Term Loan was borrowed on April 21, 2020.

The Incremental Term Loan matures May 9, 2024. The interest rate per annum applicable to the Incremental Term Loan will be, at Everi FinTech’s option, the Eurodollar rate plus 10.50% or the base rate plus 9.50%.

Voluntary prepayments of the Incremental Term Loan prior to the two-year anniversary of the Closing Date will be subject to a make-whole premium, and voluntary prepayments for the six-month period thereafter will be subject to a prepayment premium of 1.00% of the principal amount repaid.

The Incremental Term Loan Credit Agreement contains certain covenants that, among other things, limit our ability, and the ability of certain of our subsidiaries, to incur additional indebtedness, sell assets or consolidate or merge with or into other companies, pay dividends or repurchase or redeem capital stock, make certain investments, issue capital stock of subsidiaries, incur liens, prepay, redeem or repurchase subordinated debt, and enter into certain types of transactions with our affiliates. The Incremental Term Loan Credit Agreement also requires us, together with our subsidiaries, to comply with a maximum consolidated secured leverage ratio, except that no such requirement shall apply for the quarters ending June 30, 2020, September 30, 2020, and December 31, 2020.

Upon the issuance of the Incremental Term Loan on April 21, 2020, we also issued warrants to Sagard Credit Partners, LP and Sagard Credit Partners (Cayman), LP (collectively, “Sagard”) to acquire 184,670 and 40,330 shares of our common stock with an exercise price equal to \$5.37 per share. The warrants expire on the fifth anniversary of the date of issuance. The number of shares issuable pursuant to the warrants and the warrant exercise price are subject to adjustment for stock splits, reverse stock splits, stock dividends, recapitalization, mergers and certain other events.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

In this filing, we refer to: (a) our unaudited condensed consolidated financial statements and notes thereto as our “Financial Statements,” (b) our Unaudited Condensed Consolidated Statements of Operations and Comprehensive (Loss) Income as our “Statements of Operations,” (c) our Unaudited Condensed Consolidated Balance Sheets as our “Balance Sheets,” and (d) our Management’s Discussion and Analysis of Financial Condition and Results of Operations as our “Results of Operations.”

Cautionary Information Regarding Forward-Looking Statements

The following Management’s Discussion and Analysis of Financial Condition and Results of Operations contains “forward-looking statements” as defined in the U.S. Private Securities Litigation Reform Act of 1995. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as “goal,” “target,” “future,” “estimate,” “expect,” “anticipate,” “intend,” “aim to,” “plan,” “believe,” “seek,” “project,” “may,” “should,” “designed to,” or “will” and similar expressions to identify forward-looking statements. Examples of forward-looking statements include, among others, statements regarding trends, developments, and uncertainties impacting our business, as well as statements regarding expectations for the re-opening of casinos including the related public health confidence and availability of discretionary spending income of casino patrons and its ability to withstand the current disruption, to further product innovation, to address customer needs in the new operating environment, to regain revenue, earnings, and cash flow momentum and to enhance shareholder value in the long-term. Forward-looking statements are subject to additional risks and uncertainties, including those set forth under the heading “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our current and periodic reports filed with the Securities and Exchange Commission (the “SEC”), including, without limitation, our Annual Report on Form 10-K for the year ended December 31, 2019 (the “Annual Report”), and are based on information available to us on the date hereof. Such risks and uncertainties could cause actual results to differ materially from those projected or assumed, including, but not limited to, the following: our ability to generate profits in the future and to create incremental value for shareholders; our ability to execute on mergers, acquisitions and/or strategic alliances, including our ability to integrate and operate such acquisitions consistent with our forecasts in order to achieve future growth; our ability to execute on key initiatives and deliver ongoing improvements; expectations regarding growth for the Company’s installed base and daily win per unit; expectations regarding placement fee arrangements; inaccuracies in underlying operating assumptions; the impact of the ongoing Coronavirus Disease 2019 (“COVID-19”) global pandemic on our business, operations and financial condition, including (a) actions taken by federal, state, tribal and municipal governmental and regulatory agencies to contain the COVID-19 public health emergency or mitigate its impact, (b) the direct and indirect economic effects of COVID-19 and measures to contain it, including directives, orders or similar actions by federal, state, tribal and municipal governmental and regulatory agencies to regulate freedom of movement and business operations such as travel restrictions, border closures, business closures, limitations on public gatherings, quarantines and shelter-in-place orders as well as re-opening guidance related to capacity restrictions for casino operations, social distancing, hygiene and re-opening safety protocols, and (c) potential adverse reactions or changes to employee relationships in response to the furlough and salary reduction actions taken in response to COVID-19; changes in global market, business, and regulatory conditions arising as a result of the COVID-19 global pandemic; our history of net losses and our ability to generate profits in the future; our substantial leverage and the related covenants that restrict our operations; our ability to generate sufficient cash to service all of our indebtedness, fund working capital, and capital expenditures; our ability to withstand unanticipated impacts of a pandemic outbreak of uncertain duration; our ability to withstand the loss of revenue during the closure of our customers’ facilities; our ability to maintain our current customers; expectations regarding customers’ preferences and demands for future product and service offerings; the overall growth of the gaming industry, if any; our ability to replace revenue associated with terminated contracts; margin degradation from contract renewals; our ability to comply with the Europay, MasterCard, and Visa global standard for cards equipped with security chip technology; our ability to successfully introduce new products and services, including third-party licensed content; gaming establishment and patron preferences; failure to control product development costs and create successful new products; anticipated sales performance; our ability to prevent, mitigate, or timely recover from cybersecurity breaches, attacks, and compromises; national and international economic and industry conditions; changes in gaming regulatory, card association, and statutory requirements; regulatory and licensing difficulties; changes in global market, business and regulatory conditions arising as a result of the COVID-19 global pandemic; competitive pressures and changes in the competitive environment; operational limitations; gaming market contraction; changes to tax laws; uncertainty of litigation outcomes; interest rate fluctuations; business prospects; unanticipated expenses or capital needs; technological obsolescence and our ability to adapt to evolving technologies; our ability to comply with our debt covenants and service outstanding debt; employee turnover; and other statements that are not historical facts. If any of these assumptions prove to be incorrect, the results contemplated by the forward-looking statements regarding our future results of operations are unlikely to be realized.

These cautionary statements qualify our forward-looking statements, and you are cautioned not to place undue reliance on these forward-looking statements. Any forward-looking statement contained herein speaks only as of the date on which it is made, and we do not intend, and assume no obligation, to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

This Quarterly Report on Form 10-Q should be read in conjunction with our Annual Report and the information included in our other press releases, reports, and other filings with the SEC. Understanding the information contained in these filings is important in order to fully understand our reported financial results and our business outlook for future periods.

Overview

Everi is a leading supplier of entertainment and technology solutions for the casino, interactive, and gaming industry. With a focus on both customers and players, Everi develops, sells, and leases games and gaming machines, gaming systems and services, and is an innovator and provider of core financial products and services, self-service player loyalty tools and promotion management software, and intelligence and regulatory compliance solutions. Everi's mission is to provide casino operators with games that facilitate memorable player experiences, offer secure financial transactions for casinos and their patrons, and deliver software applications and self-service tools to improve casino operations efficiencies and fulfill regulatory compliance requirements.

Everi Holdings reports its results of operations based on two operating segments: Games and FinTech.

Everi Games provides gaming operators with gaming technology products and services, including: (a) gaming machines, primarily comprising Class II and Class III slot machines placed under participation or fixed-fee lease arrangements or sold to casino customers; (b) providing and maintaining the central determinant systems for the video lottery terminals ("VLTs") installed in the State of New York and similar technology in certain tribal jurisdictions; (c) business-to-consumer ("B2C") and business-to-business ("B2B") interactive gaming activities.

Everi FinTech provides gaming operators with financial technology products and services, including: (a) services and equipment that facilitate casino patron's self-service access to cash at gaming facilities via Automated Teller Machine ("ATM") cash withdrawals, credit card cash access transactions and point-of-sale ("POS") debit card purchase and cash access transactions; (b) check warranty services; (c) self-service player loyalty enrollment and marketing equipment, including promotion management software and tools; (d) software and services that improve credit decision making, automate cashier operations, and enhance patron marketing activities for gaming establishments; (e) equipment that provides cash access and other cash handling efficiency-related services; and (f) compliance, audit, and data solutions.

Impact of COVID-19 Pandemic

Overall

The COVID-19 pandemic has negatively impacted the global economy, disrupted global supply chains, lowered equity market valuations, created significant volatility in the financial markets, increased unemployment levels, caused temporary, and in certain cases, closures of many businesses. The gaming industry was not immune to these factors as our casino customers closed their gaming establishments, and as a result, our operations have experienced significant disruptions. In light of the COVID-19 pandemic, we have been affected by various measures, including, but not limited to: the institution of social distancing and sheltering-in-place requirements in many states and communities, which significantly impacted demand for our products and services, and which resulted in office closures, the furlough of approximately 80% of our employees, and the implementation of a work-from-home policy to protect our remaining employees and their families from potential virus transmission among co-workers. In addition, we withdrew our annual 2020 financial guidance.

The impact of the COVID-19 pandemic also exacerbates the risks disclosed in our Annual Report, including, but not limited to: our ability to comply with the terms of our indebtedness, our ability to generate revenues, earn profits and maintain adequate liquidity, our ability to service existing and attract new customers, maintain our overall competitiveness in the market, the potential for significant fluctuations in demand for our services, overall trends in the gaming industry impacting our business, as well as potential volatility in our stock price.

Results of Operations and Financial Condition

Our operations began to experience revenue reductions in the last few weeks of March 2020 as a result of the circumstances surrounding the COVID-19 pandemic, which have impacted our overall results of operations and financial condition.

With respect to our Games business: (a) gaming operations revenues were slightly higher in the first quarter of 2020 as compared to the same period in the prior year; however, given the closure of nearly all casino properties in March 2020, revenues precipitously declined in the last few weeks of the quarter due to patrons no longer being able to access casinos; and (b) sales of electronic gaming machines from January 2020 through the middle of March 2020 were on pace to be consistent with the same period in the prior year; however, given the closure of casino properties, these sales decreased significantly in the last few weeks of the quarter as our customers attempted to address the implementation of state-wide social distancing and business closure requirements.

With respect to our FinTech business: (a) cash access services from January 2020 through the middle of March 2020 were on pace to exceed the results from the same period in the prior year; however, given the closure of casino properties, as described above, these services significantly decreased as patrons were no longer able to access our services; (b) sales of equipment, including, but not limited to full-service kiosks, jackpot kiosks and related offerings, including our player loyalty kiosks, were on pace with the results from the same period in the prior year; however, these sales decreased significantly in the last few weeks of the quarter as our customers attempted to address the implementation of state-wide social distancing and business closure requirements; and (c) information services and other revenues were higher in the first quarter of 2020 as compared to the same period in the prior year, primarily due to a full quarter of player loyalty results from the acquisitions of certain assets from Atrient, Inc. (“Atrient”) and Micro Gaming Technologies, Inc. (“MGT”) in 2019; however, given the closure of casino properties, revenues from these services decreased significantly in the last few weeks of the quarter due to the implementation of state-wide social distancing and business closure requirements discussed above.

With respect to our financial condition, the COVID-19 pandemic had varying levels of impact to certain components of net working capital balances at March 31, 2020. Our trade accounts receivable increased as customers delayed payments on certain outstanding balances, our settlement receivables and settlement liabilities decreased as these amounts fully settled for those customers who closed their casinos, finished goods inventory increased as certain completed EGMs could not be delivered for our installed base due to casino closures and other planned sales were either delayed or canceled by customers, accounts payable and accrued liabilities increased as we made the decision to defer payment to preserve cash balances, as compared to the prior year. In addition, the balance of our cash and cash equivalents is highly dependent upon the timing of settlement and changes in our settlement receivables and the timing of payments to customers related to our settlement liabilities. As such, our cash and cash equivalents can change substantially based upon the timing of our receipt of payments for settlement receivables and payments we make to customers for our settlement liabilities.

Liquidity

In March 2020, we completed the full draw down of our available capacity of \$35.0 million under our five-year senior secured revolving credit facility (the “Revolving Credit Facility”) in order to improve our liquidity and preserve financial flexibility in light of the uncertainty in our industry and the global economy as a result of COVID-19. In accordance with the terms of the Revolving Credit Facility, the proceeds from this borrowing are being used for working capital, general corporate purposes and other permitted uses.

In April 2020, we entered into a fourth amendment (the “Fourth Amendment”) to our existing credit agreement with Everi FinTech, as borrower, and Everi Holdings with the lenders party thereto and Jefferies Financial LLC, as administrative agent, collateral agent, swing line lender, letter of credit issuer, sole lead arranger and sole book manager (the “Credit Agreement,”) which among other things: (a) permits the incurrence of incremental equivalent debt subject to a 4.50:1.00 consolidated secured leverage ratio, as defined in the Credit Agreement, for calculation periods prior to December 31, 2021; and (b) amends the consolidated secured leverage ratio covenant, including to remove the maximum consolidated secured leverage ratio for the quarters ending June 30, 2020, September 30, 2020, and December 31, 2020 and to change the computation methodology of the consolidated leverage ratio for the quarters ending March 31, 2021, June 30, 2021, and September 30, 2021.

On April 21, 2020 (the “Closing Date”), we entered into a new credit agreement (the “Incremental Term Loan Credit Agreement”), which provides for a \$125.0 million senior secured term loan (the “Incremental Term Loan”), which is secured on a pari passu basis with the loans under our existing Credit Agreement. The entire amount of the Incremental Term Loan was borrowed on the Closing Date in order to improve our liquidity and preserve financial flexibility in light of the uncertainty in our industry and the global economy as a result of COVID-19. The proceeds are being used for working capital, general corporate purposes, or other uses permitted by the Incremental Term Loan Credit Agreement.

As of March 31, 2020, our cash and cash equivalents were approximately \$49.9 million and net cash available, a non-GAAP measure defined as cash and cash equivalents plus settlement receivables less settlement liabilities, was approximately \$40.4 million. This amount excludes the cash from borrowings under our Incremental Term Loan.

In addition, we have implemented a range of actions to maintain balance sheet flexibility and preserve liquidity as a result of the business disruption caused by the rapid nationwide spread of COVID-19, including, but not limited to:

- The executive officers elected to accept the following reductions to their compensation during the pendency of the COVID-19 pandemic in order to better position the Company to withstand the challenging conditions that have caused global and domestic disruption in the current economic environment, such that: (a) the Chief Executive Officer will forgo 100% of his base salary compensation; (b) the President and Chief Operating Officer's annual base salary will be reduced to \$95,000; and (c) all other executive officers' annual base salaries will be reduced to \$110,000;
- The independent members of the Board of Directors of the Company elected to forgo 100% of their quarterly cash compensation for Board and related committee services;
- We furloughed approximately 80% of our staff;
- We reduced the salaries of those remaining non-executive employees anywhere from 15% to 70%;
- We suspended certain employee benefits, such as providing a Company match on 401(k) contributions;
- We implemented a remote working environment, including establishing a work-from-home policy for our employees;
- We cancelled or delayed material capital expenditures; and
- We suspended all share repurchases under our previously authorized repurchase program.

While revenues from January 2020 through the middle of March 2020 increased as compared to the same period in the prior year, given the closure of casino properties since mid-March 2020 in light of COVID-19, our revenues and the associated workload has been reduced to near zero. With limited visibility as to when all of our customers will reopen for business, we have implemented the decisive actions above as appropriate for the current level of business and to prepare us to withstand what we currently anticipate to be a prolonged period of minimal industry activity. Consequently, we believe these measures are the appropriate steps to preserve our liquidity and manage our business in the current environment and immediate future. We expect these to be temporary, prudent steps designed to position us to address the disruption caused by the COVID-19 pandemic and will be prepared to support our customers once they begin to reopen their facilities.

As indicated by the limited number of casinos that have reopened in May 2020 or announced plans to reopen in June 2020, most of which have been located in tribal and regional commercial jurisdictions, our customers are implementing protocols intended to protect their patrons and guests from potential COVID-19 exposure and re-establish customer confidence in the gaming and hospitality industry. These measures may include enhanced sanitization, public gathering limitations of less than 50% of casino capacity, patron social distancing requirements, limitations on casino operations, which include disabling EGMs, and face mask and temperature check requirements for patrons. Certain common attractions at these casinos may remain closed, including restaurants, bars and other food and beverage outlets, as well as table games, spas and pools. These measures will likely limit the number of patrons that are able to attend these venues and may slow the pace at which demand for our products and services begins to rebound, if at all, following the period of full closures. Additionally, many of our customers in various jurisdictions, including the New York Lottery, have not yet announced planned reopening dates. Initial data from these few casino reopenings indicate there may be a strong demand for gaming, with news reports of casino patrons waiting in long lines to enter and better-than-expected gaming revenue returning to the casinos; however, it is uncertain whether these revenue trends will continue as more casinos reopen, whether casino patrons will continue to find this new casino environment appealing, whether these health and safety protocols are sufficient to rebuild consumer confidence, when certain jurisdictions will lift existing shelter-in-place orders to permit casinos to reopen, and there may be similar unknown risks that will directly impact the rate of recovery of the gaming industry. As a result, we continue to monitor and manage liquidity levels and evaluate available capital resource alternatives on acceptable terms to provide additional financial flexibility.

Government Relief

In late March 2020, the U.S. government enacted the Coronavirus Aid Relief and Economic Security Act (the "CARES Act") in response to the COVID-19 pandemic. We have taken advantage of the following components contained within the CARES Act:

- **Employee Retention Payroll Tax Credit:** We are applying a credit against payroll taxes for 50% of eligible employee wages paid or incurred from March 13, 2020 to December 31, 2020. This employee retention payroll tax credit would be provided for as much as \$10,000 of qualifying wages for each eligible employee, including health benefits;
- **Employer Social Security Tax Payment Deferral:** We are deferring payment of the employer portion of the social security taxes due on remaining payments and from enactment of the CARES Act through December 31, 2020, with 50% due by December 31, 2021 and 50% due by December 31, 2022; and
- **Alternative Minimum Tax ("AMT") Credit Refund:** We are applying for a refund of our AMT tax credits as the CARES Act affords us the ability to accelerate the recovery of such credits.

Other Items Impacting Comparability of Results of Operations

Our financial statements included in this report reflect the following transactions during the first quarter of 2020, exclusive of the impact of COVID-19:

- Our loyalty solutions reflected a full quarter of results of operations from our acquisitions of certain assets from Atrient and MGT in 2019, whereas the same period in the prior year, only included the results of operations for a few weeks of activity associated with the initial acquisition of certain assets from Atrient that occurred in March 2019.
- We completed a partial redemption payment of approximately \$84.5 million of aggregate principal with respect to the 7.50% Senior Unsecured Notes due 2025 previously issued in December 2017 (the “2017 Unsecured Notes”) and an open market repurchase of approximately \$5.1 million of aggregate principal with respect to the 2017 Unsecured Notes. The total outstanding principal balance of the 2017 Unsecured Notes following the redemption and repurchase transactions was approximately \$285.4 million. We incurred a loss on extinguishment of debt of approximately \$7.4 million, which consisted of a \$6.3 million redemption premium related to the satisfaction and redemption of a portion of the 2017 Unsecured Notes, and non-cash charges for the accelerated amortization of debt issuance costs of approximately \$1.1 million.
- The income tax benefit increased by approximately \$0.6 million, or 157%, to approximately \$1.0 million for the three months ended March 31, 2020, as compared to approximately \$0.4 million in the same period in the prior year. The income tax benefit reflected an effective income tax rate of 6.9% for the three months ended March 31, 2020, which was less than the statutory federal rate of 21.0%, primarily due to an increase in our valuation allowance due to book loss incurred during the period, partially offset by certain indefinite lived deferred tax assets that can be offset against our indefinite lived deferred tax liabilities. The income tax benefit reflected an effective income tax rate of negative 7.1% for the same period in the prior year, which was less than the statutory federal rate of 21.0%, primarily due to a decrease in our valuation allowance for deferred tax assets, the benefit from stock option exercises, and the benefit from a research credit.

As a result of these events, together with the impacts of COVID-19, our results of operations and earnings per share in the periods covered by our Financial Statements may not be directly comparable.

Trends and Developments Impacting our Business

In addition to the factors discussed above, we refer to Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Trends and Developments Impacting our Business” in our Annual Report, which is incorporated herein by reference.

Operating Segments

We report our financial performance based on two operating segments: (a) Games and (b) FinTech. For additional information on our segments, see [“Note 2 — Basis of Presentation and Summary of Significant Accounting Policies”](#) and [“Note 18 — Segment Information”](#) included in *Part I, Item 1: Financial Statements* of this Quarterly Report on Form 10-Q.

Results of Operations

Three months ended March 31, 2020 compared to three months ended March 31, 2019

The following table presents our Results of Operations as reported for the three months ended March 31, 2020 compared to the three months ended March 31, 2019 (amounts in thousands)*:

	Three Months Ended					
	March 31, 2020		March 31, 2019		2020 vs 2019	
	\$	%	\$	%	\$	%
Revenues						
Games revenues						
Gaming operations	\$ 45,686	41 %	\$ 44,286	36 %	\$ 1,400	3 %
Gaming equipment and systems	11,583	10 %	23,087	18 %	(11,504)	(50)%
Gaming other	21	— %	54	— %	(33)	(61)%
Games total revenues	57,290	51 %	67,427	54 %	(10,137)	(15)%
FinTech revenues						
Cash access services	36,973	32 %	40,832	33 %	(3,859)	(9)%
Equipment	6,351	6 %	7,028	6 %	(677)	(10)%
Information services and other	12,694	11 %	8,488	7 %	4,206	50 %
FinTech total revenues	56,018	49 %	56,348	46 %	(330)	(1)%
Total revenues	113,308	100 %	123,775	100 %	(10,467)	(8)%
Costs and expenses						
Games cost of revenues⁽¹⁾						
Gaming operations	4,545	4 %	4,124	3 %	421	10 %
Gaming equipment and systems	6,824	6 %	12,529	10 %	(5,705)	(46)%
Games total cost of revenues	11,369	10 %	16,653	13 %	(5,284)	(32)%
FinTech cost of revenues⁽¹⁾						
Cash access services	3,555	3 %	2,697	2 %	858	32 %
Equipment	3,891	3 %	4,330	3 %	(439)	(10)%
Information services and other	873	1 %	958	1 %	(85)	(9)%
FinTech total cost of revenues	8,319	7 %	7,985	6 %	334	4 %
Operating expenses	39,272	36 %	34,648	29 %	4,624	13 %
Research and development	8,355	7 %	7,531	6 %	824	11 %
Depreciation	16,243	14 %	14,789	12 %	1,454	10 %
Amortization	19,324	17 %	16,297	13 %	3,027	19 %
Total costs and expenses	102,882	91 %	97,903	79 %	4,979	5 %
Operating income	10,426	9 %	25,872	21 %	(15,446)	(60)%
Other expenses						
Interest expense, net of interest income	17,499	15 %	20,400	16 %	(2,901)	(14)%
Loss on extinguishment of debt	7,378	7 %	—	— %	7,378	100 %
Total other expenses	24,877	22 %	20,400	16 %	4,477	22 %
(Loss) income before income tax	(14,451)	(13)%	5,472	4 %	(19,923)	(364)%

(1) Exclusive of depreciation and amortization.

* Rounding may cause variances.

	Three Months Ended					
	March 31, 2020		March 31, 2019		2020 vs 2019	
	\$	%	\$	%	\$	%
Income tax benefit	(997)	(1)%	(388)	— %	(609)	157 %
Net (loss) income	\$ (13,454)	(12)%	\$ 5,860	5 %	\$ (19,314)	(330)%

* Rounding may cause variances.

Revenues

Total revenues decreased by approximately \$10.5 million, or 8%, to approximately \$113.3 million for the three months ended March 31, 2020, as compared to the same period in the prior year. This was primarily due to the impact of COVID-19, and the closure of casino properties at the end of the quarter, on our Games and FinTech revenues described below. Games revenues decreased by approximately \$10.1 million, or 15%, to approximately \$57.3 million for the three months ended March 31, 2020, as compared to the same period in the prior year. This was primarily due to a decline in the sale of gaming machines in our gaming equipment and systems revenues, partially offset by an increase in the installed base of leased games as a result of higher demand for our premium units and average daily win per unit for these machines in our gaming operations revenues. FinTech revenues were relatively consistent and decreased by approximately \$0.3 million, or 1%, to approximately \$56.0 million for the three months ended March 31, 2020, as compared to the same period in the prior year. This was primarily due to increases from our information services and other revenues in connection with the player loyalty solutions that were available for the full first quarter of 2020 due to our acquisitions of certain assets from Atrient and MGT in 2019, as compared to the same period in the prior year, which included only limited activity as a result of the acquisition of certain assets from Atrient in March 2019. This was mostly offset by reduced dollar and transaction volumes that impacted our cash access services revenues and a decline in the sale of equipment revenues due to the impact of the COVID-19 pandemic.

Costs and Expenses

Total costs and expenses increased by approximately \$5.0 million, or 5%, to approximately \$102.9 million for the three months ended March 31, 2020, as compared to the same period in the prior year. This was primarily due to the impact of COVID-19 on our Games and FinTech costs and expenses described below. Games cost of revenues decreased by approximately \$5.3 million, or 32%, to approximately \$11.4 million for the three months ended March 31, 2020, as compared to the same period in the prior year. This was primarily due to a decline in the sale of gaming machines in light of COVID-19 and the closure of casino properties. FinTech cost of revenues increased by approximately \$0.3 million, or 4%, to approximately \$8.3 million for the three months ended March 31, 2020, as compared to the same period in the prior year. This was primarily due to higher check warranty expenses, partially offset by decreased equipment variable cost of revenues from a decline in the sale of FinTech equipment in light of COVID-19 and the closure of casino properties.

Operating expenses increased by approximately \$4.6 million, or 13%, to approximately \$39.3 million for the three months ended March 31, 2020, as compared to the same period in the prior year. This was primarily due to the operating expenses associated with the loyalty operations acquired in 2019, the impacts of losses on foreign exchange transactions related to the repatriation of cash from certain of our foreign jurisdictions, non-cash stock compensation expenses and legal fees for our FinTech segment in light of COVID-19. This increase was partially offset by lower operating expenses associated with our Games segment in light of the closure of our customers and our own limited operations due to COVID-19.

Research and development costs increased by approximately \$0.8 million, or 11%, to approximately \$8.4 million for the three months ended March 31, 2020, as compared to the same period in the prior year. This was primarily due to higher payroll and related costs incurred by our FinTech segment and a reduction in capitalized research and development costs for our Games segment.

Depreciation increased by approximately \$1.5 million, or 10%, to approximately \$16.2 million for the three months ended March 31, 2020, as compared to the same period in the prior year. This was primarily due to an increase in the installed base of lease gaming machines placed in service for our Games segment.

Amortization increased by approximately \$3.0 million, or 19%, to approximately \$19.3 million for the three months ended March 31, 2020, as compared to the same period in the prior year. The increase was primarily due to the amortization of the intangible assets acquired in connection with the player loyalty business for our FinTech segment.

Primarily as a result of the factors described above in light of COVID-19, operating income decreased by approximately \$15.4 million, or 60%, to approximately \$10.4 million for the three months ended March 31, 2020, as compared to the same period in the prior year. The operating margin was 9% for the three months ended March 31, 2020 compared to 21% for the same period in the prior year.

Interest expense, net of interest income, decreased by approximately \$2.9 million, or 14%, to approximately \$17.5 million for the three months ended March 31, 2020, as compared to the same period in the prior year. This was primarily due to the repayment of debt and higher interest income during the period, partially offset by an adjustment to interest expense in connection with the accretion of interest related to the acquisition of certain assets from Atrient and MGT in 2019.

Loss on extinguishment of debt was approximately \$7.4 million for the three months ended March 31, 2020 as a result of the redemption and repurchase transactions related to the 2017 Unsecured Notes.

Income tax benefit increased by approximately \$0.6 million, or 157%, to approximately \$1.0 million for the three months ended March 31, 2020, as compared to the same period in the prior year. The income tax benefit reflected an effective income tax rate of 6.9% for the three months ended March 31, 2020, which was less than the statutory federal rate of 21.0%, primarily due to an increase in our valuation allowance due to book loss incurred during the period, partially offset by certain indefinite lived deferred tax assets that can be offset against our indefinite lived deferred tax liabilities. The income tax benefit reflected an effective income tax rate of negative 7.1% for the same period in the prior year, which was less than the statutory federal rate of 21.0%, primarily due to a decrease in our valuation allowance for deferred tax assets, the benefit from stock option exercises, and the benefit from a research credit.

Primarily as a result of the factors described above in light of COVID-19, net loss increased by approximately \$19.3 million, or 330%, to approximately \$13.5 million for the three months ended March 31, 2020 from net income of approximately \$5.9 million for the same period in the prior year.

Critical Accounting Policies

The preparation of our financial statements in conformity with U.S. generally accepted accounting principles (“GAAP”) requires us to make estimates and assumptions that affect our reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities in our Financial Statements. The SEC has defined critical accounting policies as the ones that are most important to the portrayal of the financial condition and results of operations, and which require management to make its most difficult and subjective judgments, often as a result of the need to make estimates about matters that are inherently uncertain.

Interim Assessment for Impairment of Goodwill

The impact of the COVID-19 pandemic on the Company’s operations, and significant and sustained decline in our stock price, qualified as a triggering event during the three months ended March 31, 2020 and accordingly, management performed a review of potential indicators of impairment for the carrying amount of goodwill at each of our reporting units. Our operations have experienced significant disruptions and revenue reductions and we have been impacted by various measures discussed in [“Note 1 — Business”](#) and in [“Note 10 — Goodwill and Other Intangible Assets”](#) included in *Part I, Item 1: Financial Statements* of this Quarterly Report on Form 10-Q and in Item 2, [“Management’s Discussion and Analysis of Financial Condition and Results of Operations — Overview”](#) section above. We conducted a qualitative interim impairment assessment as of March 31, 2020, which included an evaluation of our revised cash flow projections to reflect the current economic environment, including the uncertainty surrounding the nature, timing, and extent of reopening of our casino customers, and assessed the amount of cushion for each of the reporting units in the 2019 impairment test. We determined that it was more likely than not that the fair value of each of the reporting units exceeded its respective carrying amount as of March 31, 2020. Therefore, an interim quantitative impairment test of our goodwill at the reporting unit level was not required to be performed.

We continue to evaluate and monitor all key factors impacting the carrying value of the Company’s recorded goodwill. To the extent new facts and circumstances arise in light of the impact of the COVID-19 pandemic on the Company’s operations, we expect to revise our cash flow projections accordingly as our estimates of future cash flows are highly dependent upon certain assumptions, including, but not limited to, the amount and timing of the economic recovery globally, nationally, and specifically within the gaming industry. More specifically, given the significant degree of uncertainty with respect to the timing of the reopening of casino properties throughout North America and the resulting demand from patrons that visit these gaming establishments, we may need to further adjust our assumptions and we may be required to perform a quantitative test for impairment for our goodwill and other intangible assets in future periods.

Furthermore, the evaluation of impairment of goodwill requires the use of estimates about future operating results. Changes in forecasted operations can materially affect these estimates, which could materially affect our results of operations. The

estimates of expected future cash flows require significant judgment and are based on assumptions we determined to be reasonable; however, they are unpredictable and inherently uncertain, including, estimates of future growth rates, operating margins, and assumptions about the overall economic climate as well as the competitive environment within which we operate. There can be no assurance that our estimates and assumptions made for purposes of our impairment assessments as of the time of evaluation will prove to be accurate predictions of the future. If our assumptions regarding business plans, competitive environments, or anticipated growth rates are not correct, we may be required to record non-cash impairment charges in future periods, whether in connection with our normal review procedures periodically, or earlier, if an indicator of an impairment is present prior to such evaluation.

Except for the interim assessment for impairment of goodwill discussed above, there were no significant changes to the critical accounting policies and estimates discussed in our audited Financial Statements included in our Annual Report. Refer to Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies” in our Annual Report.

Recent Accounting Guidance

For a description of our recently adopted accounting guidance and recent accounting guidance not yet adopted, see [“Note 2 — Basis of Presentation and Summary of Significant Accounting Policies — Recent Accounting Guidance”](#) included in *Part I, Item 1: Financial Statements* of this Quarterly Report on Form 10-Q.

Liquidity and Capital Resources

Overview

The following table presents an unaudited reconciliation of cash and cash equivalents per GAAP to the net cash position and net cash available (in thousands):

	At March 31, 2020	At December 31, 2019
Cash available		
Cash and cash equivalents	\$ 49,941	\$ 289,870
Settlement receivables	1,897	70,282
Settlement liabilities	(11,440)	(234,087)
Net cash position⁽¹⁾	40,398	126,065
Undrawn revolving credit facility	—	35,000
Net cash available⁽¹⁾	\$ 40,398	\$ 161,065

(1) Non-GAAP measure. In order to enhance investor understanding of our cash balance, we are providing in this Quarterly Report on Form 10-Q the net cash position and net cash available, which are not measures of our financial performance or position under GAAP. Accordingly, these measures should not be considered in isolation or as a substitute for, and should be read in conjunction with our balance sheets prepared in accordance with GAAP. We define (a) net cash position as cash and cash equivalents plus settlement receivables less settlement liabilities, and (b) net cash available as net cash position plus undrawn amounts available under our Revolving Credit Facility. We present the net cash position because our cash position, as measured by cash and cash equivalents, depends upon changes in settlement receivables and the timing of payments related to settlement liabilities. As such, our cash and cash equivalents can change substantially based upon the timing of our receipt of payments for settlement receivables and payments we make to customers for our settlement liabilities. We present net cash available as management monitors this amount in connection with its forecasting of cash flows and future cash requirements, both on a short-term and long-term basis.

Cash Resources

Our cash and cash equivalents were approximately \$49.9 million and \$289.9 million as of March 31, 2020 and December 31, 2019, respectively. Our net cash position after considering the impact of settlement receivables and settlement liabilities was approximately \$40.4 million and \$161.1 million as of March 31, 2020 and December 31, 2019, respectively. Cash and cash equivalents at March 31, 2020 included cash in non-U.S. jurisdictions of approximately \$9.5 million. Generally, these funds are available for operating and investment purposes within the jurisdiction in which they reside, and we have the ability to repatriate these foreign funds to the United States, subject to potential withholding tax.

As discussed within Item 2, [“Management’s Discussion and Analysis of Financial Condition and Results of Operations — Overview”](#) section above, we have implemented a number of precautionary measures in order to increase our cash position, improve our liquidity and preserve financial flexibility in light of the current uncertainty in the global markets as a result of COVID-19. The net cash available of approximately \$40.4 million at March 31, 2020 excludes the impact of the measures taken after March 31, 2020.

We believe that the actions implemented thus far are the appropriate steps to preserve our liquidity and manage our business in the current environment such that we expect to be able to meet our recurring operating commitments and debt servicing needs and to fund our planned capital expenditures for the foreseeable future; however, any estimates of future cash needs and cash flows are subject to substantial uncertainty, especially given the current operating environment as a result of COVID-19. We are also reviewing options to obtain additional capital resources on acceptable terms to provide additional financial flexibility, including additional relief under state or federal-funded COVID-19 programs.

Sources and Uses of Cash

The following table presents a summary of our cash flow activity (in thousands):

	Three Months Ended March 31,		2020 vs 2019
	2020	2019	Change
Cash flow activities			
Net cash used in operating activities	\$ (130,836)	\$ (112,188)	\$ (18,648)
Net cash used in investing activities	(33,062)	(47,490)	14,428
Net cash (used in) provided by financing activities	(73,010)	2,621	(75,631)
Effect of exchange rates on cash and cash equivalents	(2,592)	(343)	(2,249)
Cash, cash equivalents and restricted cash			
Net decrease for the period	(239,500)	(157,400)	(82,100)
Balance, beginning of the period	296,610	299,181	(2,571)
Balance, end of the period	\$ 57,110	\$ 141,781	\$ (84,671)

Cash flows used in operating activities increased by approximately \$18.6 million for the three months ended March 31, 2020, as compared to the same period in the prior year. This was primarily attributable to the impact of COVID-19 and the closure of casino properties that impacted our Games and FinTech segments, and the resulting changes in working capital associated with settlement receivables and settlement liabilities from our FinTech segment.

Cash flows used in investing activities decreased by approximately \$14.4 million for the three months ended March 31, 2020, as compared to the same period in the prior year. This was primarily attributable to the Company’s response to the impact of COVID-19 and the closure of casino properties which decreased demand for our products from our Games and FinTech segments, and the acquisition of certain player loyalty related assets for our FinTech segment during the three months ended March 31, 2019.

Cash flows used in financing activities increased by approximately \$75.6 million for the three months ended March 31, 2020, as compared to the same period in the prior year. This was primarily attributable to an increase in the repayments of borrowings under our 2017 Unsecured Notes and Term Loan Facility during the quarter, partially offset by the proceeds from the full draw down of our available capacity under the Revolving Credit Facility.

Long-Term Debt

For additional information regarding our credit agreement and other debt as well as interest rate risk refer to *Part I, Item 3: Quantitative and Qualitative Disclosures About Market Risk*, [“Note 12 — Long-Term Debt”](#) and [“Note 19 — Subsequent Events”](#) in *Part I, Item 1: Financial Statements*.

Contractual Obligations

There were no material changes in our commitments under contractual obligations as compared to those disclosed in our Annual Report, other than a decrease to certain purchase obligations of approximately \$16.6 million from those disclosed in our Annual Report and obligations discussed in [“Note 3 — Leases”](#) and [“Note 12 — Long-Term Debt”](#) in *Part I, Item 1: Financial Statements*. We expect that cash provided by operating activities will be sufficient to meet such obligations during the foreseeable future.

We are involved in various legal proceedings in the ordinary course of our business. While we believe resolution of the claims brought against us, both individually and in aggregate, will not have a material adverse impact on our financial condition or results of operations, litigation of this nature is inherently unpredictable. Our views on these legal proceedings, including those described in [“Note 13 — Commitments and Contingencies”](#) in *Part I, Item 1: Financial Statements*, may change in the future. We intend to vigorously defend against these actions, and ultimately believe we should prevail.

Off-Balance Sheet Arrangements

We have commercial arrangements with third-party vendors to provide cash for certain of our ATMs. For the use of these funds, we pay a cash usage fee on either the average daily balance of funds utilized multiplied by a contractually-defined cash usage rate or the amounts supplied multiplied by a contractually-defined cash usage rate. These cash usage fees, reflected as interest expense within the Statements of Operations, were approximately \$1.5 million and \$1.7 million for the three months ended March 31, 2020 and 2019, respectively. We are exposed to interest rate risk to the extent that the target federal funds rate increases.

Under these agreements, the currency supplied by third-party vendors remains their sole property until the funds are dispensed. As these funds are not our assets, supplied cash is not reflected on our Balance Sheets. The outstanding balances of ATM cash utilized by us from the third-party vendors were approximately \$141.6 million and \$292.6 million as of March 31, 2020 and December 31, 2019, respectively. In light of the COVID-19 pandemic and the closure of casino properties throughout North America, the outstanding balance in the current reporting period was significantly reduced as compared to the prior year end.

Our primary commercial arrangement, the Contract Cash Solutions Agreement, as amended, with Wells Fargo Bank, N.A. provides us with cash in the maximum amount of \$300 million with the ability to increase the amount by \$75 million over a 5-day period for special occasions, such as the period around New Year’s Day. The agreement currently expires on June 30, 2022 and will automatically renew for additional one-year periods unless either party provides a 90-day written notice of its intent not to renew.

We are responsible for any losses of cash in the ATMs under this agreement, and we self-insure for this risk. There were no losses related to this self-insurance for the three months ended March 31, 2020 and 2019.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

With the exception of the impacts of COVID-19, which are discussed elsewhere in this document, there have been no material changes in our reported market risks or risk management policies since the filing of our Annual Report.

In the normal course of business, we are exposed to foreign currency exchange risk. We operate and conduct business in foreign countries and, as a result, are exposed to movements in foreign currency exchange rates. Our exposure to foreign currency exchange risk related to our foreign operations is not material to our results of operations, cash flows, or financial condition. At present, we do not hedge this exposure; however, we continue to evaluate such foreign currency exchange risk.

In the normal course of business, we have commercial arrangements with third-party vendors to provide cash for certain of our ATMs. Under the terms of these agreements, we pay a monthly cash usage fee that is generally based upon the target federal funds rate. We are, therefore, exposed to interest rate risk to the extent that the target federal funds rate increases. The outstanding balance of ATM cash utilized by us from third-party vendors was approximately \$141.6 million as of March 31, 2020; therefore, each 100 basis points increase in the target federal funds rate would have approximately a \$1.4 million impact on income before tax over a 12-month period. In light of the COVID-19 pandemic and the closure of casino properties throughout North America, the outstanding balance in the current reporting period was significantly reduced as compared to the prior year end.

The Term Loan Facility and Revolving Credit Facility (collectively, the “Credit Facilities”) bear interest at rates that can vary over time. We have the option of paying interest on the outstanding amounts under the Credit Facilities using a base rate or LIBOR. We have historically elected to pay interest based on LIBOR, and we expect to continue to do so for various maturities. The weighted average interest rate on the Term Loan and Revolving Credit Facility was 4.43% and 5.73% for the three months ended March 31, 2020, respectively. Based upon the outstanding balance on the Term Loan and Revolving Credit Facility of

\$735.5 million and \$35.0 million as of March 31, 2020, respectively, each 100 basis points increase in the applicable LIBOR would have an \$7.7 million impact on interest expense over a 12-month period. The interest rate for the 7.50% Senior Unsecured Notes due 2025 is fixed; therefore, an increase in LIBOR does not impact the related interest expense. At present, we do not hedge the risk related to the changes in the interest rate; however, we continue to evaluate such interest rate exposure.

We continue to evaluate the potential impact of the eventual replacement of the LIBOR benchmark, which is set to phase out by the end of 2021. We expect to utilize the replacement rate commonly referred to as the secured overnight financing rate (“SOFR”), which is the anticipated benchmark in place of LIBOR, and we do not expect the transition to SOFR to have a material impact on our business, financial condition and results of operations.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of the principal executive officer and the principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of the end of the period covered by this report. Based on such evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of March 31, 2020 such that material information required to be disclosed by us in the reports that we file or submit under the Exchange Act is (a) recorded, processed, summarized and reported within the time periods specified by the SEC’s rules and forms, and (b) accumulated and communicated to management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting during the Quarter Ended March 31, 2020

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

A discussion of our legal proceedings is contained in [“Note 13 — Commitments and Contingencies”](#) in *Part I, Item 1: Financial Statements*.

Item 1A. Risk Factors.

The Company is supplementing its risk factors described in Item 1A of the Company’s Annual Report on Form 10-K for the year ended December 31, 2019 (“Annual Report”) and previously updated in the Form 8-K the Company filed on April 21, 2020. The following risk factor should be read in conjunction with the other risk factors disclosed in the Annual Report.

The global COVID-19 pandemic is having a significant adverse impact and in the future could have a material adverse impact on our operations and financial performance, as well as on the operations and financial performance of many of the customers and suppliers in the gaming industry that we serve. We are unable to predict the extent to which the pandemic and related impacts will continue to adversely impact our business operations, financial performance, results of operations, financial position, and the achievement of our business objectives. As a result of the inherent uncertainty of our expectations and assumptions regarding business plans, results of operations, and financial condition, any of which may prove to be inaccurate, we may be required to record non-cash impairment charges, among other items, in future periods.

The COVID-19 pandemic has negatively impacted the global economy, with particular impact to the gaming industry, disrupted global supply chains, lowered equity market valuations, created significant volatility and disruption in the financial markets, and increased unemployment levels. In addition, the pandemic has resulted in temporary closures of many businesses, including those of our casino customers, and resulted in the institution of social distancing and sheltering-in-place requirements in many states and communities. Consequently, demand for our products and services may continue to be significantly impacted, which could adversely affect our revenue and profitability. Furthermore, the pandemic could impair our ability to maintain sufficient liquidity, particularly if casinos and other gaming businesses remain closed or, when they reopen, social distancing and other COVID-19-protective measures prevent them from opening at full capacity, the impact on the global economy worsens and impacts the disposable income available to our casino customers’ patrons, or customers delay making payments to us under existing obligations. Similarly, because of changing economic and market conditions affecting the gaming industry, our ability to achieve our business objectives may be impacted. Our business operations may also be disrupted if significant portions of our workforce are unable to work effectively, including because of illness, quarantines, government actions, or other restrictions imposed in connection with the pandemic. In response to the pandemic, we have furloughed more than half of our employees, reduced employee salaries, borrowed funds under existing and new credit facilities, adopted certain relief measures provided by the CARES Act and may seek additional funding, to the extent available, under the CARES Act or other new federal or state programs. In addition, we have suspended share repurchases, as required under our existing and new credit facilities, and may take other capital actions in response to the COVID-19 pandemic. The extent to which the COVID-19 pandemic further impacts our business, results of operations, and financial condition, as well as our capital and liquidity ratios, will depend on future developments, which are highly uncertain and cannot be predicted, including the scope and duration of the pandemic and actions taken by governmental authorities and other third parties in response to the pandemic. Further, as a result of the inherent uncertainty of our expectations and assumptions regarding business plans, results of operations, and financial condition, any of which may prove to be inaccurate, we may be required to record non-cash impairment charges, among other items, in future periods, whether in connection with our normal review procedures periodically, or earlier, if an indicator of an impairment is present prior to such evaluation.

The COVID-19 pandemic may also exacerbate the risks disclosed in our Annual Report, including, but not limited to: our ability to comply with the terms of our indebtedness, our ability to generate revenues, earn profits and maintain adequate liquidity, our ability to service existing and attract new customers, maintain our overall competitiveness in the market, the potential for significant fluctuations in demand for our services, overall trends in the gaming industry impacting our business, as well as potential volatility in our stock price.

We refer you to documents filed by us with the SEC; specifically, “Item 1A. Risk Factors” in our Annual Report, which identify important risk factors that could materially affect our business, financial condition and future results. We also refer you to the factors and cautionary language set forth in the section entitled “Cautionary Information Regarding Forward-Looking Statements” in [“Item 2. Management’s Discussion and Analysis of Financial Conditions and Results of Operations”](#) of this Quarterly Report on Form 10-Q. This Quarterly Report on Form 10-Q, including the accompanying Financial Statements, should be read in conjunction with such risks and other factors for a full understanding of our operations and financial condition. The risks described in our Annual Report and herein are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or operating results. The risk factors included in our Annual Report have not materially changed, except as described herein and the Form 8-K filed by us on April 21, 2020.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Issuer Purchases and Withholding of Equity Securities

	Total Number of Shares Purchased ⁽¹⁾ (in thousands)	Average Price per Share ⁽²⁾
Tax Withholdings		
1/1/20 - 1/31/20	0.7	\$ 13.43
2/1/20 - 2/29/20	0.6	\$ 12.50
3/1/20 - 3/31/20	3.0	\$ 8.57
Total	4.3	\$ 9.89

(1) Represents the shares of common stock that were withheld from restricted stock awards to satisfy the minimum applicable tax withholding obligations incident to the vesting of such restricted stock awards. There are no limitations on the number of shares of common stock that may be withheld from restricted stock awards to satisfy the minimum tax withholding obligations incident to the vesting of restricted stock awards.

(2) Represents the average price per share of common stock withheld from restricted stock awards on the date of withholding.

As discussed in [“Note 14 — Stockholders’ Equity”](#) in *Part I, Item 1: Financial Statements*, the new share repurchase program approved in February 2020 was suspended and no repurchases occurred during the quarter under the program.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits

Exhibit Number	Description
10.1	<u>Fourth Amendment to Credit Agreement, dated April 21, 2020, among Everi Payments Inc., as borrower, Everi Holdings Inc., as parent, the subsidiary guarantors party thereto, the lenders party thereto, and Jefferies Finance LLC, as administrative agent (incorporated by reference to Exhibit 10.1 of Everi Holdings' Current Report on Form 8-K filed with the SEC on April 21, 2020).</u>
10.2	<u>Term Loan Credit Agreement, dated April 21, 2020, among Everi Payments Inc., as borrower, Everi Holdings Inc., as parent, the lenders party thereto, and Jefferies Finance LLC, as administrative agent and collateral agent (incorporated by reference to Exhibit 10.2 of Everi Holdings' Current Report on Form 8-K filed with the SEC on April 21, 2020).</u>
*†10.3	<u>Form of Notice of Grant of Restricted Stock Units (Time-Based) for Cliff Vesting under the Amended and Restated 2014 Equity Incentive Plan.</u>
*†10.4	<u>Form of Notice of Grant of Restricted Stock Units (Time-Based) for Cliff Vesting for Executives under the Amended and Restated 2014 Equity Incentive Plan.</u>
*†10.5	<u>Form of Notice of Grant of Restricted Stock Units (Time-Based) for Executives under the Amended and Restated 2014 Equity Incentive Plan.</u>
*†10.6	<u>Second Amendment to the Amended and Restated Employment Agreement with Michael D. Rumbolz (effective April 1, 2020).</u>
*†10.7	<u>Notice of Grant of Restricted Stock Units (Time-Based) under the Amended and Restated 2014 Equity Incentive Plan for Michael D. Rumbolz (effective April 1, 2020).</u>
*†10.8	<u>Amended and Restated Employment Agreement with Randy L. Taylor (effective April 1, 2020).</u>
*†10.9	<u>Notice of Grant of Restricted Stock Units (Time-Based) under the Amended and Restated 2014 Equity Incentive Plan for Randy L. Taylor (effective April 1, 2020).</u>
*†10.10	<u>First Amendment to Employment Agreement with Edward A. Peters (effective April 1, 2020).</u>
*†10.11	<u>Second Amendment to the Amended Employment Agreement with Edward A. Peters (effective March 23, 2020).</u>
*†10.12	<u>Amended and Restated Employment Agreement with David J. Lucchese (effective April 1, 2020).</u>
*†10.13	<u>First Amendment to Employment Agreement with Dean A. Ehrlich (effective April 1, 2020).</u>
*†10.14	<u>Employment Agreement with Mark F. Labay (effective April 1, 2020).</u>
*†10.15	<u>Employment Agreement with Darren D. A. Simmons (effective January 1, 2019).</u>
*†10.16	<u>First Amendment to Employment Agreement with Darren D. A. Simmons (effective April 1, 2020).</u>
*†10.17	<u>First Amendment to Amended and Restated Employment Agreement with Harper H. Ko (effective April 1, 2020).</u>
*31.1	<u>Certification of Michael D. Rumbolz, Chief Executive Officer of Everi Holdings in accordance with Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
*31.2	<u>Certification of Mark F. Labay, Chief Financial Officer of Everi Holdings in accordance with Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
**32.1	<u>Certification of the Chief Executive Officer and Chief Financial Officer of Everi Holdings in accordance with 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
*101.INS	XBRL Instance Document.
*101.SCH	XBRL Taxonomy Extension Schema Document.
*101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
*101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.

Exhibit Number	Description
*101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
*101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
*104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, formatted in Inline XBRL (included as Exhibit 101).

* Filed herewith.

** Furnished herewith.

† Management contracts or compensatory plans or arrangements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

June 2, 2020

(Date)

EVERI HOLDINGS INC.

(Registrant)

By: /s/ Todd A. Valli

Todd A. Valli

Senior Vice President, Corporate Finance and Chief Accounting Officer

(For the Registrant and as Principal Accounting Officer)

EVERI HOLDINGS INC.
NOTICE OF GRANT OF RESTRICTED STOCK UNITS
(Time-Based)

Everi Holdings Inc. (the “*Company*”) has granted to the Participant an award (the “*Award*”) of certain units pursuant to the Everi Holdings Inc. 2014 Equity Incentive Plan (the “*Plan*”), each of which represents the right to receive on the applicable Settlement Date one (1) share of Stock, as follows:

Participant: _____ **Award Number:** _____

Date of Grant: _____

Total Number of Units: _____, subject to adjustment as provided by the Restricted Stock Units Agreement.

Vesting Start Date: _____

Vested Units: Subject to the acceleration of vesting as provided below under “Termination of Service” and “Change in Control,” except as provided in the Restricted Stock Units Agreement and provided that the Participant’s Service has not terminated prior to the applicable date, the number of Vested Units (disregarding any resulting fractional Unit) as of any date is determined by multiplying the Total Number of Units by the “*Vested Ratio*” determined as of such date, as follows:

Vested Ratio

Prior to the six (6)-month anniversary of the Vesting Start Date 0

The six (6)-month anniversary of the Vesting Start Date 100%

Settlement Date: Shares shall be settled and delivered (provided that such delivery is otherwise in accordance with federal and state securities laws) with respect to Vested Units as soon as practicable following the date on which a Unit becomes a Vested Unit.

Termination of Service – Death or Disability: Upon the death or Disability of the Participant, vesting shall fully accelerate and the Vested Ratio shall be 1/1 (100%).

Termination of Service – Other than Death or Disability If the Participant’s Service is terminated for any reason other than death or Disability, all Units that are not Vested Units shall be immediately forfeited.

Change in Control: Upon the occurrence of a Change in Control prior to the six (6)-month anniversary of the Vesting Start Date, if (i) the Award is not assumed, continued, or substituted by the Acquiror as described in Section 13.1(b) of the Plan, or (ii) the Award is assumed, continued, or substituted by the Acquiror as described in Section 13.1(b) of the Plan and the Participant’s Service terminates as a result of Involuntary Termination (as defined in Section 13.1(a) of the Plan) within 6 months thereafter, then vesting shall fully accelerate and the Vested Ratio shall be 1/1 (100%).

Superseding Agreement: None.

Interference with Business: Participant acknowledges that because of Participant’s position in the Company, Participant will have access to the Company’s and its affiliates’ new and additional Proprietary Information (as defined below), including confidential information and trade secrets. Subject to clause 1(a) and 1(d) of the Participant’s Employee Proprietary Information and Inventions Agreement (“*EPIIA*”), Participant agrees that during Participant’s Service, Participant shall not directly or indirectly, either for Participant

or for any other individual, corporation, partnership, joint venture or other entity, (i) divert or attempt to divert from the Company or any affiliate of the Company any business of any kind, including without limitation the solicitation of or interference with any of its customers, clients, business partners or suppliers, or (ii) solicit, induce, recruit or encourage any person employed by the Company or any affiliate of the Company during the six (6) months prior to Participant's last day of Service to terminate his or her employment. For purposes of the foregoing, the term "participate in" shall include, without limitation, having any direct or indirect interest in any corporation, partnership, joint venture or other entity, whether as a sole proprietor, owner, stockholder, partner, joint venturer, creditor or otherwise, or rendering any direct or indirect service or assistance to any individual, corporation, partnership, joint venture and other business entity (whether as a director, officer, manager, supervisor, employee, agent, consultant or otherwise).

"Proprietary Information" means all information and any idea in whatever form, tangible or intangible, whether disclosed to or learned or developed by Participant, pertaining in any manner to the business of the Company or to the Company's affiliates, consultants, or business associates, unless: (i) the information is or becomes publicly known through lawful means; (ii) the information was rightfully in Participant's possession or part of Participant's general knowledge prior to Participant's employment by the Company; or (iii) the information is disclosed to Participant without confidential or proprietary restrictions by a third party who rightfully possesses the information (without confidential or proprietary restrictions) and did not learn of it, directly or indirectly, from the Company. Participant further understands that the Company considers the following information to be included, without limitation, in the definition of Proprietary Information: (A) schematics, techniques, employee suggestions, development tools and processes, computer printouts, computer programs, design drawings and manuals, electronic codes, formulas and improvements; (B) information about costs, profits, markets, sales, customers, prospective customers, customer contracts (including without limitation the terms and conditions of such customer contracts) and bids; (C) plans for business, marketing, future development and new product concepts; (D) customer lists, and distributor and representative lists; (E) all documents, books, papers, drawings, models, sketches, and other data of any kind and description, including electronic data recorded or retrieved by any means, that have been or will be given to the Participant by the Company (or any affiliate of it), as well as written or verbal instructions or comments; (F) any information or material not described in (A)-(E) above which relate to the Company's inventions, technological developments, "know how", purchasing, accounts, merchandising, or licensing; (G) employee personnel files and information about employee compensation and benefits; and (H) any information of the type described in (A)-(G) above which the Company has a legal obligation to treat as confidential, or which the Company treats as proprietary or designates as confidential, whether or not owned or developed by the Company.

Participant acknowledges that Participant's fulfillment of the obligations contained in the section, including, but not limited to, Participant's obligation not to interfere with the Company's business as provided above, is necessary to protect the Proprietary Information and, consequently, to preserve the value and goodwill of the Company. Participant further acknowledges the time, geographic and scope limitations of Participant's obligations as described above are reasonable, especially in light of the Company's desire to protect its Proprietary Information, and that Participant will not be precluded from gainful employment if Participant is obligated not to compete with the Company during the specified period and within the specified geography.

The covenants contained herein shall be construed as a series of separate covenants, one for each state, province, country and other political subdivision. Except for geographic coverage, each such separate covenant shall be deemed identical in terms of the covenant contained herein. In the event that the scope, territory or period of time of any separate covenant is determined to be unenforceable by a court of competent jurisdiction, the court, if allowed under applicable law, shall reduce the scope, territory or period of time of that separate covenant to a level that the court deems enforceable and the remaining separate covenants, as well as all other terms and covenants in this Grant Notice, shall be valid and be enforceable to the fullest extent permitted by law. In the event that any separate covenant is found to be unenforceable in its entirety, the court, if allowed under applicable law, shall eliminate such covenant from this Grant Notice in that case and the remaining separate covenants, as well as all other terms and covenants in this Grant Notice, shall be valid and be enforceable to the fullest extent permitted by law. The covenants set forth herein are intended to be enforced to the maximum degree permitted by law.

[SIGNATURE PAGE TO FOLLOW]

By their signatures below or by electronic acceptance or authentication in a form authorized by the Company, the Company and the Participant agree that the Award is governed by this Grant Notice and by the provisions of the Restricted Stock Units Agreement and the Plan, both of which are made a part of this document. The Participant acknowledges that copies of the Plan, the Restricted Stock Units Agreement and the prospectus for the Plan are available on the Company's internal web site and may be viewed and printed by the Participant for attachment to the Participant's copy of this Grant Notice. The Participant represents that the Participant has read and is familiar with the provisions of the Restricted Stock Units Agreement and the Plan, and hereby accepts the Award subject to all of their terms and conditions.

EVERI HOLDINGS INC.

PARTICIPANT

By: _____
[officer name]
[officer title]

Signature

Date

Address:

Address

ATTACHMENTS: 2014 Equity Incentive Plan, as amended to the Date of Grant; Restricted Stock Units Agreement and Plan Prospectus

**EVERI HOLDINGS INC.
NOTICE OF GRANT OF RESTRICTED STOCK UNITS
(Time-Based)**

Everi Holdings Inc. (the “*Company*”) has granted to the Participant an award (the “*Award*”) of certain units pursuant to the Everi Holdings Inc. 2014 Equity Incentive Plan (the “*Plan*”), each of which represents the right to receive on the applicable Settlement Date one (1) share of Stock, as follows:

Participant: _____ **Award Number:** _____

Date of Grant: _____

Total Number of Units: _____, subject to adjustment as provided by the Restricted Stock Units Agreement.

Vesting Start Date: _____

Vested Units: Subject to the acceleration of vesting as provided below under “Termination of Service” and “Change in Control,” except as provided in the Restricted Stock Units Agreement and provided that the Participant’s Service has not terminated prior to the applicable date, the number of Vested Units (disregarding any resulting fractional Unit) as of any date is determined by multiplying the Total Number of Units by the “*Vested Ratio*” determined as of such date, as follows:

Vested Ratio

Prior to the six (6)-month anniversary of the Vesting Start Date 0

The six (6)-month anniversary of the Vesting Start Date 100%

Settlement Date: Shares shall be settled and delivered (provided that such delivery is otherwise in accordance with federal and state securities laws) with respect to Vested Units as soon as practicable following the date on which a Unit becomes a Vested Unit.

Termination of Service – Death or Disability: Upon the death or Disability of the Participant, vesting shall fully accelerate and the Vested Ratio shall be 1/1 (100%).

Termination of Service – Other than Death or Disability If the Participant’s Service is terminated for any reason other than death or Disability, all Units that are not Vested Units shall be immediately forfeited.

Change in Control: Upon the occurrence of a Change in Control prior to the six (6)-month anniversary of the Vesting Start Date, if (i) the Award is not assumed, continued, or substituted by the Acquiror as described in Section 13.1(b) of the Plan, or (ii) the Award is assumed, continued, or substituted by the Acquiror as described in Section 13.1(b) of the Plan and the Participant’s Service terminates as a result of Involuntary Termination (as defined in Section 13.1(a) of the Plan) within 6 months thereafter, then vesting shall fully accelerate and the Vested Ratio shall be 1/1 (100%).

Superseding Agreement: None.

Interference with Business: Participant acknowledges that because of Participant’s position in the Company, Participant will have access to the Company’s and its affiliates’ new and additional Proprietary Information (as defined below), including confidential information and trade secrets. Subject to clause 1(a) and 1(d) of the Participant’s Employee Proprietary Information and Inventions Agreement (“*EPPIA*”), Participant agrees that during Participant’s Service and for a period of 12 months after termination of Participant’s

Service, Participant shall not directly or indirectly, either for Participant or for any other individual, corporation, partnership, joint venture or other entity, participate in any business (including, without limitation, any division, group, or franchise of a larger organization) anywhere in the world that engages in or that proposes to engage in any business in which the Company or any affiliate of the Company is engaged or proposes to engage in during the term of Participant's Service. Subject to clause 1(a) and 1(d) of the EPIIA, Participant also agrees during Participant's Service and for a period of 12 months after termination of Participant's Service, Participant shall not directly or indirectly, either for Participant or for any other individual, corporation, partnership, joint venture or other entity, (i) divert or attempt to divert from the Company or any affiliate of the Company any business of any kind, including without limitation the solicitation of or interference with any of its customers, clients, business partners or suppliers, or (ii) solicit, induce, recruit or encourage any person employed by the Company or any affiliate of the Company to terminate his or her employment. For purposes of the foregoing, the term "participate in" shall include, without limitation, having any direct or indirect interest in any corporation, partnership, joint venture or other entity, whether as a sole proprietor, owner, stockholder, partner, joint venturer, creditor or otherwise, or rendering any direct or indirect service or assistance to any individual, corporation, partnership, joint venture and other business entity (whether as a director, officer, manager, supervisor, employee, agent, consultant or otherwise).

"Proprietary Information" means all information and any idea in whatever form, tangible or intangible, whether disclosed to or learned or developed by Participant, pertaining in any manner to the business of the Company or to the Company's affiliates, consultants, or business associates, unless: (i) the information is or becomes publicly known through lawful means; (ii) the information was rightfully in Participant's possession or part of Participant's general knowledge prior to Participant's employment by the Company; or (iii) the information is disclosed to Participant without confidential or proprietary restrictions by a third party who rightfully possesses the information (without confidential or proprietary restrictions) and did not learn of it, directly or indirectly, from the Company. Participant further understands that the Company considers the following information to be included, without limitation, in the definition of Proprietary Information: (A) schematics, techniques, employee suggestions, development tools and processes, computer printouts, computer programs, design drawings and manuals, electronic codes, formulas and improvements; (B) information about costs, profits, markets, sales, customers, prospective customers, customer contracts (including without limitation the terms and conditions of such customer contracts) and bids; (C) plans for business, marketing, future development and new product concepts; (D) customer lists, and distributor and representative lists; (E) all documents, books, papers, drawings, models, sketches, and other data of any kind and description, including electronic data recorded or retrieved by any means, that have been or will be given to the Participant by the Company (or any affiliate of it), as well as written or verbal instructions or comments; (F) any information or material not described in (A)-(E) above which relate to the Company's inventions, technological developments, "know how", purchasing, accounts, merchandising, or licensing; (G) employee personnel files and information about employee compensation and benefits; and (H) any information of the type described in (A)-(G) above which the Company has a legal obligation to treat as confidential, or which the Company treats as proprietary or designates as confidential, whether or not owned or developed by the Company.

Participant acknowledges that Participant's fulfillment of the obligations contained in the section, including, but not limited to, Participant's obligation not to interfere with the Company's business as provided above, is necessary to protect the Proprietary

Information and, consequently, to preserve the value and goodwill of the Company. Participant further acknowledges the time, geographic and scope limitations of Participant's obligations as described above are reasonable, especially in light of the Company's desire to protect its Proprietary Information, and that Participant will not be precluded from gainful employment if Participant is obligated not to compete with the Company during the specified period and within the specified geography.

The covenants contained herein shall be construed as a series of separate covenants, one for each state, province, country and other political subdivision. Except for geographic coverage, each such separate covenant shall be deemed identical in terms of the covenant contained herein. In the event that the scope, territory or period of time of any separate covenant is determined to be unenforceable by a court of competent jurisdiction, the court, if allowed under applicable law, shall reduce the scope, territory or period of time of that separate covenant to a level that the court deems enforceable and the remaining separate covenants, as well as all other terms and covenants in this Grant Notice, shall be valid and be enforceable to the fullest extent permitted by law. In the event that any separate covenant is found to be unenforceable in its entirety, the court, if allowed under applicable law, shall eliminate such covenant from this Grant Notice in that case and the remaining separate covenants, as well as all other terms and covenants in this Grant Notice, shall be valid and be enforceable to the fullest extent permitted by law. The covenants set forth herein are intended to be enforced to the maximum degree permitted by law.

[SIGNATURE PAGE TO FOLLOW]

By their signatures below or by electronic acceptance or authentication in a form authorized by the Company, the Company and the Participant agree that the Award is governed by this Grant Notice and by the provisions of the Restricted Stock Units Agreement and the Plan, both of which are made a part of this document. The Participant acknowledges that copies of the Plan, the Restricted Stock Units Agreement and the prospectus for the Plan are available on the Company's internal web site and may be viewed and printed by the Participant for attachment to the Participant's copy of this Grant Notice. The Participant represents that the Participant has read and is familiar with the provisions of the Restricted Stock Units Agreement and the Plan, and hereby accepts the Award subject to all of their terms and conditions.

EVERI HOLDINGS INC.

PARTICIPANT

By: _____
[officer name]
[officer title]

Signature

Date

Address:

Address

ATTACHMENTS: 2014 Equity Incentive Plan, as amended to the Date of Grant; Restricted Stock Units Agreement and Plan Prospectus

**EVERI HOLDINGS INC.
NOTICE OF GRANT OF RESTRICTED STOCK UNITS
(Time-Based)**

Everi Holdings Inc. (the “*Company*”) has granted to the Participant an award (the “*Award*”) of certain units pursuant to the Everi Holdings Inc. 2014 Equity Incentive Plan (the “*Plan*”), each of which represents the right to receive on the applicable Settlement Date one (1) share of Stock, as follows:

Participant: _____ **Award Number:** _____

Date of Grant: _____

Total Number of Units: _____, subject to adjustment as provided by the Restricted Stock Units Agreement.

Vesting Start Date: _____

Vested Units: Subject to the acceleration of vesting as provided below under “Termination of Service” and “Change in Control,” except as provided in the Restricted Stock Units Agreement and provided that the Participant’s Service has not terminated prior to the applicable date, the number of Vested Units (disregarding any resulting fractional Unit) as of any date is determined by multiplying the Total Number of Units by the “*Vested Ratio*” determined as of such date, as follows:

Vested Ratio

Prior to the one (1)-year anniversary of the Vesting Start Date 0

Each one (1)-year anniversary of the Vesting Start Date 1/3

Settlement Date: Shares shall be settled and delivered (provided that such delivery is otherwise in accordance with federal and state securities laws) with respect to Vested Units as soon as practicable following the date on which a Unit becomes a Vested Unit.

Termination of Service – Death or Disability: Upon the death or Disability of the Participant, vesting shall fully accelerate and the Vested Ratio shall be 1/1 (100%).

Termination of Service – Other than Death or Disability If the Participant’s Service is terminated for any reason other than death or Disability, all Units that are not Vested Units shall be immediately forfeited.

Change in Control: Upon the occurrence of a Change in Control prior to the third anniversary of the Vesting Start Date, if (i) the Award is not assumed, continued, or substituted by the Acquiror as described in Section 13.1(b) of the Plan, or (ii) the Award is assumed, continued, or substituted by the Acquiror as described in Section 13.1(b) of the Plan and the Participant’s Service terminates as a result of Involuntary Termination (as defined in Section 13.1(a) of the Plan) within twenty four (24) months thereafter, then vesting shall fully accelerate and the Vested Ratio shall be 1/1 (100%).

Superseding Agreement: None.

Interference with Business: Participant acknowledges that because of Participant’s position in the Company, Participant will have access to the Company’s and its affiliates’ new and additional Proprietary Information (as defined below), including confidential information and trade secrets. Subject to clause 1(a) and 1(d) of the Participant’s Employee Proprietary Information and Inventions Agreement (“*EPILA*”), Participant agrees that during Participant’s Service and for a period of 12 months after termination of Participant’s

Service, Participant shall not directly or indirectly, either for Participant or for any other individual, corporation, partnership, joint venture or other entity, participate in any business (including, without limitation, any division, group, or franchise of a larger organization) anywhere in the world that engages in or that proposes to engage in any business in which the Company or any affiliate of the Company is engaged or proposes to engage in during the term of Participant's Service. Subject to clause 1(a) and 1(d) of the EPIIA, Participant also agrees during Participant's Service and for a period of 12 months after termination of Participant's Service, Participant shall not directly or indirectly, either for Participant or for any other individual, corporation, partnership, joint venture or other entity, (i) divert or attempt to divert from the Company or any affiliate of the Company any business of any kind, including without limitation the solicitation of or interference with any of its customers, clients, business partners or suppliers, or (ii) solicit, induce, recruit or encourage any person employed by the Company or any affiliate of the Company to terminate his or her employment. For purposes of the foregoing, the term "participate in" shall include, without limitation, having any direct or indirect interest in any corporation, partnership, joint venture or other entity, whether as a sole proprietor, owner, stockholder, partner, joint venturer, creditor or otherwise, or rendering any direct or indirect service or assistance to any individual, corporation, partnership, joint venture and other business entity (whether as a director, officer, manager, supervisor, employee, agent, consultant or otherwise).

"Proprietary Information" means all information and any idea in whatever form, tangible or intangible, whether disclosed to or learned or developed by Participant, pertaining in any manner to the business of the Company or to the Company's affiliates, consultants, or business associates, unless: (i) the information is or becomes publicly known through lawful means; (ii) the information was rightfully in Participant's possession or part of Participant's general knowledge prior to Participant's employment by the Company; or (iii) the information is disclosed to Participant without confidential or proprietary restrictions by a third party who rightfully possesses the information (without confidential or proprietary restrictions) and did not learn of it, directly or indirectly, from the Company. Participant further understands that the Company considers the following information to be included, without limitation, in the definition of Proprietary Information: (A) schematics, techniques, employee suggestions, development tools and processes, computer printouts, computer programs, design drawings and manuals, electronic codes, formulas and improvements; (B) information about costs, profits, markets, sales, customers, prospective customers, customer contracts (including without limitation the terms and conditions of such customer contracts) and bids; (C) plans for business, marketing, future development and new product concepts; (D) customer lists, and distributor and representative lists; (E) all documents, books, papers, drawings, models, sketches, and other data of any kind and description, including electronic data recorded or retrieved by any means, that have been or will be given to the Participant by the Company (or any affiliate of it), as well as written or verbal instructions or comments; (F) any information or material not described in (A)-(E) above which relate to the Company's inventions, technological developments, "know how", purchasing, accounts, merchandising, or licensing; (G) employee personnel files and information about employee compensation and benefits; and (H) any information of the type described in (A)-(G) above which the Company has a legal obligation to treat as confidential, or which the Company treats as proprietary or designates as confidential, whether or not owned or developed by the Company.

Participant acknowledges that Participant's fulfillment of the obligations contained in the section, including, but not limited to, Participant's obligation not to interfere with the Company's business as provided above, is necessary to protect the Proprietary

Information and, consequently, to preserve the value and goodwill of the Company. Participant further acknowledges the time, geographic and scope limitations of Participant's obligations as described above are reasonable, especially in light of the Company's desire to protect its Proprietary Information, and that Participant will not be precluded from gainful employment if Participant is obligated not to compete with the Company during the specified period and within the specified geography.

The covenants contained herein shall be construed as a series of separate covenants, one for each state, province, country and other political subdivision. Except for geographic coverage, each such separate covenant shall be deemed identical in terms of the covenant contained herein. In the event that the scope, territory or period of time of any separate covenant is determined to be unenforceable by a court of competent jurisdiction, the court, if allowed under applicable law, shall reduce the scope, territory or period of time of that separate covenant to a level that the court deems enforceable and the remaining separate covenants, as well as all other terms and covenants in this Grant Notice, shall be valid and be enforceable to the fullest extent permitted by law. In the event that any separate covenant is found to be unenforceable in its entirety, the court, if allowed under applicable law, shall eliminate such covenant from this Grant Notice in that case and the remaining separate covenants, as well as all other terms and covenants in this Grant Notice, shall be valid and be enforceable to the fullest extent permitted by law. The covenants set forth herein are intended to be enforced to the maximum degree permitted by law.

[SIGNATURE PAGE TO FOLLOW]

By their signatures below or by electronic acceptance or authentication in a form authorized by the Company, the Company and the Participant agree that the Award is governed by this Grant Notice and by the provisions of the Restricted Stock Units Agreement and the Plan, both of which are made a part of this document. The Participant acknowledges that copies of the Plan, the Restricted Stock Units Agreement and the prospectus for the Plan are available on the Company's internal web site and may be viewed and printed by the Participant for attachment to the Participant's copy of this Grant Notice. The Participant represents that the Participant has read and is familiar with the provisions of the Restricted Stock Units Agreement and the Plan, and hereby accepts the Award subject to all of their terms and conditions.

EVERI HOLDINGS INC.

PARTICIPANT

By: _____
[officer name]
[officer title]

Signature

Date

Address:

Address

ATTACHMENTS: 2014 Equity Incentive Plan, as amended to the Date of Grant; Restricted Stock Units Agreement and Plan Prospectus

SECOND AMENDMENT TO AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Second Amendment (the “**Amendment**”) to the Amended and Restated Employment Agreement dated May 5, 2017 (the “**Employment Agreement**”), as amended by the First Amendment to Amended and Restated Employment Agreement, effective February 1, 2019, (the “**First Amendment**”; the First Amendment and Employment Agreement, collectively, the “**Agreement**”) by and between Everi Payments Inc., a Delaware corporation (the “**Company**”) and wholly owned subsidiary of Everi Holdings Inc., a Delaware corporation (“**Everi Holdings**”), and Michael Rumbolz (the “**Executive**”) is made as of April 1, 2020 (the “**Effective Date**”).

RECITALS

- A. The Company and Executive desire to assurance of the association and services of Executive in order to retain Executive’s experience, skills, abilities, background and knowledge, and are willing to engage Executive’s continued services on the terms and conditions set forth in this Agreement.
- B. The Company has entered into the Agreement with Executive to serve as President and Chief Executive Officer of the Company through the Employment Period, which is currently due to expire on January 31, 2021.
- C. The Company desires to amend Agreement to reflect the extension of the Employment Period through March 31, 2022 on the terms and conditions set forth in this Amendment and Executive is willing to continue employment on the terms and conditions set forth in this Amendment.
- D. The Company and Executive (together, the “**Parties**”) wish to enter into the Amendment.

AMENDMENT

NOW, THEREFORE, based on the foregoing recitals and in consideration of the commitments set forth below, the Parties agree as follows:

- 1. **Definitions and Interpretation.** Except as otherwise provided herein, capitalized terms used in this Amendment shall have the definitions set forth in the Agreement amended hereby.
- 2. **Terms of the Agreement.** Except as expressly modified hereby, all terms, conditions and provisions of the Agreement shall continue in full force and effect.
- 3. **Conflicting Terms.** In the event of any inconsistency or conflict between the Agreement and this Amendment, or the applicable form of agreement of any Equity Awards, including the Restricted Stock Agreement, and this Amendment, the terms and conditions of this Amendment shall govern and control.
- 4. **Entire Agreement.** This Amendment and the Agreement constitute the entire and exclusive agreement between the Parties with respect to the subject matter hereof. All previous

discussions and agreements with respect to the subject matter are superseded by the Agreement and this Amendment. This Amendment may be executed in one or more counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument.

5. Consideration. In consideration of (i) the Board's grant to Executive, as of the Effective Date, a restricted stock award of 15,000 shares of Everi Holding's common stock pursuant the Notice of Grant of Restricted Stock in substantially the form attached hereto as Exhibit A (the "**Grant**") and the Plan, (ii) a one-time payment of up to Twenty Thousand Dollars (\$20,000) to be applied tax and financial planning purposes at the Executive's discretion, and (iii) the terms set forth in Sections 6.c. and 6.d below ((i), (ii) and (iii), collectively, the "**Consideration**"), Executive agrees to the terms and conditions of this Amendment, including specifically without limitation, the amendments set forth in Sections 6.a. and 6.b. below.

6. Amendments.

a. Section 1.1: The phrases "President and" and "Presidents and" are hereby deleted from the first and second sentences, respectively, of Section 1.1, such that the amended sentence reads as follows:

"The Company hereby employs Executive to render services to the Company in the position of Chief Executive Officer, reporting directly to the Board of Directors of Everi Holdings (the "Board"). The duties of this position shall include such duties and responsibilities as are reasonably assigned to Executive by the Board, including, but not limited to, those customarily performed by Chief Executive Officers of similarly situated corporations."

b. Section 1.3: The phrase "; provided however, that Executive may elect, from time to time, and in no event for greater than twenty (20) consecutive business days at any one time, from a location of his choice and convenience" is hereby inserted at the end of Section 1.3 , such that the amended Section 1.3 reads as follows:

"Executive's principal place of employment shall be at the Company's corporate headquarters, which is located in Las Vegas, Nevada on the date of this Agreement; provided however, that Executive may elect, from time to time, and in no event for greater than twenty (20) consecutive business days at any one time, from a location of his choice and convenience."

c. Section 2.1: The phrase "Seven Hundred Thousand Dollars (\$700,000)" is hereby deleted in its entirety and replaced by the phrase "Seven Hundred Fifty Thousand Dollars (\$750,000)", such that the revised sentence reads as follows:

"In consideration of the services to be rendered under this Agreement, while employed by the Company, Company shall pay Executive an initial base salary at the rate of Seven Hundred Fifty Thousand Dollars (\$750,000) per year, less required deductions for state and federal withholding tax, social security and all other employment taxes and payroll deductions, payable in regular periodic payments in accordance with Company payroll policy."

d. Section 2.2: The phrase "one hundred percent (100%) of Executive's then current base salary and a maximum amount equal to one hundred and fifty percent (150%)" is hereby deleted in its entirety and replaced by the phrase "one hundred twenty-five percent (125%) of Executive's

then current base salary and a maximum amount equal to one hundred and seventy-five percent (175%)” such that the revised sentence reads as follows:

“For each full fiscal year of Executive’s employment with the Company, Executive shall be eligible for a discretionary bonus with a target amount equal to one hundred twenty-five percent (125%) of Executive’s then current base salary and a maximum amount equal to one hundred and seventy-five percent (175%) of Executive’s then current base salary.”

e. **Section 3:** Section 3 is deleted in its entirety and replaced by the following:

“This Agreement shall be effective for a term commencing on the Effective Date and, subject to termination under Section 4, expiring on **March 31, 2022** (the “Employment Period”). Notwithstanding the previous sentence, this Agreement, the Employment Period and the employment of the Executive hereunder shall be automatically extended for successive one-year periods upon the terms and conditions set forth herein, with the next such automatic extension occurring on **April 1, 2022**, and on each **April 1** thereafter, unless the Company or Executive gives the other party written notice (in accordance with Section 16) within the 180 day-period prior to **March 31, 2022** (or the relevant March 31 thereafter, as applicable) of such party’s intention that the Employment Period shall expire at the close of business on the last day of the then current Employment Period, whereupon, unless earlier terminated in accordance with the provisions of this Agreement, the Employment Period shall expire and this Agreement shall cease to have any further force or effect in respect of any period thereafter. Executive’s last day of employment shall be the “Termination Date” under this Agreement. For purposes of this Agreement, any reference to the “term” of this Agreement or Executive’s employment with the Company shall include the original term and any extension thereof. In the event that the Company gives Executive written notice of the Company’s intention that the Employment Period shall expire at the close of business on the last day of the then current Employment Period, the parties agree that all of the Company’s duties and obligations under this Agreement shall cease as of the Termination Date and the Company shall pay Executive only the following: all base salary earned through the Termination Date and all amounts and benefits earned or incurred pursuant to Section 2.3 through the Termination Date. Notwithstanding the foregoing, nothing in this provision shall obligate the Company to extend the Employment Period or enter into a new agreement with Executive.”

f. **Section 4.7:** The following paragraph is hereby inserted as Section 4.7 of the Agreement, and each subsequent section is deemed renumbered accordingly as appropriate.

“Section 4.7. Expiration of the Agreement. In the event that Executive or Company do not notify the other party of an intent to renew the Term of the Agreement, such that the Agreement expires without renewal as of the end of the Term, the Company will provide Executive, (a) Group Medical Coverage consistent with Section 4.3.3. above, (b) upon expiration of coverage under Section 4.3.3., reimbursement for substantially similar coverage from a provider of Executive’s choice for an additional eighteen (18) month period (“Third-party Insurance”), and (c) notwithstanding anything to the contrary set forth in the Plan, the Compensation Committee has approved to extend the term of any vested stock options held by Executive as of the expiration of the Term such that Executive will continue be eligible to exercise such vested stock options for the remainder of the term of such option(s). Under Section 4.7(b) above, the Company shall pay Executive reimbursement on the first day of each month Third-Party Insurance coverage, a fully taxable cash payment equal to the Third-Party Insurance premiums for that month, subject to applicable withholdings and deductions.”

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement as of the date first set forth above.

EVERI PAYMENTS INC.

EXECUTIVE

By: /s/ E. Miles Kilburn
E. Miles Kilburn
Chairman of the Board of Directors

/s/ Michael D. Rumbolz
Michael D. Rumbolz

**EVERI HOLDINGS INC.
NOTICE OF GRANT OF RESTRICTED STOCK UNITS
(Time-Based)**

Everi Holdings Inc. (the “*Company*”) has granted to the Participant an award (the “*Award*”) of certain units pursuant to the Everi Holdings Inc. 2014 Equity Incentive Plan (the “*Plan*”), each of which represents the right to receive on the applicable Settlement Date one (1) share of Stock, as follows:

Participant: Michael Rumbolz **Award Number:** _____
Date of Grant: April 1, 2020
Total Number of Units: 15,000, subject to adjustment as provided by the Restricted Stock Units Agreement.

Vesting Start Date: April 1, 2020

Vested Units: Subject to the acceleration of vesting as provided below under “Termination of Service” and “Change in Control,” except as provided in the Restricted Stock Units Agreement and provided that the Participant’s Service has not terminated prior to the applicable date, the number of Vested Units (disregarding any resulting fractional Unit) as of any date is determined by multiplying the Total Number of Units by the “*Vested Ratio*” determined as of such date, as follows:

Vested Ratio

Prior to the one (1)-month anniversary of the Vesting Start Date 0

Each one (1)-month anniversary of the Vesting Start Date 1/24

Settlement Date: Shares shall be settled and delivered (provided that such delivery is otherwise in accordance with federal and state securities laws) with respect to Vested Units as soon as practicable following the date on which a Unit becomes a Vested Unit.

Termination of Service – Death or Disability: Upon the death or Disability of the Participant, vesting shall fully accelerate and the Vested Ratio shall be 1/1 (100%).

Termination of Service – Other than Death or Disability If the Participant’s Service is terminated for any reason other than death or Disability, all Units that are not Vested Units shall be immediately forfeited.

Change in Control: Upon the occurrence of a Change in Control prior to the twenty-fourth anniversary of the Vesting Start Date, if (i) the Award is not assumed, continued, or substituted by the Acquiror as described in Section 13.1(b) of the Plan, or (ii) the Award is assumed, continued, or substituted by the Acquiror as described in Section 13.1(b) of the Plan and the Participant’s Service terminates as a result of Involuntary Termination (as defined in Section 13.1(a) of the Plan) within twenty four (24) months thereafter, then vesting shall fully accelerate and the Vested Ratio shall be 1/1 (100%).

Superseding Agreement: None.

Interference with Business: Participant acknowledges that because of Participant’s position in the Company, Participant will have access to the Company’s and its affiliates’ new and additional Proprietary Information (as defined below), including confidential information and trade secrets. Subject to clause 1(a) and 1(d) of the Participant’s Employee Proprietary Information and Inventions Agreement (“*EPIIA*”), Participant agrees that during Participant’s Service and for a period of 12 months after termination of Participant’s



Service, Participant shall not directly or indirectly, either for Participant or for any other individual, corporation, partnership, joint venture or other entity, participate in any business (including, without limitation, any division, group, or franchise of a larger organization) anywhere in the world that engages in or that proposes to engage in any business in which the Company or any affiliate of the Company is engaged or proposes to engage in during the term of Participant's Service. Subject to clause 1(a) and 1(d) of the EPIIA, Participant also agrees during Participant's Service and for a period of 12 months after termination of Participant's Service, Participant shall not directly or indirectly, either for Participant or for any other individual, corporation, partnership, joint venture or other entity, (i) divert or attempt to divert from the Company or any affiliate of the Company any business of any kind, including without limitation the solicitation of or interference with any of its customers, clients, business partners or suppliers, or (ii) solicit, induce, recruit or encourage any person employed by the Company or any affiliate of the Company to terminate his or her employment. For purposes of the foregoing, the term "participate in" shall include, without limitation, having any direct or indirect interest in any corporation, partnership, joint venture or other entity, whether as a sole proprietor, owner, stockholder, partner, joint venturer, creditor or otherwise, or rendering any direct or indirect service or assistance to any individual, corporation, partnership, joint venture and other business entity (whether as a director, officer, manager, supervisor, employee, agent, consultant or otherwise).

"Proprietary Information" means all information and any idea in whatever form, tangible or intangible, whether disclosed to or learned or developed by Participant, pertaining in any manner to the business of the Company or to the Company's affiliates, consultants, or business associates, unless: (i) the information is or becomes publicly known through lawful means; (ii) the information was rightfully in Participant's possession or part of Participant's general knowledge prior to Participant's employment by the Company; or (iii) the information is disclosed to Participant without confidential or proprietary restrictions by a third party who rightfully possesses the information (without confidential or proprietary restrictions) and did not learn of it, directly or indirectly, from the Company. Participant further understands that the Company considers the following information to be included, without limitation, in the definition of Proprietary Information: (A) schematics, techniques, employee suggestions, development tools and processes, computer printouts, computer programs, design drawings and manuals, electronic codes, formulas and improvements; (B) information about costs, profits, markets, sales, customers, prospective customers, customer contracts (including without limitation the terms and conditions of such customer contracts) and bids; (C) plans for business, marketing, future development and new product concepts; (D) customer lists, and distributor and representative lists; (E) all documents, books, papers, drawings, models, sketches, and other data of any kind and description, including electronic data recorded or retrieved by any means, that have been or will be given to the Participant by the Company (or any affiliate of it), as well as written or verbal instructions or comments; (F) any information or material not described in (A)-(E) above which relate to the Company's inventions, technological developments, "know how", purchasing, accounts, merchandising, or licensing; (G) employee personnel files and information about employee compensation and benefits; and (H) any information of the type described in (A)-(G) above which the Company has a legal obligation to treat as confidential, or which the Company treats as proprietary or designates as confidential, whether or not owned or developed by the Company.

Participant acknowledges that Participant's fulfillment of the obligations contained in the section, including, but not limited to, Participant's obligation not to interfere with the Company's business as provided above, is necessary to protect the Proprietary

Information and, consequently, to preserve the value and goodwill of the Company. Participant further acknowledges the time, geographic and scope limitations of Participant's obligations as described above are reasonable, especially in light of the Company's desire to protect its Proprietary Information, and that Participant will not be precluded from gainful employment if Participant is obligated not to compete with the Company during the specified period and within the specified geography.

The covenants contained herein shall be construed as a series of separate covenants, one for each state, province, country and other political subdivision. Except for geographic coverage, each such separate covenant shall be deemed identical in terms of the covenant contained herein. In the event that the scope, territory or period of time of any separate covenant is determined to be unenforceable by a court of competent jurisdiction, the court, if allowed under applicable law, shall reduce the scope, territory or period of time of that separate covenant to a level that the court deems enforceable and the remaining separate covenants, as well as all other terms and covenants in this Grant Notice, shall be valid and be enforceable to the fullest extent permitted by law. In the event that any separate covenant is found to be unenforceable in its entirety, the court, if allowed under applicable law, shall eliminate such covenant from this Grant Notice in that case and the remaining separate covenants, as well as all other terms and covenants in this Grant Notice, shall be valid and be enforceable to the fullest extent permitted by law. The covenants set forth herein are intended to be enforced to the maximum degree permitted by law.

[SIGNATURE PAGE TO FOLLOW]

By their signatures below or by electronic acceptance or authentication in a form authorized by the Company, the Company and the Participant agree that the Award is governed by this Grant Notice and by the provisions of the Restricted Stock Units Agreement and the Plan, both of which are made a part of this document. The Participant acknowledges that copies of the Plan, the Restricted Stock Units Agreement and the prospectus for the Plan are available on the Company's internal web site and may be viewed and printed by the Participant for attachment to the Participant's copy of this Grant Notice. The Participant represents that the Participant has read and is familiar with the provisions of the Restricted Stock Units Agreement and the Plan, and hereby accepts the Award subject to all of their terms and conditions.

EVERI HOLDINGS INC.

PARTICIPANT

By: /s/ E. Miles Kilburn
E. Miles Kilburn
Chairman of the Board

/s/ Michael D. Rumbolz
Signature

Date

Address:
7250 S. Tenaya Way, Suite 100
Las Vegas, NV 89113

Address

ATTACHMENTS: 2014 Equity Incentive Plan, as amended to the Date of Grant; Restricted Stock Units Agreement and Plan Prospectus

**AMENDED AND RESTATED
EMPLOYMENT AGREEMENT**

This Employment Agreement (this “Agreement”), by and between Everi Payments Inc., a Delaware corporation (the “Company”) and wholly-owned subsidiary of Everi Holdings Inc., a Delaware corporation (“Everi Holdings”), and Randy L. Taylor (“Executive”), is dated as of April 1, 2020 (the “Effective Date”).

RECITALS

A. The Company and Executive have previously executed the Employment Agreement, as may have been amended by the parties from time to time, on August 5, 2014 (collectively, the “*Prior Agreement*”).

B. The Company desires to continue the association and services of Executive in order to retain Executive’s experience, skills, abilities, background and knowledge, and is willing to continue to engage Executive to provide such services on the amended and restated terms and conditions set forth in this Agreement.

C. Executive desires to continue to be in the employ of the Company, and is willing to accept such employment on the amended and restated terms and conditions set forth in this Agreement.

D. The Company and Executive wish to enter into an employment relationship with a written employment agreement intended to supersede and replace any and all other written and oral representations regarding Executive’s employment with Company, including without limitation, the Prior Agreement.

AGREEMENT

NOW, THEREFORE, based on the foregoing recitals and in consideration of the commitments set forth below, and with understanding that, unless otherwise indicated, any of Executive obligations do not start until the Effective Date, Executive and the Company agree as follows:

1. Position, Duties, Responsibilities

1.1. Position and Term. The Company hereby employs Executive to render services to the Company in the position of President and Chief Operating Officer, reporting directly to the Chief Executive Officer of the Company. The Company’s employment of Executive hereunder is contingent upon Executive successfully completing a background investigation. The duties of this position shall include such duties and responsibilities as are reasonably assigned to Executive by the Chief Executive Officer, including, but not limited to, those customarily

performed by Presidents and or Chief Operating Officers, of public corporations in the same or similar industries, managing business risk and protecting Company assets, as well as any other such duties and responsibilities as are customarily performed by persons holding similar positions at similarly situated corporations. Executive agrees to serve in a similar capacity for the benefit of Everi Holdings and any of Everi Holdings' direct or indirect, wholly-owned or partially-owned subsidiaries or Everi Holdings' affiliates. Additionally, Executive shall serve in such other capacity or capacities as the Chief Executive Officer may from time to time reasonably and lawfully prescribe. Executive shall be deemed an "Executive Officer" for purposes of indemnification by the Company pursuant to Article XI of the Company's bylaws.

1.2. Best Efforts; Other Activities. Executive will expend Executive's best efforts on behalf of the Company, Everi Holdings and their respective subsidiaries and affiliates, and will abide by all policies and decisions made by the Company and Everi Holdings, as well as all applicable federal, state and local laws, regulations or ordinances. Executive will act in the best interest of the Company, Everi Holdings and their respective subsidiaries and affiliates at all times. Executive shall devote Executive's full business time and efforts to the performance of Executive's assigned duties and responsibilities under this Agreement and, except upon the prior written consent of the Board of Directors of the Company (the "*Board*"), Executive will not (a) accept any other employment, or (b) engage, directly or indirectly, in any other business activity (whether or not pursued for pecuniary advantage) that is or may be in conflict with, or that might place Executive in a conflicting position to that of, the Company, Everi Holdings and/or their respective subsidiaries and affiliates. Notwithstanding the foregoing, Executive shall be permitted to engage in occasional charitable activities outside the scope of Executive's employment hereunder so long as such activities (i) do not conflict with the actual or proposed business of the Company, Everi Holdings and/or their respective subsidiaries and affiliates, and (ii) do not affect the performance of Executive's duties hereunder. In addition, subject to the prior written consent of the Board and subject to the satisfaction of Executive's fiduciary duties to the Company, Everi Holdings and/or their respective subsidiaries and affiliates, Executive may be permitted to serve as a director of other corporations provided that the businesses of such other corporations are not competitive with the actual or proposed business of the Company, Everi Holdings and/or their respective subsidiaries and affiliates and provided further that Executive's service as a director of such other corporations does not interfere with Executive's performance of Executive's duties hereunder. In the sole discretion of the Board, any such prior written consent may be subsequently revoked in the event that the Chief Executive Officer or Board determines that Executive's position as a director of any such other corporation has developed into a conflict of interest.

- 1.3. Location.** Executive's principal place of employment shall be the Company's corporate headquarters, which is located in Las Vegas, Nevada, USA.
- 1.4. Proprietary Information.** Executive recognizes that Executive's employment with the Company will involve contact with information of substantial value to the Company, Everi Holdings and their respective subsidiaries and affiliates, which is not generally known in the trade, and which gives the Company, Everi Holdings and their respective subsidiaries and affiliates an advantage over their competitors who do not know or use it. As a condition precedent to Executive's employment by the Company, Executive agrees to execute and deliver to the Company, concurrent with Executive's execution and delivery of this Agreement, a copy of the "Employee Proprietary Information and Inventions Agreement" attached hereto as Exhibit A.
- 1.5. No Inconsistent Obligations.** Executive represents and covenants that Executive is free to enter into this Agreement as of today and is not bound by any restrictive covenants, including but not limited to, covenants not to compete that could conflict with this Agreement, and will be permitted to be employed by the Company as contemplated hereby. Executive further represents and covenants that Executive has not and will never use any confidential information or trade secrets belonging to any third party, including, but not limited to, Executive's prior employer(s), to the extent Executive has any, in any way or manner related to or with respect to the performance of the duties and obligations hereunder.
- 1.6. Regulatory Approval.** Due to the nature of the business of the Company, Everi Holdings and their respective subsidiaries and affiliates and Executive's position with the Company and Everi Holdings, and, in addition to normal employment-related credit, reference and background investigations, Executive may also be required to complete applications required by various regulatory, tribal, state, local or other international governmental authorities in and under whose jurisdiction the Company, Everi Holdings and their respective subsidiaries and affiliates conduct business, as well as other applications that may be required by regulatory authorities with jurisdiction over the Company, Everi Holdings and their respective subsidiaries and affiliates. Such applications may require complete disclosure of personal and financial information, criminal convictions or arrests (expunged or not) and business associations. As an ongoing condition of Executive's employment, Executive must be able to satisfy all applicable requirements of such governmental and regulatory authorities and obtain all necessary regulatory approvals and licenses.
- 1.7. Termination of Prior Agreements.** The Company and Executive agree that upon the execution and delivery of this Agreement, all agreements relating to employment or consulting services between the Company and Executive in effect on or prior to the Effective Date shall terminate in their entirety and be of no further force or effect, except for the (a) Employee Proprietary Information and
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Inventions Assignment Agreement, (b) any other agreement or document with respect to any stock options, restricted stock or other equity awards, and (c) the Arbitration Agreement as defined in Section 8 hereof.

2. Compensation of Executive

2.1. Base Salary. In consideration of the services to be rendered under this Agreement, while employed by the Company, the Company shall pay Executive an annual base salary (“*Base Salary*”), less required deductions for state and federal withholding tax, social security and all other employment taxes and payroll deductions, payable in regular periodic payments in accordance with Company payroll policy, as follows: (a) for the period from the Effective Date through March 31, 2021: a Base Salary, at the rate of Five Hundred Twenty-five Thousand United States Dollars and 00/100 (US\$525,000.00) per year, and (b) for any Term from April 1, 2022 forward: a Base Salary at the rate of Five Hundred Fifty Thousand United States Dollars (US\$550,000.00) per year. Such Base Salary shall be prorated for any partial month of employment on the basis of a 30-day fiscal month. Such Base Salary shall be subject to annual review by the compensation committee of the Board of Directors of Everi Holdings (the “*Compensation Committee*”).

2.2. Bonus. For each full fiscal year of Executive’s employment with the Company, Executive shall be eligible for an annual discretionary bonus (the “*Cash Bonus*”) with a target amount equal to seventy-five percent (75%) of Executive’s then current base salary (the “*Target Percentage*”). The actual amount of any such Cash Bonus for the applicable calendar year will be established by the Compensation Committee based on the measurement of certain performance criteria or goals (the “*Bonus Metrics*”) established for the applicable calendar year by the Compensation Committee prior to or as soon as practicable after the commencement of such calendar year, but in no event later than March 31 of the applicable calendar year, and set forth in a written plan (“*Annual Bonus Plan*”). If the Compensation Committee determines that the applicable Bonus Metrics have been achieved at or above a “threshold” level with respect to the applicable performance year, then, based on the level of such achievement, the Executive shall be entitled to receive payment of the applicable Cash Bonus (which may be less than, equal to, or greater than the Target Percentage based on the level of performance achieved and the terms of the Annual Bonus Plan). If the Committee determines that the applicable Bonus Metrics have not been achieved at a “threshold” level with respect to the applicable performance year, then no Cash Bonus under the Annual Bonus Plan shall be due and payable to the Executive for such year. Except as provided otherwise in this Agreement, Executive shall only be eligible to receive a Cash Bonus for a calendar year if Executive is employed on the last day of such calendar year. Any Cash Bonus awarded for a calendar year, if any, shall be paid in cash and or equity when other senior executives of

the Company are paid, and, in any event, on or before March 31st of the calendar year subsequent to the calendar year in which the Cash Bonus is earned.

- 2.3. Benefits.** Executive shall be entitled to participate in any of the Company's group medical, dental, life insurance, 401(k) or other benefit plans and programs on the same terms and conditions as other members of the Company's senior executive management, based upon the eligibility dates described in the applicable benefit plan documents and subject to the terms and conditions of such plans. Executive shall be provided such perquisites of employment as are provided to all other members of the Company's senior executive management. Executive understands that the Company has adopted an "unlimited" vacation policy pursuant to which the Company does not limit senior executive officers' vacation time or sick days; accordingly, like the Company's other senior executive officers, Executive will not "accrue" paid time off days and will not be compensated for "unused" paid time off upon termination.
- 2.4. Expense Reimbursements.** Executive shall be entitled to reimbursement of all reasonable expenses incurred by Executive in the performance of Executive's duties hereunder, in accordance with the policies and procedures established by the Company from time to time, and as may be amended from time to time. Any reimbursement Executive is entitled to receive shall (a) be paid no later than the last day of Executive's tax year following the tax year in which the expense was incurred, (b) not affect or be affected by any other expenses that are eligible for reimbursement in any other tax year of Executive, and (c) not be subject to liquidation or exchange for another benefit.
- 2.5. Equity Awards.** Executive will be eligible to receive restricted stock, restricted stock units, performance awards, stock options or other equity awards with a frequency substantially similar to those regularly awarded to other members of the Company's senior executive management, other than the Chief Executive Officer, (each, an "*Equity Award*") under the applicable equity incentive plan of Everi Holdings as then in effect (the "*Plan*"), as determined by the Compensation Committee. Executive agrees and acknowledges that any Equity Award, currently held by, or subsequently awarded to, Executive will be subject to and governed by the terms and conditions of the Plan and an applicable form of agreement for such Equity Award specified by the Compensation Committee. As such, with respect to Equity Awards previously granted to Executive, this Agreement is expressly intended to (i) supersede any such conflicting provisions in any Prior Agreement and (ii) to the extent necessary, shall constitute an amendment to any such Equity Award agreement. Further, with respect to any subsequent Equity Award granted during the Term, Executive will be required to consent in writing to such terms as a condition of retaining the Equity Award.
- 2.6. Other.** In connection with the execution and delivery of this Agreement, the Company will request the Compensation Committee approve a grant to Executive
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of an Equity Award of Twenty-five Thousand (25,000) shares of restricted stock of Everi Holdings' common stock pursuant to the Plan and the Notice of Grant of Restricted Stock and Restricted Stock Agreement (collectively, the "Restricted Stock Agreement") to be entered into by and between Executive and Everi Holdings in substantially the form attached hereto as Exhibit B.

3. Term

The term of the Agreement shall be one (1) year from the Effective Date (the "***Initial Term***"). The Company shall give written notice of intent to renew, or not renew, the Agreement ninety (90) days prior to the expiration of the Initial Term. In the event that Company fails to give written notice of intent not to renew as provided above, the Agreement shall renew for successive one-year terms (each, a "***Renewal Term***") until terminated by either party upon giving ninety (90) days' written notice prior to the end of a Renewal Term. The Initial Term and any subsequent Renewal Term, taking into account any early termination of employment pursuant to Section 4, are referred to collectively as the "***Term***."

4. Termination of Employment

4.1. Definitions.

4.1.1. For the purposes of this Agreement, termination shall be for "***Cause***" if (a) Executive refuses or fails to act in accordance with any lawful order or instruction of the Chief Executive Officer or Board, and such refusal or failure to act has not been cured within five (5) days following Executive's receipt of written notice from the Chief Executive Officer or Board, as applicable, of such failure, (b) Executive is determined by the Chief Executive Officer or Board to have failed to devote reasonable attention and time to the business affairs of the Company, Everi Holdings and their subsidiaries and affiliates, (c) Executive is reasonably determined by the Chief Executive Officer or Board to have been (i) unfit for service (i.e., denied any license, permit or qualification required by, or found unsuitable by, any gaming regulator or other governmental authority), (ii) unavailable for service (other than as a result of an Incapacity (as defined below)), or (iii) grossly negligent in connection with the performance of Executive's duties on behalf of the Company, Everi Holdings and their subsidiaries and affiliates, which unfitness, unavailability or gross negligence has not been cured within five (5) days following Executive's receipt of written notice from the Chief Executive Officer or Board of the same; (d) Executive is reasonably determined by the Chief Executive Officer or Board to have committed a material act of dishonesty or willful misconduct or to have acted in bad faith to the material detriment of the Company, Everi Holdings and/or their subsidiaries and affiliates in connection with the performance of Executive's duties hereunder; (e) Executive is convicted of a felony or other crime involving dishonesty, breach of trust, moral turpitude or physical harm to any person, or (f) Executive materially breaches any agreement with the Company or Everi Holdings which material breach has not been cured

within five (5) days following Executive's receipt of written notice from the Chief Executive Officer or Board of the same.

4.1.2. For purposes of this Agreement, the term “*without Cause*” shall mean termination of Executive’s employment by the Company for reasons other than for Cause (and excluding any such termination resulting from Executive’s Incapacity or Death).

4.1.3. For the purposes of this Agreement, termination shall be for “*Good Reason*” if (a) there is a material diminution of Executive’s responsibilities or authority with the Company or Everi Holdings, or a material adverse change in the Executive’s reporting responsibilities or title, in each case as they existed prior to such diminution or change without Executive’s consent (which shall be deemed to have occurred in the event that there is a material reduction in the scope of the organization with respect to which the Executive has primary authority); (b) there is a material reduction by the Company in the Executive’s compensation as then in effect, without Executive’s consent; or (c) Executive’s principal work locations are relocated outside of the Las Vegas, Nevada, USA metropolitan area without Executive’s consent. Executive will be deemed not to have terminated Executive’s employment for Good Reason unless (i) Executive has delivered written notice to the Company of Executive's intent to exercise the rights pursuant to this Section within thirty (30) days following the first occurrence of a condition that would constitute Good Reason and identifying the facts constituting such condition, and (ii) the Company has failed to remedy such condition within thirty (30) days following its receipt of such written notice, and (iii) the Executive’s termination of employment for Good Reason is effective no later than one-hundred fifty (150) days following the first occurrence of such condition. Executive agrees that Executive may be required to travel from time to time as required by the Company’s business and that such travel shall not constitute grounds for Executive to terminate Executive's employment for Good Reason.

4.1.4. For the purposes of this Agreement, Executive shall be deemed to have suffered an “*Incapacity*” if Executive, due to any mental or physical illness, injury or limitation, has been unable to perform the essential duties and responsibilities of Executive’s position for a period of at least one-hundred eighty (180) days in any rolling three hundred and sixty-five (365) day period.

4.2. Termination by Executive. During the Term, Executive may terminate Executive's employment upon written notice to the Company. In the event that, during the Term, Executive terminates Executive's employment for any reason other than for Good Reason, all of the Company’s duties and obligations under this Agreement shall cease as of the last day of Executive’s employment and the Company shall pay Executive, and Executive shall be entitled to receive, only the following: all Base Salary earned by Executive through the last day of Executive’s employment but not yet paid, all reimbursable business expenses properly incurred by

Executive pursuant to Section 2.4 through the last day of Executive's employment but not yet reimbursed, and all benefits earned by Executive pursuant to Section 2.3 through the last day of Executive's employment (the "*Accrued Amounts*"); provided however, in the event the Company elects to enforce the Noncompete Term (as defined in Section 7.2) following a termination under this Section 4.2, the Company will continue to pay Executive's then-current Base Salary in installments in accordance with the Company's regular payroll procedures during the pendency of the Noncompete Term.

4.3. Termination by the Company for Cause. In the event that, during the Term, the Company terminates Executive's employment for Cause, all of the Company's duties and obligations under this Agreement shall cease as of the last day of Executive's employment and the Company shall pay Executive, and Executive shall be entitled to receive, only the Accrued Amounts; provided however, in the event the Company elects to enforce the Noncompete Term following a termination under this Section 4.3, the Company will continue to pay Executive's then-current Base Salary in installments in accordance with the Company's regular payroll procedures during the pendency of the Non-Compete Term.

4.4. Termination by the Company without Cause, or Termination by Executive for Good Reason. In the event that, during the Term, the Company terminates Executive's employment without, or Executive terminates Executive's employment for Good Reason, all of the Company's duties and obligations under this Agreement shall cease as of the last day of Executive's employment and the Company shall pay Executive, and Executive shall be entitled to receive, the Accrued Amounts. In addition, and subject to the conditions set forth in Section 4.8 below, the Company shall pay to Executive the severance payments and benefits set forth below in Sections 4.4.1- 4.4.4 in accordance with the terms thereof.

4.4.1. Base Salary Continuation. If the Company terminates Executive's employment without Cause or Executive terminates Executive's employment for Good Reason during the Initial Term or during any Renewal Term, the Company shall continue to pay Executive's Base Salary at the then-current rate (determined prior to any reduction constituting a condition giving rise to Good Reason) for a period of one (1) year following the date of termination. Such salary continuation shall be paid to Executive in installments in accordance with the Company's regular payroll procedures, with the initial salary continuation payment to be made on the first regular payroll date of the Company following the Release Deadline and to include a catch-up payment for all regular Company payroll dates occurring between the date of Executive's termination of employment and such initial salary continuation payment date; provided, however, that if the period beginning on the date of Executive's termination of employment and ending on the first Company payroll date following the Release Deadline straddles two calendar years, then the salary continuation payments shall in any event begin in

the second such calendar year. Salary continuation payments shall be subject to standard deductions and withholdings.

4.4.2. Target Bonus. If the Company terminates Executive's employment without Cause or Executive terminates Executive's employment for Good Reason during the Term, the Company shall pay to Executive, less standard deductions and withholdings, an additional severance benefit in an amount equal to one-hundred percent (100%) of Executive's then-current target bonus (based on the target bonus percentage) for the calendar year in which the termination occurs, such aggregate amount to be in substantially equal installments concurrent with the salary continuation payments pursuant to Section 4.4.1 (including a catch-up payment as described therein).

4.4.3. Vesting of Equity Awards and Exercise Period. Upon the Company's termination of Executive's employment without Cause or Executive's termination of Executive's employment for Good Reason, then all Equity Awards granted to Executive following the Effective Date and held by Executive immediately prior to such termination shall be governed by the terms of the applicable grant agreement pursuant to which such Equity Award is granted, in each case as determined by the Compensation Committee at the time of such grant.

4.4.4. Health Care Coverage. The Company shall, following the Executive's timely election, provide the Executive with continued coverage under the Company's group health insurance plans as then in effect in accordance with the provisions of Title X of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended and any state law equivalent ("*COBRA*"), at no cost to Executive, for a period of time equal to the eighteen (18) months following the date of termination of Executive's employment; provided however that, in the event that Executive secures alternate employment which offers health care coverage during this 18-month period, the Company's obligations under this section will cease. Notwithstanding the preceding sentence, if the Company determines, in its sole discretion, that the payment of the COBRA premiums would result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Internal Revenue Code of 1986, as amended (the "*Code*"), or any statute or regulation of similar effect (including but not limited to the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of providing the COBRA premiums, the Company, in its sole discretion, may elect to instead pay Executive on the first day of each month of such applicable salary continuation period, a fully taxable cash payment equal to the COBRA premiums for that month, subject to applicable withholdings and deductions, and Executive may, but is not obligated to, use such payments toward the cost of COBRA premiums.

4.5. Termination by the Company for Incapacity. In the event that, during the Term, Executive suffers an Incapacity as determined by the Company in its reasonable

discretion, the Company may elect to terminate Executive's employment pursuant to this Section 4.5. In such event, all of the Company's duties and obligations under this Agreement shall cease as of the last day of Executive's employment and the Company shall pay Executive, and Executive shall be entitled to receive, only the Accrued Amounts; provided, however, that nothing contained in this Agreement shall limit Executive's rights to payments or other benefits under any long-term disability plans of the Company in which Executive participates, if any.

4.6. Termination upon Death. In the event that, during the Term, Executive dies, Executive's employment shall be deemed to have terminated upon the date of death and all of the Company's duties and obligations under this Agreement shall cease. In such event, the Company shall pay Executive's estate, and Executive's estate shall be entitled to receive, only the Accrued Amounts; provided, however, that nothing contained in this Agreement shall limit Executive's estate's or Executive's beneficiaries' rights to payments or other benefits under any life insurance plan or policy in which Executive participated or with respect to which Executive has designated a beneficiary, if any.

4.7. Change in Control and Termination Payments.

4.7.1. Equity Award Acceleration. Upon a Change in Control (as that or a substantially similar term is defined in the Plan), the vesting or termination of all outstanding Equity Awards shall continue to be governed under the terms of such Equity Awards.

4.7.2. Parachute Payments. Notwithstanding any provision of this Agreement to the contrary, if any payment or benefit Executive would receive pursuant to this Agreement or otherwise (collectively, the "*Payments*") would constitute a "parachute payment" within the meaning of Section 280G of the Code, and, but for this sentence, would be subject to the excise tax imposed by Section 4999 of the Code or any similar or successor provision (the "*Excise Tax*"), then the aggregate amount of the Payments will be either (a) the largest portion of the Payments that would result in no portion of the Payments (after reduction) being subject to the Excise Tax or (b) the entire Payments, whichever amount after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate, net of the maximum reduction in federal income taxes which could be obtained from a deduction of such state and local taxes), results in Executive's receipt, on an after-tax basis, of the greatest amount of the Payments. Any reduction in the Payments required by this Section will be made in the following order (to the extent compliant with Section 409A of the Code and the regulations thereunder ("*Section 409A*")): (i) reduction of Payments that constitute "deferred compensation" (within the meaning of Section 409A), and if there is more than one such Payment, then such reduction shall be applied on a pro rata basis to all such Payments; (ii) reduction of Payments payable in cash that do not constitute

deferred compensation; (iii) reduction of accelerated vesting of Equity Awards other than stock options, if any; (iv) reduction of accelerated vesting of stock options, if any; and (v) reduction of other benefits paid or provided to Executive. In the event that acceleration of vesting of Equity Awards is to be reduced, such acceleration of vesting will be cancelled in the reverse order of the date of grant of such Equity Awards. If two or more Equity Awards are granted on the same date, the accelerated vesting of each award will be reduced on a pro-rata basis.

4.7.3. Calculation. The professional firm engaged by the Company for general tax purposes as of the day prior to the date of the event that might reasonably be anticipated to result in Payments that would otherwise be subject to the Excise Tax will perform the foregoing calculations. If the tax firm so engaged by the Company is serving as accountant or auditor for the acquiring company, the Company will appoint a nationally recognized tax firm to make the determinations required by this Section. The Company will bear all expenses with respect to the determinations by the tax firm required to be made by this Section. The Company and Executive shall furnish the tax firm such information and documents as the tax firm may reasonably request in order to make its required determination. The tax firm will provide its calculations, together with detailed supporting documentation, to the Company and Executive as soon as practicable following its engagement. Any good faith determinations of the tax firm made hereunder will be final, binding and conclusive upon the Company and Executive.

4.8. No Other Compensation or Benefits/No Duty to Mitigate. Executive acknowledges that except as expressly provided in this Agreement, Executive shall not be entitled to any compensation, severance payments or benefits upon the termination of Executive's employment. The Company acknowledges that Executive is under no duty to seek other employment or otherwise mitigate the obligations of the Company under this Agreement and the Company shall have no right of off-set against the amounts owed to Executive by the Company on account of any remuneration or other benefit earned or received by Executive after Executive's termination by the Company.

4.9. Conditions to Severance. Executive will only be entitled to receive the severance payments and benefits set forth in Sections 4.4.1- 4.4.4 if, on or before the thirtieth (30th) day following the date of termination of Executive's employment (the "*Release Deadline*"), Executive executes a full general release of claims agreement in a form similar to Exhibit C hereto or the Company's then-current version thereof, releasing all claims, known or unknown, that Executive may have against the Company, Everi Holdings and their respective subsidiaries and affiliates, and each of their respective officers, directors, and employees arising out of or in any way related to Executive's employment or termination of employment with the Company, and the period for revocation, if any, of such release agreement has lapsed without the release having been revoked. In the

event that Executive breaches any of the covenants contained in Sections 7 or 8, the Company shall have the right to (a) terminate further provision of any portion of the severance payments and benefits set forth in Sections 4.4.1-4.4.4 not yet paid or provided to Executive, (b) seek reimbursement in gross from Executive for any and all portions of the severance payments and benefits set forth in Sections 4.4.1-4.4.4 previously paid or provided to Executive, (c) recover from Executive all shares of Everi Holdings stock acquired by Executive pursuant to Equity Awards the vesting of which was accelerated by reason of Executive's termination of employment (or the proceeds therefrom, reduced by any exercise or purchase price paid to acquire such shares), and (d) immediately cancel all portions of Equity Awards the vesting of which was accelerated by reason of Executive's termination of employment.

4.10. Expiration of the Term. For the avoidance of doubt, in the absence of an assertion of Cause by the Company, the exercise by the Company of its right to not extend the Agreement, shall constitute a termination at the election of the Company without Cause and Executive's employment will be terminated as of such date.

5. Executive's Termination Obligations

5.1. Return of Company's Property. Without in any way limiting Executive's obligations and the Company's rights under the Employee Proprietary Information and Inventions Agreement described in Section 1.4, Executive hereby acknowledges and agrees that all books, manuals, records, reports, notes, contracts, lists, spreadsheets and other documents or materials, or copies thereof, and equipment furnished to or prepared by Executive in the course of or incident to Executive's employment, belong to Company and shall be promptly returned to Company upon termination of Executive's employment with the Company for any reason.

5.2. Cooperation in Pending Work. Following any termination of Executive's employment with the Company for any reason, Executive shall, at the Company's request, reasonably cooperate with the Company in all matters relating to the winding up of pending work on behalf of the Company, Everi Holdings and their respective subsidiaries and affiliates and the orderly transfer of work to other employees of the Company, Everi Holdings and their respective subsidiaries and affiliates. Executive shall also cooperate, at the Company's request, in the defense of any action brought by any third party against the Company, Everi Holdings and/or their respective subsidiaries and affiliates that relates in any way to Executive's acts or omissions while employed by the Company.

5.3. Resignation. Upon the termination of Executive's employment with the Company for any reason, Executive shall be deemed to have resigned from all positions as an employee, officer, director or manager then held with the Company, Everi Holdings or any of their respective subsidiaries or affiliates. Executive agrees to

execute and deliver such documents or instruments as are reasonably requested by the Company, Everi Holdings or any such subsidiary or affiliate to evidence such resignations.

5.4. Survival. The representations and warranties contained herein and Executive's and the Company's obligations under Sections 3, 4, 5, 6, 7, 8 and 9 and under the Employee Proprietary Information and Inventions Agreement shall survive termination of Executive's employment with the Company for any reason and the expiration of this Agreement.

5.5. Mutual Non-disparagement. Executive agrees that Executive will not make any voluntary statements, written or oral, or cause or encourage others to make any such statements that defame, disparage or in any way criticize the personal and/or business reputations, practices or conduct of the Company, Everi Holdings and/or their respective subsidiaries and affiliates or their respective employees, officers or directors. The Company agrees that it will instruct its officers and directors to not make any voluntary statements, written or oral, or cause or encourage others to make any such statements that defame, disparage or in any way criticize the personal and/or business reputations, practices or conduct of Executive.

6. Compliance with Section 409A of the Code.

6.1. This Agreement and all payments and benefits provided under this Agreement are intended to comply with, or be exempt from, Section 409A, and shall be construed and interpreted in accordance with such intent. However, the Company does not guarantee any particular tax effect for income provided to Executive pursuant to this Agreement, and except for the Company's responsibility to withhold applicable income and employment taxes from compensation paid or provided to Executive, the Company shall not be responsible for the payment of any applicable taxes, penalties, interest, costs, fees, including attorneys' fees, or other liability incurred by Executive in connection with compensation paid or provided to Executive pursuant to this Agreement.

6.2. No amount payable pursuant to this Agreement on account of Executive's termination of employment with the Company which constitutes a "deferral of compensation" within the meaning of Section 409A shall be paid unless and until Executive has incurred a "separation from service" within the meaning of Section 409A. Furthermore, to the extent that Executive is a "specified employee" within the meaning of Section 409A (determined using the identification methodology selected by Company from time to time, or if none, the default methodology) as of the date of Executive's separation from service, no amount that constitutes a deferral of compensation which is payable on account of Executive's separation from service shall be paid to Executive before the date (the "*Delayed Payment Date*") which is first day of the seventh month after the date of Executive's separation from service or, if earlier, the date of Executive's death following such separation from service. All such amounts that would, but for this Section,

become payable prior to the Delayed Payment Date will be accumulated and paid in a lump sum on the Delayed Payment Date. Thereafter, any payments that remain outstanding as of the day immediately following the Delayed Payment Date shall be paid without delay over the time period originally scheduled, in accordance with the terms of this Agreement.

6.3. Any right of Executive to receive installment payments under this Agreement shall, for all purposes of Section 409A, be treated as a right to a series of separate payments.

7. Restrictions on Competition after Termination

Executive acknowledges that the nature of the business of the Company, Everi Holdings and/or their respective subsidiaries and affiliates is such that it would be extremely difficult for Executive to honor and comply with Executive's obligations under the Employee Proprietary Information and Inventions Agreement described in Section 1.4 to keep secret and confidential the trade secrets of the Company, Everi Holdings and/or their respective subsidiaries and affiliates if Executive were to become employed by or substantially interested in the business of a competitor of the Company, Everi Holdings and/or their respective subsidiaries and affiliates is such that soon following the termination of Executive's employment with the Company, and it would also be extremely difficult to determine in any reasonably available forum the extent to which Executive was or was not complying with Executive's obligations under such circumstances.

7.1. Duration of Restriction. In consideration for the Company's and Everi Holdings' undertakings and obligations under this Agreement, and in light of Executive's unique position and substantial knowledge of the operations, plans and projects of the Company, Everi Holdings and their respective subsidiaries and affiliates, Executive agrees that, during the Noncompete Term (as defined below), Executive shall not directly or indirectly engage in (whether as an employee, consultant, proprietor, partner, director or otherwise), or have any ownership interest in, or participate in the financing, operation, management or control of, any person, firm, corporation or business that engages in any line of business in which the Company, Everi Holdings and/or their respective subsidiaries and affiliates engages at the time of such termination, in the United States Canada, the United Kingdom or such other countries in which the Company, Everi Holdings and/or their respective subsidiaries and affiliates conducts business at the time of such termination ("*Restricted Territory*"). For the avoidance of doubt, the foregoing shall not prohibit Executive from engaging in, owning an interest in, or participating in any business that processes credit card, debit card or automated teller machine transactions originated from outside of gaming establishments, unless the Company has expanded its operations to encompass such activities at the time of termination. For purposes of this Agreement, the "*Noncompete Term*" shall mean the period of six (6) months after the termination of Executive's employment hereunder or, if greater, the period during which Executive continues

to receive salary continuation payments pursuant to Section 4.4.1 above. The parties agree that ownership of no more than 1% of the outstanding voting stock of a publicly-traded corporation or other entity shall not constitute a violation of this provision. The parties intend that the covenants contained in this section shall be construed as a series of separate covenants, one for each county, city, state and other political subdivision of the Restricted Territory. Except for geographic coverage, each such separate covenant shall be deemed identical in terms to the covenant contained in this section. If, in any judicial proceeding, a court shall refuse to enforce any of the separate covenants (or any part thereof) deemed included in this section, then such unenforceable covenant (or such part) shall be deemed eliminated from this Agreement for the purpose of those proceedings to the extent necessary to permit the remaining separate covenants (or portions thereof) to be enforced by such court. It is the intent of the parties that the covenants set forth herein be enforced to the maximum degree permitted by applicable law.

7.2 Assignment. Executive expressly understands and agrees that all restrictions on employment and solicitation as set for in Sections 7 and 8 are fair and reasonable, and are a material part of this Agreement which would not be entered into by the parties absent mutual agreement to the assignability of the same. Executive further expressly understands and agrees that Executive's duties and obligations as set forth in Sections 7 and 8 of this Agreement may be assigned by the Company upon a Change in Control at Company's discretion. Executive agrees that Executive has received separate valuable and sufficient consideration in exchange for Company's right to assign Executive's obligations and duties as set forth in Sections 7 and 8.

8. Restrictions on Solicitation after Termination

In consideration for the Company's and Everi Holdings' undertakings and obligations under this Agreement, and in light of Executive's unique position and substantial knowledge of the operations, plans and projects of the Company, Everi Holdings and their respective subsidiaries and affiliates, Executive agrees that, for a period of one (1) year following the termination of Executive's employment hereunder for any reason, Executive shall not, without the prior written consent of the Company, directly or indirectly, as a sole proprietor, member of a partnership, stockholder or investor, officer or director of a corporation, or as an executive, associate, consultant, employee, independent contractor or agent of any person, partnership, corporation or other business organization or entity other than the Company solicit or endeavor to entice away from the Company, Everi Holdings and/or their respective subsidiaries and affiliates any person or entity who is, or, during the then most recent three-month period, was, employed by, or had served as an agent or key consultant of the Company, Everi Holdings and/or their respective subsidiaries and affiliates, provided, however, that Executive shall not be prohibited from receiving and responding to unsolicited requests for employment or career advice from the Company's employees.

9. Arbitration

- 9.1. Agreement to Arbitrate Claims.** The Company and Executive hereby agree that, to the fullest extent permitted by law, any and all claims or controversies between them (or between Executive and any present or former officer, director, agent, or employee of the Company or any parent, subsidiary, or other entity affiliated with the Company) relating in any manner to the employment or the termination of employment of Executive shall be resolved by final and binding arbitration pursuant to the terms and conditions set forth in that certain National Mutual Arbitration Agreement for Employees of the Company executed by Executive (the "*Arbitration Agreement*") in the form attached hereto as Exhibit D Claims subject to the Arbitration Agreement shall include contract claims, tort claims, claims relating to compensation and Equity Awards, as well as claims based on any federal, state, or local law, statute, or regulation, including but not limited to any claims arising under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, and the California Fair Employment and Housing Act. However, claims for unemployment compensation, workers' compensation, and claims under the National Labor Relations Act shall not be subject to arbitration.
- 9.2. Enforcement Actions.** Either the Company or Executive may bring an action in court to compel arbitration under this Agreement and to enforce an arbitration award. Except as otherwise provided in this Agreement, neither party shall initiate or prosecute any lawsuit in any way related to any arbitrable claim, including, without limitation, any claim as to the making, existence, validity, or enforceability of the agreement to arbitrate. All arbitration hearings under this Agreement shall be conducted in Las Vegas, Nevada.
- 9.3. Exceptions.** Nothing in this Agreement precludes a party from filing an administrative charge before an agency that has jurisdiction over an arbitrable claim. In addition, either party may, at its option, seek injunctive relief in a court of competent jurisdiction for any claim or controversy arising out of or related to the matters described in Sections 7 and 8 above or the unauthorized use, disclosure, or misappropriation of the confidential and/or proprietary information of either party in contravention of the Employee Proprietary Information and Inventions Agreement or otherwise. By way of example, the Company may choose to use the court system to seek injunctive relief to prevent disclosure of its proprietary information or trade secrets; similarly, Executive may elect to use the court system to seek injunctive relief to protect Executive's own inventions or trade secrets.
- 9.4. Attorneys' Fees.** Each party shall pay its own costs and attorney's fees, unless a party prevails on a statutory claim, and the statute provides that the prevailing party is entitled to payment of its attorneys' fees. In that case, the arbitrator may award reasonable attorneys' fees and costs to the prevailing party as provided by
-

law. The costs and fees of the arbitrator shall be borne equally by Executive and the Company.

9.5. Survival. The parties' obligations under this Agreement, where applicable including Section 7 and 8, shall survive the termination of Executive's employment with the Company for any reason and the expiration of this Agreement.

9.6. Acknowledgements. **THE PARTIES UNDERSTAND AND AGREE THAT THIS SECTION 9 CONSTITUTES A WAIVER OF THEIR RIGHT TO A TRIAL BY JURY OF ANY CLAIMS OR CONTROVERSIES COVERED BY THIS SECTION 9. THE PARTIES AGREE THAT NONE OF THOSE CLAIMS OR CONTROVERSIES SHALL BE RESOLVED BY A JURY TRIAL. THE PARTIES FURTHER ACKNOWLEDGE THAT THEY HAVE BEEN GIVEN THE OPPORTUNITY TO DISCUSS THIS SECTION 9 WITH THEIR LEGAL COUNSEL AND HAVE AVAILED THEMSELVES OF THAT OPPORTUNITY TO THE EXTENT THEY WISH TO DO SO.**

10. Expiration

The terms of this Agreement are intended by the parties to govern Executive's employment with the Company during the Term. Upon the termination of Executive's employment with the Company for any reason, this Agreement shall expire and be of no further force or effect, except to the extent of provisions hereof which expressly survive the expiration or termination of this Agreement.

11. Entire Agreement

Except as otherwise expressly stated herein, the terms of this Agreement are intended by the parties to be the final and exclusive expression of their agreement with respect to the employment of Executive by Company and may not be contradicted by evidence of any prior or contemporaneous statements or agreements. The parties further intend that this Agreement shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding involving this Agreement. To the extent any provisions in this Agreement are inconsistent with any provisions of the Exhibits, the provisions of the Exhibits shall supersede and be controlling. Further, upon execution of this Agreement, the Prior Agreement will terminate and be of no further force and effect.

12. Amendments, Waivers

This Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by Executive and by a duly authorized representative of the Company other than Executive. No failure to exercise and no delay in exercising any right, remedy, or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any

right, remedy, or power under this Agreement preclude any other or further exercise thereof, or the exercise of any other right, remedy, or power provided herein or by law or in equity.

13. Assignment; Successors and Assigns

Executive agrees that Executive may not assign, sell, transfer, delegate or otherwise dispose of, whether voluntarily or involuntarily, or by operation of law, any rights or obligations under this Agreement, nor shall Executive's rights be subject to encumbrance or the claims of creditors. Any purported assignment, transfer, or delegation shall be null and void. Nothing in this Agreement shall prevent the consolidation of the Company, Everi Holdings and/or their respective subsidiaries and affiliates with, or their merger into, any other corporation, or the sale by the Company, Everi Holdings and/or their respective subsidiaries and affiliates of all or substantially all of their respective properties or assets, or the assignment by the Company, Everi Holdings and/or their respective subsidiaries and affiliates of this Agreement and the performance of its obligations hereunder to any successor in interest.

14. Governing Law

The validity, interpretation, enforceability, and performance of this Agreement shall be governed by and construed in accordance with the law of the State of Nevada, without regard to conflicts of laws. Each party consents to the jurisdiction and venue of the state or federal courts in Las Vegas, Nevada, if applicable, in any action, suit, or proceeding arising out of or relating to this Agreement, except that injunctive relief may be sought in any court of competent jurisdiction

15. Acknowledgment

The parties acknowledge (a) that they have consulted with or have had the opportunity to consult with independent counsel of their own choice concerning this Agreement, and (b) that they have read and understand the Agreement, are fully aware of its legal effect, and have entered into it freely based on their own judgment and not on any representations or promises other than those contained in this Agreement.

16. Notices

All notices or demands of any kind required or permitted to be given by the Company or Executive under this Agreement shall be given in writing and shall be personally delivered (and receipted for) or mailed by certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Company: Everi Payments Inc.
Attn: CEO w/ copy to General Counsel
7250 S. Tenaya Way, Ste. 100
Las Vegas, NV 89113

If to Executive: Randy L. Taylor
8776 Lufield Ridge Court
Las Vegas, Nevada 89149

Any such written notice shall be deemed received when personally delivered or three (3) days after its deposit in the United States mail as specified above. Either party may change its address for notices by giving notice to the other party in the name specified in this section.

17. Representations and Warranties

Upon reasonable belief, Executive represents and warrants that Executive is not restricted or prohibited, contractually or otherwise, from entering into and performing each of the terms and covenants contained in this Agreement, and that Executive's execution and performance of this Agreement will not violate or breach any other agreements between Executive and any other person or entity.

18. Counterparts

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, all of which together shall contribute one and the same instrument.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement as of the date first set forth above.

EVERI PAYMENTS INC.

EXECUTIVE

By: /s/ Michael D. Rumbolz
Michael D. Rumbolz
Chief Executive Officer

/s/ Randy L. Taylor
Randy L. Taylor

Acknowledged and Agreed:

EVERI HOLDINGS INC.

By: /s/ Michael D. Rumbolz

Michael D. Rumbolz

Chief Executive Officer

EXHIBIT A

EMPLOYEE PROPRIETARY INFORMATION AND INVENTIONS AGREEMENT

In consideration of my employment by Everi Payments Inc, a Delaware corporation (the “Company”), I hereby agree to certain restrictions placed by the Company on my use and development of information and technology of the Company and its parent, subsidiary and affiliate entities, as more fully set out below.

1. Proprietary Information.

(a) Confidential Restrictions. I understand that, in the course of my work as an employee of the Company, I may have access to Proprietary Information (as defined below) concerning the Company. I acknowledge that the Company has developed, compiled, and otherwise obtained, often at great expense, this information, which has great value to the Company’s business. I agree to hold in strict confidence and in trust for the sole benefit of the Company all Proprietary Information and will not disclose any Proprietary Information, directly or indirectly, to anyone outside of the Company, or use, copy, publish, summarize, or remove from Company premises such information (or remove from the premises any other property of the Company) except: (i) during my employment to the extent necessary to carry out my responsibilities as an employee of the Company or (ii) after termination of my employment, as specifically authorized in writing by a duly authorized officer of the Company. I further understand that the publication of any Proprietary Information through literature or speeches must be approved in advance in writing by a duly authorized officer of the Company.

(b) Proprietary Information Defined. I understand that the term “Proprietary Information” in this Agreement means all information and any idea in whatever form, tangible or intangible, whether disclosed to or learned or developed by me, pertaining in any manner to the business of the Company, the Company’s parent or subsidiary entities or to the Company’s affiliates, consultants, or business associates, unless: (i) the information is or becomes publicly known through lawful means; (ii) the information was rightfully in my possession or part of my general knowledge prior to my employment by the Company; or (iii) the information is disclosed to me without confidential or proprietary restrictions by a third party who rightfully possesses the information (without confidential or proprietary restrictions) and did not learn of it, directly or indirectly, from the Company. I further understand that the Company considers the following information to be included, without limitation, in the definition of Proprietary Information: (A) schematics, techniques, employee suggestions, development tools and processes, computer printouts, computer programs, design drawings and manuals, electronic codes, formulas and improvements; (B) information about costs, profits, markets, sales, customers, prospective customers, customer contracts (including without limitation the terms and conditions of such customer contracts) and bids; (C) plans for business, marketing, future development and new product concepts; (D) customer lists, and distributor and representative lists; (E) all documents, books, papers, drawings, models, sketches, and other data of any kind and description, including electronic data recorded or retrieved by any means, that have been or will be given to me by the Company (or any affiliate of it), as well as written or verbal

instructions or comments; (F) any information or material not described in (A)-(E) above which relate to the Company's inventions, technological developments, "know how", purchasing, accounts, merchandising, or licensing; (G) employee personnel files and information about employee compensation and benefits; and (H) any information of the type described in (A)-(G) above which the Company has a legal obligation to treat as confidential, or which the Company treats as proprietary or designates as confidential, whether or not owned or developed by the Company.

(c) Information Use. I agree that I will maintain at my work area or in other places under my control only such Proprietary Information that I have a current "need to know," and that I will return to the appropriate person or location or otherwise properly dispose of Proprietary Information once my need to know no longer exists. I agree that I will not make copies of information unless I have a legitimate need for such copies in connection with my work.

(d) Third Party Information. I recognize that the Company has received and in the future will receive from third parties their confidential or proprietary information subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. I agree that I owe the Company and such third parties, during the term of my employment and thereafter, a duty to hold all such confidential or proprietary information in the strictest confidence and not to disclose it to any person, firm, or corporation (except as necessary in carrying out my work for the Company consistent with the Company's agreement with such third party) or to use it for the benefit of anyone other than for the Company or such third party (consistent with the Company's agreement with such third party) without the express written authorization of a duly authorized officer of the Company.

2. Inventions.

(a) Defined; Statutory Notice. I understand that during the term of my employment, there are certain restrictions on my development of technology, ideas, and inventions, referred to in this Agreement as "Invention Ideas." The term "Invention Ideas" means all ideas, processes, inventions, technology, programs, original works of authorship, designs, formulas, discoveries, patents, copyrights, trademarks, and service marks, and all improvements, rights, and claims related to the foregoing, that are conceived, developed, or reduced to practice by me alone or with others during the period of my employment with the Company, except for (1) Invention Ideas excluded in Schedule A, (2) Invention Ideas that I develop entirely on my own time without the Company's equipment, supplies, facilities or trade secret information except for those Invention Ideas that either relate at the time of conception or reduction to practice of the Invention Idea to the Company's business or actual or demonstrably anticipated research or development or result from any work performed by me for the Company, and (3) to the extent that any law applicable to my employment lawfully prohibits the assignment.

(b) Disclosure. I agree to maintain adequate and current written records on the development of all Invention Ideas and to disclose promptly to the Company all Invention Ideas and relevant records, which records will remain the sole property of the Company. I

further agree that all information and records pertaining to any idea, process, invention, technology, program, original work of authorship, design, formula, discovery, patent, copyright, trademark, or service mark, that I do not believe to be an Invention Idea, but is conceived, developed, or reduced to practice by me (alone or with others) during my period of employment or during the one-year period following termination of my employment, shall be promptly disclosed to the Company (such disclosure to be received in confidence). The Company shall examine such information to determine if in fact it is an Invention Idea subject to this Agreement.

(c) Assignment. I agree to assign and hereby do assign to the Company, without further consideration, my entire right, title, and interest (throughout the United States and in all foreign countries), free and clear of all liens and encumbrances, in and to each Invention Idea, which shall be the sole property of the Company, whether or not copyrightable or patentable.

(d) Assist with Registration. In the event any Invention Idea shall be deemed by the Company to be copyrightable or patentable or otherwise registrable, I will assist the Company (at its expense) in obtaining and maintaining letters patent or other applicable registrations and I will execute all documents and do all other things (including testifying at the Company's expense) necessary or proper to accomplish such registrations thereon and to vest the Company with full title thereto. Should the Company be unable to secure my signature on any document necessary to apply for, prosecute, obtain, or enforce any patent, copyright, or other right or protection relating to any Invention Idea, whether due to my mental or physical incapacity or any other cause, I hereby irrevocably designate and appoint the Company and each of its duly authorized officers and agents as my agent and attorney-in-fact, to act for and on my behalf and stead, to execute and file any such document, and to do all other lawfully permitted acts to further the prosecution, issuance, and enforcement of patents, copyrights, or other rights or protections with the same force and effect as if executed and delivered by me. I agree to maintain adequate and current records on the development of all Invention Ideas, which shall also remain the sole property of the Company.

(e) License for Other Inventions. If, in the course of my employment with the Company, I incorporate into Company property an invention owned by me or in which I have an interest, the Company is granted a nonexclusive, royalty-free, irrevocable, perpetual, world-wide license to make, modify, use and sell any invention as part of and in connection with the Company property.

(f) Exclusions. Except as disclosed in Schedule A attached hereto and incorporated herein, there are no ideas, processes, inventions, technology, writings, programs, designs, formulas, discoveries, patents, copyrights, or trademarks, or improvements to the foregoing, that I wish to exclude from the operation of this Agreement. To the best of my knowledge, there is no existing contract in conflict with this Agreement or any other contract to assign ideas, processes, inventions, technology, writings, programs, designs, formulas, discoveries, patents, copyrights, or trademarks, or improvements thereon, that is now in existence between me and any other person or entity.

(g) Disclosure. I agree to disclose promptly to the Company all “Invention Ideas” and relevant records as defined in paragraph 2(a), above. I further agree to promptly disclose to the Company any idea that I do not believe to be an invention, but which is conceived, developed, or reduced to practice by me (alone or with others) while I am employed by the Company or during the one-year period following the termination of my employment. I will disclose the idea, along with all information and records pertaining to the idea, and the Company will examine the disclosure in confidence to determine if in fact it is an Invention Idea subject to this Agreement.

(h) Post-Termination Period. I agree that any idea, invention, writing, discovery, patent, copyright, trademark or similar item or improvement shall be presumed to be an Invention Idea if it is conceived, developed, use, sold, exploited, or reduced to practice by me or with my aid within one (1) year after my termination of employment with the Company. I can rebut this presumption if I prove that the idea, invention, writing, discovery, patent, copyright, trademark or similar item or improvement is not an Invention Idea covered by this Agreement.

3. Former or Conflicting Agreements. During my employment with the Company, I will not disclose to the Company, or use, or induce the Company to use, any proprietary information or trade secrets of others. I represent and warrant that I have returned all property and confidential information belonging to all prior employers, individuals and entities who have provided such property and confidential information to me, if any, as required by such prior employers, individuals and entities. I further represent and warrant that my performance of the terms of this Agreement will not breach any agreement to keep in confidence proprietary information acquired by me in confidence or in trust prior to my employment by the Company. I have not entered into, and I agree I will not enter into, any oral or written agreement in conflict herewith. I have listed in Schedule A all other agreements concerning proprietary information or agreements to which I am a party and have attached copies of any agreements in my possession.

4. Government Contracts. I understand that the Company has or may enter into contracts with the government under which certain intellectual property rights will be required to be protected, assigned, licensed, or otherwise transferred and I hereby agree to execute such other documents and agreements as are necessary to enable the Company to meet its obligations under any such government contracts.

5. Termination. I hereby acknowledge and agree that all property, including, without limitation, all source code listings, books, manuals, records, models, drawings, reports, notes, contracts, lists, blueprints, and other documents or materials or copies thereof, all equipment furnished to or prepared by me in the course of or incident to my employment, and all Proprietary Information belonging to the Company and will be promptly returned to the Company upon termination of my employment with the Company. Following my termination, I will not retain any written or other tangible material containing any Proprietary Information or information pertaining to any Invention Idea. I understand that my obligations contained in this Agreement will survive the termination of my employment and I will continue to make all disclosures required of me by paragraph 2(b). In the event of the termination of my employment, I agree, if requested by the Company, to sign and deliver the Termination Certificate attached as

Schedule B hereto and incorporated herein. I ACKNOWLEDGE THAT THE COMPANY IS AN “AT-WILL” EMPLOYER AND NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED TO IMPLY THAT THE TERM OF MY EMPLOYMENT IS OF ANY DEFINITE DURATION. NO ONE OTHER THAN AN AUTHORIZED OFFICER OF THE COMPANY HAS THE AUTHORITY TO ALTER THIS ARRANGEMENT, TO ENTER INTO AN AGREEMENT FOR EMPLOYMENT FOR A SPECIFIED PERIOD OF TIME, OR TO MAKE ANY AGREEMENT CONTRARY TO THIS POLICY, AND ANY SUCH AGREEMENT MUST BE IN WRITING AND MUST BE SIGNED BY AN AUTHORIZED OFFICER OF THE COMPANY AND BY THE AFFECTED EMPLOYEE.

6. Remedies. I recognize that nothing in this Agreement is intended to limit any remedy of the Company under the California Uniform Trade Secrets Act or other federal or state law and that I could face possible criminal and civil actions, resulting in imprisonment and substantial monetary liability, if I misappropriate the Company’s trade secrets. In addition, I recognize that my violation of this Agreement could cause the Company irreparable harm, the amount of which may be extremely difficult to estimate, thus, making any remedy at law or in damages inadequate. Therefore, I agree that the Company shall have the right to apply to any court of competent jurisdiction for an order restraining any breach or threatened breach of this Agreement and for any other relief the Company deems appropriate. This right shall be in addition to any other remedy available to the Company in law or equity.

7. Miscellaneous Provisions.

(a) Assignment. I agree that the Company may assign to another person or entity any of its rights under this Agreement.

(b) Governing Law; Severability. The validity, interpretation, enforceability, and performance of this Agreement shall be governed by and construed in accordance with the laws of the State of Nevada without giving effect to any conflicts or choice of law provisions that would result in the application of the laws of any jurisdiction other than the internal laws of the State of Nevada. If any provision of this Agreement, or application thereof to any person, place, or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable, or void, the remainder of this Agreement and such provisions as applied to other persons, places, and circumstances shall remain in full force and effect.

(c) Entire Agreement. The terms of this Agreement are the final expression of the parties’ agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous agreement. This Agreement shall constitute the complete and exclusive statement of its terms and no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding involving this Agreement; provided however that, to the extent that any provision of this Agreement is in conflict with, contrary to, or otherwise inconsistent with the intent of any provision of my Employment Agreement dated December 31, 2017, the terms of such Employment Agreement will prevail.

(d) Amendments; Waivers. This Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by me and by a duly authorized representative of the Company. No failure to exercise and no delay in exercising any right, remedy, or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, or power hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, or power provided herein or by law or in equity.

(e) Successors and Assigns. This Agreement shall be binding upon me and my heirs, executors, administrators, and successors, and shall inure to the benefit of the Company's successors and assigns.

(f) Application of this Agreement. I hereby agree that my obligations set forth in Sections 1 and 2 hereof and the definitions of Proprietary Information and Invention Ideas contained therein shall be equally applicable to Proprietary Information and Invention Ideas relating to any work performed by me for the Company prior to the execution of this Agreement.

8. Defend Trade Secrets Act. Pursuant to the Defend Trade Secrets Act of 2016, I acknowledge that I shall not have criminal or civil liability under any Federal or State trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, if I file a lawsuit for retaliation by the Company for reporting a suspected violation of law, I may disclose the trade secret to my attorney and may use the trade secret information in the court proceeding, if I (X) file any document containing the trade secret under seal and (Y) do not disclose the trade secret, except pursuant to court order.

ACKNOWLEDGEMENT & AGREEMENT

I HAVE READ THIS AGREEMENT CAREFULLY AND UNDERSTAND ITS TERMS. I HAVE COMPLETELY NOTED ON SCHEDULE A TO THIS AGREEMENT ANY PROPRIETARY INFORMATION, IDEAS, PROCESSES, INVENTIONS, TECHNOLOGY, WRITINGS, PROGRAMS, DESIGNS, FORMULAS, DISCOVERIES, PATENTS, COPYRIGHTS, OR TRADEMARKS, OR IMPROVEMENTS, RIGHTS, OR CLAIMS RELATING TO THE FOREGOING, THAT I DESIRE TO EXCLUDE FROM THIS AGREEMENT.

Date: _____ Employee Name: _____

Employee Signature

SCHEDULE A

EMPLOYEE'S DISCLOSURE

OF PRIOR INVENTIONS AND PRIOR AGREEMENTS

1. Prior Inventions. Except as set forth below, there are no ideas, processes, inventions, technology, writings, programs, designs, formulas, discoveries, patents, copyrights, or trademarks, or any claims, rights, or improvements to the foregoing, that I wish to exclude from the operation of this Agreement: _____

2. Prior Agreements. Except as set forth below, I am aware of no prior agreements between me and any other person or entity concerning proprietary information or inventions (attach copies of all agreements in your possession):

Date: _____ Employee Name: _____

Employee Signature

SCHEDULE B

**TERMINATION CERTIFICATE CONCERNING
EVERI PAYMENTS INC. (FORMERLY KNOWN AS GLOBAL CASH ACCESS, INC.)
PROPRIETARY INFORMATION AND INVENTIONS**

This is to certify that I have returned all property of Everi Payments Inc., a Delaware corporation (the “Company”), its parent entity and their respective subsidiaries and affiliates, including, without limitation, all source code listings, books, manuals, records, models, drawings, reports, notes, contracts, lists, blueprints, and other documents and materials, Proprietary Information, and equipment furnished to or prepared by me in the course of or incident to my employment with the Company, and that I did not make or distribute any copies of the foregoing.

I further certify that I have reviewed the Employee Proprietary Information and Inventions Agreement signed by me and that I have complied with and will continue to comply with all of its terms, including, without limitation, (i) the reporting of any idea, process, invention, technology, writing, program, design, formula, discovery, patent, copyright, or trademark, or any improvement, rights, or claims related to the foregoing, conceived or developed by me and covered by the Agreement and (ii) the preservation as confidential of all Proprietary Information pertaining to the Company. This certificate in no way limits my responsibilities or the Company’s rights under the Agreement.

On termination of my employment with the Company, I will be employed by _____ **[Name of New Employer]** **[in the _____ division]** and I will be working in connection with the following projects:

[Generally describe the projects]

Date: _____ Employee Name: _____

Employee Signature

EXHIBIT C

CONFIDENTIAL SEPARATION AGREEMENT AND GENERAL RELEASE OF ALL CLAIMS

This Confidential Separation Agreement and General Release of All Claims (“Agreement”) is made by and between Everi Payments Inc. (formerly known as Global Cash Access, Inc.) (“Company”) and [EXECUTIVE] (“Employee”) with respect to the following facts:

A. Employee is employed by Company pursuant to an Employment Agreement setting forth the terms and conditions of employment dated as of July 18, 2016 and shall be effective on that date (collectively referred to as the “Employment Agreement”).

B. Employee’s employment with Company will terminate [without Cause] [for Good Reason] (as that term is defined in the Employment Agreement) effective [DATE] (“Separation Date”), and as of such date Employee has incurred a “separation from service” within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended. As a result, Employee is entitled to those certain severance payments and benefits described in the Employment Agreement, provided Employee enters into this Agreement.

C. The parties desire to settle all claims and issues that have or could have been raised, in relation to, and arising out of, or in any way connected to, the acts, transactions or occurrences between them to date, including, but not limited to, Employee’s employment with Company and the termination of that employment, on the terms set forth below.

THEREFORE, in consideration of the promises and mutual agreements set forth below, the parties agree as follows:

1. Severance Package. In exchange for the promises set forth herein and in compliance with the requirements set forth in the Employment Agreement, Company agrees to provide Employee with the payments and benefits set forth in Section 4 of the Employment Agreement (“Severance Package”), to which Employee is not otherwise entitled, absent entering into this Agreement. Employee acknowledges and agrees that this Severance Package constitutes adequate legal consideration for the promises and representations made by Employee in this Agreement. Employee acknowledges and agrees that if Employee violates the terms of this Agreement or the continuing obligations under the Employment Agreement including, but not limited to those pertaining to post-employment restrictions, Company may terminate any payments and the provision of benefits described herein, and seek such other damages or remedies as may be appropriate. Company acknowledges and agrees that if Company violates the terms of this Agreement or the continuing obligations under the Employment Agreement including, but not limited to those pertaining to post-employment restrictions, Employee may cease to perform any of his/her obligations described herein, and seek such other damages or remedies as may be appropriate.

2. General Release.

Each party knowingly and voluntarily releases and forever discharges other party, (and, as to Company, any parent or subsidiary corporations, divisions or affiliated corporations, partnerships or other affiliated entities of the foregoing, past and present, as well as their respective employees, officers, attorneys, directors, shareholders, agents, successors and assigns individually and in their business capacity) (collectively, “Released Parties”), of and from any and all claims, known and unknown, asserted or unasserted, which the Employee has or may have against Releases as of the date of execution of this Agreement, including, but not limited to, any alleged violation of:

- Title VII of the Civil Rights Act of 1964;
 - Sections 1981 through 1988 of Title 42 of the United States Code;
 - The Employee Retirement Income Security Act of 1974 (“ERISA”) (as modified below);
 - The Immigration Reform and Control Act;
 - The Americans with Disabilities Act of 1990;
 - The Age Discrimination in Employment Act of 1967 (“ADEA”);
 - The Worker Adjustment and Retraining Notification Act;
 - The Fair Credit Reporting Act;
 - The Family and Medical Leave Act;
 - The Equal Pay Act;
 - The Genetic Information Nondiscrimination Act of 2008;
 - Chapter 613 of the Nevada Revised Statutes including the Nevada Equal Opportunities for Employment Law – Nev. Rev. Stat. § 613.310 et seq;
 - Nevada Equal Pay Law – Nev. Rev. Stat. § 608.017;
 - Nevada School Visitation Law – Nev. Rev. Stat. § 392.920;
 - Nevada Wage Payment and Work Hour Law – Nev. Rev. Stat. § 608 et seq;
 - Nevada Occupational Safety & Health Act – Nev. Rev. Stat. § 618 et seq
 - any other federal, state or local law, rule, regulation, or ordinance;
-

- any public policy, contract, tort, or common law; and
- any basis for recovering costs, fees, or other expenses including attorneys' fees incurred in these matters.

2.1. This release is intended to have the broadest possible application and includes, but is not limited to, any tort, contract, common law, constitutional or other statutory claims and all claims for attorneys' fees, costs and expenses.

2.2. Each party expressly waives such party's right to recovery of any type, including damages or reinstatement, in any administrative or court action, whether state or federal, and whether brought by itself or on its behalf, related in any way to the matters released herein. Employee further, waives any right or ability to be a class or collective action representative or to otherwise participate in any putative or certified class, collective or multi-party action or proceeding based on such a claim in which Company or any other Released Party identified in this Agreement is a party.

2.3. The parties acknowledge that this general release is not intended to bar any claims that, by statute, may not be waived, such as Employee's right to file a charge with the National Labor Relations Board or Equal Employment Opportunity Commission and other similar government agencies, and claims for statutory indemnity, workers' compensation benefits or unemployment insurance benefits, as applicable, and any challenge to the validity of Employee's release of claims under the Age Discrimination in Employment Act of 1967, as amended, as set forth in this Agreement. This general release also does not bar claims or causes of action related to defamation, libel or invasion of privacy. In addition, this general release does not affect Employee's rights to indemnification by the Company nor Employee's coverage under the directors and officers insurance policies, if any, maintained by the Company.

2.4. Each party acknowledges that it may discover facts or law different from, or in addition to, the facts or law that such party knows or believes to be true with respect to the claims released in this Agreement and agrees, nonetheless, that this Agreement and the release contained in it shall be and remain effective in all respects notwithstanding such different or additional facts or the discovery of them.

2.5. Each party declares and represents that such party intends this Agreement to be complete and not subject to any claim of mistake, and that the release herein expresses a full and complete release and such party intends the release herein to be final and complete. Each party executes this release with the full knowledge that this release covers all possible claims against the Released Parties, to the fullest extent permitted by law.

3. Representation Concerning Filing of Legal Actions. Each party represents that, as of the date of this Agreement, such party has not filed any lawsuits, charges, complaints, petitions, claims or other accusatory pleadings against the other party or any of the other

party's Released Parties in any court or with any governmental agency related to the matters released in this Agreement.

4. Mutual Nondisparagement. Employee agrees that Employee will not make any voluntary statements, written or oral, or cause or encourage others to make any such statements that defame, disparage or in any way criticize the personal and/or business reputations, practices or conduct of Company or any of the other Released Parties. Company agrees that it will instruct its officers and directors to not make any voluntary statements, written or oral, or cause or encourage others to make any such statements that defame, disparage or in any way criticize the personal and/or business reputations, practices or conduct of Employee.

5. Confidentiality and Return of Company Property. In accordance with the terms of his/her Employment Agreement, Employee understands and agrees that as a condition of receiving the Severance Package in paragraph 1, all Company property must be returned to Company. By signing this Agreement, Employee represents and warrants that Employee has returned to Company, all Company property, data and information belonging to Company and agrees that Employee will not use or disclose to others any confidential or proprietary information of Company or the Released Parties. In addition, each Party agrees to keep the terms of this Agreement confidential between Employee and Company, except that Employee may tell Employee's immediate family and attorney or accountant, if any, as needed, but in no event should Employee discuss this Agreement or its terms with any current or prospective employee of Company.

6. Continuing Obligations and Cooperation. Employee further agrees to comply with the continuing obligations regarding confidentiality set forth in the surviving provisions of the Employee Proprietary Information and Inventions Agreement previously signed by Employee. Employee also agrees that in accordance with his/her Employment Agreement, he/she will cooperate fully in the transition of her duties, and promptly and cooperatively answer any calls or emails the Company may have during the period she is receiving severance pay and/or benefits, without further compensation.

7. No Admissions. By entering into this Agreement, Company makes no admission that it has engaged, or is now engaging, in any unlawful conduct. The parties understand and acknowledge that this Agreement is not an admission of liability and shall not be used or construed as such in any legal or administrative proceeding.

8. Older Workers' Benefit Protection Act. This Agreement is intended to satisfy the requirements of the Older Workers' Benefit Protection Act, 29 U.S.C. sec. 626(f). Employee is advised to consult with an attorney before signing this Agreement.

- Acknowledgments/Time to Consider. Employee acknowledges and agrees that (a) she has read and understands the terms of this Agreement; (b) she has been advised in writing to consult with an attorney before signing this Agreement; (c) she has obtained and considered such legal counsel as she deems necessary; (d) she has been given 21 days to consider whether or not to enter into this Agreement (although at her option, she may elect not to use the full 21day period); and (e) by signing this

Agreement on or after the Separation Date, Employee acknowledges that she does so freely, knowingly, and voluntarily.

- Revocation/Effective Date. This Agreement shall not become effective or enforceable until the eighth day after Employee signs this Separation Agreement. In other words, Employee may revoke Employee's acceptance of this Separation Agreement within seven (7) days after the date Employee signs it. Employee's revocation must be in writing and received by Michael Rumbolz, Chief Executive Officer, mrumbolz@everi.com, 7250 South Tenaya Way, Suite 100, Las Vegas, Nevada 89113 on or before the seventh day in order to be effective. If Employee does not revoke acceptance within the seven (7) day period, Employee's acceptance of this Separation Agreement shall become binding and enforceable on the eighth day ("Effective Date"). The Severance Package will become due and payable in accordance with paragraph 1 above after the Effective Date, provided Employee does not revoke.

- Preserved Rights of Employee. This Agreement does not waive or release any rights or claims that Employee may have under the Age Discrimination in Employment Act that arise after the execution of this Agreement. In addition, this Agreement does not prohibit Employee from challenging the validity of this Agreement's waiver and release of claims under the Age Discrimination in Employment Act of 1967, as amended.

9. Severability. In the event any provision of this Agreement shall be found unenforceable, the unenforceable provision shall be deemed deleted and the validity and enforceability of the remaining provisions shall not be affected thereby.

10. Full Defense. This Agreement may be pled as a full and complete defense to, and may be used as a basis for an injunction against, any action, suit or other proceeding that may be prosecuted, instituted or attempted by Employee in breach hereof. Employee agrees that in the event an action or proceeding is instituted by the Company or any of the Released Parties in order to enforce the terms or provisions of this Agreement, the Company, or Released Parties, as applicable, shall be entitled to an award of reasonable costs and attorneys' fees incurred in connection with enforcing this Agreement, to the fullest extent permitted by law.

11. Affirmation. Employee affirms that Employee has been paid all compensation, wages, bonuses, and commissions due, and has been provided all leaves (paid or unpaid) and benefits to which Employee may be entitled.

12. Applicable Law. The validity, interpretation and performance of this Agreement shall be construed and interpreted according to the laws of the United States of America and the State of Nevada.

13. Counterparts. This Agreement may be signed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement. Delivery of a copy of this Agreement bearing an original signature by

facsimile transmission or e-mail in PDF format will have the same effect as physical delivery of the document bearing the original signature.

14. Entire Agreement; Modification. This Agreement, including the surviving provisions of the Employment Agreement and Employee Proprietary and Inventions Agreement previously executed by Employee, is intended to be the entire agreement between the parties, and supersedes and cancels any and all other and prior agreements, written or oral, between the parties regarding this subject matter. This Agreement may be amended only by a written instrument executed by all parties hereto.

THE PARTIES TO THIS AGREEMENT HAVE READ THE FOREGOING AGREEMENT AND FULLY UNDERSTAND EACH AND EVERY PROVISION CONTAINED HEREIN. WHEREFORE, THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE DATES SHOWN BELOW.

Dated: _____, 20__

By: _____

Ever Payments Inc.

Dated: _____, 20__

By: _
[EXECUTIVE]

EXHIBIT D

FORM OF ARBITRATION AGREEMENT NATIONAL MUTUAL ARBITRATION AGREEMENT FOR EMPLOYEES OF EVERI PAYMENTS, INC.

EVERI PAYMENTS INC., its parent corporation (if any), affiliates, subsidiaries, divisions, successors, assigns and their current and former employees, officers, directors, and agents (hereafter collectively referred to as “the Company”) seeks to work with our employees to resolve differences as soon as possible after they arise. Often times, differences can be eliminated through internal discussions between an employee and his/her supervisor. Other times, it may be helpful for Human Resources or other Company employees to become involved to help solve a dispute. To facilitate dispute resolution we have developed a binding arbitration process to settle disputes that are not resolved through more informal means.

The Company and you, on behalf of you, your heirs, administrators, executors, successors and assigns (hereinafter collectively referred to as “you” or “your”) agree pursuant to this Arbitration Agreement (“Agreement”) to arbitrate covered disputes, in lieu of litigating in court.

A. The Mutual Agreement to Arbitrate: Overview

The parties acknowledge that by agreeing to arbitration, they are WAIVING ANY RIGHTS TO A JURY TRIAL.

Except for the claims set forth in the paragraph below, you and the Company mutually agree to arbitrate any and all disputes, claims, or controversies (“claim”) against the Company that could be brought in a court including, but not limited to, all claims arising out of your employment and the cessation of employment, including any claim that could have been presented to or could have been brought before any court. This Agreement to arbitrate includes, but is not limited to, claims under the Age Discrimination in Employment Act, Title VII of the Civil Rights Act of 1964; the Fair Labor Standards Act; the Family and Medical Leave Act; the Americans with Disabilities Act of 1990; Section 1981 through 1988 of Title 42 of the United States Code; any state or local anti-discrimination laws; or any other federal, state, or local law, ordinance or regulation, or based on any public policy, contract, tort, or common law or any claim for costs, fees, or other expenses or relief, including attorney’s fees. All claims which could be raised before a court must be raised by the time of the arbitration and the arbitrator shall apply the law accordingly.

Claims not covered by this Agreement are: (i) claims for workers' compensation benefits; (ii) claims for unemployment compensation benefits; (iii) claims based upon the Company's current

(successor or future) stock option plans, employee pension and/or welfare benefit plans if those plans contain some form of a grievance, arbitration, or other procedure for the resolution of disputes under the plan; and (iv) claims by law which are not subject to mandatory binding pre-dispute arbitration pursuant to the Federal Arbitration Act, such as claims under the Dodd-Frank Wall Street Reform Act. Further, this Agreement does not prohibit the filing of an administrative charge with a federal, state, or local administrative agency such as the National Labor Relations Board (NLRB) or the Equal Employment Opportunity Commission (EEOC).

Likewise, as noted above, the Company agrees to arbitrate any claim against you as per the terms of this Agreement but retains all right to seek injunctions in aid of arbitration.

B. Class/Collective Action Waiver, Jury Waiver and Administrative Charges

The parties agree all claims must be pursued on an individual basis only. By signing this Agreement, you waive your right to commence, or be a party to, any class or collective claims or to bring jointly any claim against the Company with any other person, except as provided in the paragraph below. The parties agree any claim can be pursued, but only on an individual basis, except the lack of co-plaintiffs shall not, in and of itself, be a bar to pursuit of a pattern and practice claim.

In addition, nothing herein limits your right and the rights of others collectively to challenge the enforceability of this Agreement, including the class/collective action waiver. While the Company will assert that you have agreed to pursue all claims individually in the arbitral forum and may ask a court to compel arbitration of each individual's claims, to the extent the filing of such an action is protected concerted activity under the National Labor Relations Act, such filing will not result in threats, discipline or discharge.

C. Severability and Related Issues

The Arbitrator, and not any federal, state or local court or agency, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, enforceability or formation of this Agreement including, but not limited to any claim that all or any part of this Agreement is void or voidable, except any determination as to the enforceability of the class/collective action waiver shall be made solely by a court. If the prohibition against class/collective actions is deemed unlawful, then such action shall proceed forward in court as a collective or class action. If an arbitrator finds any other provision of this Agreement unenforceable, a court or arbitrator shall interpret or modify this Agreement, to the extent necessary, for it to be enforceable, subject to the sentence above. This Agreement shall be self-amending; meaning if by law or common law a provision is deemed unlawful or unenforceable that provision and the Agreement automatically, immediately and retroactively shall be amended, modified, and/or altered to be enforceable. The arbitrator shall have no power under this Agreement to consolidate claims and/or to hear a collective or class action.

D. The Arbitration Process

Any authorized decision or award of the arbitrator shall be final and binding upon the parties. The arbitrator shall have the power to award any type of legal or equitable relief available in a court of competent jurisdiction including, but not limited to, attorney's fees, to the extent such damages are available under law. Because any arbitral award may be entered as a judgment or order in any court of competent jurisdiction, any relief or recovery to which you may be entitled upon any claim (including those arising out of employment, cessation of employment, or any claim of unlawful discrimination) shall be limited to that awarded by the arbitrator. Again, the arbitrator has no power to consolidate claims or adjudicate a collective/class action. All orders of the arbitrator (except evidentiary rulings at the arbitration) shall be in writing and subject to review pursuant to the Federal Arbitration Act.

Any claim for arbitration will be timely only if brought within the time in which an administrative charge or complaint would have been filed if the claim is one which could be filed with an administrative agency. If the arbitration claim raises an issue which could not have been filed with an administrative agency, then the claim must be filed within the time set by the appropriate statute of limitation. A claim may be filed by serving written notice to the Company's Human Resources Department with a copy to General Counsel, 7250 S. Tenaya Way, Suite 100, Las Vegas, Nevada 89113, and thereafter by filing an action with JAMS pursuant to JAMS Employment Arbitration Rules. The filing party is responsible for any filing fee absent extreme financial circumstances. Each party shall bear its own costs and expenses for the arbitration however the arbitrator's fee shall be paid by the Company, absent an award from the arbitrator.

The arbitration shall be arbitrated by a single arbitrator in accordance with the JAMS Employment Arbitration Rules except all arbitrators or members of the appeal panel (which is discussed below) must be members of the bar in good standing in the state in which the dispute arose. Each party may be represented by counsel.

A copy of the JAMS Employment Arbitration Rules, including forms and procedures for submitting a matter for arbitration, are available for you to review at the Human Resource Department. You may contact JAMS to request a copy of these rules or obtain them from the JAMS website (www.jamsadr.com) or by calling JAMS at 1(800)352-5267. If for whatever reason JAMS declines to act as the neutral, the parties shall utilize NAM (www.namadr.com) as the neutral for the arbitration/appeal and shall utilize its Rules for Resolution of Employment Disputes. Each party agrees that it has had an opportunity to review the current JAMS Employment Arbitration Rules.

E. Modification to NAM/JAMS Rules

The arbitrator shall apply the Federal Rules of Civil Procedure (except for Rule 23) and the Federal Rules of Evidence as interpreted in the jurisdiction where the arbitration is held. Also there shall be one arbitrator for the matter up and through submission and determination of a motion for summary judgment. If a summary judgment is made, the arbitrator must render a written and detailed opinion on that motion within sixty (60) calendar days of submission of all supporting and opposition papers. If the summary judgment is in any part denied the case shall proceed to hearing before another arbitrator, who did not hear the summary judgment motion. That arbitrator shall be selected from a new panel to be provided by JAMS (or if JAMS declines to be the third party administrator, NAMS). If no summary judgment is filed then no new arbitrator will be selected to hear the matter, as the original arbitrator will retain jurisdiction.

F. Consideration For This Agreement

This mutual agreement to arbitration and your accepting employment with the Company shall act as consideration for this Agreement. The parties agree that the consideration set forth in this paragraph is wholly adequate to support this Agreement.

G. Other Provisions of this Agreement

To the extent any of the provisions herein conflict with any standard rules of the arbitration service being used, the express provisions of this Agreement shall prevail.

Neither the terms nor conditions described in this Agreement are intended to create a contract of employment for a specific duration of time. Employment with the Company is voluntarily entered into, and you are free to resign at any time. Similarly, the Company may terminate the employment relationship at any time for any reason, with or without prior notice. This Agreement shall survive the termination of your employment.

This Agreement shall be governed by and enforced pursuant to the Federal Arbitration Act, 9 U.S.C. §§ 1-16, to the maximum extent permitted by applicable law.

This Agreement contains the complete agreement between the parties regarding the subjects covered in it, and supersedes any prior or inconsistent agreements that might exist between you and the Company. This Agreement can be modified only by an express written agreement signed by both you and the President of the Company.

I KNOWINGLY AND FREELY AGREE TO THIS MUTUAL AGREEMENT TO ARBITRATE CLAIMS, WHICH OTHERWISE COULD HAVE BEEN BROUGHT IN COURT. I AFFIRM THAT I HAVE HAD SUFFICIENT TIME TO READ AND UNDERSTAND THE TERMS OF THIS AGREEMENT AND THAT I HAVE BEEN ADVISED OF MY RIGHT TO SEEK LEGAL COUNSEL REGARDING THE MEANING AND EFFECT OF THIS AGREEMENT PRIOR TO SIGNING. BY ISSUANCE OF THIS AGREEMENT, THE COMPANY AGREES TO BE BOUND TO ITS TERMS WITHOUT ANY REQUIREMENT TO SIGN THIS AGREEMENT.

Date: _____ Employee Name: _____

EVERI HOLDINGS INC.
NOTICE OF GRANT OF RESTRICTED STOCK UNITS
(Time-Based)

Everi Holdings Inc. (the “*Company*”) has granted to the Participant an award (the “*Award*”) of certain units pursuant to the Everi Holdings Inc. 2014 Equity Incentive Plan (the “*Plan*”), each of which represents the right to receive on the applicable Settlement Date one (1) share of Stock, as follows:

Participant: Randy L. Taylor **Award Number:** _____
Date of Grant: April 1, 2020
Total Number of Units: 25,000, subject to adjustment as provided by the Restricted Stock Units Agreement.

Vesting Start Date: April 1, 2020

Vested Units: Subject to the acceleration of vesting as provided below under “Termination of Service” and “Change in Control,” except as provided in the Restricted Stock Units Agreement and provided that the Participant’s Service has not terminated prior to the applicable date, the number of Vested Units (disregarding any resulting fractional Unit) as of any date is determined by multiplying the Total Number of Units by the “*Vested Ratio*” determined as of such date, as follows:

Vested Ratio

Prior to the one (1)-month anniversary of the Vesting Start Date 0

Each one (1)-month anniversary of the Vesting Start Date 1/36

Settlement Date: Shares shall be settled and delivered (provided that such delivery is otherwise in accordance with federal and state securities laws) with respect to Vested Units as soon as practicable following the date on which a Unit becomes a Vested Unit.

Termination of Service – Death or Disability: Upon the death or Disability of the Participant, vesting shall fully accelerate and the Vested Ratio shall be 1/1 (100%).

Termination of Service – Other than Death or Disability: If the Participant’s Service is terminated for any reason other than death or Disability, all Units that are not Vested Units shall be immediately forfeited.

Change in Control: Upon the occurrence of a Change in Control prior to the thirty-sixth anniversary of the Vesting Start Date, if (i) the Award is not assumed, continued, or substituted by the Acquiror as described in Section 13.1(b) of the Plan, or (ii) the Award is assumed, continued, or substituted by the Acquiror as described in Section 13.1(b) of the Plan and the Participant’s Service terminates as a result of Involuntary Termination (as defined in Section 13.1(a) of the Plan) within twenty four (24) months thereafter, then vesting shall fully accelerate and the Vested Ratio shall be 1/1 (100%).

Superseding Agreement: None.

Interference with Business: Participant acknowledges that because of Participant’s position in the Company, Participant will have access to the Company’s and its affiliates’ new and additional Proprietary Information (as defined below), including confidential information and trade secrets. Subject to clause 1(a) and 1(d) of the Participant’s Employee Proprietary Information and Inventions Agreement (“*EPIIA*”), Participant agrees that during Participant’s Service and for a period of 12 months after termination of Participant’s

Service, Participant shall not directly or indirectly, either for Participant or for any other individual, corporation, partnership, joint venture or other entity, participate in any business (including, without limitation, any division, group, or franchise of a larger organization) anywhere in the world that engages in or that proposes to engage in any business in which the Company or any affiliate of the Company is engaged or proposes to engage in during the term of Participant's Service. Subject to clause 1(a) and 1(d) of the EPIIA, Participant also agrees during Participant's Service and for a period of 12 months after termination of Participant's Service, Participant shall not directly or indirectly, either for Participant or for any other individual, corporation, partnership, joint venture or other entity, (i) divert or attempt to divert from the Company or any affiliate of the Company any business of any kind, including without limitation the solicitation of or interference with any of its customers, clients, business partners or suppliers, or (ii) solicit, induce, recruit or encourage any person employed by the Company or any affiliate of the Company to terminate his or her employment. For purposes of the foregoing, the term "participate in" shall include, without limitation, having any direct or indirect interest in any corporation, partnership, joint venture or other entity, whether as a sole proprietor, owner, stockholder, partner, joint venturer, creditor or otherwise, or rendering any direct or indirect service or assistance to any individual, corporation, partnership, joint venture and other business entity (whether as a director, officer, manager, supervisor, employee, agent, consultant or otherwise).

"Proprietary Information" means all information and any idea in whatever form, tangible or intangible, whether disclosed to or learned or developed by Participant, pertaining in any manner to the business of the Company or to the Company's affiliates, consultants, or business associates, unless: (i) the information is or becomes publicly known through lawful means; (ii) the information was rightfully in Participant's possession or part of Participant's general knowledge prior to Participant's employment by the Company; or (iii) the information is disclosed to Participant without confidential or proprietary restrictions by a third party who rightfully possesses the information (without confidential or proprietary restrictions) and did not learn of it, directly or indirectly, from the Company. Participant further understands that the Company considers the following information to be included, without limitation, in the definition of Proprietary Information: (A) schematics, techniques, employee suggestions, development tools and processes, computer printouts, computer programs, design drawings and manuals, electronic codes, formulas and improvements; (B) information about costs, profits, markets, sales, customers, prospective customers, customer contracts (including without limitation the terms and conditions of such customer contracts) and bids; (C) plans for business, marketing, future development and new product concepts; (D) customer lists, and distributor and representative lists; (E) all documents, books, papers, drawings, models, sketches, and other data of any kind and description, including electronic data recorded or retrieved by any means, that have been or will be given to the Participant by the Company (or any affiliate of it), as well as written or verbal instructions or comments; (F) any information or material not described in (A)-(E) above which relate to the Company's inventions, technological developments, "know how", purchasing, accounts, merchandising, or licensing; (G) employee personnel files and information about employee compensation and benefits; and (H) any information of the type described in (A)-(G) above which the Company has a legal obligation to treat as confidential, or which the Company treats as proprietary or designates as confidential, whether or not owned or developed by the Company.

Participant acknowledges that Participant's fulfillment of the obligations contained in the section, including, but not limited to, Participant's obligation not to interfere with the Company's business as provided above, is necessary to protect the Proprietary

Information and, consequently, to preserve the value and goodwill of the Company. Participant further acknowledges the time, geographic and scope limitations of Participant's obligations as described above are reasonable, especially in light of the Company's desire to protect its Proprietary Information, and that Participant will not be precluded from gainful employment if Participant is obligated not to compete with the Company during the specified period and within the specified geography.

The covenants contained herein shall be construed as a series of separate covenants, one for each state, province, country and other political subdivision. Except for geographic coverage, each such separate covenant shall be deemed identical in terms of the covenant contained herein. In the event that the scope, territory or period of time of any separate covenant is determined to be unenforceable by a court of competent jurisdiction, the court, if allowed under applicable law, shall reduce the scope, territory or period of time of that separate covenant to a level that the court deems enforceable and the remaining separate covenants, as well as all other terms and covenants in this Grant Notice, shall be valid and be enforceable to the fullest extent permitted by law. In the event that any separate covenant is found to be unenforceable in its entirety, the court, if allowed under applicable law, shall eliminate such covenant from this Grant Notice in that case and the remaining separate covenants, as well as all other terms and covenants in this Grant Notice, shall be valid and be enforceable to the fullest extent permitted by law. The covenants set forth herein are intended to be enforced to the maximum degree permitted by law.

[SIGNATURE PAGE TO FOLLOW]

By their signatures below or by electronic acceptance or authentication in a form authorized by the Company, the Company and the Participant agree that the Award is governed by this Grant Notice and by the provisions of the Restricted Stock Units Agreement and the Plan, both of which are made a part of this document. The Participant acknowledges that copies of the Plan, the Restricted Stock Units Agreement and the prospectus for the Plan are available on the Company's internal web site and may be viewed and printed by the Participant for attachment to the Participant's copy of this Grant Notice. The Participant represents that the Participant has read and is familiar with the provisions of the Restricted Stock Units Agreement and the Plan, and hereby accepts the Award subject to all of their terms and conditions.

EVERI HOLDINGS INC.

PARTICIPANT

By: /s/ Michael D. Rumbolz
Michael D. Rumbolz
Chief Executive Officer

/s/ Randy L. Taylor
Signature

Date

Address:
7250 S. Tenaya Way, Suite 100
Las Vegas, NV 89113

Address

ATTACHMENTS: 2014 Equity Incentive Plan, as amended to the Date of Grant; Restricted Stock Units Agreement and Plan Prospectus

FIRST AMENDMENT TO EMPLOYMENT AGREEMENT

This First Amendment (the “**Amendment**”) to the Employment Agreement dated January 15, 2015 (the “**Agreement**”) by and between Everi Payments Inc., formerly known as Global Cash Access Inc., a Delaware corporation (the “**Company**”), and wholly owned subsidiary of Everi Holdings Inc., a Delaware corporation (“**Everi Holdings**”), and Edward Peters (the “**Executive**”) is made as of the date of Executive’s signature below (the “**Effective Date**”).

RECITALS

- A. Executive has tendered his resignation from his position as Executive Vice President, Sales & Marketing, to the Company, effective April 1, 2020;
- B. In order to effectuate an orderly transition of Executive’s duties, the Company and Executive desire to amend the Agreement to reflect the terms of the mutually-agreeable transition plan which includes certain advisory transition services through May 31, 2021, and the consideration related thereto.

AMENDMENT

NOW, THEREFORE, based on the foregoing recitals and in consideration of the commitments set forth below, the Parties agree as follows:

- 1. **Definitions and Interpretation.** Except as otherwise provided herein, capitalized terms used in this Amendment shall have the definitions set forth in the Agreement amended hereby.
- 2. **Transition Plan.**
 - a. Effective April 1, 2020, Executive will cease to hold the Position described in Section 1.1. of the Agreement. Instead, through May 31, 2021, he will take the title of “Special Advisor”, and serve as an employee-advisor to the individual designated as Executive’s replacement for the Position, and assist and advise as appropriate to transition his duties in a means and manner intended to minimize disruption to the Company’s business. It is contemplated by Executive and the Company that, as of June 1, 2020, this employee-advisor position will require no more than forty (40) hours per month of active Executive engagement, to be requested by the Company in its sole discretion.
 - b. For the remainder of the Term, as amended herein, Executive’s principal place of work shall be by remote access from Executive’s home; provided however that, Executive agrees and acknowledges that performance of his duties hereunder will require significant travel to and from both the Company’s offices as well as to and from various customer locations, which travel shall occur in accordance with the Company’s Travel and Entertainment Policy.

- c. Effective April 1, 2020, Executive will cease to be designated a Section 16 Officer of the Company's parent, Everi Holdings. Everi Holdings and the Company will file all necessary and appropriate disclosures with the relevant regulatory agencies.
- d. Effective April 1, 2020, Executive will cease to be deemed an "Executive Officer" for purposes of indemnification under Article XI of the Company's bylaws, and his indemnification agreement shall be deemed terminated.
- e. The Term of the Agreement shall be amended such that the term will expire May 31, 2021 ("**Termination Date**").

3. **Consideration.** In consideration for the term and conditions of the Transition Plan described above, Executive and Company have agreed as follows:

- a. Executive will continue to receive salary and benefits through Termination Date; and
- b. Executive's salary will be amended as follows:
 - i. For the period of the Effective Date through March 31, 2020, Executive will receive his current salary and benefits; and
 - ii. For the period of April 1, 2020 through May 31, 2020, Executive will receive salary equal to an annual salary of \$350,000.00 for his advisory services and his current benefits; and
 - iii. For the period of June 1, 2020 through the Termination Date, Executive will receive salary equal to \$5,000 per month and his current benefits; and
- c. Executive will not be eligible to be considered to receive a 2020 annual equity grant prior to his termination date; provided however that, to the extent that the Company elects to grant executives equity in lieu of cash bonus for the fiscal year 2019, Executive will be eligible for such grant; and
- d. With regard to all vested and unexercised stock options that Executive may beneficially own as of September 30, 2020, all Equity Award agreements related thereto shall be amended to provide Executive until one (1) year following the Termination Date to exercise such stock options.
- e. With regard to any unvested Equity Awards, or unvested portions thereof, such unvested awards shall be deemed forfeited by Executive as of September 30, 2020. To the extent necessary and appropriate, Executive will timely execute any document(s) as reasonably requested by the Company to affect such forfeiture(s).
- f. Company and Executive will execute concurrently herewith the General Release and Settlement, attached hereto as Exhibit A and incorporated herein by reference; and
- g. Executive expressly states that his resignation hereunder is without cause and is not resignation for Good Reason; and
- h. Executive expressly agrees and acknowledges that the Consideration described above and in Exhibit A is the full and final consideration due and owing under this Agreement, and further that, except the 2019 bonus equity award as described in Exhibit A, as of the Termination Date, all unvested Equity Awards granted under the Plan will forfeit to the benefit of the Company.

4. **Conflicting Terms.** In the event of any inconsistency or conflict by and among the Agreement, this Amendment, Exhibit A, or the applicable form of agreement of any Equity Awards, including the Restricted Stock Agreement, the terms and conditions of this Amendment, then Exhibit A, then the Equity Award agreements, then the Agreement, shall govern and control.

5. **Entire Agreement.** This Amendment, Exhibit A, and the Agreement constitute the entire and exclusive agreement between the Parties with respect to the subject matter hereof. All previous discussions and agreements with respect to the subject matter are superseded by the Agreement and this Amendment. This Amendment may be executed in one or more counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, each of the undersigned has executed this Amendment as of the date first set forth above.

EVERI PAYMENTS INC.

EXECUTIVE

By: /s/ Michael D. Rumbolz
Michael D. Rumbolz
Chief Executive Officer

/s/ Edward A. Peters
Edward Peters

Exhibit A
EVERI PAYMENTS INC.
GENERAL WAIVER AND RELEASE AGREEMENT
EDWARD PETERS

I elect to receive the special benefits under Everi Payments Inc., formerly known as Global Cash Access Inc. (“Everi” or the “Company”) and provide the following General Waiver and Release (“Release”):

1. Termination and Description of Special Benefits.

I have submitted my resignation to the Company effective as of the close of business on May 31, 2020 (the “Termination Date”). I understand that the special benefits I will receive by timely signing and not revoking this Release are: (a) opportunity to receive up to fifty percent (50%) of my current annual target bonus amount for fiscal year 2020 (“Pro Rata 2020 Bonus”), which Pro Rata 2020 Bonus, if awarded, would be pro rated based on an amount commensurate with the achieved 2020 bonus of similarly-situated executive vice presidents at the Company and paid concurrently with regular employee bonus payments for fiscal year 2020.

I understand that Special Benefits described above will begin only after I have executed this Release and the revocation period (described in Section 21 below) has expired.

I further understand that after the Termination Date, I will be offered health benefits coverage through COBRA for a period of up to eighteen (18) months. Coverage will be provided under COBRA only if I sign applicable COBRA enrollment forms and submit required payments to Everi’s COBRA administrator in a timely fashion. In addition, with regard to (e) above, if the Company determines, in its sole discretion, that the payment of the COBRA premiums would result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Internal Revenue Code of 1986, as amended (the “Code”), or any statute or regulation of similar effect (including but not limited to the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of providing the COBRA premiums, the Company, in its sole discretion, may elect to instead pay me on the first day of each month of such applicable consulting period, a fully taxable cash payment equal to the COBRA premiums for that month, subject to applicable withholdings and deductions, and I may, but am not obligated to, use such payments toward the cost of COBRA premiums

2. General Release of Claims.

I hereby release the Company (as defined in paragraph 5 below) from, and covenant not to sue the Company with respect to, any and all claims I have against the Company.

3. Claims to Which Release Applies.

This Release applies both to claims which are now known or are later discovered. However, this Release does not apply to any claims that may arise after the date I execute the Release. Nor does this Release apply to any claims which may not be released under applicable law.

4. Claims Released Include Age Discrimination and Employment Claims.

The claims released include, but are not limited to:

- (a) claims based on breach of contract, tort, misrepresentation, defamation, wrongful discharge, harassment, retaliation, terms and conditions of employment and discrimination;
- (b) claims arising under the Age Discrimination in Employment Act as amended (29 U.S.C. Section 621 et seq.);
- (c) claims arising out of or relating in any way to my employment with the Company or the conclusion of that employment or any actions or inactions of the Company relating to me in any way; and
- (d) claims arising under any federal, state or local law, regulation, ordinance or order that regulates the employment relationship and/or employee benefits.

5. Release Covers Claims Against Related Parties.

For purposes of this Release the term “the Company” includes Everi and all of its past, present, and future parents, subsidiaries and affiliates, and other current or former related entities thereof, and all of the past, present, and future officers, directors, employees, agents, members, insurers, legal counsel, and successors and assigns of said entities. Therefore, the claims released include claims I have against any such persons or entities.

6. The Terms “Claims” and “Release” are Construed Broadly.

As used in this Release, the term “claims” shall be construed broadly and shall be read to include, for example, the terms “rights,” “causes of action (whether arising in law or equity),” “damages,” “demands,” “obligations,” “grievances” and “liabilities” of any kind or character. Similarly, the term “release” shall be construed broadly and shall be read to include, for example, the terms “discharge” and “waive.” Nothing in this release is a waiver of my right to file any charge or complaint with administrative agencies such as the United States Equal Employment Opportunity Commission which, as a matter of law, I cannot be prohibited from or punished for filing (hereafter, “Excepted Charge”), although Everi’s acknowledgment of this exception does not limit the scope of the waiver and release in paragraphs 2-7 herein, and I waive any right to recover damages or obtain individual relief that might otherwise result from the filing of any Excepted Charge with regard to any claim released herein.

7. Release Binding on Employee and Related Parties.

This Release shall be binding upon me and my spouse, agents, attorneys, personal representatives, executors, administrators, heirs, beneficiaries, successors, and assigns.

8. Additional Consideration.

In consideration for the payments and benefits described in paragraph 1 above, I have:

- (a) executed this Release;

(b) agreed to fully respond to and cooperate with all reasonable requests for assistance from the Company during the COBRA continuation period. This also includes assisting answering business related questions, and if necessary, even travelling at company expense, if specifically requested and authorized by the business; and

(c) re-affirmed the restrictive covenants in my Employment Agreement dated January 15, 2015, attached hereto and incorporated by reference, executed previously by me and Everi, including without limitation the Employee Proprietary Information and Inventions Agreement dated January 15, 2015, attached thereto and incorporated by reference;

(d) re-affirmed any restrictive covenants set forth in any equity grant agreement(s) executed previously by me and Everi.

9. Opportunity to Consider this Release: Consultation with Attorney.

I have read this Release and fully understand its terms. I am hereby being offered twenty-one (21) calendar days following the date on which this Release was presented to me to consider this Release. I am hereby advised in writing to consult with an attorney before signing this Release and I have done so or had the opportunity to do so.

10. All Representations in Documents.

In entering into this Release, I acknowledge that I have not relied on any verbal or written representations by any Company representative other than those explicitly set forth in this Release. This Release sets forth the entire agreement between the Company and me and completely supersedes any prior agreements, oral statements or understandings concerning the termination of my employment and any benefits I might receive following that termination. This Release does not supersede my obligations and the Company's rights under any agreement I have previously signed or executed with the Company pertaining to matters of confidentiality, intellectual property or restrictive employment covenants, all of which shall remain in effect and binding. I agree that I am not entitled to any other severance or benefits, vacation, bonus, commission or other payments of any kind, except those described in this Release.

11. Voluntary Agreement.

I have read this Release and fully understand its terms. I have entered into this Release knowingly and voluntarily and understand that its terms are binding on me.

12. Partial Invalidity of Release.

If any part of this Release is held to be unenforceable, invalid or void, then the balance of this Release shall nonetheless remain in full force and effect to the extent permitted by law.

13. Headings.

The headings and subheadings in this Release are inserted for convenience and reference only and are not to be used in construing the Release.

14. Applicable Law.

Nevada law will apply in connection with any dispute or proceeding concerning this Release. Insofar as federal law does not control, venue as to any dispute regarding this Release, or interpretation thereof, shall be exclusively in Las Vegas, Nevada.

15. Relationship of Severance Benefits to My Rights Under Other Benefit Plans.

I understand that the consideration provided to me under paragraph 1 above shall not be taken into account for purposes of determining my benefits under any other qualified or nonqualified plans of the Company, including accrued rights I may have, if any, to retirement benefits under Everi's pension plans.

16. Confidentiality.

I agree that I will not disclose, disseminate, or publicize, or cause or permit to be disclosed, disseminated, or publicized, any of the terms of this Release or the fact that I have entered into this Release, to any person, corporation, association, government agency, or other entity, other than my spouse, legal counsel, and tax advisor, except (1) to the extent necessary to report income to appropriate taxing authorities, or (2) in response to an order or subpoena of a court or government agency of competent jurisdiction. However, notice of receipt of such order or subpoena shall be immediately communicated to Everi telephonically and in writing, so that Everi shall have an opportunity to intervene and assert what rights it has to nondisclosure prior to my response to such order or subpoena. I agree that my spouse, legal counsel, and tax advisor shall be bound by this confidentiality provision. Any violation of this section is considered a material breach of this Release, subjecting me to a claim for damages resulting from such breach. If I violate this confidentiality provision before Everi makes the payment specified in paragraph 1 above, then Everi's obligation to make such payment shall be extinguished; however, all other terms of this Release shall remain in effect.

17. Confidential/Proprietary Information and Intellectual Property.

Notwithstanding any concurrent obligations that I owe to Everi relating to its confidential or proprietary information or Intellectual Property, that may or may not arise from separate employment-related agreements I have previously executed with Everi, the applicability of which shall continue and be effective after my execution of this Release, I agree to keep confidential and not to use or disclose to others any secret or confidential information, proprietary information, or trade secrets of Everi or its members, customers, or insureds that I acquired during my employment with Everi. I also agree to disclose to any future employers the existence and extent of any obligations that I owe to Everi relating to its confidential or proprietary information or Intellectual Property, including the existence of any employment-related agreements I have previously executed with Everi. "Confidential information" includes information, including electronically stored information, that is proprietary to Everi and not publicly known, that an employee conceives, originates, discovers, or develops, in whole or in part, or that was obtained or accessed as a result of Everi employment. I further agree that all materials, reports, data, plans, designs, concepts, models, documentation, software, products, and modifications ("Inventions") I developed during my employment at Everi are the property of Everi and deemed "works made for hire." I hereby assign and transfer to Everi any right, title, or interest in such inventions, including, but not limited to, patent, trademark, service mark, copyright, industry property protection, trade secret, or any other intellectual property rights ("Intellectual Property"). I agree to cooperate fully with Everi by executing any necessary documents and taking any other steps as may be reasonably requested by Everi to perfect Everi's sole and exclusive ownership of Inventions and to pursue

Intellectual Property in the United States and any foreign countries. I understand that nothing in this Release prohibits me from reporting to any governmental authority information concerning possible violations of law or regulation and that I may disclose trade secret information to a government official or to an attorney and use it in certain court proceedings without fear of prosecution, liability, or retaliation, provided I do so in compliance with 18 U.S.C. § 1833.

18. Non-disparagement.

I agree not to make disparaging remarks about the Company, or their products, services or practices (including, but not limited to, human resources and other company practices). Nothing in this Release shall be construed to prevent me from communicating with any government agency regarding matters that are within the agency's jurisdiction.

19. Return of Everi Property.

I agree to return all Everi documents and other Everi property currently in my possession, care, custody, or control within the time frame specified by Everi during my out-processing. Severance benefits will be contingent on my timely return of Everi property in reasonable condition.

20. Cooperation in Defense of Actions.

I agree to cooperate, at the request of Everi, in the defense and/or prosecution of any charges, claims, and/or lawsuits relating to matters occurring during the period of my employment and about which I may have relevant information.

21. Seven Day Revocation Period.

I understand that I have a period of seven (7) calendar days following the date I deliver a signed copy of this Release to revoke this Release by giving written notice to Chief Legal Officer, 7250 S. Tenaya Way, Suite 100, Las Vegas, NV 89113 or fax to 702-855-3055. This Release and my entitlement to payments and benefits under paragraph 1 above will be binding and effective upon the expiration of this seven-day period if I do not revoke the Release, but not before that time.

_____ Date _____

EDWARD PETERS

Received and acknowledged by:

EVERI PAYMENTS INC.

_____ Date _____

Michael D. Rumbolz
Chief Executive Officer

SECOND AMENDMENT TO EMPLOYMENT AGREEMENT

This Second Amendment (the “**Amendment**”) to the Employment Agreement dated January 15, 2015, as amended by the First Amendment to Employment Agreement, executed March _____, 2020, (the “**First Amendment**”, the First Amendment and the Employment Agreement, collectively, the “**Agreement**”) by and between Everi Payments Inc., formerly known as Global Cash Access Inc., a Delaware corporation (the “**Company**”), and wholly owned subsidiary of Everi Holdings Inc., a Delaware corporation (“**Everi Holdings**”), and Edward Peters (the “**Executive**”) is made as of the date of Executive’s signature below (the “**Effective Date**”).

RECITALS

- A. Due to the COVID-19 global pandemic, the U.S. Government’s related declaration of a National Emergency, the Company has requested, and Executive has agreed, to maintain the same level of duties through May 31, 2020;
- B. As such, the Company and Executive desire to amend the Agreement to reflect the terms of the such agreement and the consideration related thereto.

AMENDMENT

NOW, THEREFORE, based on the foregoing recitals and in consideration of the commitments set forth below, the Parties agree as follows:

1. Definitions and Interpretation. Except as otherwise provided herein, capitalized terms used in this Amendment shall have the definitions set forth in the Agreement amended hereby.

2. Amendments.

- a. Section 3.b. of the First Amendment is hereby deleted in its entirety and replaced by the following:
“Executive’s salary will be amended as follows:
 - i. For the period of the Effective Date through May 31, 2020, Executive will receive his current salary and benefits; and
 - ii. For the period of June 1, 2020 through the Termination Date, Executive will receive salary equal to \$5,000 per month and his current benefits; and”
- b. Section 3.d. of the First Amendment is hereby deleted in its entirety and replaced by the following:
“With regard to all vested and unexercised stock options that Executive may beneficially own as of September 30, 2020, all Equity Award agreements related thereto shall be amended to provide Executive until two (2) years following the Termination Date to exercise such stock options.”

3. **Conflicting Terms.** In the event of any inconsistency or conflict by and among the Agreement and this Amendment, the terms and conditions of this Amendment shall govern and control.

4. **Entire Agreement.** This Amendment and the Agreement constitute the entire and exclusive agreement between the Parties with respect to the subject matter hereof. All previous discussions and agreements with respect to the subject matter are superseded by the Agreement and this Amendment. This Amendment may be executed in one or more counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, each of the undersigned has executed this Amendment as of the date first set forth above.

EVERI PAYMENTS INC.

EXECUTIVE

By: /s/ Michael D. Rumbolz
Michael D. Rumbolz
Chief Executive Officer

/s/ Edward A. Peters
Edward Peters

**AMENDED AND RESTATED
EMPLOYMENT AGREEMENT**

This Employment Agreement (this “Agreement”), by and between Everi Payments Inc., a Delaware corporation (the “Company”) and wholly-owned subsidiary of Everi Holdings Inc., a Delaware corporation (“Everi Holdings”), and David Lucchese (“Executive”), is dated as of April 1, 2020 (the “Effective Date”).

RECITALS

A. The Company and Executive have previously executed the Employment Agreement, as may have been amended by the parties from time to time, on August 5, 2014, as amended by the First Amendment to Employment Agreement, executed by the parties on January 3, 2017 (collectively, the “*Prior Agreement*”).

B. The Company desires to continue the association and services of Executive in order to retain Executive’s experience, skills, abilities, background and knowledge, and is willing to continue to engage Executive to provide such services on the amended and restated terms and conditions set forth in this Agreement.

C. Executive desires to continue to be in the employ of the Company, and is willing to accept such employment on the amended and restated terms and conditions set forth in this Agreement.

D. The Company and Executive wish to enter into an employment relationship with a written employment agreement intended to supersede and replace any and all other written and oral representations regarding Executive’s employment with Company, including without limitation, the Prior Agreement.

AGREEMENT

NOW, THEREFORE, based on the foregoing recitals and in consideration of the commitments set forth below, and with understanding that, unless otherwise indicated, any of Executive obligations do not start until the Effective Date, Executive and the Company agree as follows:

1. Position, Duties, Responsibilities

1.1. Position and Term. The Company hereby employs Executive to render services to the Company in the position of Executive Vice President, Sales, Marketing & Digital, reporting directly to the President & Chief Operating Officer of the Company or his designee. The Company’s employment of Executive hereunder is contingent upon Executive successfully completing a background investigation. The duties of this position shall include such duties and responsibilities as are

reasonably assigned to Executive by the President & Chief Operating Officer, including, but not limited to, those customarily performed by Executive Vice Presidents, Sales, Marketing and or Digital, of public corporations in the same or similar industries, managing business risk and protecting Company assets, as well as any other such duties and responsibilities as are customarily performed by persons holding similar positions at similarly situated corporations. Executive agrees to serve in a similar capacity for the benefit of Everi Holdings and any of Everi Holdings' direct or indirect, wholly-owned or partially-owned subsidiaries or Everi Holdings' affiliates. Additionally, Executive shall serve in such other capacity or capacities as the Chief Operating Officer may from time to time reasonably and lawfully prescribe. Executive shall be deemed an "Executive Officer" for purposes of indemnification by the Company pursuant to Article XI of the Company's bylaws.

1.2. Best Efforts; Other Activities. Executive will expend Executive's best efforts on behalf of the Company, Everi Holdings and their respective subsidiaries and affiliates, and will abide by all policies and decisions made by the Company and Everi Holdings, as well as all applicable federal, state and local laws, regulations or ordinances. Executive will act in the best interest of the Company, Everi Holdings and their respective subsidiaries and affiliates at all times. Executive shall devote Executive's full business time and efforts to the performance of Executive's assigned duties and responsibilities under this Agreement and, except upon the prior written consent of the Board of Directors of the Company (the "*Board*"), Executive will not (a) accept any other employment, or (b) engage, directly or indirectly, in any other business activity (whether or not pursued for pecuniary advantage) that is or may be in conflict with, or that might place Executive in a conflicting position to that of, the Company, Everi Holdings and/or their respective subsidiaries and affiliates. Notwithstanding the foregoing, Executive shall be permitted to engage in occasional charitable activities outside the scope of Executive's employment hereunder so long as such activities (i) do not conflict with the actual or proposed business of the Company, Everi Holdings and/or their respective subsidiaries and affiliates, and (ii) do not affect the performance of Executive's duties hereunder. In addition, subject to the prior written consent of the Board and subject to the satisfaction of Executive's fiduciary duties to the Company, Everi Holdings and/or their respective subsidiaries and affiliates, Executive may be permitted to serve as a director of other corporations provided that the businesses of such other corporations are not competitive with the actual or proposed business of the Company, Everi Holdings and/or their respective subsidiaries and affiliates and provided further that Executive's service as a director of such other corporations does not interfere with Executive's performance of Executive's duties hereunder. In the sole discretion of the Board, any such prior written consent may be subsequently revoked in the event that the Chief Executive Officer or Board determines that Executive's position as a director of any such other corporation has developed into a conflict of interest.

- 1.3. Location.** Executive's principal place of employment shall be the Company's corporate headquarters, which is located in Las Vegas, Nevada, USA.
- 1.4. Proprietary Information.** Executive recognizes that Executive's employment with the Company will involve contact with information of substantial value to the Company, Everi Holdings and their respective subsidiaries and affiliates, which is not generally known in the trade, and which gives the Company, Everi Holdings and their respective subsidiaries and affiliates an advantage over their competitors who do not know or use it. As a condition precedent to Executive's employment by the Company, Executive agrees to execute and deliver to the Company, concurrent with Executive's execution and delivery of this Agreement, a copy of the "Employee Proprietary Information and Inventions Agreement" attached hereto as Exhibit A.
- 1.5. No Inconsistent Obligations.** Executive represents and covenants that Executive is free to enter into this Agreement as of today and is not bound by any restrictive covenants, including but not limited to, covenants not to compete that could conflict with this Agreement, and will be permitted to be employed by the Company as contemplated hereby. Executive further represents and covenants that Executive has not and will never use any confidential information or trade secrets belonging to any third party, including, but not limited to, Executive's prior employer(s), to the extent Executive has any, in any way or manner related to or with respect to the performance of the duties and obligations hereunder.
- 1.6. Regulatory Approval.** Due to the nature of the business of the Company, Everi Holdings and their respective subsidiaries and affiliates and Executive's position with the Company and Everi Holdings, and, in addition to normal employment-related credit, reference and background investigations, Executive may also be required to complete applications required by various regulatory, tribal, state, local or other international governmental authorities in and under whose jurisdiction the Company, Everi Holdings and their respective subsidiaries and affiliates conduct business, as well as other applications that may be required by regulatory authorities with jurisdiction over the Company, Everi Holdings and their respective subsidiaries and affiliates. Such applications may require complete disclosure of personal and financial information, criminal convictions or arrests (expunged or not) and business associations. As an ongoing condition of Executive's employment, Executive must be able to satisfy all applicable requirements of such governmental and regulatory authorities and obtain all necessary regulatory approvals and licenses.
- 1.7. Termination of Prior Agreements.** The Company and Executive agree that upon the execution and delivery of this Agreement, all agreements relating to employment or consulting services between the Company and Executive in effect on or prior to the Effective Date shall terminate in their entirety and be of no further force or effect, except for the (a) Employee Proprietary Information and

Inventions Assignment Agreement, (b) any other agreement or document with respect to any stock options, restricted stock or other equity awards, and (c) the Arbitration Agreement as defined in Section 8 hereof.

2. Compensation of Executive

2.1. Base Salary. In consideration of the services to be rendered under this Agreement, while employed by the Company, the Company shall pay Executive an annual base salary (“*Base Salary*”), less required deductions for state and federal withholding tax, social security and all other employment taxes and payroll deductions, payable in regular periodic payments in accordance with Company payroll policy, at the rate of Four Hundred Thousand United States Dollars and 00/100 (US\$400,000.00) per year. Such Base Salary shall be prorated for any partial month of employment on the basis of a 30-day fiscal month. Such Base Salary shall be subject to annual review by the compensation committee of the Board of Directors of Everi Holdings (the “*Compensation Committee*”).

2.2. Bonus. For each full fiscal year of Executive’s employment with the Company, Executive shall be eligible for an annual discretionary bonus (the “*Cash Bonus*”) with a target amount equal to seventy-five percent (75%) of Executive’s then current base salary (the “*Target Percentage*”), which Target Bonus will be calculated on a pro rata basis for any partial year based on applicable Base Salary(ies) in effect during the relevant periods. The actual amount of any such Cash Bonus for the applicable calendar year will be established by the Compensation Committee based on the measurement of certain performance criteria or goals (the “*Bonus Metrics*”) established for the applicable calendar year by the Compensation Committee prior to or as soon as practicable after the commencement of such calendar year, but in no event later than March 31 of the applicable calendar year, and set forth in a written plan (“*Annual Bonus Plan*”). If the Compensation Committee determines that the applicable Bonus Metrics have been achieved at or above a “threshold” level with respect to the applicable performance year, then, based on the level of such achievement, the Executive shall be entitled to receive payment of the applicable Cash Bonus (which may be less than, equal to, or greater than the Target Percentage based on the level of performance achieved and the terms of the Annual Bonus Plan). If the Committee determines that the applicable Bonus Metrics have not been achieved at a “threshold” level with respect to the applicable performance year, then no Cash Bonus under the Annual Bonus Plan shall be due and payable to the Executive for such year. Except as provided otherwise in this Agreement, Executive shall only be eligible to receive a Cash Bonus for a calendar year if Executive is employed on the last day of such calendar year. Any Cash Bonus awarded for a calendar year, if any, shall be paid in cash and or equity when other senior executives of the Company are paid, and, in any event, on or before March 31st of the calendar year subsequent to the calendar year in which the Cash Bonus is earned.

- 2.3. Benefits.** Executive shall be entitled to participate in any of the Company's group medical, dental, life insurance, 401(k) or other benefit plans and programs on the same terms and conditions as other members of the Company's senior executive management, based upon the eligibility dates described in the applicable benefit plan documents and subject to the terms and conditions of such plans. Executive shall be provided such prerequisites of employment as are provided to all other members of the Company's senior executive management. Executive understands that the Company has adopted an "unlimited" vacation policy pursuant to which the Company does not limit senior executive officers' vacation time or sick days; accordingly, like the Company's other senior executive officers, Executive will not "accrue" paid time off days and will not be compensated for "unused" paid time off upon termination.
- 2.4. Expense Reimbursements.** Executive shall be entitled to reimbursement of all reasonable expenses incurred by Executive in the performance of Executive's duties hereunder, in accordance with the policies and procedures established by the Company from time to time, and as may be amended from time to time. Any reimbursement Executive is entitled to receive shall (a) be paid no later than the last day of Executive's tax year following the tax year in which the expense was incurred, (b) not affect or be affected by any other expenses that are eligible for reimbursement in any other tax year of Executive, and (c) not be subject to liquidation or exchange for another benefit.
- 2.5. Equity Awards.** Executive will be eligible to receive restricted stock, restricted stock units, performance awards, stock options or other equity awards with a frequency substantially similar to those regularly awarded to other members of the Company's senior executive management, other than the Chief Executive Officer, (each, an "*Equity Award*") under the applicable equity incentive plan of Everi Holdings as then in effect (the "*Plan*"), as determined by the Compensation Committee. Executive agrees and acknowledges that any Equity Award, currently held by, or subsequently awarded to, Executive will be subject to and governed by the terms and conditions of the Plan and an applicable form of agreement for such Equity Award specified by the Compensation Committee. As such, with respect to Equity Awards previously granted to Executive, this Agreement is expressly intended to (i) supersede any such conflicting provisions in any Prior Agreement and (ii) to the extent necessary, shall constitute an amendment to any such Equity Award agreement. Further, with respect to any subsequent Equity Award granted during the Term, Executive will be required to consent in writing to such terms as a condition of retaining the Equity Award.
- 2.6. Other.** In connection with the execution and delivery of this Agreement, the Company will request the Compensation Committee approve a grant to Executive an Equity Award of Seven Thousand, Five Hundred (7,500) shares of restricted stock of Everi Holdings and thirty-three percent (33%) of the total number of shares shall vest and become vested shares on each of the first three anniversaries

of the date of grant (disregarding any resulting fractional share). The Equity Awards described in this Section 2.6 will be reflected in, and governed by, an applicable grant agreement to be executed by Executive in connection with such grant.

3. Term

The term of the Agreement shall be one (1) year from the Effective Date (the “**Initial Term**”). The Company shall give written notice of intent to renew, or not renew, the Agreement ninety (90) days prior to the expiration of the Initial Term. In the event that Company fails to give written notice of intent not to renew as provided above, the Agreement shall renew for successive one-year terms (each, a “**Renewal Term**”) until terminated by either party upon giving ninety (90) days’ written notice prior to the end of a Renewal Term. The Initial Term and any subsequent Renewal Term, taking into account any early termination of employment pursuant to Section 4, are referred to collectively as the “**Term**.”

4. Termination of Employment

4.1. Definitions.

4.1.1. For the purposes of this Agreement, termination shall be for “*Cause*” if (a) Executive refuses or fails to act in accordance with any lawful order or instruction of the Chief Executive Officer or Board, and such refusal or failure to act has not been cured within five (5) days following Executive's receipt of written notice from the Chief Executive Officer or Board, as applicable, of such failure, (b) Executive is determined by the Chief Executive Officer or Board to have failed to devote reasonable attention and time to the business affairs of the Company, Everi Holdings and their subsidiaries and affiliates, (c) Executive is reasonably determined by the Chief Executive Officer or Board to have been (i) unfit for service (i.e., denied any license, permit or qualification required by, or found unsuitable by, any gaming regulator or other governmental authority), (ii) unavailable for service (other than as a result of an Incapacity (as defined below)), or (iii) grossly negligent in connection with the performance of Executive's duties on behalf of the Company, Everi Holdings and their subsidiaries and affiliates, which unfitness, unavailability or gross negligence has not been cured within five (5) days following Executive's receipt of written notice from the Chief Executive Officer or Board of the same; (d) Executive is reasonably determined by the Chief Executive Officer or Board to have committed a material act of dishonesty or willful misconduct or to have acted in bad faith to the material detriment of the Company, Everi Holdings and/or their subsidiaries and affiliates in connection with the performance of Executive's duties hereunder; (e) Executive is convicted of a felony or other crime involving dishonesty, breach of trust, moral turpitude or physical harm to any person, or (f) Executive materially breaches any agreement with the Company or Everi Holdings which material breach has not been cured

within five (5) days following Executive's receipt of written notice from the Chief Executive Officer or Board of the same.

4.1.2. For purposes of this Agreement, the term “*without Cause*” shall mean termination of Executive’s employment by the Company for reasons other than for Cause (and excluding any such termination resulting from Executive’s Incapacity or Death).

4.1.3. For the purposes of this Agreement, termination shall be for “*Good Reason*” if (a) there is a material diminution of Executive’s responsibilities or authority with the Company or Everi Holdings, or a material adverse change in the Executive’s reporting responsibilities or title, in each case as they existed prior to such diminution or change without Executive’s consent (which shall be deemed to have occurred in the event that there is a material reduction in the scope of the organization with respect to which the Executive has primary authority); (b) there is a material reduction by the Company in the Executive’s compensation as then in effect, without Executive’s consent; or (c) Executive’s principal work locations are relocated outside of the Las Vegas, Nevada, USA metropolitan area without Executive’s consent. Executive will be deemed not to have terminated Executive’s employment for Good Reason unless (i) Executive has delivered written notice to the Company of Executive's intent to exercise the rights pursuant to this Section within thirty (30) days following the first occurrence of a condition that would constitute Good Reason and identifying the facts constituting such condition, and (ii) the Company has failed to remedy such condition within thirty (30) days following its receipt of such written notice, and (iii) the Executive’s termination of employment for Good Reason is effective no later than one-hundred fifty (150) days following the first occurrence of such condition. Executive agrees that Executive may be required to travel from time to time as required by the Company’s business and that such travel shall not constitute grounds for Executive to terminate Executive's employment for Good Reason.

4.1.4. For the purposes of this Agreement, Executive shall be deemed to have suffered an “*Incapacity*” if Executive, due to any mental or physical illness, injury or limitation, has been unable to perform the essential duties and responsibilities of Executive’s position for a period of at least one-hundred eighty (180) days in any rolling three hundred and sixty-five (365) day period.

4.2. Termination by Executive. During the Term, Executive may terminate Executive's employment upon written notice to the Company. In the event that, during the Term, Executive terminates Executive's employment for any reason other than for Good Reason, all of the Company’s duties and obligations under this Agreement shall cease as of the last day of Executive’s employment and the Company shall pay Executive, and Executive shall be entitled to receive, only the following: all Base Salary earned by Executive through the last day of Executive’s employment but not yet paid, all reimbursable business expenses

properly incurred by Executive pursuant to Section 2.4 through the last day of Executive's employment but not yet reimbursed, and all benefits earned by Executive pursuant to Section 2.3 through the last day of Executive's employment (the "*Accrued Amounts*"); provided however, in the event the Company elects to enforce the Noncompete Term (as defined in Section 7.2) following a termination under this Section 4.2, the Company will continue to pay Executive's then-current Base Salary in installments in accordance with the Company's regular payroll procedures during the pendency of the Noncompete Term.

4.3. Termination by the Company for Cause. In the event that, during the Term, the Company terminates Executive's employment for Cause, all of the Company's duties and obligations under this Agreement shall cease as of the last day of Executive's employment and the Company shall pay Executive, and Executive shall be entitled to receive, only the Accrued Amounts; provided however, in the event the Company elects to enforce the Noncompete Term following a termination under this Section 4.3, the Company will continue to pay Executive's then-current Base Salary in installments in accordance with the Company's regular payroll procedures during the pendency of the Non-Compete Term.

4.4. Termination by the Company without Cause, or Termination by Executive for Good Reason. In the event that, during the Term, the Company terminates Executive's employment without, or Executive terminates Executive's employment for Good Reason, all of the Company's duties and obligations under this Agreement shall cease as of the last day of Executive's employment and the Company shall pay Executive, and Executive shall be entitled to receive, the Accrued Amounts. In addition, and subject to the conditions set forth in Section 4.8 below, the Company shall pay to Executive the severance payments and benefits set forth below in Sections 4.4.1- 4.4.4 in accordance with the terms thereof.

4.4.1. Base Salary Continuation. If the Company terminates Executive's employment without Cause or Executive terminates Executive's employment for Good Reason as follows: (a) during the initial six (6) months of the Initial Term, the Company shall continue to pay Executive's Base Salary at the rate of Three Hundred Seventy-five Thousand United States Dollars and no/100 (US\$375,000.00) for a period of one (1) year following the date of termination, and (b) during the remainder of the Initial Term or during any Renewal Term, the Company shall continue to pay Executive's Base Salary at the then-current rate (determined prior to any reduction constituting a condition giving rise to Good Reason) for a period of one (1) year following the date of termination. Such salary continuation shall be paid to Executive in installments in accordance with the Company's regular payroll procedures, with the initial salary continuation payment to be made on the first regular payroll date of the Company following the Release Deadline and to include a catch-up payment for all regular Company payroll dates occurring between the date of Executive's termination of

employment and such initial salary continuation payment date; provided, however, that if the period beginning on the date of Executive's termination of employment and ending on the first Company payroll date following the Release Deadline straddles two calendar years, then the salary continuation payments shall in any event begin in the second such calendar year. Salary continuation payments shall be subject to standard deductions and withholdings.

4.4.2. Target Bonus. If the Company terminates Executive's employment without Cause or Executive terminates Executive's employment for Good Reason during the Term, the Company shall pay to Executive, less standard deductions and withholdings, an additional severance benefit in an amount equal to one-hundred percent (100%) of Executive's then-current target bonus (based on the target bonus percentage and Base Salary(ies)) for the calendar year in which the termination occurs, such aggregate amount to be in substantially equal installments concurrent with the salary continuation payments pursuant to Section 4.4.1 (including a catch-up payment as described therein).

4.4.3. Vesting of Equity Awards and Exercise Period. Upon the Company's termination of Executive's employment without Cause or Executive's termination of Executive's employment for Good Reason, then all Equity Awards granted to Executive following the Effective Date and held by Executive immediately prior to such termination shall be governed by the terms of the applicable grant agreement pursuant to which such Equity Award is granted, in each case as determined by the Compensation Committee at the time of such grant.

4.4.4. Health Care Coverage. The Company shall, following the Executive's timely election, provide the Executive with continued coverage under the Company's group health insurance plans as then in effect in accordance with the provisions of Title X of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended and any state law equivalent ("*COBRA*"), at no cost to Executive, for a period of time equal to the eighteen (18) months following the date of termination of Executive's employment; provided however that, in the event that Executive secures alternate employment which offers health care coverage during this 18-month period, the Company's obligations under this section will cease. Notwithstanding the preceding sentence, if the Company determines, in its sole discretion, that the payment of the COBRA premiums would result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Internal Revenue Code of 1986, as amended (the "*Code*"), or any statute or regulation of similar effect (including but not limited to the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of providing the COBRA premiums, the Company, in its sole discretion, may elect to instead pay Executive on the first day of each month of such applicable salary continuation period, a fully taxable cash payment equal to the COBRA premiums for that month, subject to

applicable withholdings and deductions, and Executive may, but is not obligated to, use such payments toward the cost of COBRA premiums.

4.5. Termination by the Company for Incapacity. In the event that, during the Term, Executive suffers an Incapacity as determined by the Company in its reasonable discretion, the Company may elect to terminate Executive's employment pursuant to this Section 4.5. In such event, all of the Company's duties and obligations under this Agreement shall cease as of the last day of Executive's employment and the Company shall pay Executive, and Executive shall be entitled to receive, only the Accrued Amounts; provided, however, that nothing contained in this Agreement shall limit Executive's rights to payments or other benefits under any long-term disability plans of the Company in which Executive participates, if any.

4.6. Termination upon Death. In the event that, during the Term, Executive dies, Executive's employment shall be deemed to have terminated upon the date of death and all of the Company's duties and obligations under this Agreement shall cease. In such event, the Company shall pay Executive's estate, and Executive's estate shall be entitled to receive, only the Accrued Amounts; provided, however, that nothing contained in this Agreement shall limit Executive's estate's or Executive's beneficiaries' rights to payments or other benefits under any life insurance plan or policy in which Executive participated or with respect to which Executive has designated a beneficiary, if any.

4.7. Change in Control and Termination Payments.

4.7.1. Equity Award Acceleration. Upon a Change in Control (as that or a substantially similar term is defined in the Plan), the vesting or termination of all outstanding Equity Awards shall continue to be governed under the terms of such Equity Awards.

4.7.2. Parachute Payments. Notwithstanding any provision of this Agreement to the contrary, if any payment or benefit Executive would receive pursuant to this Agreement or otherwise (collectively, the "*Payments*") would constitute a "parachute payment" within the meaning of Section 280G of the Code, and, but for this sentence, would be subject to the excise tax imposed by Section 4999 of the Code or any similar or successor provision (the "*Excise Tax*"), then the aggregate amount of the Payments will be either (a) the largest portion of the Payments that would result in no portion of the Payments (after reduction) being subject to the Excise Tax or (b) the entire Payments, whichever amount after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate, net of the maximum reduction in federal income taxes which could be obtained from a deduction of such state and local taxes), results in Executive's receipt, on an after-tax basis, of the greatest amount of the Payments. Any reduction in the Payments required by this Section will be made in the following

order (to the extent compliant with Section 409A of the Code and the regulations thereunder (“*Section 409A*”)): (i) reduction of Payments that constitute “deferred compensation” (within the meaning of Section 409A), and if there is more than one such Payment, then such reduction shall be applied on a pro rata basis to all such Payments; (ii) reduction of Payments payable in cash that do not constitute deferred compensation; (iii) reduction of accelerated vesting of Equity Awards other than stock options, if any; (iv) reduction of accelerated vesting of stock options, if any; and (v) reduction of other benefits paid or provided to Executive. In the event that acceleration of vesting of Equity Awards is to be reduced, such acceleration of vesting will be cancelled in the reverse order of the date of grant of such Equity Awards. If two or more Equity Awards are granted on the same date, the accelerated vesting of each award will be reduced on a pro-rata basis.

4.7.3. Calculation. The professional firm engaged by the Company for general tax purposes as of the day prior to the date of the event that might reasonably be anticipated to result in Payments that would otherwise be subject to the Excise Tax will perform the foregoing calculations. If the tax firm so engaged by the Company is serving as accountant or auditor for the acquiring company, the Company will appoint a nationally recognized tax firm to make the determinations required by this Section. The Company will bear all expenses with respect to the determinations by the tax firm required to be made by this Section. The Company and Executive shall furnish the tax firm such information and documents as the tax firm may reasonably request in order to make its required determination. The tax firm will provide its calculations, together with detailed supporting documentation, to the Company and Executive as soon as practicable following its engagement. Any good faith determinations of the tax firm made hereunder will be final, binding and conclusive upon the Company and Executive.

4.8. No Other Compensation or Benefits/No Duty to Mitigate. Executive acknowledges that except as expressly provided in this Agreement, Executive shall not be entitled to any compensation, severance payments or benefits upon the termination of Executive’s employment. The Company acknowledges that Executive is under no duty to seek other employment or otherwise mitigate the obligations of the Company under this Agreement and the Company shall have no right of off-set against the amounts owed to Executive by the Company on account of any remuneration or other benefit earned or received by Executive after Executive’s termination by the Company.

4.9. Conditions to Severance. Executive will only be entitled to receive the severance payments and benefits set forth in Sections 4.4.1- 4.4.4 if, on or before the thirtieth (30th) day following the date of termination of Executive's employment (the “*Release Deadline*”), Executive executes a full general release of claims agreement in a form similar to Exhibit B hereto or the Company’s then-current version thereof, releasing all claims, known or unknown, that Executive may have

against the Company, Everi Holdings and their respective subsidiaries and affiliates, and each of their respective officers, directors, and employees arising out of or in any way related to Executive's employment or termination of employment with the Company, and the period for revocation, if any, of such release agreement has lapsed without the release having been revoked. In the event that Executive breaches any of the covenants contained in Sections 7 or 8, the Company shall have the right to (a) terminate further provision of any portion of the severance payments and benefits set forth in Sections 4.4.1-4.4.4 not yet paid or provided to Executive, (b) seek reimbursement in gross from Executive for any and all portions of the severance payments and benefits set forth in Sections 4.4.1-4.4.4 previously paid or provided to Executive, (c) recover from Executive all shares of Everi Holdings stock acquired by Executive pursuant to Equity Awards the vesting of which was accelerated by reason of Executive's termination of employment (or the proceeds therefrom, reduced by any exercise or purchase price paid to acquire such shares), and (d) immediately cancel all portions of Equity Awards the vesting of which was accelerated by reason of Executive's termination of employment.

4.10. Expiration of the Term. For the avoidance of doubt, in the absence of an assertion of Cause by the Company, the exercise by the Company of its right to not extend the Agreement, shall constitute a termination at the election of the Company without Cause and Executive's employment will be terminated as of such date.

5. Executive's Termination Obligations

5.1. Return of Company's Property. Without in any way limiting Executive's obligations and the Company's rights under the Employee Proprietary Information and Inventions Agreement described in Section 1.4, Executive hereby acknowledges and agrees that all books, manuals, records, reports, notes, contracts, lists, spreadsheets and other documents or materials, or copies thereof, and equipment furnished to or prepared by Executive in the course of or incident to Executive's employment, belong to Company and shall be promptly returned to Company upon termination of Executive's employment with the Company for any reason.

5.2. Cooperation in Pending Work. Following any termination of Executive's employment with the Company for any reason, Executive shall, at the Company's request, reasonably cooperate with the Company in all matters relating to the winding up of pending work on behalf of the Company, Everi Holdings and their respective subsidiaries and affiliates and the orderly transfer of work to other employees of the Company, Everi Holdings and their respective subsidiaries and affiliates. Executive shall also cooperate, at the Company's request, in the defense of any action brought by any third party against the Company, Everi

Holdings and/or their respective subsidiaries and affiliates that relates in any way to Executive's acts or omissions while employed by the Company.

5.3. Resignation. Upon the termination of Executive's employment with the Company for any reason, Executive shall be deemed to have resigned from all positions as an employee, officer, director or manager then held with the Company, Everi Holdings or any of their respective subsidiaries or affiliates. Executive agrees to execute and deliver such documents or instruments as are reasonably requested by the Company, Everi Holdings or any such subsidiary or affiliate to evidence such resignations.

5.4. Survival. The representations and warranties contained herein and Executive's and the Company's obligations under Sections 3, 4, 5, 6, 7, 8 and 9 and under the Employee Proprietary Information and Inventions Agreement shall survive termination of Executive's employment with the Company for any reason and the expiration of this Agreement.

5.5. Mutual Non-disparagement. Executive agrees that Executive will not make any voluntary statements, written or oral, or cause or encourage others to make any such statements that defame, disparage or in any way criticize the personal and/or business reputations, practices or conduct of the Company, Everi Holdings and/or their respective subsidiaries and affiliates or their respective employees, officers or directors. The Company agrees that it will instruct its officers and directors to not make any voluntary statements, written or oral, or cause or encourage others to make any such statements that defame, disparage or in any way criticize the personal and/or business reputations, practices or conduct of Executive.

6. Compliance with Section 409A of the Code.

6.1. This Agreement and all payments and benefits provided under this Agreement are intended to comply with, or be exempt from, Section 409A, and shall be construed and interpreted in accordance with such intent. However, the Company does not guarantee any particular tax effect for income provided to Executive pursuant to this Agreement, and except for the Company's responsibility to withhold applicable income and employment taxes from compensation paid or provided to Executive, the Company shall not be responsible for the payment of any applicable taxes, penalties, interest, costs, fees, including attorneys' fees, or other liability incurred by Executive in connection with compensation paid or provided to Executive pursuant to this Agreement.

6.2. No amount payable pursuant to this Agreement on account of Executive's termination of employment with the Company which constitutes a "deferral of compensation" within the meaning of Section 409A shall be paid unless and until Executive has incurred a "separation from service" within the meaning of Section 409A. Furthermore, to the extent that Executive is a "specified employee" within

the meaning of Section 409A (determined using the identification methodology selected by Company from time to time, or if none, the default methodology) as of the date of Executive's separation from service, no amount that constitutes a deferral of compensation which is payable on account of Executive's separation from service shall be paid to Executive before the date (the "*Delayed Payment Date*") which is first day of the seventh month after the date of Executive's separation from service or, if earlier, the date of Executive's death following such separation from service. All such amounts that would, but for this Section, become payable prior to the Delayed Payment Date will be accumulated and paid in a lump sum on the Delayed Payment Date. Thereafter, any payments that remain outstanding as of the day immediately following the Delayed Payment Date shall be paid without delay over the time period originally scheduled, in accordance with the terms of this Agreement.

6.3. Any right of Executive to receive installment payments under this Agreement shall, for all purposes of Section 409A, be treated as a right to a series of separate payments.

7. Restrictions on Competition after Termination

Executive acknowledges that the nature of the business of the Company, Everi Holdings and/or their respective subsidiaries and affiliates is such that it would be extremely difficult for Executive to honor and comply with Executive's obligations under the Employee Proprietary Information and Inventions Agreement described in Section 1.4 to keep secret and confidential the trade secrets of the Company, Everi Holdings and/or their respective subsidiaries and affiliates if Executive were to become employed by or substantially interested in the business of a competitor of the Company, Everi Holdings and/or their respective subsidiaries and affiliates is such that soon following the termination of Executive's employment with the Company, and it would also be extremely difficult to determine in any reasonably available forum the extent to which Executive was or was not complying with Executive's obligations under such circumstances.

7.1. Duration of Restriction. In consideration for the Company's and Everi Holdings' undertakings and obligations under this Agreement, and in light of Executive's unique position and substantial knowledge of the operations, plans and projects of the Company, Everi Holdings and their respective subsidiaries and affiliates, Executive agrees that, during the Noncompete Term (as defined below), Executive shall not directly or indirectly engage in (whether as an employee, consultant, proprietor, partner, director or otherwise), or have any ownership interest in, or participate in the financing, operation, management or control of, any person, firm, corporation or business that engages in any line of business in which the Company, Everi Holdings and/or their respective subsidiaries and affiliates engages at the time of such termination, in the United States, Canada, the United Kingdom or such other countries in which the Company, Everi Holdings and/or their respective subsidiaries and affiliates conducts business at the time of

such termination (“*Restricted Territory*”). For the avoidance of doubt, the foregoing shall not prohibit Executive from engaging in, owning an interest in, or participating in any business that processes credit card, debit card or automated teller machine transactions originated from outside of gaming establishments, unless the Company has expanded its operations to encompass such activities at the time of termination. For purposes of this Agreement, the “*Noncompete Term*” shall mean the period of six (6) months after the termination of Executive’s employment hereunder or, if greater, the period during which Executive continues to receive salary continuation payments pursuant to Section 4.4.1 above. The parties agree that ownership of no more than 1% of the outstanding voting stock of a publicly-traded corporation or other entity shall not constitute a violation of this provision. The parties intend that the covenants contained in this section shall be construed as a series of separate covenants, one for each county, city, state and other political subdivision of the Restricted Territory. Except for geographic coverage, each such separate covenant shall be deemed identical in terms to the covenant contained in this section. If, in any judicial proceeding, a court shall refuse to enforce any of the separate covenants (or any part thereof) deemed included in this section, then such unenforceable covenant (or such part) shall be deemed eliminated from this Agreement for the purpose of those proceedings to the extent necessary to permit the remaining separate covenants (or portions thereof) to be enforced by such court. It is the intent of the parties that the covenants set forth herein be enforced to the maximum degree permitted by applicable law.

7.2 Assignment. Executive expressly understands and agrees that all restrictions on employment and solicitation as set forth in Sections 7 and 8 are fair and reasonable, and are a material part of this Agreement which would not be entered into by the parties absent mutual agreement to the assignability of the same. Executive further expressly understands and agrees that Executive's duties and obligations as set forth in Sections 7 and 8 of this Agreement may be assigned by the Company upon a Change in Control at Company's discretion. Executive agrees that Executive has received separate valuable and sufficient consideration in exchange for Company's right to assign Executive's obligations and duties as set forth in Sections 7 and 8.

8. Restrictions on Solicitation after Termination

In consideration for the Company’s and Everi Holdings’ undertakings and obligations under this Agreement, and in light of Executive’s unique position and substantial knowledge of the operations, plans and projects of the Company, Everi Holdings and their respective subsidiaries and affiliates, Executive agrees that, for a period of one (1) year following the termination of Executive's employment hereunder for any reason, Executive shall not, without the prior written consent of the Company, directly or indirectly, as a sole proprietor, member of a partnership, stockholder or investor, officer or director of a corporation, or as an executive, associate, consultant, employee, independent contractor or agent of any person, partnership,

corporation or other business organization or entity other than the Company solicit or endeavor to entice away from the Company, Everi Holdings and/or their respective subsidiaries and affiliates any person or entity who is, or, during the then most recent three-month period, was, employed by, or had served as an agent or key consultant of the Company, Everi Holdings and/or their respective subsidiaries and affiliates, provided, however, that Executive shall not be prohibited from receiving and responding to unsolicited requests for employment or career advice from the Company's employees.

9. Arbitration

9.1. Agreement to Arbitrate Claims. The Company and Executive hereby agree that, to the fullest extent permitted by law, any and all claims or controversies between them (or between Executive and any present or former officer, director, agent, or employee of the Company or any parent, subsidiary, or other entity affiliated with the Company) relating in any manner to the employment or the termination of employment of Executive shall be resolved by final and binding arbitration pursuant to the terms and conditions set forth in that certain National Mutual Arbitration Agreement for Employees of the Company executed by Executive (the "*Arbitration Agreement*") in the form attached hereto as Exhibit C Claims subject to the Arbitration Agreement shall include contract claims, tort claims, claims relating to compensation and Equity Awards, as well as claims based on any federal, state, or local law, statute, or regulation, including but not limited to any claims arising under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, and the California Fair Employment and Housing Act. However, claims for unemployment compensation, workers' compensation, and claims under the National Labor Relations Act shall not be subject to arbitration.

9.2. Enforcement Actions. Either the Company or Executive may bring an action in court to compel arbitration under this Agreement and to enforce an arbitration award. Except as otherwise provided in this Agreement, neither party shall initiate or prosecute any lawsuit in any way related to any arbitrable claim, including, without limitation, any claim as to the making, existence, validity, or enforceability of the agreement to arbitrate. All arbitration hearings under this Agreement shall be conducted in Las Vegas, Nevada.

9.3. Exceptions. Nothing in this Agreement precludes a party from filing an administrative charge before an agency that has jurisdiction over an arbitrable claim. In addition, either party may, at its option, seek injunctive relief in a court of competent jurisdiction for any claim or controversy arising out of or related to the matters described in Sections 7 and 8 above or the unauthorized use, disclosure, or misappropriation of the confidential and/or proprietary information of either party in contravention of the Employee Proprietary Information and Inventions Agreement or otherwise. By way of example, the Company may choose to use the court system to seek injunctive relief to prevent disclosure of its

proprietary information or trade secrets; similarly, Executive may elect to use the court system to seek injunctive relief to protect Executive's own inventions or trade secrets.

9.4. Attorneys' Fees. Each party shall pay its own costs and attorney's fees, unless a party prevails on a statutory claim, and the statute provides that the prevailing party is entitled to payment of its attorneys' fees. In that case, the arbitrator may award reasonable attorneys' fees and costs to the prevailing party as provided by law. The costs and fees of the arbitrator shall be borne equally by Executive and the Company.

9.5. Survival. The parties' obligations under this Agreement, where applicable including Section 7 and 8, shall survive the termination of Executive's employment with the Company for any reason and the expiration of this Agreement.

9.6. Acknowledgements. THE PARTIES UNDERSTAND AND AGREE THAT THIS SECTION 9 CONSTITUTES A WAIVER OF THEIR RIGHT TO A TRIAL BY JURY OF ANY CLAIMS OR CONTROVERSIES COVERED BY THIS SECTION 9. THE PARTIES AGREE THAT NONE OF THOSE CLAIMS OR CONTROVERSIES SHALL BE RESOLVED BY A JURY TRIAL. THE PARTIES FURTHER ACKNOWLEDGE THAT THEY HAVE BEEN GIVEN THE OPPORTUNITY TO DISCUSS THIS SECTION 9 WITH THEIR LEGAL COUNSEL AND HAVE AVAILED THEMSELVES OF THAT OPPORTUNITY TO THE EXTENT THEY WISH TO DO SO.

10. Expiration

The terms of this Agreement are intended by the parties to govern Executive's employment with the Company during the Term. Upon the termination of Executive's employment with the Company for any reason, this Agreement shall expire and be of no further force or effect, except to the extent of provisions hereof which expressly survive the expiration or termination of this Agreement.

11. Entire Agreement

Except as otherwise expressly stated herein, the terms of this Agreement are intended by the parties to be the final and exclusive expression of their agreement with respect to the employment of Executive by Company and may not be contradicted by evidence of any prior or contemporaneous statements or agreements. The parties further intend that this Agreement shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding involving this Agreement. To the extent any provisions in this Agreement are inconsistent with any provisions of the Exhibits, the provisions of the Exhibits shall supersede and be controlling.

Further, upon execution of this Agreement, the Prior Agreement will terminate and be of no further force and effect.

12. Amendments, Waivers

This Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by Executive and by a duly authorized representative of the Company other than Executive. No failure to exercise and no delay in exercising any right, remedy, or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, or power under this Agreement preclude any other or further exercise thereof, or the exercise of any other right, remedy, or power provided herein or by law or in equity.

13. Assignment; Successors and Assigns

Executive agrees that Executive may not assign, sell, transfer, delegate or otherwise dispose of, whether voluntarily or involuntarily, or by operation of law, any rights or obligations under this Agreement, nor shall Executive's rights be subject to encumbrance or the claims of creditors. Any purported assignment, transfer, or delegation shall be null and void. Nothing in this Agreement shall prevent the consolidation of the Company, Everi Holdings and/or their respective subsidiaries and affiliates with, or their merger into, any other corporation, or the sale by the Company, Everi Holdings and/or their respective subsidiaries and affiliates of all or substantially all of their respective properties or assets, or the assignment by the Company, Everi Holdings and/or their respective subsidiaries and affiliates of this Agreement and the performance of its obligations hereunder to any successor in interest.

14. Governing Law

The validity, interpretation, enforceability, and performance of this Agreement shall be governed by and construed in accordance with the law of the State of Nevada, without regard to conflicts of laws. Each party consents to the jurisdiction and venue of the state or federal courts in Las Vegas, Nevada, if applicable, in any action, suit, or proceeding arising out of or relating to this Agreement, except that injunctive relief may be sought in any court of competent jurisdiction

15. Acknowledgment

The parties acknowledge (a) that they have consulted with or have had the opportunity to consult with independent counsel of their own choice concerning this Agreement, and (b) that they have read and understand the Agreement, are fully aware of its legal effect, and have entered into it freely based on their own judgment and not on any representations or promises other than those contained in this Agreement.

16. Notices

All notices or demands of any kind required or permitted to be given by the Company or Executive under this Agreement shall be given in writing and shall be personally delivered (and

received for) or mailed by certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Company: Everi Payments Inc.
Attn: CEO w/ copy to General Counsel
7250 S. Tenaya Way, Ste. 100
Las Vegas, NV 89113

If to Executive: David Lucchese
5142 Estasi Street
Las Vegas, Nevada 89135-3273

Any such written notice shall be deemed received when personally delivered or three (3) days after its deposit in the United States mail as specified above. Either party may change its address for notices by giving notice to the other party in the name specified in this section.

17. Representations and Warranties

Upon reasonable belief, Executive represents and warrants that Executive is not restricted or prohibited, contractually or otherwise, from entering into and performing each of the terms and covenants contained in this Agreement, and that Executive's execution and performance of this Agreement will not violate or breach any other agreements between Executive and any other person or entity.

18. Counterparts

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, all of which together shall contribute one and the same instrument.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement as of the date first set forth above.

EVERI PAYMENTS INC.

EXECUTIVE

By: /s/ Michael D. Rumbolz

Michael D. Rumbolz
Chief Executive Officer

/s/ David J. Lucchese

David J. Lucchese

Acknowledged and Agreed:

EVERI HOLDINGS INC.

By: /s/ Michael D. Rumbolz
Michael D. Rumbolz
Chief Executive Officer

EXHIBIT A

EMPLOYEE PROPRIETARY INFORMATION AND INVENTIONS AGREEMENT

In consideration of my employment by Everi Payments Inc, a Delaware corporation (the “Company”), I hereby agree to certain restrictions placed by the Company on my use and development of information and technology of the Company and its parent, subsidiary and affiliate entities, as more fully set out below.

1. Proprietary Information.

(a) Confidential Restrictions. I understand that, in the course of my work as an employee of the Company, I may have access to Proprietary Information (as defined below) concerning the Company. I acknowledge that the Company has developed, compiled, and otherwise obtained, often at great expense, this information, which has great value to the Company’s business. I agree to hold in strict confidence and in trust for the sole benefit of the Company all Proprietary Information and will not disclose any Proprietary Information, directly or indirectly, to anyone outside of the Company, or use, copy, publish, summarize, or remove from Company premises such information (or remove from the premises any other property of the Company) except: (i) during my employment to the extent necessary to carry out my responsibilities as an employee of the Company or (ii) after termination of my employment, as specifically authorized in writing by a duly authorized officer of the Company. I further understand that the publication of any Proprietary Information through literature or speeches must be approved in advance in writing by a duly authorized officer of the Company.

(b) Proprietary Information Defined. I understand that the term “Proprietary Information” in this Agreement means all information and any idea in whatever form, tangible or intangible, whether disclosed to or learned or developed by me, pertaining in any manner to the business of the Company, the Company’s parent or subsidiary entities or to the Company’s affiliates, consultants, or business associates, unless: (i) the information is or becomes publicly known through lawful means; (ii) the information was rightfully in my possession or part of my general knowledge prior to my employment by the Company; or (iii) the information is disclosed to me without confidential or proprietary restrictions by a third party who rightfully possesses the information (without confidential or proprietary restrictions) and did not learn of it, directly or indirectly, from the Company. I further understand that the Company considers the following information to be included, without limitation, in the definition of Proprietary Information: (A) schematics, techniques, employee suggestions, development tools and processes, computer printouts, computer programs, design drawings and manuals, electronic codes, formulas and improvements; (B) information about costs, profits, markets, sales, customers, prospective customers, customer contracts (including without limitation the terms and conditions of such customer contracts) and bids; (C) plans for business, marketing, future development and new product concepts; (D) customer lists, and distributor and representative lists; (E) all documents, books, papers, drawings, models, sketches, and other data of any kind and description, including electronic data recorded or retrieved by any means, that have been or will be given to me by the Company (or any affiliate of it), as well as written or verbal

instructions or comments; (F) any information or material not described in (A)-(E) above which relate to the Company's inventions, technological developments, "know how", purchasing, accounts, merchandising, or licensing; (G) employee personnel files and information about employee compensation and benefits; and (H) any information of the type described in (A)-(G) above which the Company has a legal obligation to treat as confidential, or which the Company treats as proprietary or designates as confidential, whether or not owned or developed by the Company.

(c) Information Use. I agree that I will maintain at my work area or in other places under my control only such Proprietary Information that I have a current "need to know," and that I will return to the appropriate person or location or otherwise properly dispose of Proprietary Information once my need to know no longer exists. I agree that I will not make copies of information unless I have a legitimate need for such copies in connection with my work.

(d) Third Party Information. I recognize that the Company has received and in the future will receive from third parties their confidential or proprietary information subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. I agree that I owe the Company and such third parties, during the term of my employment and thereafter, a duty to hold all such confidential or proprietary information in the strictest confidence and not to disclose it to any person, firm, or corporation (except as necessary in carrying out my work for the Company consistent with the Company's agreement with such third party) or to use it for the benefit of anyone other than for the Company or such third party (consistent with the Company's agreement with such third party) without the express written authorization of a duly authorized officer of the Company.

2. Inventions.

(a) Defined; Statutory Notice. I understand that during the term of my employment, there are certain restrictions on my development of technology, ideas, and inventions, referred to in this Agreement as "Invention Ideas." The term "Invention Ideas" means all ideas, processes, inventions, technology, programs, original works of authorship, designs, formulas, discoveries, patents, copyrights, trademarks, and service marks, and all improvements, rights, and claims related to the foregoing, that are conceived, developed, or reduced to practice by me alone or with others during the period of my employment with the Company, except for (1) Invention Ideas excluded in Schedule A, (2) Invention Ideas that I develop entirely on my own time without the Company's equipment, supplies, facilities or trade secret information except for those Invention Ideas that either relate at the time of conception or reduction to practice of the Invention Idea to the Company's business or actual or demonstrably anticipated research or development or result from any work performed by me for the Company, and (3) to the extent that any law applicable to my employment lawfully prohibits the assignment.

(b) Disclosure. I agree to maintain adequate and current written records on the development of all Invention Ideas and to disclose promptly to the Company all Invention Ideas and relevant records, which records will remain the sole property of the Company. I

further agree that all information and records pertaining to any idea, process, invention, technology, program, original work of authorship, design, formula, discovery, patent, copyright, trademark, or service mark, that I do not believe to be an Invention Idea, but is conceived, developed, or reduced to practice by me (alone or with others) during my period of employment or during the one-year period following termination of my employment, shall be promptly disclosed to the Company (such disclosure to be received in confidence). The Company shall examine such information to determine if in fact it is an Invention Idea subject to this Agreement.

(c) Assignment. I agree to assign and hereby do assign to the Company, without further consideration, my entire right, title, and interest (throughout the United States and in all foreign countries), free and clear of all liens and encumbrances, in and to each Invention Idea, which shall be the sole property of the Company, whether or not copyrightable or patentable.

(d) Assist with Registration. In the event any Invention Idea shall be deemed by the Company to be copyrightable or patentable or otherwise registrable, I will assist the Company (at its expense) in obtaining and maintaining letters patent or other applicable registrations and I will execute all documents and do all other things (including testifying at the Company's expense) necessary or proper to accomplish such registrations thereon and to vest the Company with full title thereto. Should the Company be unable to secure my signature on any document necessary to apply for, prosecute, obtain, or enforce any patent, copyright, or other right or protection relating to any Invention Idea, whether due to my mental or physical incapacity or any other cause, I hereby irrevocably designate and appoint the Company and each of its duly authorized officers and agents as my agent and attorney-in-fact, to act for and on my behalf and stead, to execute and file any such document, and to do all other lawfully permitted acts to further the prosecution, issuance, and enforcement of patents, copyrights, or other rights or protections with the same force and effect as if executed and delivered by me. I agree to maintain adequate and current records on the development of all Invention Ideas, which shall also remain the sole property of the Company.

(e) License for Other Inventions. If, in the course of my employment with the Company, I incorporate into Company property an invention owned by me or in which I have an interest, the Company is granted a nonexclusive, royalty-free, irrevocable, perpetual, world-wide license to make, modify, use and sell any invention as part of and in connection with the Company property.

(f) Exclusions. Except as disclosed in Schedule A attached hereto and incorporated herein, there are no ideas, processes, inventions, technology, writings, programs, designs, formulas, discoveries, patents, copyrights, or trademarks, or improvements to the foregoing, that I wish to exclude from the operation of this Agreement. To the best of my knowledge, there is no existing contract in conflict with this Agreement or any other contract to assign ideas, processes, inventions, technology, writings, programs, designs, formulas, discoveries, patents, copyrights, or trademarks, or improvements thereon, that is now in existence between me and any other person or entity.

(g) Disclosure. I agree to disclose promptly to the Company all “Invention Ideas” and relevant records as defined in paragraph 2(a), above. I further agree to promptly disclose to the Company any idea that I do not believe to be an invention, but which is conceived, developed, or reduced to practice by me (alone or with others) while I am employed by the Company or during the one-year period following the termination of my employment. I will disclose the idea, along with all information and records pertaining to the idea, and the Company will examine the disclosure in confidence to determine if in fact it is an Invention Idea subject to this Agreement.

(h) Post-Termination Period. I agree that any idea, invention, writing, discovery, patent, copyright, trademark or similar item or improvement shall be presumed to be an Invention Idea if it is conceived, developed, use, sold, exploited, or reduced to practice by me or with my aid within one (1) year after my termination of employment with the Company. I can rebut this presumption if I prove that the idea, invention, writing, discovery, patent, copyright, trademark or similar item or improvement is not an Invention Idea covered by this Agreement.

3. Former or Conflicting Agreements. During my employment with the Company, I will not disclose to the Company, or use, or induce the Company to use, any proprietary information or trade secrets of others. I represent and warrant that I have returned all property and confidential information belonging to all prior employers, individuals and entities who have provided such property and confidential information to me, if any, as required by such prior employers, individuals and entities. I further represent and warrant that my performance of the terms of this Agreement will not breach any agreement to keep in confidence proprietary information acquired by me in confidence or in trust prior to my employment by the Company. I have not entered into, and I agree I will not enter into, any oral or written agreement in conflict herewith. I have listed in Schedule A all other agreements concerning proprietary information or agreements to which I am a party and have attached copies of any agreements in my possession.

4. Government Contracts. I understand that the Company has or may enter into contracts with the government under which certain intellectual property rights will be required to be protected, assigned, licensed, or otherwise transferred and I hereby agree to execute such other documents and agreements as are necessary to enable the Company to meet its obligations under any such government contracts.

5. Termination. I hereby acknowledge and agree that all property, including, without limitation, all source code listings, books, manuals, records, models, drawings, reports, notes, contracts, lists, blueprints, and other documents or materials or copies thereof, all equipment furnished to or prepared by me in the course of or incident to my employment, and all Proprietary Information belonging to the Company and will be promptly returned to the Company upon termination of my employment with the Company. Following my termination, I will not retain any written or other tangible material containing any Proprietary Information or information pertaining to any Invention Idea. I understand that my obligations contained in this Agreement will survive the termination of my employment and I will continue to make all disclosures required of me by paragraph 2(b). In the event of the termination of my employment, I agree, if requested by the Company, to sign and deliver the Termination Certificate attached as

Schedule B hereto and incorporated herein. I ACKNOWLEDGE THAT THE COMPANY IS AN “AT-WILL” EMPLOYER AND NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED TO IMPLY THAT THE TERM OF MY EMPLOYMENT IS OF ANY DEFINITE DURATION. NO ONE OTHER THAN AN AUTHORIZED OFFICER OF THE COMPANY HAS THE AUTHORITY TO ALTER THIS ARRANGEMENT, TO ENTER INTO AN AGREEMENT FOR EMPLOYMENT FOR A SPECIFIED PERIOD OF TIME, OR TO MAKE ANY AGREEMENT CONTRARY TO THIS POLICY, AND ANY SUCH AGREEMENT MUST BE IN WRITING AND MUST BE SIGNED BY AN AUTHORIZED OFFICER OF THE COMPANY AND BY THE AFFECTED EMPLOYEE.

6. Remedies. I recognize that nothing in this Agreement is intended to limit any remedy of the Company under the California Uniform Trade Secrets Act or other federal or state law and that I could face possible criminal and civil actions, resulting in imprisonment and substantial monetary liability, if I misappropriate the Company’s trade secrets. In addition, I recognize that my violation of this Agreement could cause the Company irreparable harm, the amount of which may be extremely difficult to estimate, thus, making any remedy at law or in damages inadequate. Therefore, I agree that the Company shall have the right to apply to any court of competent jurisdiction for an order restraining any breach or threatened breach of this Agreement and for any other relief the Company deems appropriate. This right shall be in addition to any other remedy available to the Company in law or equity.

7. Miscellaneous Provisions.

(a) Assignment. I agree that the Company may assign to another person or entity any of its rights under this Agreement.

(b) Governing Law; Severability. The validity, interpretation, enforceability, and performance of this Agreement shall be governed by and construed in accordance with the laws of the State of Nevada without giving effect to any conflicts or choice of law provisions that would result in the application of the laws of any jurisdiction other than the internal laws of the State of Nevada. If any provision of this Agreement, or application thereof to any person, place, or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable, or void, the remainder of this Agreement and such provisions as applied to other persons, places, and circumstances shall remain in full force and effect.

(c) Entire Agreement. The terms of this Agreement are the final expression of the parties’ agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous agreement. This Agreement shall constitute the complete and exclusive statement of its terms and no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding involving this Agreement; provided however that, to the extent that any provision of this Agreement is in conflict with, contrary to, or otherwise inconsistent with the intent of any provision of my Employment Agreement dated December 31, 2017, the terms of such Employment Agreement will prevail.

(d) Amendments; Waivers. This Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by me and by a duly authorized representative of the Company. No failure to exercise and no delay in exercising any right, remedy, or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, or power hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, or power provided herein or by law or in equity.

(e) Successors and Assigns. This Agreement shall be binding upon me and my heirs, executors, administrators, and successors, and shall inure to the benefit of the Company's successors and assigns.

(f) Application of this Agreement. I hereby agree that my obligations set forth in Sections 1 and 2 hereof and the definitions of Proprietary Information and Invention Ideas contained therein shall be equally applicable to Proprietary Information and Invention Ideas relating to any work performed by me for the Company prior to the execution of this Agreement.

8. Defend Trade Secrets Act. Pursuant to the Defend Trade Secrets Act of 2016, I acknowledge that I shall not have criminal or civil liability under any Federal or State trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, if I file a lawsuit for retaliation by the Company for reporting a suspected violation of law, I may disclose the trade secret to my attorney and may use the trade secret information in the court proceeding, if I (X) file any document containing the trade secret under seal and (Y) do not disclose the trade secret, except pursuant to court order.

ACKNOWLEDGEMENT & AGREEMENT

I HAVE READ THIS AGREEMENT CAREFULLY AND UNDERSTAND ITS TERMS. I HAVE COMPLETELY NOTED ON SCHEDULE A TO THIS AGREEMENT ANY PROPRIETARY INFORMATION, IDEAS, PROCESSES, INVENTIONS, TECHNOLOGY, WRITINGS, PROGRAMS, DESIGNS, FORMULAS, DISCOVERIES, PATENTS, COPYRIGHTS, OR TRADEMARKS, OR IMPROVEMENTS, RIGHTS, OR CLAIMS RELATING TO THE FOREGOING, THAT I DESIRE TO EXCLUDE FROM THIS AGREEMENT.

Date: _____ Employee Name: _____

Employee Signature

SCHEDULE A

EMPLOYEE'S DISCLOSURE

OF PRIOR INVENTIONS AND PRIOR AGREEMENTS

1. Prior Inventions. Except as set forth below, there are no ideas, processes, inventions, technology, writings, programs, designs, formulas, discoveries, patents, copyrights, or trademarks, or any claims, rights, or improvements to the foregoing, that I wish to exclude from the operation of this Agreement: _____

2. Prior Agreements. Except as set forth below, I am aware of no prior agreements between me and any other person or entity concerning proprietary information or inventions (attach copies of all agreements in your possession):

Date: _____ Employee Name: _____

Employee Signature

SCHEDULE B

**TERMINATION CERTIFICATE CONCERNING
EVERI PAYMENTS INC. (FORMERLY KNOWN AS GLOBAL CASH ACCESS, INC.)
PROPRIETARY INFORMATION AND INVENTIONS**

This is to certify that I have returned all property of Everi Payments Inc., a Delaware corporation (the “Company”), its parent entity and their respective subsidiaries and affiliates, including, without limitation, all source code listings, books, manuals, records, models, drawings, reports, notes, contracts, lists, blueprints, and other documents and materials, Proprietary Information, and equipment furnished to or prepared by me in the course of or incident to my employment with the Company, and that I did not make or distribute any copies of the foregoing.

I further certify that I have reviewed the Employee Proprietary Information and Inventions Agreement signed by me and that I have complied with and will continue to comply with all of its terms, including, without limitation, (i) the reporting of any idea, process, invention, technology, writing, program, design, formula, discovery, patent, copyright, or trademark, or any improvement, rights, or claims related to the foregoing, conceived or developed by me and covered by the Agreement and (ii) the preservation as confidential of all Proprietary Information pertaining to the Company. This certificate in no way limits my responsibilities or the Company’s rights under the Agreement.

On termination of my employment with the Company, I will be employed by _____ **[Name of New Employer]** **[in the _____ division]** and I will be working in connection with the following projects:

[Generally describe the projects]

Date: _____ Employee Name: _____

Employee Signature

EXHIBIT B

CONFIDENTIAL SEPARATION AGREEMENT AND GENERAL RELEASE OF ALL CLAIMS

This Confidential Separation Agreement and General Release of All Claims (“Agreement”) is made by and between Everi Payments Inc. (formerly known as Global Cash Access, Inc.) (“Company”) and [EXECUTIVE] (“Employee”) with respect to the following facts:

A. Employee is employed by Company pursuant to an Employment Agreement setting forth the terms and conditions of employment dated as of July 18, 2016 and shall be effective on that date (collectively referred to as the “Employment Agreement”).

B. Employee’s employment with Company will terminate [without Cause] [for Good Reason] (as that term is defined in the Employment Agreement) effective [DATE] (“Separation Date”), and as of such date Employee has incurred a “separation from service” within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended. As a result, Employee is entitled to those certain severance payments and benefits described in the Employment Agreement, provided Employee enters into this Agreement.

C. The parties desire to settle all claims and issues that have or could have been raised, in relation to, and arising out of, or in any way connected to, the acts, transactions or occurrences between them to date, including, but not limited to, Employee’s employment with Company and the termination of that employment, on the terms set forth below.

THEREFORE, in consideration of the promises and mutual agreements set forth below, the parties agree as follows:

1. Severance Package. In exchange for the promises set forth herein and in compliance with the requirements set forth in the Employment Agreement, Company agrees to provide Employee with the payments and benefits set forth in Section 4 of the Employment Agreement (“Severance Package”), to which Employee is not otherwise entitled, absent entering into this Agreement. Employee acknowledges and agrees that this Severance Package constitutes adequate legal consideration for the promises and representations made by Employee in this Agreement. Employee acknowledges and agrees that if Employee violates the terms of this Agreement or the continuing obligations under the Employment Agreement including, but not limited to those pertaining to post-employment restrictions, Company may terminate any payments and the provision of benefits described herein, and seek such other damages or remedies as may be appropriate. Company acknowledges and agrees that if Company violates the terms of this Agreement or the continuing obligations under the Employment Agreement including, but not limited to those pertaining to post-employment restrictions, Employee may cease to perform any of his/her obligations described herein, and seek such other damages or remedies as may be appropriate.

2. General Release.

Each party knowingly and voluntarily releases and forever discharges other party, (and, as to Company, any parent or subsidiary corporations, divisions or affiliated corporations, partnerships or other affiliated entities of the foregoing, past and present, as well as their respective employees, officers, attorneys, directors, shareholders, agents, successors and assigns individually and in their business capacity) (collectively, “Released Parties”), of and from any and all claims, known and unknown, asserted or unasserted, which the Employee has or may have against Releases as of the date of execution of this Agreement, including, but not limited to, any alleged violation of:

- Title VII of the Civil Rights Act of 1964;
 - Sections 1981 through 1988 of Title 42 of the United States Code;
 - The Employee Retirement Income Security Act of 1974 (“ERISA”) (as modified below);
 - The Immigration Reform and Control Act;
 - The Americans with Disabilities Act of 1990;
 - The Age Discrimination in Employment Act of 1967 (“ADEA”);
 - The Worker Adjustment and Retraining Notification Act;
 - The Fair Credit Reporting Act;
 - The Family and Medical Leave Act;
 - The Equal Pay Act;
 - The Genetic Information Nondiscrimination Act of 2008;
 - Chapter 613 of the Nevada Revised Statutes including the Nevada Equal Opportunities for Employment Law – Nev. Rev. Stat. § 613.310 et seq;
 - Nevada Equal Pay Law – Nev. Rev. Stat. § 608.017;
 - Nevada School Visitation Law – Nev. Rev. Stat. § 392.920;
 - Nevada Wage Payment and Work Hour Law – Nev. Rev. Stat. § 608 et seq;
 - Nevada Occupational Safety & Health Act – Nev. Rev. Stat. § 618 et seq
 - any other federal, state or local law, rule, regulation, or ordinance;
-

- any public policy, contract, tort, or common law; and
- any basis for recovering costs, fees, or other expenses including attorneys' fees incurred in these matters.

2.1. This release is intended to have the broadest possible application and includes, but is not limited to, any tort, contract, common law, constitutional or other statutory claims and all claims for attorneys' fees, costs and expenses.

2.2. Each party expressly waives such party's right to recovery of any type, including damages or reinstatement, in any administrative or court action, whether state or federal, and whether brought by itself or on its behalf, related in any way to the matters released herein. Employee further, waives any right or ability to be a class or collective action representative or to otherwise participate in any putative or certified class, collective or multi-party action or proceeding based on such a claim in which Company or any other Released Party identified in this Agreement is a party.

2.3. The parties acknowledge that this general release is not intended to bar any claims that, by statute, may not be waived, such as Employee's right to file a charge with the National Labor Relations Board or Equal Employment Opportunity Commission and other similar government agencies, and claims for statutory indemnity, workers' compensation benefits or unemployment insurance benefits, as applicable, and any challenge to the validity of Employee's release of claims under the Age Discrimination in Employment Act of 1967, as amended, as set forth in this Agreement. This general release also does not bar claims or causes of action related to defamation, libel or invasion of privacy. In addition, this general release does not affect Employee's rights to indemnification by the Company nor Employee's coverage under the directors and officers insurance policies, if any, maintained by the Company.

2.4. Each party acknowledges that it may discover facts or law different from, or in addition to, the facts or law that such party knows or believes to be true with respect to the claims released in this Agreement and agrees, nonetheless, that this Agreement and the release contained in it shall be and remain effective in all respects notwithstanding such different or additional facts or the discovery of them.

2.5. Each party declares and represents that such party intends this Agreement to be complete and not subject to any claim of mistake, and that the release herein expresses a full and complete release and such party intends the release herein to be final and complete. Each party executes this release with the full knowledge that this release covers all possible claims against the Released Parties, to the fullest extent permitted by law.

3. Representation Concerning Filing of Legal Actions. Each party represents that, as of the date of this Agreement, such party has not filed any lawsuits, charges, complaints, petitions, claims or other accusatory pleadings against the other party or any of the other

party's Released Parties in any court or with any governmental agency related to the matters released in this Agreement.

4. Mutual Nondisparagement. Employee agrees that Employee will not make any voluntary statements, written or oral, or cause or encourage others to make any such statements that defame, disparage or in any way criticize the personal and/or business reputations, practices or conduct of Company or any of the other Released Parties. Company agrees that it will instruct its officers and directors to not make any voluntary statements, written or oral, or cause or encourage others to make any such statements that defame, disparage or in any way criticize the personal and/or business reputations, practices or conduct of Employee.

5. Confidentiality and Return of Company Property. In accordance with the terms of his/her Employment Agreement, Employee understands and agrees that as a condition of receiving the Severance Package in paragraph 1, all Company property must be returned to Company. By signing this Agreement, Employee represents and warrants that Employee has returned to Company, all Company property, data and information belonging to Company and agrees that Employee will not use or disclose to others any confidential or proprietary information of Company or the Released Parties. In addition, each Party agrees to keep the terms of this Agreement confidential between Employee and Company, except that Employee may tell Employee's immediate family and attorney or accountant, if any, as needed, but in no event should Employee discuss this Agreement or its terms with any current or prospective employee of Company.

6. Continuing Obligations and Cooperation. Employee further agrees to comply with the continuing obligations regarding confidentiality set forth in the surviving provisions of the Employee Proprietary Information and Inventions Agreement previously signed by Employee. Employee also agrees that in accordance with his/her Employment Agreement, he/she will cooperate fully in the transition of her duties, and promptly and cooperatively answer any calls or emails the Company may have during the period she is receiving severance pay and/or benefits, without further compensation.

7. No Admissions. By entering into this Agreement, Company makes no admission that it has engaged, or is now engaging, in any unlawful conduct. The parties understand and acknowledge that this Agreement is not an admission of liability and shall not be used or construed as such in any legal or administrative proceeding.

8. Older Workers' Benefit Protection Act. This Agreement is intended to satisfy the requirements of the Older Workers' Benefit Protection Act, 29 U.S.C. sec. 626(f). Employee is advised to consult with an attorney before signing this Agreement.

- Acknowledgments/Time to Consider. Employee acknowledges and agrees that (a) she has read and understands the terms of this Agreement; (b) she has been advised in writing to consult with an attorney before signing this Agreement; (c) she has obtained and considered such legal counsel as she deems necessary; (d) she has been given 21 days to consider whether or not to enter into this Agreement (although at her option, she may elect not to use the full 21day period); and (e) by signing this

Agreement on or after the Separation Date, Employee acknowledges that she does so freely, knowingly, and voluntarily.

- Revocation/Effective Date. This Agreement shall not become effective or enforceable until the eighth day after Employee signs this Separation Agreement. In other words, Employee may revoke Employee's acceptance of this Separation Agreement within seven (7) days after the date Employee signs it. Employee's revocation must be in writing and received by Michael Rumbolz, Chief Executive Officer, mrumbolz@everi.com, 7250 South Tenaya Way, Suite 100, Las Vegas, Nevada 89113 on or before the seventh day in order to be effective. If Employee does not revoke acceptance within the seven (7) day period, Employee's acceptance of this Separation Agreement shall become binding and enforceable on the eighth day ("Effective Date"). The Severance Package will become due and payable in accordance with paragraph 1 above after the Effective Date, provided Employee does not revoke.

- Preserved Rights of Employee. This Agreement does not waive or release any rights or claims that Employee may have under the Age Discrimination in Employment Act that arise after the execution of this Agreement. In addition, this Agreement does not prohibit Employee from challenging the validity of this Agreement's waiver and release of claims under the Age Discrimination in Employment Act of 1967, as amended.

9. Severability. In the event any provision of this Agreement shall be found unenforceable, the unenforceable provision shall be deemed deleted and the validity and enforceability of the remaining provisions shall not be affected thereby.

10. Full Defense. This Agreement may be pled as a full and complete defense to, and may be used as a basis for an injunction against, any action, suit or other proceeding that may be prosecuted, instituted or attempted by Employee in breach hereof. Employee agrees that in the event an action or proceeding is instituted by the Company or any of the Released Parties in order to enforce the terms or provisions of this Agreement, the Company, or Released Parties, as applicable, shall be entitled to an award of reasonable costs and attorneys' fees incurred in connection with enforcing this Agreement, to the fullest extent permitted by law.

11. Affirmation. Employee affirms that Employee has been paid all compensation, wages, bonuses, and commissions due, and has been provided all leaves (paid or unpaid) and benefits to which Employee may be entitled.

12. Applicable Law. The validity, interpretation and performance of this Agreement shall be construed and interpreted according to the laws of the United States of America and the State of Nevada.

13. Counterparts. This Agreement may be signed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement. Delivery of a copy of this Agreement bearing an original signature by

facsimile transmission or e-mail in PDF format will have the same effect as physical delivery of the document bearing the original signature.

14. Entire Agreement; Modification. This Agreement, including the surviving provisions of the Employment Agreement and Employee Proprietary and Inventions Agreement previously executed by Employee, is intended to be the entire agreement between the parties, and supersedes and cancels any and all other and prior agreements, written or oral, between the parties regarding this subject matter. This Agreement may be amended only by a written instrument executed by all parties hereto.

THE PARTIES TO THIS AGREEMENT HAVE READ THE FOREGOING AGREEMENT AND FULLY UNDERSTAND EACH AND EVERY PROVISION CONTAINED HEREIN. WHEREFORE, THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE DATES SHOWN BELOW.

Dated: _____, 20__

By: _____

Everi Payments Inc.

Dated: _____, 20__

By: _
[EXECUTIVE]

EXHIBIT C
FORM OF ARBITRATION AGREEMENT
NATIONAL MUTUAL ARBITRATION AGREEMENT
FOR EMPLOYEES OF EVERI PAYMENTS, INC.

EVERI PAYMENTS INC., its parent corporation (if any), affiliates, subsidiaries, divisions, successors, assigns and their current and former employees, officers, directors, and agents (hereafter collectively referred to as “the Company”) seeks to work with our employees to resolve differences as soon as possible after they arise. Often times, differences can be eliminated through internal discussions between an employee and his/her supervisor. Other times, it may be helpful for Human Resources or other Company employees to become involved to help solve a dispute. To facilitate dispute resolution we have developed a binding arbitration process to settle disputes that are not resolved through more informal means.

The Company and you, on behalf of you, your heirs, administrators, executors, successors and assigns (hereinafter collectively referred to as “you” or “your”) agree pursuant to this Arbitration Agreement (“Agreement”) to arbitrate covered disputes, in lieu of litigating in court.

A. The Mutual Agreement to Arbitrate: Overview

The parties acknowledge that by agreeing to arbitration, they are WAIVING ANY RIGHTS TO A JURY TRIAL.

Except for the claims set forth in the paragraph below, you and the Company mutually agree to arbitrate any and all disputes, claims, or controversies (“claim”) against the Company that could be brought in a court including, but not limited to, all claims arising out of your employment and the cessation of employment, including any claim that could have been presented to or could have been brought before any court. This Agreement to arbitrate includes, but is not limited to, claims under the Age Discrimination in Employment Act, Title VII of the Civil Rights Act of 1964; the Fair Labor Standards Act; the Family and Medical Leave Act; the Americans with Disabilities Act of 1990; Section 1981 through 1988 of Title 42 of the United States Code; any state or local anti-discrimination laws; or any other federal, state, or local law, ordinance or regulation, or based on any public policy, contract, tort, or common law or any claim for costs, fees, or other expenses or relief, including attorney’s fees. All claims which could be raised before a court must be raised by the time of the arbitration and the arbitrator shall apply the law accordingly.

Claims not covered by this Agreement are: (i) claims for workers' compensation benefits; (ii) claims for unemployment compensation benefits; (iii) claims based upon the Company's current

(successor or future) stock option plans, employee pension and/or welfare benefit plans if those plans contain some form of a grievance, arbitration, or other procedure for the resolution of disputes under the plan; and (iv) claims by law which are not subject to mandatory binding pre-dispute arbitration pursuant to the Federal Arbitration Act, such as claims under the Dodd-Frank Wall Street Reform Act. Further, this Agreement does not prohibit the filing of an administrative charge with a federal, state, or local administrative agency such as the National Labor Relations Board (NLRB) or the Equal Employment Opportunity Commission (EEOC).

Likewise, as noted above, the Company agrees to arbitrate any claim against you as per the terms of this Agreement but retains all right to seek injunctions in aid of arbitration.

B. Class/Collective Action Waiver, Jury Waiver and Administrative Charges

The parties agree all claims must be pursued on an individual basis only. By signing this Agreement, you waive your right to commence, or be a party to, any class or collective claims or to bring jointly any claim against the Company with any other person, except as provided in the paragraph below. The parties agree any claim can be pursued, but only on an individual basis, except the lack of co-plaintiffs shall not, in and of itself, be a bar to pursuit of a pattern and practice claim.

In addition, nothing herein limits your right and the rights of others collectively to challenge the enforceability of this Agreement, including the class/collective action waiver. While the Company will assert that you have agreed to pursue all claims individually in the arbitral forum and may ask a court to compel arbitration of each individual's claims, to the extent the filing of such an action is protected concerted activity under the National Labor Relations Act, such filing will not result in threats, discipline or discharge.

C. Severability and Related Issues

The Arbitrator, and not any federal, state or local court or agency, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, enforceability or formation of this Agreement including, but not limited to any claim that all or any part of this Agreement is void or voidable, except any determination as to the enforceability of the class/collective action waiver shall be made solely by a court. If the prohibition against class/collective actions is deemed unlawful, then such action shall proceed forward in court as a collective or class action. If an arbitrator finds any other provision of this Agreement unenforceable, a court or arbitrator shall interpret or modify this Agreement, to the extent necessary, for it to be enforceable, subject to the sentence above. This Agreement shall be self-amending; meaning if by law or common law a provision is deemed unlawful or unenforceable that provision and the Agreement automatically, immediately and retroactively shall be amended, modified, and/or altered to be enforceable. The arbitrator shall have no power under this Agreement to consolidate claims and/or to hear a collective or class action.

D. The Arbitration Process

Any authorized decision or award of the arbitrator shall be final and binding upon the parties. The arbitrator shall have the power to award any type of legal or equitable relief available in a court of competent jurisdiction including, but not limited to, attorney's fees, to the extent such damages are available under law. Because any arbitral award may be entered as a judgment or order in any court of competent jurisdiction, any relief or recovery to which you may be entitled upon any claim (including those arising out of employment, cessation of employment, or any claim of unlawful discrimination) shall be limited to that awarded by the arbitrator. Again, the arbitrator has no power to consolidate claims or adjudicate a collective/class action. All orders of the arbitrator (except evidentiary rulings at the arbitration) shall be in writing and subject to review pursuant to the Federal Arbitration Act.

Any claim for arbitration will be timely only if brought within the time in which an administrative charge or complaint would have been filed if the claim is one which could be filed with an administrative agency. If the arbitration claim raises an issue which could not have been filed with an administrative agency, then the claim must be filed within the time set by the appropriate statute of limitation. A claim may be filed by serving written notice to the Company's Human Resources Department with a copy to General Counsel, 7250 S. Tenaya Way, Suite 100, Las Vegas, Nevada 89113, and thereafter by filing an action with JAMS pursuant to JAMS Employment Arbitration Rules. The filing party is responsible for any filing fee absent extreme financial circumstances. Each party shall bear its own costs and expenses for the arbitration however the arbitrator's fee shall be paid by the Company, absent an award from the arbitrator.

The arbitration shall be arbitrated by a single arbitrator in accordance with the JAMS Employment Arbitration Rules except all arbitrators or members of the appeal panel (which is discussed below) must be members of the bar in good standing in the state in which the dispute arose. Each party may be represented by counsel.

A copy of the JAMS Employment Arbitration Rules, including forms and procedures for submitting a matter for arbitration, are available for you to review at the Human Resource Department. You may contact JAMS to request a copy of these rules or obtain them from the JAMS website (www.jamsadr.com) or by calling JAMS at 1(800)352-5267. If for whatever reason JAMS declines to act as the neutral, the parties shall utilize NAM (www.namadr.com) as the neutral for the arbitration/appeal and shall utilize its Rules for Resolution of Employment Disputes. Each party agrees that it has had an opportunity to review the current JAMS Employment Arbitration Rules.

E. Modification to NAM/JAMS Rules

The arbitrator shall apply the Federal Rules of Civil Procedure (except for Rule 23) and the Federal Rules of Evidence as interpreted in the jurisdiction where the arbitration is held. Also there shall be one arbitrator for the matter up and through submission and determination of a motion for summary judgment. If a summary judgment is made, the arbitrator must render a written and detailed opinion on that motion within sixty (60) calendar days of submission of all supporting and opposition papers. If the summary judgment is in any part denied the case shall proceed to hearing before another arbitrator, who did not hear the summary judgment motion. That arbitrator shall be selected from a new panel to be provided by JAMS (or if JAMS declines to be the third party administrator, NAMS). If no summary judgment is filed then no new arbitrator will be selected to hear the matter, as the original arbitrator will retain jurisdiction.

F. Consideration For This Agreement

This mutual agreement to arbitration and your accepting employment with the Company shall act as consideration for this Agreement. The parties agree that the consideration set forth in this paragraph is wholly adequate to support this Agreement.

G. Other Provisions of this Agreement

To the extent any of the provisions herein conflict with any standard rules of the arbitration service being used, the express provisions of this Agreement shall prevail.

Neither the terms nor conditions described in this Agreement are intended to create a contract of employment for a specific duration of time. Employment with the Company is voluntarily entered into, and you are free to resign at any time. Similarly, the Company may terminate the employment relationship at any time for any reason, with or without prior notice. This Agreement shall survive the termination of your employment.

This Agreement shall be governed by and enforced pursuant to the Federal Arbitration Act, 9 U.S.C. §§ 1-16, to the maximum extent permitted by applicable law.

This Agreement contains the complete agreement between the parties regarding the subjects covered in it, and supersedes any prior or inconsistent agreements that might exist between you and the Company. This Agreement can be modified only by an express written agreement signed by both you and the President of the Company.

I KNOWINGLY AND FREELY AGREE TO THIS MUTUAL AGREEMENT TO ARBITRATE CLAIMS, WHICH OTHERWISE COULD HAVE BEEN BROUGHT IN COURT. I AFFIRM THAT I HAVE HAD SUFFICIENT TIME TO READ AND UNDERSTAND THE TERMS OF THIS AGREEMENT AND THAT I HAVE BEEN ADVISED OF MY RIGHT TO SEEK LEGAL COUNSEL REGARDING THE MEANING AND EFFECT OF THIS AGREEMENT PRIOR TO SIGNING. BY ISSUANCE OF THIS AGREEMENT, THE COMPANY AGREES TO BE BOUND TO ITS TERMS WITHOUT ANY REQUIREMENT TO SIGN THIS AGREEMENT.

Date: _____ Employee Name: _____

FIRST AMENDMENT TO EMPLOYMENT AGREEMENT

This First Amendment (the “**Amendment**”) to the Employment Agreement effective January 1, 2017 (the “Employment Agreement”)(the “**Agreement**”) by and between Everi Payments Inc., a Delaware corporation (the “**Company**”) and wholly owned subsidiary of Everi Holdings Inc., a Delaware corporation (“**Everi Holdings**”), and Dean A. Ehrlich (the “**Executive**”) is made as of April 1, 2020 (the “**Effective Date**”).

RECITALS

- A. The Company desires to amend the Agreement on the terms and conditions set forth in this Amendment and Executive is willing to continue employment on the terms and conditions set forth in this Amendment.
- B. The Company and Executive (together, the “**Parties**”) wish to enter into the Amendment.

AMENDMENT

NOW, THEREFORE, based on the foregoing recitals and in consideration of the commitments set forth below, the Parties agree as follows:

- 1. **Definitions and Interpretation.** Except as otherwise provided herein, capitalized terms used in this Amendment shall have the definitions set forth in the Agreement amended hereby.
- 2. **Terms of the Agreement.** Except as expressly modified hereby, all terms, conditions and provisions of the Agreement shall continue in full force and effect.
- 3. **Conflicting Terms.** In the event of any inconsistency or conflict between the Agreement and this Amendment, or the applicable form of agreement of any Equity Awards, including the Restricted Stock Agreement, and this Amendment, the terms and conditions of this Amendment shall govern and control.
- 4. **Entire Agreement.** This Amendment and the Agreement constitute the entire and exclusive agreement between the Parties with respect to the subject matter hereof. All previous discussions and agreements with respect to the subject matter are superseded by the Agreement and this Amendment. This Amendment may be executed in one or more counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument.
- 5. **Amendments.**
 - a. **Section 1.1:** The each instance of the phrase “Chief Executive Officer” is hereby deleted in their entirety and replaced by the phrase ”President and Chief Operating Officer” in each and every instance it occurs in Section 1.1 to the first sentence of Section 2.5, such that the amended sentence reads as follows:
“The Company hereby employs Executive to render services to the Company in the position of Executive Vice President and Games Business Unit Leader, reporting directly to the President & Chief

Operating Officer of the Company. The Company's employment of Executive hereunder is contingent upon Executive successfully completing a background investigation. The duties of this position shall include such duties and responsibilities as are reasonably assigned to Executive by the President & Chief Operating Officer, including, but not limited to, managing profitability of the Games business unit which includes leading product management, product innovation, operations and sales support and managing business risk and protecting Company assets, as well as any other such duties and responsibilities as are customarily performed by persons holding similar positions at similarly situated corporations. Executive agrees to serve in a similar capacity for the benefit of Everi Holdings and any of Everi Holdings' direct or indirect, wholly-owned or partially-owned subsidiaries or Everi Holdings' affiliates. Additionally, Executive shall serve in such other capacity or capacities as the President & Chief Operating Officer may from time to time reasonably and lawfully prescribe. Executive shall be deemed an "Executive Officer" for purposes of indemnification by the Company pursuant to Article XI of the Company's bylaws."

b. Section 1.3: Section 1.3 is hereby deleted in its entirety and replaced by the following:

"Location. Executive's principal place of employment shall be at the direction of the Company, either Austin, Texas or Chicago, Illinois; provided however that, in the event that Renewal Terms have been renewed such that Executive continues to be employed by the Company as of January 1, 2021, on or before December 31, 2021 Executive shall relocate to Company's corporate headquarters, which is in Las Vegas, Nevada, for which the Company shall provide reasonable relocation expenses.

c. Section 2.1: The phrase "\$400,000" is hereby deleted and the phrase "Four Hundred Twenty-five Thousand United States Dollars and 00/100 (US\$425,000.00)" hereby is inserted in its entirety into the first sentence of Section 2.1, such that the amended sentence reads as follows:

"In consideration of the services to be rendered under this Agreement, while employed by the Company, the Company shall pay Executive an annual base salary ("*Base Salary*"), less required deductions for state and federal withholding tax, social security and all other employment taxes and payroll deductions, payable in regular periodic payments in accordance with Company payroll policy, at the rate of Four Hundred Twenty-five Thousand United States Dollars and 00/100 (US\$425,000.00) per year. Such Base Salary shall be prorated for any partial month of employment on the basis of a 30-day fiscal month. Such Base Salary shall be subject to annual review by the compensation committee of the Board of Directors of Everi Holdings (the "*Compensation Committee*")."

d. Section 2.2: Section 2.2 is deleted in its entirety and replaced by the following:

"Bonus. For each full fiscal year of Executive's employment with the Company, Executive shall be eligible for an annual discretionary bonus (the "*Cash Bonus*") with a target amount equal to seventy-five percent (75%) of Executive's then current base salary (the "*Target Percentage*"), which Target Bonus will be calculated on a pro rata basis for any partial year based on applicable Base Salary(ies) in effect during the relevant periods. The actual amount of any such Cash Bonus for the applicable calendar year will be established by the Compensation Committee based on the measurement of certain performance criteria or goals (the "*Bonus Metrics*") established for the applicable calendar year by the Compensation Committee prior to or as soon as practicable after the commencement of such calendar year, but in no event later than March 31 of the applicable calendar year, and set forth in a written plan ("*Annual Bonus Plan*"). If the Compensation Committee determines that the applicable Bonus Metrics have been achieved at or above a "threshold" level with respect to the applicable performance year, then, based on the level of such achievement, the Executive shall be entitled to receive payment of the

applicable Cash Bonus (which may be less than, equal to, or greater than the Target Percentage based on the level of performance achieved and the terms of the Annual Bonus Plan). If the Committee determines that the applicable Bonus Metrics have not been achieved at a “threshold” level with respect to the applicable performance year, then no Cash Bonus under the Annual Bonus Plan shall be due and payable to the Executive for such year. Except as provided otherwise in this Agreement, Executive shall only be eligible to receive a Cash Bonus for a calendar year if Executive is employed on the last day of such calendar year. Any Cash Bonus awarded for a calendar year, if any, shall be paid in cash when other senior executives of the Company are paid, and, in any event, on or before March 31st of the calendar year subsequent to the calendar year in which the Cash Bonus is earned.”

e. **Section 2.4:** The phrase “in a quantity and” is hereby deleted and the phrase “and Chief Operating Officer” hereby is inserted in its entirety into the first sentence of Section 2.4, such that the amended sentence reads as follows:

“Executive will be eligible to receive restricted stock, restricted stock units, performance awards, stock options or other equity awards with a frequency substantially similar to those regularly awarded to other members of the Company’s senior executive management, other than the Chief Executive Officer and or Chief Operating Officer, (each, an “*Equity Award*”) under the applicable equity incentive plan of Everi Holdings as then in effect (the “*Plan*”), as determined by the Compensation Committee.”

f. **Section 2.5:** The language of Section 2.5 is hereby deleted in its entirety and replaced by “[INTENTIONALLY OMITTED]”.

g. **Section 3:** Section 3 is hereby deleted in its entirety and replaced by the following:

“The term of the Agreement shall be one (1) year from the Effective Date (the “*Initial Term*”). The Company shall give written notice of intent to renew, or not renew, the Agreement ninety (90) days prior to the expiration of the Initial Term. In the event that Company fails to give written notice of intent not to renew as provided above, the Agreement shall renew for successive one-year terms (each, a “*Renewal Term*”) until terminated by either party upon giving ninety (90) days’ written notice prior to the end of a Renewal Term. The Initial Term and any subsequent Renewal Term, taking into account any early termination of employment pursuant to Section 4, are referred to collectively as the “*Term*.”

h. **Section 4.3.4:** The phrase “twelve months” is hereby deleted in its entirety from the first sentence of Section 4.3.4 and replaced with the phrase “eighteen (18) months”, such that the amended sentence reads as follows:

“The Company shall, following the Executive’s timely election, provide the Executive with continued coverage under the Company’s group health insurance plans as then in effect in accordance with the provisions of Title X of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended and any state law equivalent (“*COBRA*”), at no cost to Executive, for a period of time equal to the eighteen (18) months following the date of termination of Executive’s employment; provided however that, in the event that Executive secures alternate employment which offers health care coverage during this 18-month period, the Company’s obligations under this section will cease.”

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement as of the date first set forth above.

EVERI PAYMENTS INC.

EXECUTIVE

By: /s/ Michael D. Rumbolz
Michael D. Rumbolz
Chief Executive Officer

/s/ Dean A. Ehrlich
Dean A. Ehrlich

EMPLOYMENT AGREEMENT

This Employment Agreement (this “Agreement”), by and between Everi Payments Inc., a Delaware corporation (the “Company”) and wholly-owned subsidiary of Everi Holdings Inc., a Delaware corporation (“Everi Holdings”), and Mark F. Labay (“Executive”), is dated as of April 1, 2020 (the “Effective Date”).

RECITALS

A. The Company and Executive have previously executed a letter evidencing certain supplemental employment terms, executed by the parties on September 30, 2019 (the “*Prior Agreement*”).

B. The Company desires to continue the association and services of Executive in order to retain Executive’s experience, skills, abilities, background and knowledge, and is willing to continue to engage Executive to provide such services on the amended and restated terms and conditions set forth in this Agreement.

C. Executive desires to continue to be in the employ of the Company, and is willing to accept such employment on the amended and restated terms and conditions set forth in this Agreement.

D. The Company and Executive wish to enter into an employment relationship with a written employment agreement intended to supersede and replace any and all other written and oral representations regarding Executive’s employment with Company, including without limitation, the Prior Agreement.

AGREEMENT

NOW, THEREFORE, based on the foregoing recitals and in consideration of the commitments set forth below, and with understanding that, unless otherwise indicated, any of Executive obligations do not start until the Effective Date, Executive and the Company agree as follows:

1. Position, Duties, Responsibilities

1.1. Position and Term. The Company hereby employs Executive to render services to the Company in the position of Executive Vice President and Chief Financial Officer, reporting directly to the Chief Executive Officer of the Company. The Company’s employment of Executive hereunder is contingent upon Executive successfully completing a background investigation. The duties of this position shall include such duties and responsibilities as are reasonably assigned to Executive by the Chief Executive Officer, including, but not limited to, those customarily performed by Executive Vice Presidents and Chief Financial

Officers, of public corporations in the same or similar industries, managing business risk and protecting Company assets, as well as any other such duties and responsibilities as are customarily performed by persons holding similar positions at similarly situated corporations. Executive agrees to serve in a similar capacity for the benefit of Everi Holdings and any of Everi Holdings' direct or indirect, wholly-owned or partially-owned subsidiaries or Everi Holdings' affiliates. Additionally, Executive shall serve in such other capacity or capacities as the Chief Executive Officer may from time to time reasonably and lawfully prescribe. Executive shall be deemed an "Executive Officer" for purposes of indemnification by the Company pursuant to Article XI of the Company's bylaws.

1.2. Best Efforts; Other Activities. Executive will expend Executive's best efforts on behalf of the Company, Everi Holdings and their respective subsidiaries and affiliates, and will abide by all policies and decisions made by the Company and Everi Holdings, as well as all applicable federal, state and local laws, regulations or ordinances. Executive will act in the best interest of the Company, Everi Holdings and their respective subsidiaries and affiliates at all times. Executive shall devote Executive's full business time and efforts to the performance of Executive's assigned duties and responsibilities under this Agreement and, except upon the prior written consent of the Board of Directors of the Company (the "*Board*"), Executive will not (a) accept any other employment, or (b) engage, directly or indirectly, in any other business activity (whether or not pursued for pecuniary advantage) that is or may be in conflict with, or that might place Executive in a conflicting position to that of, the Company, Everi Holdings and/or their respective subsidiaries and affiliates. Notwithstanding the foregoing, Executive shall be permitted to engage in occasional charitable activities outside the scope of Executive's employment hereunder so long as such activities (i) do not conflict with the actual or proposed business of the Company, Everi Holdings and/or their respective subsidiaries and affiliates, and (ii) do not affect the performance of Executive's duties hereunder. In addition, subject to the prior written consent of the Board and subject to the satisfaction of Executive's fiduciary duties to the Company, Everi Holdings and/or their respective subsidiaries and affiliates, Executive may be permitted to serve as a director of other corporations provided that the businesses of such other corporations are not competitive with the actual or proposed business of the Company, Everi Holdings and/or their respective subsidiaries and affiliates and provided further that Executive's service as a director of such other corporations does not interfere with Executive's performance of Executive's duties hereunder. In the sole discretion of the Board, any such prior written consent may be subsequently revoked in the event that the Chief Executive Officer or Board determines that Executive's position as a director of any such other corporation has developed into a conflict of interest.

1.3. Location. Executive's principal place of employment shall be the Company's corporate headquarters, which is located in Las Vegas, Nevada, USA.

- 1.4. Proprietary Information.** Executive recognizes that Executive's employment with the Company will involve contact with information of substantial value to the Company, Everi Holdings and their respective subsidiaries and affiliates, which is not generally known in the trade, and which gives the Company, Everi Holdings and their respective subsidiaries and affiliates an advantage over their competitors who do not know or use it. As a condition precedent to Executive's employment by the Company, Executive agrees to execute and deliver to the Company, concurrent with Executive's execution and delivery of this Agreement, a copy of the "Employee Proprietary Information and Inventions Agreement" attached hereto as Exhibit A.
- 1.5. No Inconsistent Obligations.** Executive represents and covenants that Executive is free to enter into this Agreement as of today and is not bound by any restrictive covenants, including but not limited to, covenants not to compete that could conflict with this Agreement, and will be permitted to be employed by the Company as contemplated hereby. Executive further represents and covenants that Executive has not and will never use any confidential information or trade secrets belonging to any third party, including, but not limited to, Executive's prior employer(s), to the extent Executive has any, in any way or manner related to or with respect to the performance of the duties and obligations hereunder.
- 1.6. Regulatory Approval.** Due to the nature of the business of the Company, Everi Holdings and their respective subsidiaries and affiliates and Executive's position with the Company and Everi Holdings, and, in addition to normal employment-related credit, reference and background investigations, Executive may also be required to complete applications required by various regulatory, tribal, state, local or other international governmental authorities in and under whose jurisdiction the Company, Everi Holdings and their respective subsidiaries and affiliates conduct business, as well as other applications that may be required by regulatory authorities with jurisdiction over the Company, Everi Holdings and their respective subsidiaries and affiliates. Such applications may require complete disclosure of personal and financial information, criminal convictions or arrests (expunged or not) and business associations. As an ongoing condition of Executive's employment, Executive must be able to satisfy all applicable requirements of such governmental and regulatory authorities and obtain all necessary regulatory approvals and licenses.
- 1.7. Termination of Prior Agreements.** The Company and Executive agree that upon the execution and delivery of this Agreement, all agreements relating to employment or consulting services between the Company and Executive in effect on or prior to the Effective Date shall terminate in their entirety and be of no further force or effect, except for the (a) Employee Proprietary Information and Inventions Assignment Agreement, (b) any other agreement or document with respect to any stock options, restricted stock or other equity awards, (c) the

Arbitration Agreement as defined in Section 8 hereof, and for as (d) the severance provisions of the Prior Agreement may apply to Section 4.1.1.(a).

2. Compensation of Executive

2.1. Base Salary. In consideration of the services to be rendered under this Agreement, while employed by the Company, the Company shall pay Executive an annual base salary (“*Base Salary*”), less required deductions for state and federal withholding tax, social security and all other employment taxes and payroll deductions, payable in regular periodic payments in accordance with Company payroll policy, , as follows: (a) for the period from the Effective Date through March 31, 2021: a Base Salary at the rate of Three Hundred Thousand United States Dollars (US\$300,000.00) per year, and (b) for the period from April 1, 2021 through March 31, 2022: a Base Salary at the rate of Three Hundred Fifty Thousand United States Dollars (US\$350,000.00) per year, and (2) for the period from April 1, 2022 through March 31, 2023: a Base Salary at the rate of Four Hundred Thousand United States Dollars (US\$400,000.00) per year. Such Base Salary shall be prorated for any partial month of employment on the basis of a 30-day fiscal month. Such Base Salary shall be subject to annual review by the compensation committee of the Board of Directors of Everi Holdings (the “*Compensation Committee*”).

2.2. Bonus. For each full fiscal year of Executive’s employment with the Company, Executive shall be eligible for an annual discretionary bonus (the “*Cash Bonus*”) with a target amount equal to seventy-five percent (75%) of Executive’s then current base salary (the “*Target Percentage*”), which Target Bonus will be calculated on a pro rata basis for any partial year based on applicable Base Salary(ies) and Target Percentage(s) in effect during the relevant periods. The actual amount of any such Cash Bonus for the applicable calendar year will be established by the Compensation Committee based on the measurement of certain performance criteria or goals (the “*Bonus Metrics*”) established for the applicable calendar year by the Compensation Committee prior to or as soon as practicable after the commencement of such calendar year, but in no event later than March 31 of the applicable calendar year, and set forth in a written plan (“*Annual Bonus Plan*”). If the Compensation Committee determines that the applicable Bonus Metrics have been achieved at or above a “threshold” level with respect to the applicable performance year, then, based on the level of such achievement, the Executive shall be entitled to receive payment of the applicable Cash Bonus (which may be less than, equal to, or greater than the Target Percentage based on the level of performance achieved and the terms of the Annual Bonus Plan). If the Committee determines that the applicable Bonus Metrics have not been achieved at a “threshold” level with respect to the applicable performance year, then no Cash Bonus under the Annual Bonus Plan shall be due and payable to the Executive for such year. Except as provided otherwise in this Agreement, Executive shall only be eligible to receive a Cash Bonus for a calendar year if

Executive is employed on the last day of such calendar year. Any Cash Bonus awarded for a calendar year, if any, shall be paid in cash when other senior executives of the Company are paid, and, in any event, on or before March 31st of the calendar year subsequent to the calendar year in which the Cash Bonus is earned.

- 2.3. Benefits.** Executive shall be entitled to participate in any of the Company's group medical, dental, life insurance, 401(k) or other benefit plans and programs on the same terms and conditions as other members of the Company's senior executive management, based upon the eligibility dates described in the applicable benefit plan documents and subject to the terms and conditions of such plans. Executive shall be provided such perquisites of employment as are provided to all other members of the Company's senior executive management. Executive understands that the Company has adopted an "unlimited" vacation policy pursuant to which the Company does not limit senior executive officers' vacation time or sick days; accordingly, like the Company's other senior executive officers, Executive will not "accrue" paid time off days and will not be compensated for "unused" paid time off upon termination.
- 2.4. Expense Reimbursements.** Executive shall be entitled to reimbursement of all reasonable expenses incurred by Executive in the performance of Executive's duties hereunder, in accordance with the policies and procedures established by the Company from time to time, and as may be amended from time to time. Any reimbursement Executive is entitled to receive shall (a) be paid no later than the last day of Executive's tax year following the tax year in which the expense was incurred, (b) not affect or be affected by any other expenses that are eligible for reimbursement in any other tax year of Executive, and (c) not be subject to liquidation or exchange for another benefit.
- 2.5. Equity Awards.** Executive will be eligible to receive restricted stock, restricted stock units, performance awards, stock options or other equity awards with a frequency substantially similar to those regularly awarded to other members of the Company's senior executive management, other than the Chief Executive Officer, (each, an "*Equity Award*") under the applicable equity incentive plan of Everi Holdings as then in effect (the "*Plan*"), as determined by the Compensation Committee. Executive agrees and acknowledges that any Equity Award, currently held by, or subsequently awarded to, Executive will be subject to and governed by the terms and conditions of the Plan and an applicable form of agreement for such Equity Award specified by the Compensation Committee. As such, with respect to Equity Awards previously granted to Executive, this Agreement is expressly intended to (i) supersede any such conflicting provisions in any Prior Agreement and (ii) to the extent necessary, shall constitute an amendment to any such Equity Award agreement. Further, with respect to any subsequent Equity Award granted during the Term, Executive will be required to consent in writing to such terms as a condition of retaining the Equity Award.

2.6. Other. In connection with the execution and delivery of this Agreement, the Company will request the Compensation Committee approve a grant to Executive an Equity Award of Ten Thousand (10,000) shares of restricted stock of Everi Holdings and become vested shares thirty-three percent (33%) of the total number of shares shall vest and become vested shares on each of the first three anniversaries of the date of grant (disregarding any resulting fractional share). The Equity Awards described in this Section 2.6 will be reflected in, and governed by, an applicable grant agreement to be executed by Executive in connection with such grant.

3. Term

The term of the Agreement shall be one (1) year from the Effective Date (the “*Initial Term*”). The Company shall give written notice of intent to renew, or not renew, the Agreement ninety (90) days prior to the expiration of the Initial Term. In the event that Company fails to give written notice of intent not to renew as provided above, the Agreement shall renew for successive one-year terms (each, a “*Renewal Term*”) until terminated by either party upon giving ninety (90) days’ written notice prior to the end of a Renewal Term. The Initial Term and any subsequent Renewal Term, taking into account any early termination of employment pursuant to Section 4, are referred to collectively as the “*Term.*”

4. Termination of Employment

4.1. Definitions.

4.1.1. For the purposes of this Agreement, termination shall be for “*Cause*” if (a) Executive refuses or fails to act in accordance with any lawful order or instruction of the Chief Executive Officer or Board, and such refusal or failure to act has not been cured within five (5) days following Executive's receipt of written notice from the Chief Executive Officer or Board, as applicable, of such failure, (b) Executive is determined by the Chief Executive Officer or Board to have failed to devote reasonable attention and time to the business affairs of the Company, Everi Holdings and their subsidiaries and affiliates, (c) Executive is reasonably determined by the Chief Executive Officer or Board to have been (i) unfit for service (i.e., denied any license, permit or qualification required by, or found unsuitable by, any gaming regulator or other governmental authority), (ii) unavailable for service (other than as a result of an Incapacity (as defined below)), or (iii) grossly negligent in connection with the performance of Executive's duties on behalf of the Company, Everi Holdings and their subsidiaries and affiliates, which unfitness, unavailability or gross negligence has not been cured within five (5) days following Executive's receipt of written notice from the Chief Executive Officer or Board of the same; (d) Executive is reasonably determined by the Chief Executive Officer or Board to have committed a material act of dishonesty or willful misconduct or to have acted in bad faith to the material detriment of the Company, Everi Holdings and/or their subsidiaries and affiliates in connection

with the performance of Executive's duties hereunder; (e) Executive is convicted of a felony or other crime involving dishonesty, breach of trust, moral turpitude or physical harm to any person, or (f) Executive materially breaches any agreement with the Company or Everi Holdings which material breach has not been cured within five (5) days following Executive's receipt of written notice from the Chief Executive Officer or Board of the same.

4.1.2. For purposes of this Agreement, the term “*without Cause*” shall mean termination of Executive’s employment by the Company for reasons other than for Cause (and excluding any such termination resulting from Executive’s Incapacity or Death).

4.1.3. For the purposes of this Agreement, termination shall be for “*Good Reason*” if (a) there is a material diminution of Executive’s responsibilities or authority with the Company or Everi Holdings, or a material adverse change in the Executive’s reporting responsibilities or title, in each case as they existed prior to such diminution or change without Executive’s consent (which shall be deemed to have occurred in the event that there is a material reduction in the scope of the organization with respect to which the Executive has primary authority); (b) there is a material reduction by the Company in the Executive’s compensation as then in effect, without Executive’s consent; or (c) Executive’s principal work locations are relocated outside of the Las Vegas, Nevada, USA metropolitan area without Executive’s consent. Executive will be deemed not to have terminated Executive’s employment for Good Reason unless (i) Executive has delivered written notice to the Company of Executive's intent to exercise the rights pursuant to this Section within thirty (30) days following the first occurrence of a condition that would constitute Good Reason and identifying the facts constituting such condition, and (ii) the Company has failed to remedy such condition within thirty (30) days following its receipt of such written notice, and (iii) the Executive’s termination of employment for Good Reason is effective no later than one-hundred fifty (150) days following the first occurrence of such condition. Executive agrees that Executive may be required to travel from time to time as required by the Company’s business and that such travel shall not constitute grounds for Executive to terminate Executive's employment for Good Reason.

4.1.4. For the purposes of this Agreement, Executive shall be deemed to have suffered an “*Incapacity*” if Executive, due to any mental or physical illness, injury or limitation, has been unable to perform the essential duties and responsibilities of Executive’s position for a period of at least one-hundred eighty (180) days in any rolling three hundred and sixty-five (365) day period.

4.2. Termination by Executive. During the Term, Executive may terminate Executive's employment upon written notice to the Company. In the event that, during the Term, Executive terminates Executive's employment for any reason other than for Good Reason, all of the Company’s duties and obligations under this Agreement

shall cease as of the last day of Executive's employment and the Company shall pay Executive, and Executive shall be entitled to receive, only the following: all Base Salary earned by Executive through the last day of Executive's employment but not yet paid, all reimbursable business expenses properly incurred by Executive pursuant to Section 2.4 through the last day of Executive's employment but not yet reimbursed, and all benefits earned by Executive pursuant to Section 2.3 through the last day of Executive's employment (the "Accrued Amounts"); provided however, in the event the Company elects to enforce the Noncompete Term (as defined in Section 7.1) following a termination under this Section 4.2, the Company will continue to pay Executive's then-current Base Salary in installments in accordance with the Company's regular payroll procedures during the pendency of the Noncompete Term.

4.3. Termination by the Company for Cause. In the event that, during the Term, the Company terminates Executive's employment for Cause, all of the Company's duties and obligations under this Agreement shall cease as of the last day of Executive's employment and the Company shall pay Executive, and Executive shall be entitled to receive, only the Accrued Amounts; provided however, in the event the Company elects to enforce the Noncompete Term following a termination under this Section 4.3, the Company will continue to pay Executive's then-current Base Salary in installments in accordance with the Company's regular payroll procedures during the pendency of the Non-Compete Term.

4.4. Termination by the Company without Cause, or Termination by Executive for Good Reason. In the event that, during the Term, the Company terminates Executive's employment without, or Executive terminates Executive's employment for Good Reason, all of the Company's duties and obligations under this Agreement shall cease as of the last day of Executive's employment and the Company shall pay Executive, and Executive shall be entitled to receive, the Accrued Amounts. In addition, and subject to the conditions set forth in Section 4.8 below, the Company shall pay to Executive the severance payments and benefits set forth below in Sections 4.4.1- 4.4.4 in accordance with the terms thereof.

4.4.1. Base Salary Continuation. If the Company terminates Executive's employment without Cause or Executive terminates Executive's employment for Good Reason as follows: (a) during the initial six (6) months of the Initial Term, the Company shall pay severance in accordance with the Prior Agreement, and (b) during the remainder of the Initial Term or during any Renewal Term, the Company shall continue to pay Executive's Base Salary at the then-current rate, the Company shall continue to pay Executive's Base Salary at the then-current rate (determined prior to any reduction constituting a condition giving rise to Good Reason) for a period of one (1) year following the date of termination. Such salary continuation shall be paid to Executive in installments in accordance with the Company's regular payroll procedures, with the initial salary

continuation payment to be made on the first regular payroll date of the Company following the Release Deadline and to include a catch-up payment for all regular Company payroll dates occurring between the date of Executive's termination of employment and such initial salary continuation payment date; provided, however, that if the period beginning on the date of Executive's termination of employment and ending on the first Company payroll date following the Release Deadline straddles two calendar years, then the salary continuation payments shall in any event begin in the second such calendar year. Salary continuation payments shall be subject to standard deductions and withholdings.

4.4.2. Target Bonus. If the Company terminates Executive's employment without Cause or Executive terminates Executive's employment for Good Reason as follows: (a) during the initial six (6) months of the Initial Term, the Company shall pay severance in accordance with the Prior Agreement, and (b) during the remainder of the Initial Term or during any Renewal Term, during the Term, the Company shall pay to Executive, less standard deductions and withholdings, an additional severance benefit in an amount equal to one-hundred percent (100%) of Executive's then-current target bonus (based on the target bonus percentage) for the calendar year in which the termination occurs, such aggregate amount to be in substantially equal installments concurrent with the salary continuation payments pursuant to Section 4.4.1 (including a catch-up payment as described therein).

4.4.3. Vesting of Equity Awards and Exercise Period. Upon the Company's termination of Executive's employment without Cause or Executive's termination of Executive's employment for Good Reason, then all Equity Awards granted to Executive following the Effective Date and held by Executive immediately prior to such termination shall be governed by the terms of the applicable grant agreement pursuant to which such Equity Award is granted, in each case as determined by the Compensation Committee at the time of such grant.

4.4.4. Health Care Coverage. The Company shall, following the Executive's timely election, provide the Executive with continued coverage under the Company's group health insurance plans as then in effect in accordance with the provisions of Title X of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended and any state law equivalent ("*COBRA*"), at no cost to Executive, for a period of time equal to the eighteen (18) months following the date of termination of Executive's employment; provided however that, in the event that Executive secures alternate employment which offers health care coverage during this 18-month period, the Company's obligations under this section will cease. Notwithstanding the preceding sentence, if the Company determines, in its sole discretion, that the payment of the COBRA premiums would result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Internal Revenue Code of 1986, as amended (the "*Code*"), or any statute or regulation of similar effect (including but not limited to the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and

Education Reconciliation Act), then in lieu of providing the COBRA premiums, the Company, in its sole discretion, may elect to instead pay Executive on the first day of each month of such applicable salary continuation period, a fully taxable cash payment equal to the COBRA premiums for that month, subject to applicable withholdings and deductions, and Executive may, but is not obligated to, use such payments toward the cost of COBRA premiums.

4.5. Termination by the Company for Incapacity. In the event that, during the Term, Executive suffers an Incapacity as determined by the Company in its reasonable discretion, the Company may elect to terminate Executive's employment pursuant to this Section 4.5. In such event, all of the Company's duties and obligations under this Agreement shall cease as of the last day of Executive's employment and the Company shall pay Executive, and Executive shall be entitled to receive, only the Accrued Amounts; provided, however, that nothing contained in this Agreement shall limit Executive's rights to payments or other benefits under any long-term disability plans of the Company in which Executive participates, if any.

4.6. Termination upon Death. In the event that, during the Term, Executive dies, Executive's employment shall be deemed to have terminated upon the date of death and all of the Company's duties and obligations under this Agreement shall cease. In such event, the Company shall pay Executive's estate, and Executive's estate shall be entitled to receive, only the Accrued Amounts; provided, however, that nothing contained in this Agreement shall limit Executive's estate's or Executive's beneficiaries' rights to payments or other benefits under any life insurance plan or policy in which Executive participated or with respect to which Executive has designated a beneficiary, if any.

4.7. Change in Control and Termination Payments.

4.7.1. Equity Award Acceleration. Upon a Change in Control (as that or a substantially similar term is defined in the Plan), the vesting or termination of all outstanding Equity Awards shall continue to be governed under the terms of such Equity Awards.

4.7.2. Parachute Payments. Notwithstanding any provision of this Agreement to the contrary, if any payment or benefit Executive would receive pursuant to this Agreement or otherwise (collectively, the "*Payments*") would constitute a "parachute payment" within the meaning of Section 280G of the Code, and, but for this sentence, would be subject to the excise tax imposed by Section 4999 of the Code or any similar or successor provision (the "*Excise Tax*"), then the aggregate amount of the Payments will be either (a) the largest portion of the Payments that would result in no portion of the Payments (after reduction) being subject to the Excise Tax or (b) the entire Payments, whichever amount after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal

rate, net of the maximum reduction in federal income taxes which could be obtained from a deduction of such state and local taxes), results in Executive's receipt, on an after-tax basis, of the greatest amount of the Payments. Any reduction in the Payments required by this Section will be made in the following order (to the extent compliant with Section 409A of the Code and the regulations thereunder ("*Section 409A*")): (i) reduction of Payments that constitute "deferred compensation" (within the meaning of Section 409A), and if there is more than one such Payment, then such reduction shall be applied on a pro rata basis to all such Payments; (ii) reduction of Payments payable in cash that do not constitute deferred compensation; (iii) reduction of accelerated vesting of Equity Awards other than stock options, if any; (iv) reduction of accelerated vesting of stock options, if any; and (v) reduction of other benefits paid or provided to Executive. In the event that acceleration of vesting of Equity Awards is to be reduced, such acceleration of vesting will be cancelled in the reverse order of the date of grant of such Equity Awards. If two or more Equity Awards are granted on the same date, the accelerated vesting of each award will be reduced on a pro-rata basis.

4.7.3. Calculation. The professional firm engaged by the Company for general tax purposes as of the day prior to the date of the event that might reasonably be anticipated to result in Payments that would otherwise be subject to the Excise Tax will perform the foregoing calculations. If the tax firm so engaged by the Company is serving as accountant or auditor for the acquiring company, the Company will appoint a nationally recognized tax firm to make the determinations required by this Section. The Company will bear all expenses with respect to the determinations by the tax firm required to be made by this Section. The Company and Executive shall furnish the tax firm such information and documents as the tax firm may reasonably request in order to make its required determination. The tax firm will provide its calculations, together with detailed supporting documentation, to the Company and Executive as soon as practicable following its engagement. Any good faith determinations of the tax firm made hereunder will be final, binding and conclusive upon the Company and Executive.

4.8. No Other Compensation or Benefits/No Duty to Mitigate. Executive acknowledges that except as expressly provided in this Agreement, Executive shall not be entitled to any compensation, severance payments or benefits upon the termination of Executive's employment. The Company acknowledges that Executive is under no duty to seek other employment or otherwise mitigate the obligations of the Company under this Agreement and the Company shall have no right of off-set against the amounts owed to Executive by the Company on account of any remuneration or other benefit earned or received by Executive after Executive's termination by the Company.

4.9. Conditions to Severance. Executive will only be entitled to receive the severance payments and benefits set forth in Sections 4.4.1- 4.4.4 if, on or before the

thirtieth (30th) day following the date of termination of Executive's employment (the "Release Deadline"), Executive executes a full general release of claims agreement in a form similar to Exhibit B hereto or the Company's then-current version thereof, releasing all claims, known or unknown, that Executive may have against the Company, Everi Holdings and their respective subsidiaries and affiliates, and each of their respective officers, directors, and employees arising out of or in any way related to Executive's employment or termination of employment with the Company, and the period for revocation, if any, of such release agreement has lapsed without the release having been revoked. In the event that Executive breaches any of the covenants contained in Sections 7 or 8, the Company shall have the right to (a) terminate further provision of any portion of the severance payments and benefits set forth in Sections 4.4.1-4.4.4 not yet paid or provided to Executive, (b) seek reimbursement in gross from Executive for any and all portions of the severance payments and benefits set forth in Sections 4.4.1-4.4.4 previously paid or provided to Executive, (c) recover from Executive all shares of Everi Holdings stock acquired by Executive pursuant to Equity Awards the vesting of which was accelerated by reason of Executive's termination of employment (or the proceeds therefrom, reduced by any exercise or purchase price paid to acquire such shares), and (d) immediately cancel all portions of Equity Awards the vesting of which was accelerated by reason of Executive's termination of employment.

4.10. Expiration of the Term. For the avoidance of doubt, in the absence of an assertion of Cause by the Company, the exercise by the Company of its right to not extend the Agreement, shall constitute a termination at the election of the Company without Cause and Executive's employment will be terminated as of such date.

5. Executive's Termination Obligations

5.1. Return of Company's Property. Without in any way limiting Executive's obligations and the Company's rights under the Employee Proprietary Information and Inventions Agreement described in Section 1.4, Executive hereby acknowledges and agrees that all books, manuals, records, reports, notes, contracts, lists, spreadsheets and other documents or materials, or copies thereof, and equipment furnished to or prepared by Executive in the course of or incident to Executive's employment, belong to Company and shall be promptly returned to Company upon termination of Executive's employment with the Company for any reason.

5.2. Cooperation in Pending Work. Following any termination of Executive's employment with the Company for any reason, Executive shall, at the Company's request, reasonably cooperate with the Company in all matters relating to the winding up of pending work on behalf of the Company, Everi Holdings and their respective subsidiaries and affiliates and the orderly transfer of work to other

employees of the Company, Everi Holdings and their respective subsidiaries and affiliates. Executive shall also cooperate, at the Company's request, in the defense of any action brought by any third party against the Company, Everi Holdings and/or their respective subsidiaries and affiliates that relates in any way to Executive's acts or omissions while employed by the Company.

5.3. Resignation. Upon the termination of Executive's employment with the Company for any reason, Executive shall be deemed to have resigned from all positions as an employee, officer, director or manager then held with the Company, Everi Holdings or any of their respective subsidiaries or affiliates. Executive agrees to execute and deliver such documents or instruments as are reasonably requested by the Company, Everi Holdings or any such subsidiary or affiliate to evidence such resignations.

5.4. Survival. The representations and warranties contained herein and Executive's and the Company's obligations under Sections 3, 4, 5, 6, 7, 8 and 9 and under the Employee Proprietary Information and Inventions Agreement shall survive termination of Executive's employment with the Company for any reason and the expiration of this Agreement.

5.5. Mutual Nondisparagement. Executive agrees that Executive will not make any voluntary statements, written or oral, or cause or encourage others to make any such statements that defame, disparage or in any way criticize the personal and/or business reputations, practices or conduct of the Company, Everi Holdings and/or their respective subsidiaries and affiliates or their respective employees, officers or directors. The Company agrees that it will instruct its officers and directors to not make any voluntary statements, written or oral, or cause or encourage others to make any such statements that defame, disparage or in any way criticize the personal and/or business reputations, practices or conduct of Executive.

6. Compliance with Section 409A of the Code.

6.1. This Agreement and all payments and benefits provided under this Agreement are intended to comply with, or be exempt from, Section 409A, and shall be construed and interpreted in accordance with such intent. However, the Company does not guarantee any particular tax effect for income provided to Executive pursuant to this Agreement, and except for the Company's responsibility to withhold applicable income and employment taxes from compensation paid or provided to Executive, the Company shall not be responsible for the payment of any applicable taxes, penalties, interest, costs, fees, including attorneys' fees, or other liability incurred by Executive in connection with compensation paid or provided to Executive pursuant to this Agreement.

6.2. No amount payable pursuant to this Agreement on account of Executive's termination of employment with the Company which constitutes a "deferral of compensation" within the meaning of Section 409A shall be paid unless and until

Executive has incurred a “separation from service” within the meaning of Section 409A. Furthermore, to the extent that Executive is a “specified employee” within the meaning of Section 409A (determined using the identification methodology selected by Company from time to time, or if none, the default methodology) as of the date of Executive’s separation from service, no amount that constitutes a deferral of compensation which is payable on account of Executive’s separation from service shall be paid to Executive before the date (the “*Delayed Payment Date*”) which is first day of the seventh month after the date of Executive’s separation from service or, if earlier, the date of Executive’s death following such separation from service. All such amounts that would, but for this Section, become payable prior to the Delayed Payment Date will be accumulated and paid in a lump sum on the Delayed Payment Date. Thereafter, any payments that remain outstanding as of the day immediately following the Delayed Payment Date shall be paid without delay over the time period originally scheduled, in accordance with the terms of this Agreement.

6.3. Any right of Executive to receive installment payments under this Agreement shall, for all purposes of Section 409A, be treated as a right to a series of separate payments.

7. Restrictions on Competition after Termination

Executive acknowledges that the nature of the business of the Company, Everi Holdings and/or their respective subsidiaries and affiliates is such that it would be extremely difficult for Executive to honor and comply with Executive's obligations under the Employee Proprietary Information and Inventions Agreement described in Section 1.4 to keep secret and confidential the trade secrets of the Company, Everi Holdings and/or their respective subsidiaries and affiliates if Executive were to become employed by or substantially interested in the business of a competitor of the Company, Everi Holdings and/or their respective subsidiaries and affiliates is such that soon following the termination of Executive's employment with the Company, and it would also be extremely difficult to determine in any reasonably available forum the extent to which Executive was or was not complying with Executive's obligations under such circumstances.

7.1. Duration of Restriction. In consideration for the Company’s and Everi Holdings’ undertakings and obligations under this Agreement, and in light of Executive’s unique position and substantial knowledge of the operations, plans and projects of the Company, Everi Holdings and their respective subsidiaries and affiliates, Executive agrees that, during the Noncompete Term (as defined below), Executive shall not directly or indirectly engage in (whether as an employee, consultant, proprietor, partner, director or otherwise), or have any ownership interest in, or participate in the financing, operation, management or control of, any person, firm, corporation or business that engages in any line of business in which the Company, Everi Holdings and/or their respective subsidiaries and affiliates engages at the time of such termination, in the United States Canada, the

United Kingdom or such other countries in which the Company, Everi Holdings and/or their respective subsidiaries and affiliates conducts business at the time of such termination (“*Restricted Territory*”). For the avoidance of doubt, the foregoing shall not prohibit Executive from engaging in, owning an interest in, or participating in any business that processes credit card, debit card or automated teller machine transactions originated from outside of gaming establishments, unless the Company has expanded its operations to encompass such activities at the time of termination. For purposes of this Agreement, the “*Noncompete Term*” shall mean the period of six (6) months after the termination of Executive’s employment hereunder or, if greater, the period during which Executive continues to receive salary continuation payments pursuant to Section 4.4.1 above. The parties agree that ownership of no more than 1% of the outstanding voting stock of a publicly-traded corporation or other entity shall not constitute a violation of this provision. The parties intend that the covenants contained in this section shall be construed as a series of separate covenants, one for each county, city, state and other political subdivision of the Restricted Territory. Except for geographic coverage, each such separate covenant shall be deemed identical in terms to the covenant contained in this section. If, in any judicial proceeding, a court shall refuse to enforce any of the separate covenants (or any part thereof) deemed included in this section, then such unenforceable covenant (or such part) shall be deemed eliminated from this Agreement for the purpose of those proceedings to the extent necessary to permit the remaining separate covenants (or portions thereof) to be enforced by such court. It is the intent of the parties that the covenants set forth herein be enforced to the maximum degree permitted by applicable law.

7.2 Assignment. Executive expressly understands and agrees that all restrictions on employment and solicitation as set for in Sections 7 and 8 are fair and reasonable, and are a material part of this Agreement which would not be entered into by the parties absent mutual agreement to the assignability of the same. Executive further expressly understands and agrees that Executive's duties and obligations as set forth in Sections 7 and 8 of this Agreement may be assigned by the Company upon a Change in Control at Company's discretion. Executive agrees that Executive has received separate valuable and sufficient consideration in exchange for Company's right to assign Executive's obligations and duties as set forth in Sections 7 and 8.

8. Restrictions on Solicitation after Termination

In consideration for the Company’s and Everi Holdings’ undertakings and obligations under this Agreement, and in light of Executive’s unique position and substantial knowledge of the operations, plans and projects of the Company, Everi Holdings and their respective subsidiaries and affiliates, Executive agrees that, for a period of one (1) year following the termination of Executive's employment hereunder for any reason, Executive shall not, without the prior written consent of the Company, directly or indirectly, as a sole proprietor, member of a

partnership, stockholder or investor, officer or director of a corporation, or as an executive, associate, consultant, employee, independent contractor or agent of any person, partnership, corporation or other business organization or entity other than the Company solicit or endeavor to entice away from the Company, Everi Holdings and/or their respective subsidiaries and affiliates any person or entity who is, or, during the then most recent three-month period, was, employed by, or had served as an agent or key consultant of the Company, Everi Holdings and/or their respective subsidiaries and affiliates, provided, however, that Executive shall not be prohibited from receiving and responding to unsolicited requests for employment or career advice from the Company's employees.

9. Arbitration

9.1. Agreement to Arbitrate Claims. The Company and Executive hereby agree that, to the fullest extent permitted by law, any and all claims or controversies between them (or between Executive and any present or former officer, director, agent, or employee of the Company or any parent, subsidiary, or other entity affiliated with the Company) relating in any manner to the employment or the termination of employment of Executive shall be resolved by final and binding arbitration pursuant to the terms and conditions set forth in that certain National Mutual Arbitration Agreement for Employees of the Company executed by Executive (the "*Arbitration Agreement*") in the form attached hereto as Exhibit C Claims subject to the Arbitration Agreement shall include contract claims, tort claims, claims relating to compensation and Equity Awards, as well as claims based on any federal, state, or local law, statute, or regulation, including but not limited to any claims arising under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, and the California Fair Employment and Housing Act. However, claims for unemployment compensation, workers' compensation, and claims under the National Labor Relations Act shall not be subject to arbitration.

9.2. Enforcement Actions. Either the Company or Executive may bring an action in court to compel arbitration under this Agreement and to enforce an arbitration award. Except as otherwise provided in this Agreement, neither party shall initiate or prosecute any lawsuit in any way related to any arbitrable claim, including, without limitation, any claim as to the making, existence, validity, or enforceability of the agreement to arbitrate. All arbitration hearings under this Agreement shall be conducted in Las Vegas, Nevada.

9.3. Exceptions. Nothing in this Agreement precludes a party from filing an administrative charge before an agency that has jurisdiction over an arbitrable claim. In addition, either party may, at its option, seek injunctive relief in a court of competent jurisdiction for any claim or controversy arising out of or related to the matters described in Sections 7 and 8 above or the unauthorized use, disclosure, or misappropriation of the confidential and/or proprietary information of either party in contravention of the Employee Proprietary Information and

Inventions Agreement or otherwise. By way of example, the Company may choose to use the court system to seek injunctive relief to prevent disclosure of its proprietary information or trade secrets; similarly, Executive may elect to use the court system to seek injunctive relief to protect Executive's own inventions or trade secrets.

9.4. Attorneys' Fees. Each party shall pay its own costs and attorney's fees, unless a party prevails on a statutory claim, and the statute provides that the prevailing party is entitled to payment of its attorneys' fees. In that case, the arbitrator may award reasonable attorneys' fees and costs to the prevailing party as provided by law. The costs and fees of the arbitrator shall be borne equally by Executive and the Company.

9.5. Survival. The parties' obligations under this Agreement, where applicable including Section 7 and 8, shall survive the termination of Executive's employment with the Company for any reason and the expiration of this Agreement.

9.6. Acknowledgements. THE PARTIES UNDERSTAND AND AGREE THAT THIS SECTION 9 CONSTITUTES A WAIVER OF THEIR RIGHT TO A TRIAL BY JURY OF ANY CLAIMS OR CONTROVERSIES COVERED BY THIS SECTION 9. THE PARTIES AGREE THAT NONE OF THOSE CLAIMS OR CONTROVERSIES SHALL BE RESOLVED BY A JURY TRIAL. THE PARTIES FURTHER ACKNOWLEDGE THAT THEY HAVE BEEN GIVEN THE OPPORTUNITY TO DISCUSS THIS SECTION 9 WITH THEIR LEGAL COUNSEL AND HAVE AVAILED THEMSELVES OF THAT OPPORTUNITY TO THE EXTENT THEY WISH TO DO SO.

10. Expiration

The terms of this Agreement are intended by the parties to govern Executive's employment with the Company during the Term. Upon the termination of Executive's employment with the Company for any reason, this Agreement shall expire and be of no further force or effect, except to the extent of provisions hereof which expressly survive the expiration or termination of this Agreement.

11. Entire Agreement

Except as otherwise expressly stated herein, the terms of this Agreement are intended by the parties to be the final and exclusive expression of their agreement with respect to the employment of Executive by Company and may not be contradicted by evidence of any prior or contemporaneous statements or agreements. The parties further intend that this Agreement shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding involving this Agreement. To the extent any provisions in this Agreement are inconsistent with

any provisions of the Exhibits, the provisions of the Exhibits shall supersede and be controlling. Further, upon execution of this Agreement, and except as the severance provisions of the Prior Agreement applies to Section 4.1.1. (a), the Prior Agreement will terminate and be of no further force and effect.

12. Amendments, Waivers

This Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by Executive and by a duly authorized representative of the Company other than Executive. No failure to exercise and no delay in exercising any right, remedy, or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, or power under this Agreement preclude any other or further exercise thereof, or the exercise of any other right, remedy, or power provided herein or by law or in equity.

13. Assignment; Successors and Assigns

Executive agrees that Executive may not assign, sell, transfer, delegate or otherwise dispose of, whether voluntarily or involuntarily, or by operation of law, any rights or obligations under this Agreement, nor shall Executive's rights be subject to encumbrance or the claims of creditors. Any purported assignment, transfer, or delegation shall be null and void. Nothing in this Agreement shall prevent the consolidation of the Company, Everi Holdings and/or their respective subsidiaries and affiliates with, or their merger into, any other corporation, or the sale by the Company, Everi Holdings and/or their respective subsidiaries and affiliates of all or substantially all of their respective properties or assets, or the assignment by the Company, Everi Holdings and/or their respective subsidiaries and affiliates of this Agreement and the performance of its obligations hereunder to any successor in interest.

14. Governing Law

The validity, interpretation, enforceability, and performance of this Agreement shall be governed by and construed in accordance with the law of the State of Nevada, without regard to conflicts of laws. Each party consents to the jurisdiction and venue of the state or federal courts in Las Vegas, Nevada, if applicable, in any action, suit, or proceeding arising out of or relating to this Agreement, except that injunctive relief may be sought in any court of competent jurisdiction

15. Acknowledgment

The parties acknowledge (a) that they have consulted with or have had the opportunity to consult with independent counsel of their own choice concerning this Agreement, and (b) that they have read and understand the Agreement, are fully aware of its legal effect, and have entered into it freely based on their own judgment and not on any representations or promises other than those contained in this Agreement.

16. Notices

All notices or demands of any kind required or permitted to be given by the Company or Executive under this Agreement shall be given in writing and shall be personally delivered (and receipted for) or mailed by certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Company: Everi Payments Inc.
Attn: CEO w/ copy to General Counsel
7250 S. Tenaya Way, Ste. 100
Las Vegas, NV 89113

If to Executive: Mark Labay
8 Chinese Fir Drive
Las Vegas, Nevada 89141

Any such written notice shall be deemed received when personally delivered or three (3) days after its deposit in the United States mail as specified above. Either party may change its address for notices by giving notice to the other party in the name specified in this section.

17. Representations and Warranties

Upon reasonable belief, Executive represents and warrants that Executive is not restricted or prohibited, contractually or otherwise, from entering into and performing each of the terms and covenants contained in this Agreement, and that Executive's execution and performance of this Agreement will not violate or breach any other agreements between Executive and any other person or entity.

18. Counterparts

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, all of which together shall contribute one and the same instrument.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement as of the date first set forth above.

EVERI PAYMENTS INC.

EXECUTIVE

By: /s/ Michael D. Rumbolz
Michael D. Rumbolz
Chief Executive Officer

/s/ Mark F. Labay
Mark F. Labay

Acknowledged and Agreed:

EVERI HOLDINGS INC.

By: /s/ Michael D. Rumbolz

Michael D. Rumbolz

Chief Executive Officer

EXHIBIT A

EMPLOYEE PROPRIETARY INFORMATION AND INVENTIONS AGREEMENT

In consideration of my employment by Everi Payments Inc, a Delaware corporation (the “Company”), I hereby agree to certain restrictions placed by the Company on my use and development of information and technology of the Company and its parent, subsidiary and affiliate entities, as more fully set out below.

1. Proprietary Information.

(a) Confidential Restrictions. I understand that, in the course of my work as an employee of the Company, I may have access to Proprietary Information (as defined below) concerning the Company. I acknowledge that the Company has developed, compiled, and otherwise obtained, often at great expense, this information, which has great value to the Company’s business. I agree to hold in strict confidence and in trust for the sole benefit of the Company all Proprietary Information and will not disclose any Proprietary Information, directly or indirectly, to anyone outside of the Company, or use, copy, publish, summarize, or remove from Company premises such information (or remove from the premises any other property of the Company) except: (i) during my employment to the extent necessary to carry out my responsibilities as an employee of the Company or (ii) after termination of my employment, as specifically authorized in writing by a duly authorized officer of the Company. I further understand that the publication of any Proprietary Information through literature or speeches must be approved in advance in writing by a duly authorized officer of the Company.

(b) Proprietary Information Defined. I understand that the term “Proprietary Information” in this Agreement means all information and any idea in whatever form, tangible or intangible, whether disclosed to or learned or developed by me, pertaining in any manner to the business of the Company, the Company’s parent or subsidiary entities or to the Company’s affiliates, consultants, or business associates, unless: (i) the information is or becomes publicly known through lawful means; (ii) the information was rightfully in my possession or part of my general knowledge prior to my employment by the Company; or (iii) the information is disclosed to me without confidential or proprietary restrictions by a third party who rightfully possesses the information (without confidential or proprietary restrictions) and did not learn of it, directly or indirectly, from the Company. I further understand that the Company considers the following information to be included, without limitation, in the definition of Proprietary Information: (A) schematics, techniques, employee suggestions, development tools and processes, computer printouts, computer programs, design drawings and manuals, electronic codes, formulas and improvements; (B) information about costs, profits, markets, sales, customers, prospective customers, customer contracts (including without limitation the terms and conditions of such customer contracts) and bids; (C) plans for business, marketing, future development and new product concepts; (D) customer lists, and distributor and representative lists; (E) all documents, books, papers, drawings, models, sketches, and other data of any kind and description, including electronic data recorded or retrieved by any means, that have been or will be given to me by the Company (or any affiliate of it), as well as written or verbal

instructions or comments; (F) any information or material not described in (A)-(E) above which relate to the Company's inventions, technological developments, "know how", purchasing, accounts, merchandising, or licensing; (G) employee personnel files and information about employee compensation and benefits; and (H) any information of the type described in (A)-(G) above which the Company has a legal obligation to treat as confidential, or which the Company treats as proprietary or designates as confidential, whether or not owned or developed by the Company.

(c) Information Use. I agree that I will maintain at my work area or in other places under my control only such Proprietary Information that I have a current "need to know," and that I will return to the appropriate person or location or otherwise properly dispose of Proprietary Information once my need to know no longer exists. I agree that I will not make copies of information unless I have a legitimate need for such copies in connection with my work.

(d) Third Party Information. I recognize that the Company has received and in the future will receive from third parties their confidential or proprietary information subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. I agree that I owe the Company and such third parties, during the term of my employment and thereafter, a duty to hold all such confidential or proprietary information in the strictest confidence and not to disclose it to any person, firm, or corporation (except as necessary in carrying out my work for the Company consistent with the Company's agreement with such third party) or to use it for the benefit of anyone other than for the Company or such third party (consistent with the Company's agreement with such third party) without the express written authorization of a duly authorized officer of the Company.

2. Inventions.

(a) Defined; Statutory Notice. I understand that during the term of my employment, there are certain restrictions on my development of technology, ideas, and inventions, referred to in this Agreement as "Invention Ideas." The term "Invention Ideas" means all ideas, processes, inventions, technology, programs, original works of authorship, designs, formulas, discoveries, patents, copyrights, trademarks, and service marks, and all improvements, rights, and claims related to the foregoing, that are conceived, developed, or reduced to practice by me alone or with others during the period of my employment with the Company, except for (1) Invention Ideas excluded in Schedule A, (2) Invention Ideas that I develop entirely on my own time without the Company's equipment, supplies, facilities or trade secret information except for those Invention Ideas that either relate at the time of conception or reduction to practice of the Invention Idea to the Company's business or actual or demonstrably anticipated research or development or result from any work performed by me for the Company, and (3) to the extent that any law applicable to my employment lawfully prohibits the assignment.

(b) Disclosure. I agree to maintain adequate and current written records on the development of all Invention Ideas and to disclose promptly to the Company all Invention Ideas and relevant records, which records will remain the sole property of the Company. I

further agree that all information and records pertaining to any idea, process, invention, technology, program, original work of authorship, design, formula, discovery, patent, copyright, trademark, or service mark, that I do not believe to be an Invention Idea, but is conceived, developed, or reduced to practice by me (alone or with others) during my period of employment or during the one-year period following termination of my employment, shall be promptly disclosed to the Company (such disclosure to be received in confidence). The Company shall examine such information to determine if in fact it is an Invention Idea subject to this Agreement.

(c) Assignment. I agree to assign and hereby do assign to the Company, without further consideration, my entire right, title, and interest (throughout the United States and in all foreign countries), free and clear of all liens and encumbrances, in and to each Invention Idea, which shall be the sole property of the Company, whether or not copyrightable or patentable.

(d) Assist with Registration. In the event any Invention Idea shall be deemed by the Company to be copyrightable or patentable or otherwise registrable, I will assist the Company (at its expense) in obtaining and maintaining letters patent or other applicable registrations and I will execute all documents and do all other things (including testifying at the Company's expense) necessary or proper to accomplish such registrations thereon and to vest the Company with full title thereto. Should the Company be unable to secure my signature on any document necessary to apply for, prosecute, obtain, or enforce any patent, copyright, or other right or protection relating to any Invention Idea, whether due to my mental or physical incapacity or any other cause, I hereby irrevocably designate and appoint the Company and each of its duly authorized officers and agents as my agent and attorney-in-fact, to act for and on my behalf and stead, to execute and file any such document, and to do all other lawfully permitted acts to further the prosecution, issuance, and enforcement of patents, copyrights, or other rights or protections with the same force and effect as if executed and delivered by me. I agree to maintain adequate and current records on the development of all Invention Ideas, which shall also remain the sole property of the Company.

(e) License for Other Inventions. If, in the course of my employment with the Company, I incorporate into Company property an invention owned by me or in which I have an interest, the Company is granted a nonexclusive, royalty-free, irrevocable, perpetual, world-wide license to make, modify, use and sell any invention as part of and in connection with the Company property.

(f) Exclusions. Except as disclosed in Schedule A attached hereto and incorporated herein, there are no ideas, processes, inventions, technology, writings, programs, designs, formulas, discoveries, patents, copyrights, or trademarks, or improvements to the foregoing, that I wish to exclude from the operation of this Agreement. To the best of my knowledge, there is no existing contract in conflict with this Agreement or any other contract to assign ideas, processes, inventions, technology, writings, programs, designs, formulas, discoveries, patents, copyrights, or trademarks, or improvements thereon, that is now in existence between me and any other person or entity.

(g) Disclosure. I agree to disclose promptly to the Company all “Invention Ideas” and relevant records as defined in paragraph 2(a), above. I further agree to promptly disclose to the Company any idea that I do not believe to be an invention, but which is conceived, developed, or reduced to practice by me (alone or with others) while I am employed by the Company or during the one-year period following the termination of my employment. I will disclose the idea, along with all information and records pertaining to the idea, and the Company will examine the disclosure in confidence to determine if in fact it is an Invention Idea subject to this Agreement.

(h) Post-Termination Period. I agree that any idea, invention, writing, discovery, patent, copyright, trademark or similar item or improvement shall be presumed to be an Invention Idea if it is conceived, developed, use, sold, exploited, or reduced to practice by me or with my aid within one (1) year after my termination of employment with the Company. I can rebut this presumption if I prove that the idea, invention, writing, discovery, patent, copyright, trademark or similar item or improvement is not an Invention Idea covered by this Agreement.

3. Former or Conflicting Agreements. During my employment with the Company, I will not disclose to the Company, or use, or induce the Company to use, any proprietary information or trade secrets of others. I represent and warrant that I have returned all property and confidential information belonging to all prior employers, individuals and entities who have provided such property and confidential information to me, if any, as required by such prior employers, individuals and entities. I further represent and warrant that my performance of the terms of this Agreement will not breach any agreement to keep in confidence proprietary information acquired by me in confidence or in trust prior to my employment by the Company. I have not entered into, and I agree I will not enter into, any oral or written agreement in conflict herewith. I have listed in Schedule A all other agreements concerning proprietary information or agreements to which I am a party and have attached copies of any agreements in my possession.

4. Government Contracts. I understand that the Company has or may enter into contracts with the government under which certain intellectual property rights will be required to be protected, assigned, licensed, or otherwise transferred and I hereby agree to execute such other documents and agreements as are necessary to enable the Company to meet its obligations under any such government contracts.

5. Termination. I hereby acknowledge and agree that all property, including, without limitation, all source code listings, books, manuals, records, models, drawings, reports, notes, contracts, lists, blueprints, and other documents or materials or copies thereof, all equipment furnished to or prepared by me in the course of or incident to my employment, and all Proprietary Information belonging to the Company and will be promptly returned to the Company upon termination of my employment with the Company. Following my termination, I will not retain any written or other tangible material containing any Proprietary Information or information pertaining to any Invention Idea. I understand that my obligations contained in this Agreement will survive the termination of my employment and I will continue to make all disclosures required of me by paragraph 2(b). In the event of the termination of my employment, I agree, if requested by the Company, to sign and deliver the Termination Certificate attached as

Schedule B hereto and incorporated herein. I ACKNOWLEDGE THAT THE COMPANY IS AN “AT-WILL” EMPLOYER AND NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED TO IMPLY THAT THE TERM OF MY EMPLOYMENT IS OF ANY DEFINITE DURATION. NO ONE OTHER THAN AN AUTHORIZED OFFICER OF THE COMPANY HAS THE AUTHORITY TO ALTER THIS ARRANGEMENT, TO ENTER INTO AN AGREEMENT FOR EMPLOYMENT FOR A SPECIFIED PERIOD OF TIME, OR TO MAKE ANY AGREEMENT CONTRARY TO THIS POLICY, AND ANY SUCH AGREEMENT MUST BE IN WRITING AND MUST BE SIGNED BY AN AUTHORIZED OFFICER OF THE COMPANY AND BY THE AFFECTED EMPLOYEE.

6. Remedies. I recognize that nothing in this Agreement is intended to limit any remedy of the Company under the California Uniform Trade Secrets Act or other federal or state law and that I could face possible criminal and civil actions, resulting in imprisonment and substantial monetary liability, if I misappropriate the Company’s trade secrets. In addition, I recognize that my violation of this Agreement could cause the Company irreparable harm, the amount of which may be extremely difficult to estimate, thus, making any remedy at law or in damages inadequate. Therefore, I agree that the Company shall have the right to apply to any court of competent jurisdiction for an order restraining any breach or threatened breach of this Agreement and for any other relief the Company deems appropriate. This right shall be in addition to any other remedy available to the Company in law or equity.

7. Miscellaneous Provisions.

(a) Assignment. I agree that the Company may assign to another person or entity any of its rights under this Agreement.

(b) Governing Law; Severability. The validity, interpretation, enforceability, and performance of this Agreement shall be governed by and construed in accordance with the laws of the State of Nevada without giving effect to any conflicts or choice of law provisions that would result in the application of the laws of any jurisdiction other than the internal laws of the State of Nevada. If any provision of this Agreement, or application thereof to any person, place, or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable, or void, the remainder of this Agreement and such provisions as applied to other persons, places, and circumstances shall remain in full force and effect.

(c) Entire Agreement. The terms of this Agreement are the final expression of the parties’ agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous agreement. This Agreement shall constitute the complete and exclusive statement of its terms and no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding involving this Agreement; provided however that, to the extent that any provision of this Agreement is in conflict with, contrary to, or otherwise inconsistent with the intent of any provision of my Employment Agreement dated December 31, 2017, the terms of such Employment Agreement will prevail.

(d) Amendments; Waivers. This Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by me and by a duly authorized representative of the Company. No failure to exercise and no delay in exercising any right, remedy, or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, or power hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, or power provided herein or by law or in equity.

(e) Successors and Assigns. This Agreement shall be binding upon me and my heirs, executors, administrators, and successors, and shall inure to the benefit of the Company's successors and assigns.

(f) Application of this Agreement. I hereby agree that my obligations set forth in Sections 1 and 2 hereof and the definitions of Proprietary Information and Invention Ideas contained therein shall be equally applicable to Proprietary Information and Invention Ideas relating to any work performed by me for the Company prior to the execution of this Agreement.

8. Defend Trade Secrets Act. Pursuant to the Defend Trade Secrets Act of 2016, I acknowledge that I shall not have criminal or civil liability under any Federal or State trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, if I file a lawsuit for retaliation by the Company for reporting a suspected violation of law, I may disclose the trade secret to my attorney and may use the trade secret information in the court proceeding, if I (X) file any document containing the trade secret under seal and (Y) do not disclose the trade secret, except pursuant to court order.

ACKNOWLEDGEMENT & AGREEMENT

I HAVE READ THIS AGREEMENT CAREFULLY AND UNDERSTAND ITS TERMS. I HAVE COMPLETELY NOTED ON SCHEDULE A TO THIS AGREEMENT ANY PROPRIETARY INFORMATION, IDEAS, PROCESSES, INVENTIONS, TECHNOLOGY, WRITINGS, PROGRAMS, DESIGNS, FORMULAS, DISCOVERIES, PATENTS, COPYRIGHTS, OR TRADEMARKS, OR IMPROVEMENTS, RIGHTS, OR CLAIMS RELATING TO THE FOREGOING, THAT I DESIRE TO EXCLUDE FROM THIS AGREEMENT.

Date: _____ Employee Name: _____

Employee Signature

SCHEDULE A

EMPLOYEE'S DISCLOSURE

OF PRIOR INVENTIONS AND PRIOR AGREEMENTS

1. Prior Inventions. Except as set forth below, there are no ideas, processes, inventions, technology, writings, programs, designs, formulas, discoveries, patents, copyrights, or trademarks, or any claims, rights, or improvements to the foregoing, that I wish to exclude from the operation of this Agreement: _____

2. Prior Agreements. Except as set forth below, I am aware of no prior agreements between me and any other person or entity concerning proprietary information or inventions (attach copies of all agreements in your possession):

Date: _____ Employee Name: _____

Employee Signature

SCHEDULE B

**TERMINATION CERTIFICATE CONCERNING
EVERI PAYMENTS INC. (FORMERLY KNOWN AS GLOBAL CASH ACCESS, INC.)
PROPRIETARY INFORMATION AND INVENTIONS**

This is to certify that I have returned all property of Everi Payments Inc., a Delaware corporation (the “Company”), its parent entity and their respective subsidiaries and affiliates, including, without limitation, all source code listings, books, manuals, records, models, drawings, reports, notes, contracts, lists, blueprints, and other documents and materials, Proprietary Information, and equipment furnished to or prepared by me in the course of or incident to my employment with the Company, and that I did not make or distribute any copies of the foregoing.

I further certify that I have reviewed the Employee Proprietary Information and Inventions Agreement signed by me and that I have complied with and will continue to comply with all of its terms, including, without limitation, (i) the reporting of any idea, process, invention, technology, writing, program, design, formula, discovery, patent, copyright, or trademark, or any improvement, rights, or claims related to the foregoing, conceived or developed by me and covered by the Agreement and (ii) the preservation as confidential of all Proprietary Information pertaining to the Company. This certificate in no way limits my responsibilities or the Company’s rights under the Agreement.

On termination of my employment with the Company, I will be employed by _____ **[Name of New Employer]** **[in the _____ division]** and I will be working in connection with the following projects:

[Generally describe the projects]

Date: _____ Employee Name: _____

Employee Signature

EXHIBIT B

CONFIDENTIAL SEPARATION AGREEMENT AND GENERAL RELEASE OF ALL CLAIMS

This Confidential Separation Agreement and General Release of All Claims (“Agreement”) is made by and between Everi Payments Inc. (formerly known as Global Cash Access, Inc.) (“Company”) and [EXECUTIVE] (“Employee”) with respect to the following facts:

A. Employee is employed by Company pursuant to an Employment Agreement setting forth the terms and conditions of employment dated as of July 18, 2016 and shall be effective on that date (collectively referred to as the “Employment Agreement”).

B. Employee’s employment with Company will terminate [without Cause] [for Good Reason] (as that term is defined in the Employment Agreement) effective [DATE] (“Separation Date”), and as of such date Employee has incurred a “separation from service” within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended. As a result, Employee is entitled to those certain severance payments and benefits described in the Employment Agreement, provided Employee enters into this Agreement.

C. The parties desire to settle all claims and issues that have or could have been raised, in relation to, and arising out of, or in any way connected to, the acts, transactions or occurrences between them to date, including, but not limited to, Employee’s employment with Company and the termination of that employment, on the terms set forth below.

THEREFORE, in consideration of the promises and mutual agreements set forth below, the parties agree as follows:

1. **Severance Package.** In exchange for the promises set forth herein and in compliance with the requirements set forth in the Employment Agreement, Company agrees to provide Employee with the payments and benefits set forth in Section 4 of the Employment Agreement (“Severance Package”), to which Employee is not otherwise entitled, absent entering into this Agreement. Employee acknowledges and agrees that this Severance Package constitutes adequate legal consideration for the promises and representations made by Employee in this Agreement. Employee acknowledges and agrees that if Employee violates the terms of this Agreement or the continuing obligations under the Employment Agreement including, but not limited to those pertaining to post-employment restrictions, Company may terminate any payments and the provision of benefits described herein, and seek such other damages or remedies as may be appropriate. Company acknowledges and agrees that if Company violates the terms of this Agreement or the continuing obligations under the Employment Agreement including, but not limited to those pertaining to post-employment restrictions, Employee may cease to perform any of his/her obligations described herein, and seek such other damages or remedies as may be appropriate.

2. General Release.

Each party knowingly and voluntarily releases and forever discharges other party, (and, as to Company, any parent or subsidiary corporations, divisions or affiliated corporations, partnerships or other affiliated entities of the foregoing, past and present, as well as their respective employees, officers, attorneys, directors, shareholders, agents, successors and assigns individually and in their business capacity) (collectively, “Released Parties”), of and from any and all claims, known and unknown, asserted or unasserted, which the Employee has or may have against Releases as of the date of execution of this Agreement, including, but not limited to, any alleged violation of:

- Title VII of the Civil Rights Act of 1964;
 - Sections 1981 through 1988 of Title 42 of the United States Code;
 - The Employee Retirement Income Security Act of 1974 (“ERISA”) (as modified below);
 - The Immigration Reform and Control Act;
 - The Americans with Disabilities Act of 1990;
 - The Age Discrimination in Employment Act of 1967 (“ADEA”);
 - The Worker Adjustment and Retraining Notification Act;
 - The Fair Credit Reporting Act;
 - The Family and Medical Leave Act;
 - The Equal Pay Act;
 - The Genetic Information Nondiscrimination Act of 2008;
 - Chapter 613 of the Nevada Revised Statutes including the Nevada Equal Opportunities for Employment Law – Nev. Rev. Stat. § 613.310 et seq;
 - Nevada Equal Pay Law – Nev. Rev. Stat. § 608.017;
 - Nevada School Visitation Law – Nev. Rev. Stat. § 392.920;
 - Nevada Wage Payment and Work Hour Law – Nev. Rev. Stat. § 608 et seq;
 - Nevada Occupational Safety & Health Act – Nev. Rev. Stat. § 618 et seq
 - any other federal, state or local law, rule, regulation, or ordinance;
-

- any public policy, contract, tort, or common law; and
- any basis for recovering costs, fees, or other expenses including attorneys' fees incurred in these matters.

2.1. This release is intended to have the broadest possible application and includes, but is not limited to, any tort, contract, common law, constitutional or other statutory claims and all claims for attorneys' fees, costs and expenses.

2.2. Each party expressly waives such party's right to recovery of any type, including damages or reinstatement, in any administrative or court action, whether state or federal, and whether brought by itself or on its behalf, related in any way to the matters released herein. Employee further, waives any right or ability to be a class or collective action representative or to otherwise participate in any putative or certified class, collective or multi-party action or proceeding based on such a claim in which Company or any other Released Party identified in this Agreement is a party.

2.3. The parties acknowledge that this general release is not intended to bar any claims that, by statute, may not be waived, such as Employee's right to file a charge with the National Labor Relations Board or Equal Employment Opportunity Commission and other similar government agencies, and claims for statutory indemnity, workers' compensation benefits or unemployment insurance benefits, as applicable, and any challenge to the validity of Employee's release of claims under the Age Discrimination in Employment Act of 1967, as amended, as set forth in this Agreement. This general release also does not bar claims or causes of action related to defamation, libel or invasion of privacy. In addition, this general release does not affect Employee's rights to indemnification by the Company nor Employee's coverage under the directors and officers insurance policies, if any, maintained by the Company.

2.4. Each party acknowledges that it may discover facts or law different from, or in addition to, the facts or law that such party knows or believes to be true with respect to the claims released in this Agreement and agrees, nonetheless, that this Agreement and the release contained in it shall be and remain effective in all respects notwithstanding such different or additional facts or the discovery of them.

2.5. Each party declares and represents that such party intends this Agreement to be complete and not subject to any claim of mistake, and that the release herein expresses a full and complete release and such party intends the release herein to be final and complete. Each party executes this release with the full knowledge that this release covers all possible claims against the Released Parties, to the fullest extent permitted by law.

3. Representation Concerning Filing of Legal Actions. Each party represents that, as of the date of this Agreement, such party has not filed any lawsuits, charges, complaints, petitions, claims or other accusatory pleadings against the other party or any of the other

party's Released Parties in any court or with any governmental agency related to the matters released in this Agreement.

4. Mutual Nondisparagement. Employee agrees that Employee will not make any voluntary statements, written or oral, or cause or encourage others to make any such statements that defame, disparage or in any way criticize the personal and/or business reputations, practices or conduct of Company or any of the other Released Parties. Company agrees that it will instruct its officers and directors to not make any voluntary statements, written or oral, or cause or encourage others to make any such statements that defame, disparage or in any way criticize the personal and/or business reputations, practices or conduct of Employee.

5. Confidentiality and Return of Company Property. In accordance with the terms of his/her Employment Agreement, Employee understands and agrees that as a condition of receiving the Severance Package in paragraph 1, all Company property must be returned to Company. By signing this Agreement, Employee represents and warrants that Employee has returned to Company, all Company property, data and information belonging to Company and agrees that Employee will not use or disclose to others any confidential or proprietary information of Company or the Released Parties. In addition, each Party agrees to keep the terms of this Agreement confidential between Employee and Company, except that Employee may tell Employee's immediate family and attorney or accountant, if any, as needed, but in no event should Employee discuss this Agreement or its terms with any current or prospective employee of Company.

6. Continuing Obligations and Cooperation. Employee further agrees to comply with the continuing obligations regarding confidentiality set forth in the surviving provisions of the Employee Proprietary Information and Inventions Agreement previously signed by Employee. Employee also agrees that in accordance with his/her Employment Agreement, he/she will cooperate fully in the transition of her duties, and promptly and cooperatively answer any calls or emails the Company may have during the period she is receiving severance pay and/or benefits, without further compensation.

7. No Admissions. By entering into this Agreement, Company makes no admission that it has engaged, or is now engaging, in any unlawful conduct. The parties understand and acknowledge that this Agreement is not an admission of liability and shall not be used or construed as such in any legal or administrative proceeding.

8. Older Workers' Benefit Protection Act. This Agreement is intended to satisfy the requirements of the Older Workers' Benefit Protection Act, 29 U.S.C. sec. 626(f). Employee is advised to consult with an attorney before signing this Agreement.

- Acknowledgments/Time to Consider. Employee acknowledges and agrees that (a) she has read and understands the terms of this Agreement; (b) she has been advised in writing to consult with an attorney before signing this Agreement; (c) she has obtained and considered such legal counsel as she deems necessary; (d) she has been given 21 days to consider whether or not to enter into this Agreement (although at her option, she may elect not to use the full 21day period); and (e) by signing this

Agreement on or after the Separation Date, Employee acknowledges that she does so freely, knowingly, and voluntarily.

- Revocation/Effective Date. This Agreement shall not become effective or enforceable until the eighth day after Employee signs this Separation Agreement. In other words, Employee may revoke Employee's acceptance of this Separation Agreement within seven (7) days after the date Employee signs it. Employee's revocation must be in writing and received by Michael Rumbolz, Chief Executive Officer, mrumbolz@everi.com, 7250 South Tenaya Way, Suite 100, Las Vegas, Nevada 89113 on or before the seventh day in order to be effective. If Employee does not revoke acceptance within the seven (7) day period, Employee's acceptance of this Separation Agreement shall become binding and enforceable on the eighth day ("Effective Date"). The Severance Package will become due and payable in accordance with paragraph 1 above after the Effective Date, provided Employee does not revoke.

- Preserved Rights of Employee. This Agreement does not waive or release any rights or claims that Employee may have under the Age Discrimination in Employment Act that arise after the execution of this Agreement. In addition, this Agreement does not prohibit Employee from challenging the validity of this Agreement's waiver and release of claims under the Age Discrimination in Employment Act of 1967, as amended.

9. Severability. In the event any provision of this Agreement shall be found unenforceable, the unenforceable provision shall be deemed deleted and the validity and enforceability of the remaining provisions shall not be affected thereby.

10. Full Defense. This Agreement may be pled as a full and complete defense to, and may be used as a basis for an injunction against, any action, suit or other proceeding that may be prosecuted, instituted or attempted by Employee in breach hereof. Employee agrees that in the event an action or proceeding is instituted by the Company or any of the Released Parties in order to enforce the terms or provisions of this Agreement, the Company, or Released Parties, as applicable, shall be entitled to an award of reasonable costs and attorneys' fees incurred in connection with enforcing this Agreement, to the fullest extent permitted by law.

11. Affirmation. Employee affirms that Employee has been paid all compensation, wages, bonuses, and commissions due, and has been provided all leaves (paid or unpaid) and benefits to which Employee may be entitled.

12. Applicable Law. The validity, interpretation and performance of this Agreement shall be construed and interpreted according to the laws of the United States of America and the State of Nevada.

13. Counterparts. This Agreement may be signed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement. Delivery of a copy of this Agreement bearing an original signature by

facsimile transmission or e-mail in PDF format will have the same effect as physical delivery of the document bearing the original signature.

14. Entire Agreement; Modification. This Agreement, including the surviving provisions of the Employment Agreement and Employee Proprietary and Inventions Agreement previously executed by Employee, is intended to be the entire agreement between the parties, and supersedes and cancels any and all other and prior agreements, written or oral, between the parties regarding this subject matter. This Agreement may be amended only by a written instrument executed by all parties hereto.

THE PARTIES TO THIS AGREEMENT HAVE READ THE FOREGOING AGREEMENT AND FULLY UNDERSTAND EACH AND EVERY PROVISION CONTAINED HEREIN. WHEREFORE, THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE DATES SHOWN BELOW.

Dated: _____, 20__

By: _____

Everi Payments Inc.

Dated: _____, 20__

By: _
[EXECUTIVE]

EXHIBIT C

**FORM OF ARBITRATION AGREEMENT
NATIONAL MUTUAL ARBITRATION AGREEMENT
FOR EMPLOYEES OF EVERI PAYMENTS, INC.**

EVERI PAYMENTS INC., its parent corporation (if any), affiliates, subsidiaries, divisions, successors, assigns and their current and former employees, officers, directors, and agents (hereafter collectively referred to as “the Company”) seeks to work with our employees to resolve differences as soon as possible after they arise. Often times, differences can be eliminated through internal discussions between an employee and his/her supervisor. Other times, it may be helpful for Human Resources or other Company employees to become involved to help solve a dispute. To facilitate dispute resolution we have developed a binding arbitration process to settle disputes that are not resolved through more informal means.

The Company and you, on behalf of you, your heirs, administrators, executors, successors and assigns (hereinafter collectively referred to as “you” or “your”) agree pursuant to this Arbitration Agreement (“Agreement”) to arbitrate covered disputes, in lieu of litigating in court.

A. The Mutual Agreement to Arbitrate: Overview

The parties acknowledge that by agreeing to arbitration, they are WAIVING ANY RIGHTS TO A JURY TRIAL.

Except for the claims set forth in the paragraph below, you and the Company mutually agree to arbitrate any and all disputes, claims, or controversies (“claim”) against the Company that could be brought in a court including, but not limited to, all claims arising out of your employment and the cessation of employment, including any claim that could have been presented to or could have been brought before any court. This Agreement to arbitrate includes, but is not limited to, claims under the Age Discrimination in Employment Act, Title VII of the Civil Rights Act of 1964; the Fair Labor Standards Act; the Family and Medical Leave Act; the Americans with Disabilities Act of 1990; Section 1981 through 1988 of Title 42 of the United States Code; any state or local anti-discrimination laws; or any other federal, state, or local law, ordinance or regulation, or based on any public policy, contract, tort, or common law or any claim for costs, fees, or other expenses or relief, including attorney’s fees. All claims which could be raised before a court must be raised by the time of the arbitration and the arbitrator shall apply the law accordingly.

Claims not covered by this Agreement are: (i) claims for workers' compensation benefits; (ii) claims for unemployment compensation benefits; (iii) claims based upon the Company's current

(successor or future) stock option plans, employee pension and/or welfare benefit plans if those plans contain some form of a grievance, arbitration, or other procedure for the resolution of disputes under the plan; and (iv) claims by law which are not subject to mandatory binding pre-dispute arbitration pursuant to the Federal Arbitration Act, such as claims under the Dodd-Frank Wall Street Reform Act. Further, this Agreement does not prohibit the filing of an administrative charge with a federal, state, or local administrative agency such as the National Labor Relations Board (NLRB) or the Equal Employment Opportunity Commission (EEOC).

Likewise, as noted above, the Company agrees to arbitrate any claim against you as per the terms of this Agreement but retains all right to seek injunctions in aid of arbitration.

B. Class/Collective Action Waiver, Jury Waiver and Administrative Charges

The parties agree all claims must be pursued on an individual basis only. By signing this Agreement, you waive your right to commence, or be a party to, any class or collective claims or to bring jointly any claim against the Company with any other person, except as provided in the paragraph below. The parties agree any claim can be pursued, but only on an individual basis, except the lack of co-plaintiffs shall not, in and of itself, be a bar to pursuit of a pattern and practice claim.

In addition, nothing herein limits your right and the rights of others collectively to challenge the enforceability of this Agreement, including the class/collective action waiver. While the Company will assert that you have agreed to pursue all claims individually in the arbitral forum and may ask a court to compel arbitration of each individual's claims, to the extent the filing of such an action is protected concerted activity under the National Labor Relations Act, such filing will not result in threats, discipline or discharge.

C. Severability and Related Issues

The Arbitrator, and not any federal, state or local court or agency, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, enforceability or formation of this Agreement including, but not limited to any claim that all or any part of this Agreement is void or voidable, except any determination as to the enforceability of the class/collective action waiver shall be made solely by a court. If the prohibition against class/collective actions is deemed unlawful, then such action shall proceed forward in court as a collective or class action. If an arbitrator finds any other provision of this Agreement unenforceable, a court or arbitrator shall interpret or modify this Agreement, to the extent necessary, for it to be enforceable, subject to the sentence above. This Agreement shall be self-amending; meaning if by law or common law a provision is deemed unlawful or unenforceable that provision and the Agreement automatically, immediately and retroactively shall be amended, modified, and/or altered to be enforceable. The arbitrator shall have no power under this Agreement to consolidate claims and/or to hear a collective or class action.

D. The Arbitration Process

Any authorized decision or award of the arbitrator shall be final and binding upon the parties. The arbitrator shall have the power to award any type of legal or equitable relief available in a court of competent jurisdiction including, but not limited to, attorney's fees, to the extent such damages are available under law. Because any arbitral award may be entered as a judgment or order in any court of competent jurisdiction, any relief or recovery to which you may be entitled upon any claim (including those arising out of employment, cessation of employment, or any claim of unlawful discrimination) shall be limited to that awarded by the arbitrator. Again, the arbitrator has no power to consolidate claims or adjudicate a collective/class action. All orders of the arbitrator (except evidentiary rulings at the arbitration) shall be in writing and subject to review pursuant to the Federal Arbitration Act.

Any claim for arbitration will be timely only if brought within the time in which an administrative charge or complaint would have been filed if the claim is one which could be filed with an administrative agency. If the arbitration claim raises an issue which could not have been filed with an administrative agency, then the claim must be filed within the time set by the appropriate statute of limitation. A claim may be filed by serving written notice to the Company's Human Resources Department with a copy to General Counsel, 7250 S. Tenaya Way, Suite 100, Las Vegas, Nevada 89113, and thereafter by filing an action with JAMS pursuant to JAMS Employment Arbitration Rules. The filing party is responsible for any filing fee absent extreme financial circumstances. Each party shall bear its own costs and expenses for the arbitration however the arbitrator's fee shall be paid by the Company, absent an award from the arbitrator.

The arbitration shall be arbitrated by a single arbitrator in accordance with the JAMS Employment Arbitration Rules except all arbitrators or members of the appeal panel (which is discussed below) must be members of the bar in good standing in the state in which the dispute arose. Each party may be represented by counsel.

A copy of the JAMS Employment Arbitration Rules, including forms and procedures for submitting a matter for arbitration, are available for you to review at the Human Resource Department. You may contact JAMS to request a copy of these rules or obtain them from the JAMS website (www.jamsadr.com) or by calling JAMS at 1(800)352-5267. If for whatever reason JAMS declines to act as the neutral, the parties shall utilize NAM (www.namadr.com) as the neutral for the arbitration/appeal and shall utilize its Rules for Resolution of Employment Disputes. Each party agrees that it has had an opportunity to review the current JAMS Employment Arbitration Rules.

E. Modification to NAM/JAMS Rules

The arbitrator shall apply the Federal Rules of Civil Procedure (except for Rule 23) and the Federal Rules of Evidence as interpreted in the jurisdiction where the arbitration is held. Also there shall be one arbitrator for the matter up and through submission and determination of a motion for summary judgment. If a summary judgment is made, the arbitrator must render a written and detailed opinion on that motion within sixty (60) calendar days of submission of all supporting and opposition papers. If the summary judgment is in any part denied the case shall proceed to hearing before another arbitrator, who did not hear the summary judgment motion. That arbitrator shall be selected from a new panel to be provided by JAMS (or if JAMS declines to be the third party administrator, NAMS). If no summary judgment is filed then no new arbitrator will be selected to hear the matter, as the original arbitrator will retain jurisdiction.

F. Consideration For This Agreement

This mutual agreement to arbitration and your accepting employment with the Company shall act as consideration for this Agreement. The parties agree that the consideration set forth in this paragraph is wholly adequate to support this Agreement.

G. Other Provisions of this Agreement

To the extent any of the provisions herein conflict with any standard rules of the arbitration service being used, the express provisions of this Agreement shall prevail.

Neither the terms nor conditions described in this Agreement are intended to create a contract of employment for a specific duration of time. Employment with the Company is voluntarily entered into, and you are free to resign at any time. Similarly, the Company may terminate the employment relationship at any time for any reason, with or without prior notice. This Agreement shall survive the termination of your employment.

This Agreement shall be governed by and enforced pursuant to the Federal Arbitration Act, 9 U.S.C. §§ 1-16, to the maximum extent permitted by applicable law.

This Agreement contains the complete agreement between the parties regarding the subjects covered in it, and supersedes any prior or inconsistent agreements that might exist between you and the Company. This Agreement can be modified only by an express written agreement signed by both you and the President of the Company.

I KNOWINGLY AND FREELY AGREE TO THIS MUTUAL AGREEMENT TO ARBITRATE CLAIMS, WHICH OTHERWISE COULD HAVE BEEN BROUGHT IN COURT. I AFFIRM THAT I HAVE HAD SUFFICIENT TIME TO READ AND UNDERSTAND THE TERMS OF THIS AGREEMENT AND THAT I HAVE BEEN ADVISED OF MY RIGHT TO SEEK LEGAL COUNSEL REGARDING THE MEANING AND EFFECT OF THIS AGREEMENT PRIOR TO SIGNING. BY ISSUANCE OF THIS AGREEMENT, THE COMPANY AGREES TO BE BOUND TO ITS TERMS WITHOUT ANY REQUIREMENT TO SIGN THIS AGREEMENT.

Date: _____ Employee Name: _____

EMPLOYMENT AGREEMENT

This Employment Agreement (this “*Agreement*”), by and between Everi Payments Inc., a Delaware corporation (the “*Company*”) and wholly-owned subsidiary of Everi Holdings Inc., a Delaware corporation (“*Everi Holdings*”), and Darren Simmons (“*Executive*”), is dated as of January 1, 2019 (the “*Effective Date*”).

RECITALS

A. The Company desires to continue the association and services of Executive in order to retain Executive’s experience, skills, abilities, background and knowledge, and desires to continue to engage Executive to provide such services in a promoted role on the terms and conditions set forth in this Agreement.

B. Executive desires to continue to be in the employ of the Company, and is willing to accept such employment on the amended and restated terms and conditions set forth in this Agreement.

C. The Company and Executive wish to enter into an employment relationship with a written employment agreement intended to supersede and replace any and all other written and oral representations regarding Executive’s employment with Company, including without limitation, the Prior Agreement.

AGREEMENT

NOW, THEREFORE, based on the foregoing recitals and in consideration of the commitments set forth below, and with understanding that, unless otherwise indicated, any of Executive obligations do not start until the Effective Date, Executive and the Company agree as follows:

1. Position, Duties, Responsibilities

1.1. Position and Term. The Company hereby employs Executive to render services to the Company in the position of Executive Vice President and FinTech Business Unit Leader, reporting directly to the Chief Executive Officer of the Company. The Company’s employment of Executive hereunder is contingent upon Executive successfully completing a background investigation. The duties of this position shall include such duties and responsibilities as are reasonably assigned to Executive by the Chief Executive Officer, including, but not limited to, managing profitability of the FinTech business unit which includes leading product management, product innovation, operations and sales support and managing business risk and protecting Company assets, as well as any other such duties and responsibilities as are customarily performed by persons holding similar positions at similarly situated corporations. Executive agrees to serve in a similar capacity for the benefit of Everi Holdings and any of Everi Holdings’

direct or indirect, wholly-owned or partially-owned subsidiaries or Everi Holdings' affiliates. Additionally, Executive shall serve in such other capacity or capacities as the Chief Executive Officer may from time to time reasonably and lawfully prescribe. Executive shall be deemed an "Executive Officer" for purposes of indemnification by the Company pursuant to Article XI of the Company's bylaws.

1.2. Best Efforts; Other Activities. Executive will expend Executive's best efforts on behalf of the Company, Everi Holdings and their respective subsidiaries and affiliates, and will abide by all policies and decisions made by the Company and Everi Holdings, as well as all applicable federal, state and local laws, regulations or ordinances. Executive will act in the best interest of the Company, Everi Holdings and their respective subsidiaries and affiliates at all times. Executive shall devote Executive's full business time and efforts to the performance of Executive's assigned duties and responsibilities under this Agreement and, except upon the prior written consent of the Board of Directors of the Company (the "*Board*"), Executive will not (a) accept any other employment, or (b) engage, directly or indirectly, in any other business activity (whether or not pursued for pecuniary advantage) that is or may be in conflict with, or that might place Executive in a conflicting position to that of, the Company, Everi Holdings and/or their respective subsidiaries and affiliates. Notwithstanding the foregoing, Executive shall be permitted to engage in occasional charitable activities outside the scope of Executive's employment hereunder so long as such activities (i) do not conflict with the actual or proposed business of the Company, Everi Holdings and/or their respective subsidiaries and affiliates, and (ii) do not affect the performance of Executive's duties hereunder. In addition, subject to the prior written consent of the Board and subject to the satisfaction of Executive's fiduciary duties to the Company, Everi Holdings and/or their respective subsidiaries and affiliates, Executive may be permitted to serve as a director of other corporations provided that the businesses of such other corporations are not competitive with the actual or proposed business of the Company, Everi Holdings and/or their respective subsidiaries and affiliates and provided further that Executive's service as a director of such other corporations does not interfere with Executive's performance of Executive's duties hereunder. In the sole discretion of the Board, any such prior written consent may be subsequently revoked in the event that the Chief Executive Officer or Board determines that Executive's position as a director of any such other corporation has developed into a conflict of interest.

1.3. Location. Executive's principal place of employment shall be the Company's corporate headquarters, which is located in Las Vegas, Nevada USA.

1.4. Proprietary Information. Executive recognizes that Executive's employment with the Company will involve contact with information of substantial value to the Company, Everi Holdings and their respective subsidiaries and affiliates,

which is not generally known in the trade, and which gives the Company, Everi Holdings and their respective subsidiaries and affiliates an advantage over their competitors who do not know or use it. As a condition precedent to Executive's employment by the Company, Executive agrees to execute and deliver to the Company, concurrent with Executive's execution and delivery of this Agreement, a copy of the "Employee Proprietary Information and Inventions Agreement" attached hereto as Exhibit A.

1.5. No Inconsistent Obligations. Executive represents and covenants that Executive is free to enter into this Agreement as of today and is not bound by any restrictive covenants, including but not limited to, covenants not to compete that could conflict with this Agreement, and will be permitted to be employed by the Company as contemplated hereby. Executive further represents and covenants that Executive has not and will never use any confidential information or trade secrets belonging to any third party, including, but not limited to, Executive's prior employer(s), to the extent Executive has any, in any way or manner related to or with respect to the performance of the duties and obligations hereunder.

1.6. Regulatory Approval. Due to the nature of the business of the Company, Everi Holdings and their respective subsidiaries and affiliates and Executive's position with the Company and Everi Holdings, and, in addition to normal employment-related credit, reference and background investigations, Executive may also be required to complete applications required by various regulatory, tribal, state, local or other international governmental authorities in and under whose jurisdiction the Company, Everi Holdings and their respective subsidiaries and affiliates conduct business, as well as other applications that may be required by regulatory authorities with jurisdiction over the Company, Everi Holdings and their respective subsidiaries and affiliates. Such applications may require complete disclosure of personal and financial information, criminal convictions or arrests (expunged or not) and business associations. As an ongoing condition of Executive's employment, Executive must be able to satisfy all applicable requirements of such governmental and regulatory authorities and obtain all necessary regulatory approvals and licenses.

1.7. Termination of Prior Agreements. The Company and Executive agree that upon the execution and delivery of this Agreement, all agreements relating to employment or consulting services between the Company and Executive in effect on or prior to the Effective Date shall terminate in their entirety and be of no further force or effect (collectively, "*Prior Agreements*"), except for the (a) Employee Proprietary Information and Inventions Assignment Agreement, (b) any other agreement or document with respect to any stock options, restricted stock or other equity awards, and (c) the Arbitration Agreement as defined in Section 8 hereof.

2. Compensation of Executive

2.1. Base Salary. In consideration of the services to be rendered under this Agreement, while employed by the Company, the Company shall pay Executive an annual base salary (“*Base Salary*”), less required deductions for state and federal withholding tax, social security and all other employment taxes and payroll deductions, payable in regular periodic payments in accordance with Company payroll policy, as follows: (a) for the period from the Effective Date through December 31, 2019: a Base Salary at the rate of Three Hundred Thirty Thousand United States Dollars (US\$330,000.00) per year, (b) for the period from January 1, 2020 through December 31, 2020: a Base Salary at the rate of Three Hundred Sixty Thousand United States Dollars (US\$360,000.00) per year, and (c) for the period from January 1, 2021 through December 31, 2021: a Base Salary at the rate of Four Hundred Thousand United States Dollars (US\$400,000.00) per year. Such Base Salary shall be prorated for any partial month of employment on the basis of a 30-day fiscal month. Such Base Salary shall be subject to annual review by the compensation committee of the Board of Directors of Everi Holdings (the “*Compensation Committee*”).

2.2. Bonus. For each full fiscal year of Executive’s employment with the Company, Executive shall be eligible for an annual discretionary bonus (the “*Cash Bonus*”) with a target amount equal to seventy-five percent (75%) of Executive’s then current base salary (the “*Target Percentage*”). The actual amount of any such Cash Bonus for the applicable calendar year will be established by the Compensation Committee based on the measurement of certain performance criteria or goals (the “*Bonus Metrics*”) established for the applicable calendar year by the Compensation Committee prior to or as soon as practicable after the commencement of such calendar year, but in no event later than March 31 of the applicable calendar year, and set forth in a written plan (“*Annual Bonus Plan*”). If the Compensation Committee determines that the applicable Bonus Metrics have been achieved at or above a “threshold” level with respect to the applicable performance year, then, based on the level of such achievement, the Executive shall be entitled to receive payment of the applicable Cash Bonus (which may be less than, equal to, or greater than the Target Percentage based on the level of performance achieved and the terms of the Annual Bonus Plan). If the Committee determines that the applicable Bonus Metrics have not been achieved at a “threshold” level with respect to the applicable performance year, then no Cash Bonus under the Annual Bonus Plan shall be due and payable to the Executive for such year. Except as provided otherwise in this Agreement, Executive shall only be eligible to receive a Cash Bonus for a calendar year if Executive is employed on the last day of such calendar year. Any Cash Bonus awarded for a calendar year, if any, shall be paid in cash when other senior executives of the Company are paid, and, in any event, on or before March 31st of the calendar year subsequent to the calendar year in which the Cash Bonus is earned.

- 2.3. Benefits.** Executive shall be entitled to participate in any of the Company's group medical, dental, life insurance, 401(k) or other benefit plans and programs on the same terms and conditions as other members of the Company's senior executive management, based upon the eligibility dates described in the applicable benefit plan documents and subject to the terms and conditions of such plans. Executive shall be provided such prerequisites of employment as are provided to all other members of the Company's senior executive management. Executive understands that the Company has adopted an "unlimited" vacation policy pursuant to which the Company does not limit senior executive officers' vacation time or sick days; accordingly, like the Company's other senior executive officers, Executive will not "accrue" paid time off days and will not be compensated for "unused" paid time off upon termination.
- 2.4. Expense Reimbursements.** Executive shall be entitled to reimbursement of all reasonable expenses incurred by Executive in the performance of Executive's duties hereunder, in accordance with the policies and procedures established by the Company from time to time, and as may be amended from time to time. Any reimbursement Executive is entitled to receive shall (a) be paid no later than the last day of Executive's tax year following the tax year in which the expense was incurred, (b) not affect or be affected by any other expenses that are eligible for reimbursement in any other tax year of Executive, and (c) not be subject to liquidation or exchange for another benefit.
- 2.5. Equity Awards.** Executive will be eligible to receive restricted stock, restricted stock units, performance awards, stock options or other equity awards in a quantity and with a frequency substantially similar to those regularly awarded to other members of the Company's senior executive management, other than the Chief Executive Officer, (each, an "*Equity Award*") under the applicable equity incentive plan of Everi Holdings as then in effect (the "*Plan*"), as determined by the Compensation Committee. Executive agrees and acknowledges that any Equity Award, currently held by, or subsequently awarded to, Executive will be subject to and governed by the terms and conditions of the Plan and an applicable form of agreement for such Equity Award specified by the Compensation Committee. As such, with respect to Equity Awards previously granted to Executive, this Agreement is expressly intended to (i) supersede any such conflicting provisions in any Prior Agreement and (ii) to the extent necessary, shall constitute an amendment to any such Equity Award agreement. Further, with respect to any subsequent Equity Award granted during the Term, Executive will be required to consent in writing to such terms as a condition of retaining the Equity Award.
- 2.6. Other.** [INTENTIONALLY OMITTED]

3. Term

The term of the Agreement shall be a three (3) year from the Effective Date (the “**Initial Term**”). The Company shall give written notice of intent to renew, or not renew, the Agreement ninety (90) days prior to the expiration of the Initial Term. In the event that Company fails to give written notice of intent not to renew as provided above, the Agreement shall renew for successive one-year terms (each, a “**Renewal Term**”) until terminated by either party upon giving ninety (90) days’ written notice prior to the end of a Renewal Term. The Initial Term and any subsequent Renewal Term, taking into account any early termination of employment pursuant to Section 4, are referred to collectively as the “**Term.**”

4. Termination of Employment

4.1. Definitions.

4.1.1. For the purposes of this Agreement, termination shall be for “*Cause*” if (a) Executive refuses or fails to act in accordance with any lawful order or instruction of the Chief Executive Officer or Board, and such refusal or failure to act has not been cured within five (5) days following Executive's receipt of written notice from the Chief Executive Officer or Board, as applicable, of such failure, (b) Executive is determined by the Chief Executive Officer or Board to have failed to devote reasonable attention and time to the business affairs of the Company, Everi Holdings and their subsidiaries and affiliates, (c) Executive is reasonably determined by the Chief Executive Officer or Board to have been (i) unfit for service (i.e., denied any license, permit or qualification required by, or found unsuitable by, any gaming regulator or other governmental authority), (ii) unavailable for service (other than as a result of an Incapacity (as defined below)), or (iii) grossly negligent in connection with the performance of Executive's duties on behalf of the Company, Everi Holdings and their subsidiaries and affiliates, which unfitness, unavailability or gross negligence has not been cured within five (5) days following Executive's receipt of written notice from the Chief Executive Officer or Board of the same; (d) Executive is reasonably determined by the Chief Executive Officer or Board to have committed a material act of dishonesty or willful misconduct or to have acted in bad faith to the material detriment of the Company, Everi Holdings and/or their subsidiaries and affiliates in connection with the performance of Executive's duties hereunder; (e) Executive is convicted of a felony or other crime involving dishonesty, breach of trust, moral turpitude or physical harm to any person, or (f) Executive materially breaches any agreement with the Company or Everi Holdings which material breach has not been cured within five (5) days following Executive's receipt of written notice from the Chief Executive Officer or Board of the same.

4.1.2. For purposes of this Agreement, the term “*without Cause*” shall mean termination of Executive’s employment by the Company for reasons other than for Cause (and excluding any such termination resulting from Executive’s Incapacity or Death).

4.1.3. For the purposes of this Agreement, termination shall be for “*Good Reason*” if (a) there is a material diminution of Executive’s responsibilities or authority with the Company or Everi Holdings, or a material adverse change in the Executive’s reporting responsibilities or title, in each case as they existed prior to such diminution or change without Executive’s consent; (b) there is a material reduction by the Company in the Executive’s compensation as then in effect, without Executive’s consent; or (c) Executive’s principal work locations are relocated outside of the Las Vegas, Nevada USA metropolitan area without Executive’s consent. Executive will be deemed not to have terminated Executive’s employment for Good Reason unless (i) Executive has delivered written notice to the Company of Executive’s intent to exercise the rights pursuant to this Section within thirty (30) days following the first occurrence of a condition that would constitute Good Reason and identifying the facts constituting such condition, and (ii) the Company has failed to remedy such condition within thirty (30) days following its receipt of such written notice, and (iii) the Executive’s termination of employment for Good Reason is effective no later than one-hundred fifty (150) days following the first occurrence of such condition. Executive agrees that Executive may be required to travel from time to time as required by the Company’s business and that such travel shall not constitute grounds for Executive to terminate Executive’s employment for Good Reason.

4.1.4. For the purposes of this Agreement, Executive shall be deemed to have suffered an “*Incapacity*” if Executive, due to any mental or physical illness, injury or limitation, has been unable to perform the essential duties and responsibilities of Executive’s position for a period of at least one-hundred eighty (180) days in any rolling three hundred and sixty-five (365) day period.

4.2. Termination by Executive. During the Term, Executive may terminate Executive’s employment upon written notice to the Company. In the event that, during the Term, Executive terminates Executive’s employment for any reason other than for Good Reason, all of the Company’s duties and obligations under this Agreement shall cease as of the last day of Executive’s employment and the Company shall pay Executive, and Executive shall be entitled to receive, only the following: all Base Salary earned by Executive through the last day of Executive’s employment but not yet paid, all reimbursable business expenses properly incurred by Executive pursuant to Section 2.4 through the last day of Executive’s employment but not yet reimbursed, and all benefits earned by Executive pursuant to Section 2.3 through the last day of Executive’s employment (the “*Accrued Amounts*”); provided however, in the event the Company elects to enforce the Noncompete Term (as defined in Section 7.2) following a termination under this Section 4.2, the Company will continue to pay Executive’s then-current Base Salary in installments in accordance with the Company’s regular payroll procedures during the pendency of the Noncompete Term.

4.3. Termination by the Company for Cause. In the event that, during the Term, the Company terminates Executive's employment for Cause, all of the Company's duties and obligations under this Agreement shall cease as of the last day of Executive's employment and the Company shall pay Executive, and Executive shall be entitled to receive, only the Accrued Amounts; provided however, in the event the Company elects to enforce the Noncompete Term following a termination under this Section 4.3, the Company will continue to pay Executive's then-current Base Salary in installments in accordance with the Company's regular payroll procedures during the pendency of the Non-Compete Term.

4.4. Termination by the Company without Cause, or Termination by Executive for Good Reason. In the event that, during the Term, the Company terminates Executive's employment without, or Executive terminates Executive's employment for Good Reason, all of the Company's duties and obligations under this Agreement shall cease as of the last day of Executive's employment and the Company shall pay Executive, and Executive shall be entitled to receive, the Accrued Amounts. In addition, and subject to the conditions set forth in Section 4.8 below, the Company shall pay to Executive the severance payments and benefits set forth below in Sections 4.4.1- 4.4.4 in accordance with the terms thereof.

4.4.1. Base Salary Continuation. If the Company terminates Executive's employment without Cause or Executive terminates Executive's employment for Good Reason during the Initial Term or during any Renewal Term, the Company shall continue to pay Executive's Base Salary at the then-current rate (determined prior to any reduction constituting a condition giving rise to Good Reason) for a period of one (1) year following the date of termination. Such salary continuation shall be paid to Executive in installments in accordance with the Company's regular payroll procedures, with the initial salary continuation payment to be made on the first regular payroll date of the Company following the Release Deadline and to include a catch-up payment for all regular Company payroll dates occurring between the date of Executive's termination of employment and such initial salary continuation payment date; provided, however, that if the period beginning on the date of Executive's termination of employment and ending on the first Company payroll date following the Release Deadline straddles two calendar years, then the salary continuation payments shall in any event begin in the second such calendar year. Salary continuation payments shall be subject to standard deductions and withholdings.

4.4.2. Target Bonus. If the Company terminates Executive's employment without Cause or Executive terminates Executive's employment for Good Reason during the Term, the Company shall pay to Executive, less standard deductions and withholdings, an additional severance benefit in an amount equal to one-hundred percent (100%) of Executive's then-current target bonus (based on the target bonus percentage) for the calendar year in which the termination occurs,

such aggregate amount to be in substantially equal installments concurrent with the salary continuation payments pursuant to Section 4.4.1 (including a catch-up payment as described therein).

4.4.3. Vesting of Equity Awards and Exercise Period. Upon the Company's termination of Executive's employment without Cause or Executive's termination of Executive's employment for Good Reason, then all Equity Awards granted to Executive following the Effective Date and held by Executive immediately prior to such termination shall be governed by the terms of the applicable grant agreement pursuant to which such Equity Award is granted, in each case as determined by the Compensation Committee at the time of such grant.

4.4.4. Health Care Coverage. The Company shall, following the Executive's timely election, provide the Executive with continued coverage under the Company's group health insurance plans as then in effect in accordance with the provisions of Title X of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended and any state law equivalent ("*COBRA*"), at no cost to Executive, for a period of time equal to the eighteen (18) months following the date of termination of Executive's employment; provided however that, in the event that Executive secures alternate employment which offers health care coverage during this 18-month period, the Company's obligations under this section will cease. Notwithstanding the preceding sentence, if the Company determines, in its sole discretion, that the payment of the COBRA premiums would result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Internal Revenue Code of 1986, as amended (the "*Code*"), or any statute or regulation of similar effect (including but not limited to the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of providing the COBRA premiums, the Company, in its sole discretion, may elect to instead pay Executive on the first day of each month of such applicable salary continuation period, a fully taxable cash payment equal to the COBRA premiums for that month, subject to applicable withholdings and deductions, and Executive may, but is not obligated to, use such payments toward the cost of COBRA premiums.

4.5. Termination by the Company for Incapacity. In the event that, during the Term, Executive suffers an Incapacity as determined by the Company in its reasonable discretion, the Company may elect to terminate Executive's employment pursuant to this Section 4.5. In such event, all of the Company's duties and obligations under this Agreement shall cease as of the last day of Executive's employment and the Company shall pay Executive, and Executive shall be entitled to receive, only the Accrued Amounts; provided, however, that nothing contained in this Agreement shall limit Executive's rights to payments or other benefits under any long-term disability plans of the Company in which Executive participates, if any.

4.6. Termination upon Death. In the event that, during the Term, Executive dies, Executive's employment shall be deemed to have terminated upon the date of death and all of the Company's duties and obligations under this Agreement shall cease. In such event, the Company shall pay Executive's estate, and Executive's estate shall be entitled to receive, only the Accrued Amounts; provided, however, that nothing contained in this Agreement shall limit Executive's estate's or Executive's beneficiaries' rights to payments or other benefits under any life insurance plan or policy in which Executive participated or with respect to which Executive has designated a beneficiary, if any.

4.7. Change in Control and Termination Payments.

4.7.1. Equity Award Acceleration. Upon a Change in Control (as that or a substantially similar term is defined in the Plan), the vesting or termination of all outstanding Equity Awards shall continue to be governed under the terms of such Equity Awards.

4.7.2. Parachute Payments. Notwithstanding any provision of this Agreement to the contrary, if any payment or benefit Executive would receive pursuant to this Agreement or otherwise (collectively, the "Payments") would constitute a "parachute payment" within the meaning of Section 280G of the Code, and, but for this sentence, would be subject to the excise tax imposed by Section 4999 of the Code or any similar or successor provision (the "Excise Tax"), then the aggregate amount of the Payments will be either (a) the largest portion of the Payments that would result in no portion of the Payments (after reduction) being subject to the Excise Tax or (b) the entire Payments, whichever amount after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate, net of the maximum reduction in federal income taxes which could be obtained from a deduction of such state and local taxes), results in Executive's receipt, on an after-tax basis, of the greatest amount of the Payments. Any reduction in the Payments required by this Section will be made in the following order (to the extent compliant with Section 409A of the Code and the regulations thereunder ("*Section 409A*")): (i) reduction of Payments that constitute "deferred compensation" (within the meaning of Section 409A), and if there is more than one such Payment, then such reduction shall be applied on a pro rata basis to all such Payments; (ii) reduction of Payments payable in cash that do not constitute deferred compensation; (iii) reduction of accelerated vesting of Equity Awards other than stock options, if any; (iv) reduction of accelerated vesting of stock options, if any; and (v) reduction of other benefits paid or provided to Executive. In the event that acceleration of vesting of Equity Awards is to be reduced, such acceleration of vesting will be cancelled in the reverse order of the date of grant of such Equity Awards. If two or more Equity Awards are granted on the same date, the accelerated vesting of each award will be reduced on a pro-rata basis.

4.7.3. Calculation. The professional firm engaged by the Company for general tax purposes as of the day prior to the date of the event that might reasonably be anticipated to result in Payments that would otherwise be subject to the Excise Tax will perform the foregoing calculations. If the tax firm so engaged by the Company is serving as accountant or auditor for the acquiring company, the Company will appoint a nationally recognized tax firm to make the determinations required by this Section. The Company will bear all expenses with respect to the determinations by the tax firm required to be made by this Section. The Company and Executive shall furnish the tax firm such information and documents as the tax firm may reasonably request in order to make its required determination. The tax firm will provide its calculations, together with detailed supporting documentation, to the Company and Executive as soon as practicable following its engagement. Any good faith determinations of the tax firm made hereunder will be final, binding and conclusive upon the Company and Executive.

4.8. No Other Compensation or Benefits/No Duty to Mitigate. Executive acknowledges that except as expressly provided in this Agreement, Executive shall not be entitled to any compensation, severance payments or benefits upon the termination of Executive's employment. The Company acknowledges that Executive is under no duty to seek other employment or otherwise mitigate the obligations of the Company under this Agreement and the Company shall have no right of off-set against the amounts owed to Executive by the Company on account of any remuneration or other benefit earned or received by Executive after Executive's termination by the Company.

4.9. Conditions to Severance. Executive will only be entitled to receive the severance payments and benefits set forth in Sections 4.4.1- 4.4.4 if, on or before the thirtieth (30th) day following the date of termination of Executive's employment (the "*Release Deadline*"), Executive executes a full general release of claims agreement in a form similar to Exhibit B hereto or the Company's then-current version thereof, releasing all claims, known or unknown, that Executive may have against the Company, Everi Holdings and their respective subsidiaries and affiliates, and each of their respective officers, directors, and employees arising out of or in any way related to Executive's employment or termination of employment with the Company, and the period for revocation, if any, of such release agreement has lapsed without the release having been revoked. In the event that Executive breaches any of the covenants contained in Sections 7 or 8, the Company shall have the right to (a) terminate further provision of any portion of the severance payments and benefits set forth in Sections 4.4.1-4.4.4 not yet paid or provided to Executive, (b) seek reimbursement in gross from Executive for any and all portions of the severance payments and benefits set forth in Sections 4.4.1-4.4.4 previously paid or provided to Executive, (c) recover from Executive all shares of Everi Holdings stock acquired by Executive pursuant to Equity Awards the vesting of which was accelerated by reason of Executive's

termination of employment (or the proceeds therefrom, reduced by any exercise or purchase price paid to acquire such shares), and (d) immediately cancel all portions of Equity Awards the vesting of which was accelerated by reason of Executive's termination of employment.

4.10. Expiration of the Term. For the avoidance of doubt, in the absence of an assertion of Cause by the Company, the exercise by the Company of its right to not extend the Agreement, shall constitute a termination at the election of the Company without Cause and Executive's employment will be terminated as of such date.

5. Executive's Termination Obligations

5.1. Return of Company's Property. Without in any way limiting Executive's obligations and the Company's rights under the Employee Proprietary Information and Inventions Agreement described in Section 1.4, Executive hereby acknowledges and agrees that all books, manuals, records, reports, notes, contracts, lists, spreadsheets and other documents or materials, or copies thereof, and equipment furnished to or prepared by Executive in the course of or incident to Executive's employment, belong to Company and shall be promptly returned to Company upon termination of Executive's employment with the Company for any reason.

5.2. Cooperation in Pending Work. Following any termination of Executive's employment with the Company for any reason, Executive shall, at the Company's request, reasonably cooperate with the Company in all matters relating to the winding up of pending work on behalf of the Company, Everi Holdings and their respective subsidiaries and affiliates and the orderly transfer of work to other employees of the Company, Everi Holdings and their respective subsidiaries and affiliates. Executive shall also cooperate, at the Company's request, in the defense of any action brought by any third party against the Company, Everi Holdings and/or their respective subsidiaries and affiliates that relates in any way to Executive's acts or omissions while employed by the Company.

5.3. Resignation. Upon the termination of Executive's employment with the Company for any reason, Executive shall be deemed to have resigned from all positions as an employee, officer, director or manager then held with the Company, Everi Holdings or any of their respective subsidiaries or affiliates. Executive agrees to execute and deliver such documents or instruments as are reasonably requested by the Company, Everi Holdings or any such subsidiary or affiliate to evidence such resignations.

5.4. Survival. The representations and warranties contained herein and Executive's and the Company's obligations under Sections 3, 4, 5, 6, 7, 8 and 9 and under the Employee Proprietary Information and Inventions Agreement shall survive

termination of Executive's employment with the Company for any reason and the expiration of this Agreement.

5.5. Mutual Nondisparagement. Executive agrees that Executive will not make any voluntary statements, written or oral, or cause or encourage others to make any such statements that defame, disparage or in any way criticize the personal and/or business reputations, practices or conduct of the Company, Everi Holdings and/or their respective subsidiaries and affiliates or their respective employees, officers or directors. The Company agrees that it will instruct its officers and directors to not make any voluntary statements, written or oral, or cause or encourage others to make any such statements that defame, disparage or in any way criticize the personal and/or business reputations, practices or conduct of Executive.

6. Compliance with Section 409A of the Code.

6.1. This Agreement and all payments and benefits provided under this Agreement are intended to comply with, or be exempt from, Section 409A, and shall be construed and interpreted in accordance with such intent. However, the Company does not guarantee any particular tax effect for income provided to Executive pursuant to this Agreement, and except for the Company's responsibility to withhold applicable income and employment taxes from compensation paid or provided to Executive, the Company shall not be responsible for the payment of any applicable taxes, penalties, interest, costs, fees, including attorneys' fees, or other liability incurred by Executive in connection with compensation paid or provided to Executive pursuant to this Agreement.

6.2. No amount payable pursuant to this Agreement on account of Executive's termination of employment with the Company which constitutes a "deferral of compensation" within the meaning of Section 409A shall be paid unless and until Executive has incurred a "separation from service" within the meaning of Section 409A. Furthermore, to the extent that Executive is a "specified employee" within the meaning of Section 409A (determined using the identification methodology selected by Company from time to time, or if none, the default methodology) as of the date of Executive's separation from service, no amount that constitutes a deferral of compensation which is payable on account of Executive's separation from service shall be paid to Executive before the date (the "*Delayed Payment Date*") which is first day of the seventh month after the date of Executive's separation from service or, if earlier, the date of Executive's death following such separation from service. All such amounts that would, but for this Section, become payable prior to the Delayed Payment Date will be accumulated and paid in a lump sum on the Delayed Payment Date. Thereafter, any payments that remain outstanding as of the day immediately following the Delayed Payment Date shall be paid without delay over the time period originally scheduled, in accordance with the terms of this Agreement.

6.3. Any right of Executive to receive installment payments under this Agreement shall, for all purposes of Section 409A, be treated as a right to a series of separate payments.

7. Restrictions on Competition after Termination

Executive acknowledges that the nature of the business of the Company, Everi Holdings and/or their respective subsidiaries and affiliates is such that it would be extremely difficult for Executive to honor and comply with Executive's obligations under the Employee Proprietary Information and Inventions Agreement described in Section 1.4 to keep secret and confidential the trade secrets of the Company, Everi Holdings and/or their respective subsidiaries and affiliates if Executive were to become employed by or substantially interested in the business of a competitor of the Company, Everi Holdings and/or their respective subsidiaries and affiliates is such that soon following the termination of Executive's employment with the Company, and it would also be extremely difficult to determine in any reasonably available forum the extent to which Executive was or was not complying with Executive's obligations under such circumstances.

7.1. Duration of Restriction. In consideration for the Company's and Everi Holdings' undertakings and obligations under this Agreement, and in light of Executive's unique position and substantial knowledge of the operations, plans and projects of the Company, Everi Holdings and their respective subsidiaries and affiliates, Executive agrees that, during the Noncompete Term (as defined below), Executive shall not directly or indirectly engage in (whether as an employee, consultant, proprietor, partner, director or otherwise), or have any ownership interest in, or participate in the financing, operation, management or control of, any person, firm, corporation or business that engages in any line of business in which the Company, Everi Holdings and/or their respective subsidiaries and affiliates engages at the time of such termination, in the United States Canada, the United Kingdom or such other countries in which the Company, Everi Holdings and/or their respective subsidiaries and affiliates conducts business at the time of such termination ("*Restricted Territory*"). For the avoidance of doubt, the foregoing shall not prohibit Executive from engaging in, owning an interest in, or participating in any business that processes credit card, debit card or automated teller machine transactions originated from outside of gaming establishments, unless the Company has expanded its operations to encompass such activities at the time of termination. For purposes of this Agreement, the "*Noncompete Term*" shall mean the period of six (6) months after the termination of Executive's employment hereunder or, if greater, the period during which Executive continues to receive salary continuation payments pursuant to Section 4.4.1 above. The parties agree that ownership of no more than 1% of the outstanding voting stock of a publicly-traded corporation or other entity shall not constitute a violation of this provision. The parties intend that the covenants contained in this section shall be construed as a series of separate covenants, one for each county, city, state and other political subdivision of the Restricted Territory. Except for geographic

coverage, each such separate covenant shall be deemed identical in terms to the covenant contained in this section. If, in any judicial proceeding, a court shall refuse to enforce any of the separate covenants (or any part thereof) deemed included in this section, then such unenforceable covenant (or such part) shall be deemed eliminated from this Agreement for the purpose of those proceedings to the extent necessary to permit the remaining separate covenants (or portions thereof) to be enforced by such court. It is the intent of the parties that the covenants set forth herein be enforced to the maximum degree permitted by applicable law.

7.3 Assignment. Executive expressly understands and agrees that all restrictions on employment and solicitation as set for in Sections 7 and 8 are fair and reasonable, and are a material part of this Agreement which would not be entered into by the parties absent mutual agreement to the assignability of the same. Executive further expressly understands and agrees that Executive's duties and obligations as set forth in Sections 7 and 8 of this Agreement may be assigned by the Company upon a Change in Control at Company's discretion. Executive agrees that Executive has received separate valuable and sufficient consideration in exchange for Company's right to assign Executive's obligations and duties as set forth in Sections 7 and 8.

8. Restrictions on Solicitation after Termination

In consideration for the Company's and Everi Holdings' undertakings and obligations under this Agreement, and in light of Executive's unique position and substantial knowledge of the operations, plans and projects of the Company, Everi Holdings and their respective subsidiaries and affiliates, Executive agrees that, for a period of one (1) year following the termination of Executive's employment hereunder for any reason, Executive shall not, without the prior written consent of the Company, directly or indirectly, as a sole proprietor, member of a partnership, stockholder or investor, officer or director of a corporation, or as an executive, associate, consultant, employee, independent contractor or agent of any person, partnership, corporation or other business organization or entity other than the Company solicit or endeavor to entice away from the Company, Everi Holdings and/or their respective subsidiaries and affiliates any person or entity who is, or, during the then most recent three-month period, was, employed by, or had served as an agent or key consultant of the Company, Everi Holdings and/or their respective subsidiaries and affiliates, provided, however, that Executive shall not be prohibited from receiving and responding to unsolicited requests for employment or career advice from the Company's employees.

9. Arbitration

9.1. Agreement to Arbitrate Claims. The Company and Executive hereby agree that, to the fullest extent permitted by law, any and all claims or controversies between them (or between Executive and any present or former officer, director, agent, or employee of the Company or any parent, subsidiary, or other entity affiliated with the Company) relating in any manner to the employment or the

termination of employment of Executive shall be resolved by final and binding arbitration pursuant to the terms and conditions set forth in that certain National Mutual Arbitration Agreement for Employees of the Company executed by Executive (the “*Arbitration Agreement*”) in the form attached hereto as Exhibit C Claims subject to the Arbitration Agreement shall include contract claims, tort claims, claims relating to compensation and Equity Awards, as well as claims based on any federal, state, or local law, statute, or regulation, including but not limited to any claims arising under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, and the California Fair Employment and Housing Act. However, claims for unemployment compensation, workers’ compensation, and claims under the National Labor Relations Act shall not be subject to arbitration.

9.2. Enforcement Actions. Either the Company or Executive may bring an action in court to compel arbitration under this Agreement and to enforce an arbitration award. Except as otherwise provided in this Agreement, neither party shall initiate or prosecute any lawsuit in any way related to any arbitrable claim, including, without limitation, any claim as to the making, existence, validity, or enforceability of the agreement to arbitrate. All arbitration hearings under this Agreement shall be conducted in Las Vegas, Nevada.

9.3. Exceptions. Nothing in this Agreement precludes a party from filing an administrative charge before an agency that has jurisdiction over an arbitrable claim. In addition, either party may, at its option, seek injunctive relief in a court of competent jurisdiction for any claim or controversy arising out of or related to the matters described in Sections 7 and 8 above or the unauthorized use, disclosure, or misappropriation of the confidential and/or proprietary information of either party in contravention of the Employee Proprietary Information and Inventions Agreement or otherwise. By way of example, the Company may choose to use the court system to seek injunctive relief to prevent disclosure of its proprietary information or trade secrets; similarly, Executive may elect to use the court system to seek injunctive relief to protect Executive’s own inventions or trade secrets.

9.4. Attorneys’ Fees. Each party shall pay its own costs and attorney’s fees, unless a party prevails on a statutory claim, and the statute provides that the prevailing party is entitled to payment of its attorneys’ fees. In that case, the arbitrator may award reasonable attorneys’ fees and costs to the prevailing party as provided by law. The costs and fees of the arbitrator shall be borne equally by Executive and the Company.

9.5. Survival. The parties’ obligations under this Agreement, where applicable including Section 7 and 8, shall survive the termination of Executive’s employment with the Company for any reason and the expiration of this Agreement.

9.6. Acknowledgements. THE PARTIES UNDERSTAND AND AGREE THAT THIS SECTION 9 CONSTITUTES A WAIVER OF THEIR RIGHT TO A TRIAL BY JURY OF ANY CLAIMS OR CONTROVERSIES COVERED BY THIS SECTION 9. THE PARTIES AGREE THAT NONE OF THOSE CLAIMS OR CONTROVERSIES SHALL BE RESOLVED BY A JURY TRIAL. THE PARTIES FURTHER ACKNOWLEDGE THAT THEY HAVE BEEN GIVEN THE OPPORTUNITY TO DISCUSS THIS SECTION 9 WITH THEIR LEGAL COUNSEL AND HAVE AVAILED THEMSELVES OF THAT OPPORTUNITY TO THE EXTENT THEY WISH TO DO SO.

10. Expiration

The terms of this Agreement are intended by the parties to govern Executive's employment with the Company during the Term. Upon the termination of Executive's employment with the Company for any reason, this Agreement shall expire and be of no further force or effect, except to the extent of provisions hereof which expressly survive the expiration or termination of this Agreement.

11. Entire Agreement

Except as otherwise expressly stated herein, the terms of this Agreement are intended by the parties to be the final and exclusive expression of their agreement with respect to the employment of Executive by Company and may not be contradicted by evidence of any prior or contemporaneous statements or agreements. The parties further intend that this Agreement shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding involving this Agreement. To the extent any provisions in this Agreement are inconsistent with any provisions of the Exhibits, the provisions of the Exhibits shall supersede and be controlling. Further, upon execution of this Agreement, the Prior Agreement will terminate and be of no further force and effect.

12. Amendments, Waivers

This Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by Executive and by a duly authorized representative of the Company other than Executive. No failure to exercise and no delay in exercising any right, remedy, or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, or power under this Agreement preclude any other or further exercise thereof, or the exercise of any other right, remedy, or power provided herein or by law or in equity.

13. Assignment; Successors and Assigns

Executive agrees that Executive may not assign, sell, transfer, delegate or otherwise dispose of, whether voluntarily or involuntarily, or by operation of law, any rights or obligations under this Agreement, nor shall Executive's rights be subject to encumbrance or the claims of

creditors. Any purported assignment, transfer, or delegation shall be null and void. Nothing in this Agreement shall prevent the consolidation of the Company, Everi Holdings and/or their respective subsidiaries and affiliates with, or their merger into, any other corporation, or the sale by the Company, Everi Holdings and/or their respective subsidiaries and affiliates of all or substantially all of their respective properties or assets, or the assignment by the Company, Everi Holdings and/or their respective subsidiaries and affiliates of this Agreement and the performance of its obligations hereunder to any successor in interest.

14. Governing Law

The validity, interpretation, enforceability, and performance of this Agreement shall be governed by and construed in accordance with the law of the State of Nevada, without regard to conflicts of laws. Each party consents to the jurisdiction and venue of the state or federal courts in Las Vegas, Nevada, if applicable, in any action, suit, or proceeding arising out of or relating to this Agreement, except that injunctive relief may be sought in any court of competent jurisdiction

15. Acknowledgment

The parties acknowledge (a) that they have consulted with or have had the opportunity to consult with independent counsel of their own choice concerning this Agreement, and (b) that they have read and understand the Agreement, are fully aware of its legal effect, and have entered into it freely based on their own judgment and not on any representations or promises other than those contained in this Agreement.

16. Notices

All notices or demands of any kind required or permitted to be given by the Company or Executive under this Agreement shall be given in writing and shall be personally delivered (and receipted for) or mailed by certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Company: Everi Payments Inc.
 Attn: CEO w/ copy to General Counsel
 7250 S. Tenaya Way, Ste. 100
 Las Vegas, NV 89113

If to Executive: Darren Simmons
 1417 Romanesca Drive
 Henderson, NV 89052

Any such written notice shall be deemed received when personally delivered or three (3) days after its deposit in the United States mail as specified above. Either party may change its address for notices by giving notice to the other party in the name specified in this section.

17. Representations and Warranties

Upon reasonable belief, Executive represents and warrants that Executive is not restricted or prohibited, contractually or otherwise, from entering into and performing each of the terms and covenants contained in this Agreement, and that Executive's execution and performance of this Agreement will not violate or breach any other agreements between Executive and any other person or entity.

18. Counterparts

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, all of which together shall contribute one and the same instrument.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement as of the date first set forth above.

EVERI PAYMENTS INC.

EXECUTIVE

By: /s/ Michael D. Rumbolz
Michael D. Rumbolz
President and Chief Executive Officer

/s/ Darren D. A. Simmons
Darren D. A. Simmons

Acknowledged and Agreed:

EVERI HOLDINGS INC.

By: /s/ Michael D. Rumbolz
Michael D. Rumbolz
President and Chief Executive Officer

EXHIBIT A

EMPLOYEE PROPRIETARY INFORMATION AND INVENTIONS AGREEMENT

In consideration of my employment by Everi Payments Inc, a Delaware corporation (the “Company”), I hereby agree to certain restrictions placed by the Company on my use and development of information and technology of the Company and its parent, subsidiary and affiliate entities, as more fully set out below.

1. Proprietary Information.

(a) Confidential Restrictions. I understand that, in the course of my work as an employee of the Company, I may have access to Proprietary Information (as defined below) concerning the Company. I acknowledge that the Company has developed, compiled, and otherwise obtained, often at great expense, this information, which has great value to the Company’s business. I agree to hold in strict confidence and in trust for the sole benefit of the Company all Proprietary Information and will not disclose any Proprietary Information, directly or indirectly, to anyone outside of the Company, or use, copy, publish, summarize, or remove from Company premises such information (or remove from the premises any other property of the Company) except: (i) during my employment to the extent necessary to carry out my responsibilities as an employee of the Company or (ii) after termination of my employment, as specifically authorized in writing by a duly authorized officer of the Company. I further understand that the publication of any Proprietary Information through literature or speeches must be approved in advance in writing by a duly authorized officer of the Company.

(b) Proprietary Information Defined. I understand that the term “Proprietary Information” in this Agreement means all information and any idea in whatever form, tangible or intangible, whether disclosed to or learned or developed by me, pertaining in any manner to the business of the Company, the Company’s parent or subsidiary entities or to the Company’s affiliates, consultants, or business associates, unless: (i) the information is or becomes publicly known through lawful means; (ii) the information was rightfully in my possession or part of my general knowledge prior to my employment by the Company; or (iii) the information is disclosed to me without confidential or proprietary restrictions by a third party who rightfully possesses the information (without confidential or proprietary restrictions) and did not learn of it, directly or indirectly, from the Company. I further understand that the Company considers the following information to be included, without limitation, in the definition of Proprietary Information: (A) schematics, techniques, employee suggestions, development tools and processes, computer printouts, computer programs, design drawings and manuals, electronic codes, formulas and improvements; (B) information about costs, profits, markets, sales, customers, prospective customers, customer contracts (including without limitation the terms and conditions of such customer contracts) and bids; (C) plans for business, marketing, future development and new product concepts; (D) customer lists, and distributor and representative lists; (E) all documents, books, papers, drawings, models, sketches, and other data of any kind and description, including electronic data recorded or retrieved by any means, that have been or will be given to me by the Company (or any affiliate of it), as well as written or verbal

instructions or comments; (F) any information or material not described in (A)-(E) above which relate to the Company's inventions, technological developments, "know how", purchasing, accounts, merchandising, or licensing; (G) employee personnel files and information about employee compensation and benefits; and (H) any information of the type described in (A)-(G) above which the Company has a legal obligation to treat as confidential, or which the Company treats as proprietary or designates as confidential, whether or not owned or developed by the Company.

(c) Information Use. I agree that I will maintain at my work area or in other places under my control only such Proprietary Information that I have a current "need to know," and that I will return to the appropriate person or location or otherwise properly dispose of Proprietary Information once my need to know no longer exists. I agree that I will not make copies of information unless I have a legitimate need for such copies in connection with my work.

(d) Third Party Information. I recognize that the Company has received and in the future will receive from third parties their confidential or proprietary information subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. I agree that I owe the Company and such third parties, during the term of my employment and thereafter, a duty to hold all such confidential or proprietary information in the strictest confidence and not to disclose it to any person, firm, or corporation (except as necessary in carrying out my work for the Company consistent with the Company's agreement with such third party) or to use it for the benefit of anyone other than for the Company or such third party (consistent with the Company's agreement with such third party) without the express written authorization of a duly authorized officer of the Company.

2. Inventions.

(a) Defined; Statutory Notice. I understand that during the term of my employment, there are certain restrictions on my development of technology, ideas, and inventions, referred to in this Agreement as "Invention Ideas." The term "Invention Ideas" means all ideas, processes, inventions, technology, programs, original works of authorship, designs, formulas, discoveries, patents, copyrights, trademarks, and service marks, and all improvements, rights, and claims related to the foregoing, that are conceived, developed, or reduced to practice by me alone or with others during the period of my employment with the Company, except for (1) Invention Ideas excluded in Schedule A, (2) Invention Ideas that I develop entirely on my own time without the Company's equipment, supplies, facilities or trade secret information except for those Invention Ideas that either relate at the time of conception or reduction to practice of the Invention Idea to the Company's business or actual or demonstrably anticipated research or development or result from any work performed by me for the Company, and (3) to the extent that any law applicable to my employment lawfully prohibits the assignment.

(b) Disclosure. I agree to maintain adequate and current written records on the development of all Invention Ideas and to disclose promptly to the Company all Invention Ideas and relevant records, which records will remain the sole property of the Company. I

further agree that all information and records pertaining to any idea, process, invention, technology, program, original work of authorship, design, formula, discovery, patent, copyright, trademark, or service mark, that I do not believe to be an Invention Idea, but is conceived, developed, or reduced to practice by me (alone or with others) during my period of employment or during the one-year period following termination of my employment, shall be promptly disclosed to the Company (such disclosure to be received in confidence). The Company shall examine such information to determine if in fact it is an Invention Idea subject to this Agreement.

(c) Assignment. I agree to assign and hereby do assign to the Company, without further consideration, my entire right, title, and interest (throughout the United States and in all foreign countries), free and clear of all liens and encumbrances, in and to each Invention Idea, which shall be the sole property of the Company, whether or not copyrightable or patentable.

(d) Assist with Registration. In the event any Invention Idea shall be deemed by the Company to be copyrightable or patentable or otherwise registrable, I will assist the Company (at its expense) in obtaining and maintaining letters patent or other applicable registrations and I will execute all documents and do all other things (including testifying at the Company's expense) necessary or proper to accomplish such registrations thereon and to vest the Company with full title thereto. Should the Company be unable to secure my signature on any document necessary to apply for, prosecute, obtain, or enforce any patent, copyright, or other right or protection relating to any Invention Idea, whether due to my mental or physical incapacity or any other cause, I hereby irrevocably designate and appoint the Company and each of its duly authorized officers and agents as my agent and attorney-in-fact, to act for and on my behalf and stead, to execute and file any such document, and to do all other lawfully permitted acts to further the prosecution, issuance, and enforcement of patents, copyrights, or other rights or protections with the same force and effect as if executed and delivered by me. I agree to maintain adequate and current records on the development of all Invention Ideas, which shall also remain the sole property of the Company.

(e) License for Other Inventions. If, in the course of my employment with the Company, I incorporate into Company property an invention owned by me or in which I have an interest, the Company is granted a nonexclusive, royalty-free, irrevocable, perpetual, world-wide license to make, modify, use and sell any invention as part of and in connection with the Company property.

(f) Exclusions. Except as disclosed in Schedule A attached hereto and incorporated herein, there are no ideas, processes, inventions, technology, writings, programs, designs, formulas, discoveries, patents, copyrights, or trademarks, or improvements to the foregoing, that I wish to exclude from the operation of this Agreement. To the best of my knowledge, there is no existing contract in conflict with this Agreement or any other contract to assign ideas, processes, inventions, technology, writings, programs, designs, formulas, discoveries, patents, copyrights, or trademarks, or improvements thereon, that is now in existence between me and any other person or entity.

(g) Disclosure. I agree to disclose promptly to the Company all “Invention Ideas” and relevant records as defined in paragraph 2(a), above. I further agree to promptly disclose to the Company any idea that I do not believe to be an invention, but which is conceived, developed, or reduced to practice by me (alone or with others) while I am employed by the Company or during the one-year period following the termination of my employment. I will disclose the idea, along with all information and records pertaining to the idea, and the Company will examine the disclosure in confidence to determine if in fact it is an Invention Idea subject to this Agreement.

(h) Post-Termination Period. I agree that any idea, invention, writing, discovery, patent, copyright, trademark or similar item or improvement shall be presumed to be an Invention Idea if it is conceived, developed, use, sold, exploited, or reduced to practice by me or with my aid within one (1) year after my termination of employment with the Company. I can rebut this presumption if I prove that the idea, invention, writing, discovery, patent, copyright, trademark or similar item or improvement is not an Invention Idea covered by this Agreement.

3. Former or Conflicting Agreements. During my employment with the Company, I will not disclose to the Company, or use, or induce the Company to use, any proprietary information or trade secrets of others. I represent and warrant that I have returned all property and confidential information belonging to all prior employers, individuals and entities who have provided such property and confidential information to me, if any, as required by such prior employers, individuals and entities. I further represent and warrant that my performance of the terms of this Agreement will not breach any agreement to keep in confidence proprietary information acquired by me in confidence or in trust prior to my employment by the Company. I have not entered into, and I agree I will not enter into, any oral or written agreement in conflict herewith. I have listed in Schedule A all other agreements concerning proprietary information or agreements to which I am a party and have attached copies of any agreements in my possession.

4. Government Contracts. I understand that the Company has or may enter into contracts with the government under which certain intellectual property rights will be required to be protected, assigned, licensed, or otherwise transferred and I hereby agree to execute such other documents and agreements as are necessary to enable the Company to meet its obligations under any such government contracts.

5. Termination. I hereby acknowledge and agree that all property, including, without limitation, all source code listings, books, manuals, records, models, drawings, reports, notes, contracts, lists, blueprints, and other documents or materials or copies thereof, all equipment furnished to or prepared by me in the course of or incident to my employment, and all Proprietary Information belonging to the Company and will be promptly returned to the Company upon termination of my employment with the Company. Following my termination, I will not retain any written or other tangible material containing any Proprietary Information or information pertaining to any Invention Idea. I understand that my obligations contained in this Agreement will survive the termination of my employment and I will continue to make all disclosures required of me by paragraph 2(b). In the event of the termination of my employment, I agree, if requested by the Company, to sign and deliver the Termination Certificate attached as

Schedule B hereto and incorporated herein. I ACKNOWLEDGE THAT THE COMPANY IS AN “AT-WILL” EMPLOYER AND NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED TO IMPLY THAT THE TERM OF MY EMPLOYMENT IS OF ANY DEFINITE DURATION. NO ONE OTHER THAN AN AUTHORIZED OFFICER OF THE COMPANY HAS THE AUTHORITY TO ALTER THIS ARRANGEMENT, TO ENTER INTO AN AGREEMENT FOR EMPLOYMENT FOR A SPECIFIED PERIOD OF TIME, OR TO MAKE ANY AGREEMENT CONTRARY TO THIS POLICY, AND ANY SUCH AGREEMENT MUST BE IN WRITING AND MUST BE SIGNED BY AN AUTHORIZED OFFICER OF THE COMPANY AND BY THE AFFECTED EMPLOYEE.

6. Remedies. I recognize that nothing in this Agreement is intended to limit any remedy of the Company under the California Uniform Trade Secrets Act or other federal or state law and that I could face possible criminal and civil actions, resulting in imprisonment and substantial monetary liability, if I misappropriate the Company’s trade secrets. In addition, I recognize that my violation of this Agreement could cause the Company irreparable harm, the amount of which may be extremely difficult to estimate, thus, making any remedy at law or in damages inadequate. Therefore, I agree that the Company shall have the right to apply to any court of competent jurisdiction for an order restraining any breach or threatened breach of this Agreement and for any other relief the Company deems appropriate. This right shall be in addition to any other remedy available to the Company in law or equity.

7. Miscellaneous Provisions.

(a) Assignment. I agree that the Company may assign to another person or entity any of its rights under this Agreement.

(b) Governing Law; Severability. The validity, interpretation, enforceability, and performance of this Agreement shall be governed by and construed in accordance with the laws of the State of Nevada without giving effect to any conflicts or choice of law provisions that would result in the application of the laws of any jurisdiction other than the internal laws of the State of Nevada. If any provision of this Agreement, or application thereof to any person, place, or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable, or void, the remainder of this Agreement and such provisions as applied to other persons, places, and circumstances shall remain in full force and effect.

(c) Entire Agreement. The terms of this Agreement are the final expression of the parties’ agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous agreement. This Agreement shall constitute the complete and exclusive statement of its terms and no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding involving this Agreement; provided however that, to the extent that any provision of this Agreement is in conflict with, contrary to, or otherwise inconsistent with the intent of any provision of my Employment Agreement dated December 31, 2017, the terms of such Employment Agreement will prevail.

(d) Amendments; Waivers. This Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by me and by a duly authorized representative of the Company. No failure to exercise and no delay in exercising any right, remedy, or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, or power hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, or power provided herein or by law or in equity.

(e) Successors and Assigns. This Agreement shall be binding upon me and my heirs, executors, administrators, and successors, and shall inure to the benefit of the Company's successors and assigns.

(f) Application of this Agreement. I hereby agree that my obligations set forth in Sections 1 and 2 hereof and the definitions of Proprietary Information and Invention Ideas contained therein shall be equally applicable to Proprietary Information and Invention Ideas relating to any work performed by me for the Company prior to the execution of this Agreement.

8. Defend Trade Secrets Act. Pursuant to the Defend Trade Secrets Act of 2016, I acknowledge that I shall not have criminal or civil liability under any Federal or State trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, if I file a lawsuit for retaliation by the Company for reporting a suspected violation of law, I may disclose the trade secret to my attorney and may use the trade secret information in the court proceeding, if I (X) file any document containing the trade secret under seal and (Y) do not disclose the trade secret, except pursuant to court order.

ACKNOWLEDGEMENT & AGREEMENT

I HAVE READ THIS AGREEMENT CAREFULLY AND UNDERSTAND ITS TERMS. I HAVE COMPLETELY NOTED ON SCHEDULE A TO THIS AGREEMENT ANY PROPRIETARY INFORMATION, IDEAS, PROCESSES, INVENTIONS, TECHNOLOGY, WRITINGS, PROGRAMS, DESIGNS, FORMULAS, DISCOVERIES, PATENTS, COPYRIGHTS, OR TRADEMARKS, OR IMPROVEMENTS, RIGHTS, OR CLAIMS RELATING TO THE FOREGOING, THAT I DESIRE TO EXCLUDE FROM THIS AGREEMENT.

Date: _____ Employee Name: _____

Employee Signature

SCHEDULE A

EMPLOYEE'S DISCLOSURE

OF PRIOR INVENTIONS AND PRIOR AGREEMENTS

1. Prior Inventions. Except as set forth below, there are no ideas, processes, inventions, technology, writings, programs, designs, formulas, discoveries, patents, copyrights, or trademarks, or any claims, rights, or improvements to the foregoing, that I wish to exclude from the operation of this Agreement: _____

2. Prior Agreements. Except as set forth below, I am aware of no prior agreements between me and any other person or entity concerning proprietary information or inventions (attach copies of all agreements in your possession):

Date: _____ Employee Name: _____

Employee Signature

SCHEDULE B

**TERMINATION CERTIFICATE CONCERNING
EVERI PAYMENTS INC. (FORMERLY KNOWN AS GLOBAL CASH ACCESS, INC.)
PROPRIETARY INFORMATION AND INVENTIONS**

This is to certify that I have returned all property of Everi Payments Inc., a Delaware corporation (the “Company”), its parent entity and their respective subsidiaries and affiliates, including, without limitation, all source code listings, books, manuals, records, models, drawings, reports, notes, contracts, lists, blueprints, and other documents and materials, Proprietary Information, and equipment furnished to or prepared by me in the course of or incident to my employment with the Company, and that I did not make or distribute any copies of the foregoing.

I further certify that I have reviewed the Employee Proprietary Information and Inventions Agreement signed by me and that I have complied with and will continue to comply with all of its terms, including, without limitation, (i) the reporting of any idea, process, invention, technology, writing, program, design, formula, discovery, patent, copyright, or trademark, or any improvement, rights, or claims related to the foregoing, conceived or developed by me and covered by the Agreement and (ii) the preservation as confidential of all Proprietary Information pertaining to the Company. This certificate in no way limits my responsibilities or the Company’s rights under the Agreement.

On termination of my employment with the Company, I will be employed by _____ **[Name of New Employer]** **[in the _____ division]** and I will be working in connection with the following projects:

[Generally describe the projects]

Date: _____ Employee Name: _____

Employee Signature

EXHIBIT B

CONFIDENTIAL SEPARATION AGREEMENT AND GENERAL RELEASE OF ALL CLAIMS

This Confidential Separation Agreement and General Release of All Claims (“Agreement”) is made by and between Everi Payments Inc. (formerly known as Global Cash Access, Inc.) (“Company”) and [EXECUTIVE] (“Employee”) with respect to the following facts:

A. Employee is employed by Company pursuant to an Employment Agreement setting forth the terms and conditions of employment dated as of July 18, 2016 and shall be effective on that date (collectively referred to as the “Employment Agreement”).

B. Employee’s employment with Company will terminate [without Cause] [for Good Reason] (as that term is defined in the Employment Agreement) effective [DATE] (“Separation Date”), and as of such date Employee has incurred a “separation from service” within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended. As a result, Employee is entitled to those certain severance payments and benefits described in the Employment Agreement, provided Employee enters into this Agreement.

C. The parties desire to settle all claims and issues that have or could have been raised, in relation to, and arising out of, or in any way connected to, the acts, transactions or occurrences between them to date, including, but not limited to, Employee’s employment with Company and the termination of that employment, on the terms set forth below.

THEREFORE, in consideration of the promises and mutual agreements set forth below, the parties agree as follows:

1. Severance Package. In exchange for the promises set forth herein and in compliance with the requirements set forth in the Employment Agreement, Company agrees to provide Employee with the payments and benefits set forth in Section 4 of the Employment Agreement (“Severance Package”), to which Employee is not otherwise entitled, absent entering into this Agreement. Employee acknowledges and agrees that this Severance Package constitutes adequate legal consideration for the promises and representations made by Employee in this Agreement. Employee acknowledges and agrees that if Employee violates the terms of this Agreement or the continuing obligations under the Employment Agreement including, but not limited to those pertaining to post-employment restrictions, Company may terminate any payments and the provision of benefits described herein, and seek such other damages or remedies as may be appropriate. Company acknowledges and agrees that if Company violates the terms of this Agreement or the continuing obligations under the Employment Agreement including, but not limited to those pertaining to post-employment restrictions, Employee may cease to perform any of his/her obligations described herein, and seek such other damages or remedies as may be appropriate.

2. General Release.

Each party knowingly and voluntarily releases and forever discharges other party, (and, as to Company, any parent or subsidiary corporations, divisions or affiliated corporations, partnerships or other affiliated entities of the foregoing, past and present, as well as their respective employees, officers, attorneys, directors, shareholders, agents, successors and assigns individually and in their business capacity) (collectively, “Released Parties”), of and from any and all claims, known and unknown, asserted or unasserted, which the Employee has or may have against Releases as of the date of execution of this Agreement, including, but not limited to, any alleged violation of:

- Title VII of the Civil Rights Act of 1964;
 - Sections 1981 through 1988 of Title 42 of the United States Code;
 - The Employee Retirement Income Security Act of 1974 (“ERISA”) (as modified below);
 - The Immigration Reform and Control Act;
 - The Americans with Disabilities Act of 1990;
 - The Age Discrimination in Employment Act of 1967 (“ADEA”);
 - The Worker Adjustment and Retraining Notification Act;
 - The Fair Credit Reporting Act;
 - The Family and Medical Leave Act;
 - The Equal Pay Act;
 - The Genetic Information Nondiscrimination Act of 2008;
 - Chapter 613 of the Nevada Revised Statutes including the Nevada Equal Opportunities for Employment Law – Nev. Rev. Stat. § 613.310 et seq;
 - Nevada Equal Pay Law – Nev. Rev. Stat. § 608.017;
 - Nevada School Visitation Law – Nev. Rev. Stat. § 392.920;
 - Nevada Wage Payment and Work Hour Law – Nev. Rev. Stat. § 608 et seq;
 - Nevada Occupational Safety & Health Act – Nev. Rev. Stat. § 618 et seq
 - any other federal, state or local law, rule, regulation, or ordinance;
-

- any public policy, contract, tort, or common law; and
- any basis for recovering costs, fees, or other expenses including attorneys' fees incurred in these matters.

2.1. This release is intended to have the broadest possible application and includes, but is not limited to, any tort, contract, common law, constitutional or other statutory claims and all claims for attorneys' fees, costs and expenses.

2.2. Each party expressly waives such party's right to recovery of any type, including damages or reinstatement, in any administrative or court action, whether state or federal, and whether brought by itself or on its behalf, related in any way to the matters released herein. Employee further, waives any right or ability to be a class or collective action representative or to otherwise participate in any putative or certified class, collective or multi-party action or proceeding based on such a claim in which Company or any other Released Party identified in this Agreement is a party.

2.3. The parties acknowledge that this general release is not intended to bar any claims that, by statute, may not be waived, such as Employee's right to file a charge with the National Labor Relations Board or Equal Employment Opportunity Commission and other similar government agencies, and claims for statutory indemnity, workers' compensation benefits or unemployment insurance benefits, as applicable, and any challenge to the validity of Employee's release of claims under the Age Discrimination in Employment Act of 1967, as amended, as set forth in this Agreement. This general release also does not bar claims or causes of action related to defamation, libel or invasion of privacy. In addition, this general release does not affect Employee's rights to indemnification by the Company nor Employee's coverage under the directors and officers insurance policies, if any, maintained by the Company.

2.4. Each party acknowledges that it may discover facts or law different from, or in addition to, the facts or law that such party knows or believes to be true with respect to the claims released in this Agreement and agrees, nonetheless, that this Agreement and the release contained in it shall be and remain effective in all respects notwithstanding such different or additional facts or the discovery of them.

2.5. Each party declares and represents that such party intends this Agreement to be complete and not subject to any claim of mistake, and that the release herein expresses a full and complete release and such party intends the release herein to be final and complete. Each party executes this release with the full knowledge that this release covers all possible claims against the Released Parties, to the fullest extent permitted by law.

3. Representation Concerning Filing of Legal Actions. Each party represents that, as of the date of this Agreement, such party has not filed any lawsuits, charges, complaints, petitions, claims or other accusatory pleadings against the other party or any of the other

party's Released Parties in any court or with any governmental agency related to the matters released in this Agreement.

4. Mutual Nondisparagement. Employee agrees that Employee will not make any voluntary statements, written or oral, or cause or encourage others to make any such statements that defame, disparage or in any way criticize the personal and/or business reputations, practices or conduct of Company or any of the other Released Parties. Company agrees that it will instruct its officers and directors to not make any voluntary statements, written or oral, or cause or encourage others to make any such statements that defame, disparage or in any way criticize the personal and/or business reputations, practices or conduct of Employee.

5. Confidentiality and Return of Company Property. In accordance with the terms of his/her Employment Agreement, Employee understands and agrees that as a condition of receiving the Severance Package in paragraph 1, all Company property must be returned to Company. By signing this Agreement, Employee represents and warrants that Employee has returned to Company, all Company property, data and information belonging to Company and agrees that Employee will not use or disclose to others any confidential or proprietary information of Company or the Released Parties. In addition, each Party agrees to keep the terms of this Agreement confidential between Employee and Company, except that Employee may tell Employee's immediate family and attorney or accountant, if any, as needed, but in no event should Employee discuss this Agreement or its terms with any current or prospective employee of Company.

6. Continuing Obligations and Cooperation. Employee further agrees to comply with the continuing obligations regarding confidentiality set forth in the surviving provisions of the Employee Proprietary Information and Inventions Agreement previously signed by Employee. Employee also agrees that in accordance with his/her Employment Agreement, he/she will cooperate fully in the transition of her duties, and promptly and cooperatively answer any calls or emails the Company may have during the period she is receiving severance pay and/or benefits, without further compensation.

7. No Admissions. By entering into this Agreement, Company makes no admission that it has engaged, or is now engaging, in any unlawful conduct. The parties understand and acknowledge that this Agreement is not an admission of liability and shall not be used or construed as such in any legal or administrative proceeding.

8. Older Workers' Benefit Protection Act. This Agreement is intended to satisfy the requirements of the Older Workers' Benefit Protection Act, 29 U.S.C. sec. 626(f). Employee is advised to consult with an attorney before signing this Agreement.

- Acknowledgments/Time to Consider. Employee acknowledges and agrees that (a) she has read and understands the terms of this Agreement; (b) she has been advised in writing to consult with an attorney before signing this Agreement; (c) she has obtained and considered such legal counsel as she deems necessary; (d) she has been given 21 days to consider whether or not to enter into this Agreement (although at her option, she may elect not to use the full 21 day period); and (e) by signing this

Agreement on or after the Separation Date, Employee acknowledges that she does so freely, knowingly, and voluntarily.

- Revocation/Effective Date. This Agreement shall not become effective or enforceable until the eighth day after Employee signs this Separation Agreement. In other words, Employee may revoke Employee's acceptance of this Separation Agreement within seven (7) days after the date Employee signs it. Employee's revocation must be in writing and received by Michael Rumbolz, Chief Executive Officer, mrumbolz@everi.com, 7250 South Tenaya Way, Suite 100, Las Vegas, Nevada 89113 on or before the seventh day in order to be effective. If Employee does not revoke acceptance within the seven (7) day period, Employee's acceptance of this Separation Agreement shall become binding and enforceable on the eighth day ("Effective Date"). The Severance Package will become due and payable in accordance with paragraph 1 above after the Effective Date, provided Employee does not revoke.

- Preserved Rights of Employee. This Agreement does not waive or release any rights or claims that Employee may have under the Age Discrimination in Employment Act that arise after the execution of this Agreement. In addition, this Agreement does not prohibit Employee from challenging the validity of this Agreement's waiver and release of claims under the Age Discrimination in Employment Act of 1967, as amended.

9. Severability. In the event any provision of this Agreement shall be found unenforceable, the unenforceable provision shall be deemed deleted and the validity and enforceability of the remaining provisions shall not be affected thereby.

10. Full Defense. This Agreement may be pled as a full and complete defense to, and may be used as a basis for an injunction against, any action, suit or other proceeding that may be prosecuted, instituted or attempted by Employee in breach hereof. Employee agrees that in the event an action or proceeding is instituted by the Company or any of the Released Parties in order to enforce the terms or provisions of this Agreement, and if said parties are prevailing Parties on such action, the Company, or Released Parties, as applicable, shall be entitled to an award of reasonable costs and attorneys' fees incurred in connection with enforcing this Agreement, to the fullest extent permitted by law.

11. Affirmation. Employee affirms that Employee has been paid all compensation, wages, bonuses, and commissions due, and has been provided all leaves (paid or unpaid) and benefits to which Employee may be entitled.

12. Applicable Law. The validity, interpretation and performance of this Agreement shall be construed and interpreted according to the laws of the United States of America and the State of Nevada.

13. Counterparts. This Agreement may be signed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement. Delivery of a copy of this Agreement bearing an original signature by

facsimile transmission or e-mail in PDF format will have the same effect as physical delivery of the document bearing the original signature.

14. Entire Agreement; Modification. This Agreement, including the surviving provisions of the Employment Agreement and Employee Proprietary and Inventions Agreement previously executed by Employee, is intended to be the entire agreement between the parties, and supersedes and cancels any and all other and prior agreements, written or oral, between the parties regarding this subject matter. This Agreement may be amended only by a written instrument executed by all parties hereto.

THE PARTIES TO THIS AGREEMENT HAVE READ THE FOREGOING AGREEMENT AND FULLY UNDERSTAND EACH AND EVERY PROVISION CONTAINED HEREIN. WHEREFORE, THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE DATES SHOWN BELOW.

Employee

Dated: _____, 20__ By: _

Ever Payments Inc.

Dated: _____, 20__ By: _

EXHIBIT C

FORM OF ARBITRATION AGREEMENT NATIONAL MUTUAL ARBITRATION AGREEMENT FOR EMPLOYEES OF EVERI PAYMENTS, INC.

EVERI PAYMENTS INC., its parent corporation (if any), affiliates, subsidiaries, divisions, successors, assigns and their current and former employees, officers, directors, and agents (hereafter collectively referred to as “the Company”) seeks to work with our employees to resolve differences as soon as possible after they arise. Often times, differences can be eliminated through internal discussions between an employee and his/her supervisor. Other times, it may be helpful for Human Resources or other Company employees to become involved to help solve a dispute. To facilitate dispute resolution we have developed a binding arbitration process to settle disputes that are not resolved through more informal means.

The Company and you, on behalf of you, your heirs, administrators, executors, successors and assigns (hereinafter collectively referred to as “you” or “your”) agree pursuant to this Arbitration Agreement (“Agreement”) to arbitrate covered disputes, in lieu of litigating in court.

A. The Mutual Agreement to Arbitrate: Overview

The parties acknowledge that by agreeing to arbitration, they are WAIVING ANY RIGHTS TO A JURY TRIAL.

Except for the claims set forth in the paragraph below, you and the Company mutually agree to arbitrate any and all disputes, claims, or controversies (“claim”) against the Company that could be brought in a court including, but not limited to, all claims arising out of your employment and the cessation of employment, including any claim that could have been presented to or could have been brought before any court. This Agreement to arbitrate includes, but is not limited to, claims under the Age Discrimination in Employment Act, Title VII of the Civil Rights Act of 1964; the Fair Labor Standards Act; the Family and Medical Leave Act; the Americans with Disabilities Act of 1990; Section 1981 through 1988 of Title 42 of the United States Code; any state or local anti-discrimination laws; or any other federal, state, or local law, ordinance or regulation, or based on any public policy, contract, tort, or common law or any claim for costs, fees, or other expenses or relief, including attorney’s fees. All claims which could be raised before a court must be raised by the time of the arbitration and the arbitrator shall apply the law accordingly.

Claims not covered by this Agreement are: (i) claims for workers' compensation benefits; (ii) claims for unemployment compensation benefits; (iii) claims based upon the Company's current

(successor or future) stock option plans, employee pension and/or welfare benefit plans if those plans contain some form of a grievance, arbitration, or other procedure for the resolution of disputes under the plan; and (iv) claims by law which are not subject to mandatory binding pre-dispute arbitration pursuant to the Federal Arbitration Act, such as claims under the Dodd-Frank Wall Street Reform Act. Further, this Agreement does not prohibit the filing of an administrative charge with a federal, state, or local administrative agency such as the National Labor Relations Board (NLRB) or the Equal Employment Opportunity Commission (EEOC).

Likewise, as noted above, the Company agrees to arbitrate any claim against you as per the terms of this Agreement but retains all right to seek injunctions in aid of arbitration.

B. Class/Collective Action Waiver, Jury Waiver and Administrative Charges

The parties agree all claims must be pursued on an individual basis only. By signing this Agreement, you waive your right to commence, or be a party to, any class or collective claims or to bring jointly any claim against the Company with any other person, except as provided in the paragraph below. The parties agree any claim can be pursued, but only on an individual basis, except the lack of co-plaintiffs shall not, in and of itself, be a bar to pursuit of a pattern and practice claim.

In addition, nothing herein limits your right and the rights of others collectively to challenge the enforceability of this Agreement, including the class/collective action waiver. While the Company will assert that you have agreed to pursue all claims individually in the arbitral forum and may ask a court to compel arbitration of each individual's claims, to the extent the filing of such an action is protected concerted activity under the National Labor Relations Act, such filing will not result in threats, discipline or discharge.

C. Severability and Related Issues

The Arbitrator, and not any federal, state or local court or agency, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, enforceability or formation of this Agreement including, but not limited to any claim that all or any part of this Agreement is void or voidable, except any determination as to the enforceability of the class/collective action waiver shall be made solely by a court. If the prohibition against class/collective actions is deemed unlawful, then such action shall proceed forward in court as a collective or class action. If an arbitrator finds any other provision of this Agreement unenforceable, a court or arbitrator shall interpret or modify this Agreement, to the extent necessary, for it to be enforceable, subject to the sentence above. This Agreement shall be self-amending; meaning if by law or common law a provision is deemed unlawful or unenforceable that provision and the Agreement automatically, immediately and retroactively shall be amended, modified, and/or altered to be enforceable. The arbitrator shall have no power under this Agreement to consolidate claims and/or to hear a collective or class action.

D. The Arbitration Process

Any authorized decision or award of the arbitrator shall be final and binding upon the parties. The arbitrator shall have the power to award any type of legal or equitable relief available in a court of competent jurisdiction including, but not limited to, attorney's fees, to the extent such damages are available under law. Because any arbitral award may be entered as a judgment or order in any court of competent jurisdiction, any relief or recovery to which you may be entitled upon any claim (including those arising out of employment, cessation of employment, or any claim of unlawful discrimination) shall be limited to that awarded by the arbitrator. Again, the arbitrator has no power to consolidate claims or adjudicate a collective/class action. All orders of the arbitrator (except evidentiary rulings at the arbitration) shall be in writing and subject to review pursuant to the Federal Arbitration Act.

Any claim for arbitration will be timely only if brought within the time in which an administrative charge or complaint would have been filed if the claim is one which could be filed with an administrative agency. If the arbitration claim raises an issue which could not have been filed with an administrative agency, then the claim must be filed within the time set by the appropriate statute of limitation. A claim may be filed by serving written notice to the Company's Human Resources Department with a copy to General Counsel, 7250 S. Tenaya Way, Suite 100, Las Vegas, Nevada 89113, and thereafter by filing an action with JAMS pursuant to JAMS Employment Arbitration Rules. The filing party is responsible for any filing fee absent extreme financial circumstances. Each party shall bear its own costs and expenses for the arbitration however the arbitrator's fee shall be paid by the Company, absent an award from the arbitrator.

The arbitration shall be arbitrated by a single arbitrator in accordance with the JAMS Employment Arbitration Rules except all arbitrators or members of the appeal panel (which is discussed below) must be members of the bar in good standing in the state in which the dispute arose. Each party may be represented by counsel.

A copy of the JAMS Employment Arbitration Rules, including forms and procedures for submitting a matter for arbitration, are available for you to review at the Human Resource Department. You may contact JAMS to request a copy of these rules or obtain them from the JAMS website (www.jamsadr.com) or by calling JAMS at 1(800)352-5267. If for whatever reason JAMS declines to act as the neutral, the parties shall utilize NAM (www.namadr.com) as the neutral for the arbitration/appeal and shall utilize its Rules for Resolution of Employment Disputes. Each party agrees that it has had an opportunity to review the current JAMS Employment Arbitration Rules.

E. Modification to NAM/JAMS Rules

The arbitrator shall apply the Federal Rules of Civil Procedure (except for Rule 23) and the Federal Rules of Evidence as interpreted in the jurisdiction where the arbitration is held. Also there shall be one arbitrator for the matter up and through submission and determination of a motion for summary judgment. If a summary judgment is made, the arbitrator must render a written and detailed opinion on that motion within sixty (60) calendar days of submission of all supporting and opposition papers. If the summary judgment is in any part denied the case shall proceed to hearing before another arbitrator, who did not hear the summary judgment motion. That arbitrator shall be selected from a new panel to be provided by JAMS (or if JAMS declines to be the third party administrator, NAMS). If no summary judgment is filed then no new arbitrator will be selected to hear the matter, as the original arbitrator will retain jurisdiction.

F. Consideration For This Agreement

This mutual agreement to arbitration and your accepting employment with the Company shall act as consideration for this Agreement. The parties agree that the consideration set forth in this paragraph is wholly adequate to support this Agreement.

G. Other Provisions of this Agreement

To the extent any of the provisions herein conflict with any standard rules of the arbitration service being used, the express provisions of this Agreement shall prevail.

Neither the terms nor conditions described in this Agreement are intended to create a contract of employment for a specific duration of time. Employment with the Company is voluntarily entered into, and you are free to resign at any time. Similarly, the Company may terminate the employment relationship at any time for any reason, with or without prior notice. This Agreement shall survive the termination of your employment.

This Agreement shall be governed by and enforced pursuant to the Federal Arbitration Act, 9 U.S.C. §§ 1-16, to the maximum extent permitted by applicable law.

This Agreement contains the complete agreement between the parties regarding the subjects covered in it, and supersedes any prior or inconsistent agreements that might exist between you and the Company. This Agreement can be modified only by an express written agreement signed by both you and the President of the Company.

I KNOWINGLY AND FREELY AGREE TO THIS MUTUAL AGREEMENT TO ARBITRATE CLAIMS, WHICH OTHERWISE COULD HAVE BEEN BROUGHT IN COURT. I AFFIRM THAT I HAVE HAD SUFFICIENT TIME TO READ AND UNDERSTAND THE TERMS OF THIS AGREEMENT AND THAT I HAVE BEEN ADVISED OF MY RIGHT TO SEEK LEGAL COUNSEL REGARDING THE MEANING AND EFFECT OF THIS AGREEMENT PRIOR TO SIGNING. BY ISSUANCE OF THIS AGREEMENT, THE COMPANY AGREES TO BE BOUND TO ITS TERMS WITHOUT ANY REQUIREMENT TO SIGN THIS AGREEMENT.

Date: _____ Employee Name: _____

FIRST AMENDMENT TO EMPLOYMENT AGREEMENT

This First Amendment (the “**Amendment**”) to the Employment Agreement effective January 1, 2019 (the “**Agreement**”) by and between Everi Payments Inc., a Delaware corporation (the “**Company**”) and wholly owned subsidiary of Everi Holdings Inc., a Delaware corporation (“**Everi Holdings**”), and Darren D.A. Simmons (the “**Executive**”) is made as of April 1, 2020 (the “**Effective Date**”).

RECITALS

- A. The Company desires to amend the Agreement on the terms and conditions set forth in this Amendment and Executive is willing to continue employment on the terms and conditions set forth in this Amendment.
- B. The Company and Executive (together, the “**Parties**”) wish to enter into the Amendment.

AMENDMENT

NOW, THEREFORE, based on the foregoing recitals and in consideration of the commitments set forth below, the Parties agree as follows:

- 1. **Definitions and Interpretation.** Except as otherwise provided herein, capitalized terms used in this Amendment shall have the definitions set forth in the Agreement amended hereby.
- 2. **Terms of the Agreement.** Except as expressly modified hereby, all terms, conditions and provisions of the Agreement shall continue in full force and effect.
- 3. **Conflicting Terms.** In the event of any inconsistency or conflict between the Agreement and this Amendment, or the applicable form of agreement of any Equity Awards, including the Restricted Stock Agreement, and this Amendment, the terms and conditions of this Amendment shall govern and control.
- 4. **Entire Agreement.** This Amendment and the Agreement constitute the entire and exclusive agreement between the Parties with respect to the subject matter hereof. All previous discussions and agreements with respect to the subject matter are superseded by the Agreement and this Amendment. This Amendment may be executed in one or more counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument.
- 5. **Amendments.**
 - a. **Section 1.1:** The each instance of the phrase “Chief Executive Officer” is hereby deleted in their entirety and replaced by the phrase ”and Chief Operating Officer” in each and every instance it occurs in Section 1.1 to the first sentence of Section 2.5, such that the amended sentence reads as follows:
“The Company hereby employs Executive to render services to the Company in the position of Executive Vice President and FinTech Business Unit Leader, reporting directly to the President & Chief

Operating Officer of the Company. The Company’s employment of Executive hereunder is contingent upon Executive successfully completing a background investigation. The duties of this position shall include such duties and responsibilities as are reasonably assigned to Executive by the President & Chief Operating Officer, including, but not limited to, managing profitability of the FinTech business unit which includes leading product management, product innovation, operations and sales support and managing business risk and protecting Company assets, as well as any other such duties and responsibilities as are customarily performed by persons holding similar positions at similarly situated corporations. Executive agrees to serve in a similar capacity for the benefit of Everi Holdings and any of Everi Holdings’ direct or indirect, wholly-owned or partially-owned subsidiaries or Everi Holdings’ affiliates. Additionally, Executive shall serve in such other capacity or capacities as the Chief Operating Officer may from time to time reasonably and lawfully prescribe. Executive shall be deemed an “Executive Officer” for purposes of indemnification by the Company pursuant to Article XI of the Company’s bylaws.”

b. Section 2.5: The phrase “in a quantity and” is hereby deleted and the phrase “and Chief Operating Officer” hereby is inserted in their entirety into the first sentence of Section 2.5, such that the amended sentence reads as follows:

“Executive will be eligible to receive restricted stock, restricted stock units, performance awards, stock options or other equity awards with a frequency substantially similar to those regularly awarded to other members of the Company’s senior executive management, other than the Chief Executive Officer and or Chief Operating Officer, (each, an “*Equity Award*”) under the applicable equity incentive plan of Everi Holdings as then in effect (the “*Plan*”), as determined by the Compensation Committee.”

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement as of the date first set forth above.

EVERI PAYMENTS INC.

EXECUTIVE

By: /s/ Michael D. Rumbolz

Michael D. Rumbolz
Chief Executive Officer

/s/ Darren D.A. Simmons

Darren D.A. Simmons

FIRST AMENDMENT TO AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This First Amendment (the “**Amendment**”) to the Amended and Restated Employment Agreement effective December 29, 2017 (the “**Employment Agreement**”)(the “**Agreement**”) by and between Everi Payments Inc., a Delaware corporation (the “**Company**”) and wholly owned subsidiary of Everi Holdings Inc., a Delaware corporation (“**Everi Holdings**”), and Harper H. Ko (the “**Executive**”) is made as of April 1, 2020 (the “**Effective Date**”).

RECITALS

- A. The Company desires to amend the Agreement on the terms and conditions set forth in this Amendment and Executive is willing to continue employment on the terms and conditions set forth in this Amendment.
- B. The Company and Executive (together, the “**Parties**”) wish to enter into the Amendment.

AMENDMENT

NOW, THEREFORE, based on the foregoing recitals and in consideration of the commitments set forth below, the Parties agree as follows:

- 1. **Definitions and Interpretation.** Except as otherwise provided herein, capitalized terms used in this Amendment shall have the definitions set forth in the Agreement amended hereby.
- 2. **Terms of the Agreement.** Except as expressly modified hereby, all terms, conditions and provisions of the Agreement shall continue in full force and effect.
- 3. **Conflicting Terms.** In the event of any inconsistency or conflict between the Agreement and this Amendment, or the applicable form of agreement of any Equity Awards, including the Restricted Stock Agreement, and this Amendment, the terms and conditions of this Amendment shall govern and control.
- 4. **Entire Agreement.** This Amendment and the Agreement constitute the entire and exclusive agreement between the Parties with respect to the subject matter hereof. All previous discussions and agreements with respect to the subject matter are superseded by the Agreement and this Amendment. This Amendment may be executed in one or more counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument.
- 5. **Amendments.**
 - a. **Section 2.5:** The phrase “in a quantity and” is hereby deleted and the phrase “and Chief Operating Officer” hereby is inserted in their entirety into the first sentence of Section 2.5, such that the amended sentence reads as follows:

“Executive will be eligible to receive restricted stock, restricted stock units, performance awards, stock options or other equity awards with a frequency substantially similar to those regularly awarded to other members of the Company’s senior executive management, other than the Chief

Executive Officer and or Chief Operating Officer, (each, an “*Equity Award*”) under the applicable equity incentive plan of Everi Holdings as then in effect (the “*Plan*”), as determined by the Compensation Committee.”

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement as of the date first set forth above.

EVERI PAYMENTS INC.

EXECUTIVE

By: /s/ Michael D. Rumbolz
Michael D. Rumbolz
Chief Executive Officer

/s/ Harper H. Ko
Harper H. Ko

**Certification of Principal Executive Officer
Pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a)
as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Michael D. Rumbolz, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Everi Holdings Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: June 2, 2020

By: /s/ Michael D. Rumbolz

Michael D. Rumbolz
Chief Executive Officer

**Certification of Principal Financial Officer
Pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a)
as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Mark F. Labay, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Everi Holdings Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: June 2, 2020

By: /s/ Mark F. Labay

Mark F. Labay
Chief Financial Officer

EVERI HOLDINGS INC.
CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Everi Holdings Inc. (the "Company") on Form 10-Q for the period ended March 31, 2020 filed with the Securities and Exchange Commission (the "Report"), Michael D. Rumbolz, Chief Executive Officer of the Company, and Mark F. Labay, Chief Financial Officer of the Company, each hereby certifies as of the date hereof, solely for the purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of his knowledge:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

This Certification has not been, and shall not be deemed, "filed" with the Securities and Exchange Commission.

Dated: June 2, 2020

By: /s/ Michael D. Rumbolz

Michael D. Rumbolz
Chief Executive Officer

Dated: June 2, 2020

By: /s/ Mark F. Labay

Mark F. Labay
Chief Financial Officer