



INSPIRED ENTERTAINMENT, INC

**ANTI-CORRUPTION AND BRIBERY POLICY - UPDATED APRIL 20<sup>th</sup>, 2018**

**Top-Level Commitment**

*"Bribery creates an inherently unfair environment for business, prevents companies like our own from retaining and promoting the best talent, stymies the implementing of efficient and innovative working practices and heaps more misery on some of the poorest people in our world. We are committed to maintaining the highest standards of ethics and compliance with all relevant laws wherever we do business to prevent corruption. As part of this commitment **Inspired Entertainment Inc.** will not tolerate any form of bribery or corruption. Our policies and procedures must be followed, even if doing so may, on occasion, result in losing or slowing down business. Failing to follow these procedures can result in severe criminal and civil consequences for our Company and the individuals concerned, and would put our hard-earned reputation, as well as our long term financial health, at risk.*

*All directors, officers and employees are required to follow the Anti- Corruption and Bribery Policy and to comply both with the spirit and the letter of anti-bribery and corruption laws. We also expect our business managers at all levels to lead by example by identifying, escalating and preventing corruption and we take pride in Inspired's commitment to zero-tolerance to bribery."*

**A. Lorne Weil**  
Executive Chairman

**Luke Alvarez**  
President and Chief Executive Officer

The following Anti-Corruption and Bribery Policy (the "**Policy**") was adopted by the Board of Directors (the "**Board**") of Inspired Entertainment, Inc., a Delaware corporation for and on behalf of its subsidiaries and affiliates (the "**Company**") on the date indicated above.

## Policy Statement

- 1.1 The Company is committed, per Sections 3 and 5 of the Code of Ethics, to conduct all of its business, wherever it arises in the world, in an honest and ethical manner and in accordance with all applicable laws and regulations. The Company takes a **zero-tolerance** approach to corruption and bribery.
- 1.2 Pursuant to Section 11 of the Code of Ethics, the Company is specifically committed to upholding all laws and regulations relevant to countering bribery and corruption in all the jurisdictions in which it operates. The Company is headquartered in Delaware and its securities are traded on the NASDAQ stock exchange. Therefore, the Company is bound by US federal and securities laws, including but not limited to the U.S. Foreign Corrupt Practices Act 1977, as amended ("**FCPA**"). The Company is also bound by the laws and regulations of other jurisdictions including but not limited to the U.K. Bribery Act 2010 ("**UKBA**"). The relevant laws and regulations apply across the Company's businesses globally and Covered Persons (as defined below) are required to comply with these laws and regulations and this Policy in everything they do.
- 1.3 The purpose of this Policy is to prevent corruption connected to the Company by providing information and guidance to Covered Persons on how to recognise, escalate, manage or remove bribery risk.
- 1.4 Corruption and bribery offenses, including failure to maintain appropriate books and records, are serious crimes with significant criminal and civil penalties. For individuals these penalties can include lengthy prison terms of up to 20 years and unlimited fines. Where the Company through Covered Persons takes part in or fails to prevent corruption it may be required to disgorge all connected profits, face an additional fine many times higher than annual profits, be excluded from tendering for public contracts, face damage to its reputation and/or have commercial contracts terminated or made void.
- 1.5 The Company has identified without limitation the following particular risks for the business:
  - (a) entering into emerging markets (in particular those within jurisdictions where allegations of corruption or bribery may be common);
  - (b) dealing with Public Officials (as defined below);
  - (c) entering into contracts of such size and profitability where the opportunity for personal profit is increased; and
  - (d) relationships with smaller operators (such as owner-managed independent licensed betting offices or owner operated small

websites) where personal influence may play a part in the ability to obtain contracts.

1.6 To help address these risks, the Company has implemented a compliance program, which includes the following:

- (a) an assessment of bribery and corruption risk, which is usually refreshed on an annual basis and, amongst other matters, helps the Company to focus its resources;
- (b) a proportionate due diligence process for low, medium and high risk counterparties;
- (c) financial delegations of authority to appropriate personnel;
- (d) appropriate training to all Covered Persons;
- (e) the issuing and communication of this Policy to Covered Persons and the publishing of this Policy (and any updates to this Policy) on the Company's intranet site and external website;
- (f) regular communication to Covered Persons by senior and mid-level management of the importance of preventing corruption;
- (g) the accurate recording of all transactions within the Company's books and records, including those relating to gifts and hospitality (see Sections 8 and 4.5);
- (h) encouraging the raising of compliance issues, including pursuant to a Whistle-Blowing Policy whereby Covered Persons can approach the Company anonymously in relation to ethical concerns. A copy of the Whistle-Blowing Policy is available at <https://inspiredgaming.sharepoint.com/teams/HR/Company%20Policies/Forms/AllItems.aspx>;
- (i) appointment of a Compliance Manager with day-to-day responsibility for implementing this Policy and providing guidance on its interpretation, who in the first instance will be the Company's General Counsel, and if he/she is unavailable either the Chief Financial Officer or any other available member of the legal department ("**the Compliance Manager**");
- (j) investigation and where appropriate implementing disciplinary action, up to and including dismissal, regarding breaches of this Policy; and
- (k) periodic audit or review of the program's effectiveness to identify appropriate risk-based enhancements.

- 1.7 In this policy, “**third party**” means any individual or organisation a Covered Person may come into contact with during the course of working for, or involvement with, the Company, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, government and public bodies and charities, including their advisors, representatives and officials, politicians and political parties.
- 1.8 In this policy, “**Public Official**” includes the following categories of person: any officer or employee of a government or any department, agency or instrumentality, any person acting in an official capacity for or on behalf of any such government, department, agency, or instrumentality, any candidate for political office or holder of political office, any employee of a state-owned or controlled enterprise or company and any employee, officer or representative of a multinational organisation such as the United Nations.

## 2. **Who is covered by the Policy?**

This Policy applies to all staff of the Company and its subsidiaries working at all levels and grades, including directors, officers, employees (whether permanent, fixed-term or temporary) and to all third-party service providers to the Company and its subsidiaries, including but not limited to, agents, consultants, contractors, trainees, seconded staff, homeworkers, casual workers and agency staff, volunteers, interns, agents and sponsors (collectively “**Covered Persons**”).

## 3. **What is bribery?**

A bribe is the offer, requesting or receipt of anything of value intended to cause the recipient to improperly or corruptly perform his or her duties.

A bribe also occurs where a person offers a gift or entertainment to a third party where the offeror knows that third party is not allowed to receive the gift or entertainment e.g. because the third party is restricted by a relevant procurement or anti-corruption policy.

Important Notes:

- government authorities, including prosecutors, will always assume that anything of value offered to a Public Official is offered with an improper intention and is a bribe;
- “anything of value” need not be cash or a cash equivalent but could be an opportunity, employed position, unpaid internship, information, favour, gift, entertainment, act or omission or delay in any act or omission;

- there is no minimum amount for a bribe: all bribes, however small, are caught by this Policy (see Section 5 on Facilitation Payments and small bribes);
- a bribe can take the form of a reward and transfer can take place at a later date to the improper performance of duties;
- a bribe includes any direct or indirect bribe, whether for example offered or requested, received or paid via a third party such as an agent, relative, friend or charity;
- an offer or request is sufficient for a bribe to occur. No actual transfer of value is required; and
- the Company takes particularly seriously any bribe relating to a Public Official.

Below are examples to assist Covered Persons in determining whether there is a bribery risk. However, if in doubt about any transaction that may comprise bribery or corruption, Covered Persons must immediately seek guidance from their manager, and, if appropriate, the Compliance Manager. Should that escalation be considered inappropriate by the Covered Person, for instance because of a concern of retaliation, that person should refer to the Whistle-Blowing Policy

<https://inspiredgaming.sharepoint.com/teams/HR/Company%20Policies/Forms/AllItems.aspx>.

Examples:

**Offering a bribe**

You offer an employee of a client tickets to a major sporting event intending to influence that employee during a current bidding process.

This would be a bribe as you are making the offer to gain an improper commercial and contractual advantage. The Company may also be found to have breached relevant laws because the offer has been made to obtain business for the Company and the Company has failed to prevent the bribe. In addition, you may also have caused the employee of the client to commit an offence by accepting the bribe.

**Receiving a bribe**

A supplier gives your nephew a job, but makes it clear that **in return** they expect you to use your influence to ensure the Company continues to do business with them.

It is an offence for a supplier to make such an offer. It would also be an offence and a breach of this Policy for you to accept the offer, as you would be doing so to gain a personal advantage.

#### **Bribing a foreign official**

You arrange for the business to pay an additional unreceipted payment to a foreign Public Official to speed up an administrative process, such as the grant of approval for use of a product in a region.

The offence of bribing a foreign Public Official has been committed as soon as the offer is made. The Company may also be found to have committed an offence.

#### **4. Gifts and hospitality**

- 4.1 This Policy prohibits **all** forms of gifts and hospitality (offered and received) in relation to **Public Officials** without prior written approval of the Compliance Manager. In this regard the Compliance Manager will consider and comply with the requirements set out in Sections 4.2 (a-e) and 4.5 below and obtain specialist internal or external compliance advice, where appropriate. Gifts and hospitality in this category must always be recorded, pursuant to Sections 4.2(e), 4.6 and 8 of this Policy.
- 4.2 This Policy otherwise allows normal and appropriate gifts and hospitality (offered and received) up to a value of GBP 150 (i.e. or its equivalent in any other currency) to or from other third parties (**i.e. parties that are not Public Officials**) to legitimately maintain business relationships and/or showcase the Company's products, subject to the following conditions:
- (a) the gift or hospitality is approved by the Compliance Manager;
  - (b) the gift or hospitality is not made to influence a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
  - (c) the gift or hospitality is proportionate and either nominal in value or only of low value and not lavish, e.g. reasonable business lunches, soft drinks and short taxi trips;
  - (d) the gift or hospitality complies with US law, UK law and all local laws; and
  - (e) it does not otherwise bring the Company into disrepute.

In the event of any doubt as to whether the conditions have or will be met please contact the Compliance Manager in advance for approval.

4.3 Any gifts and hospitality:

- above GBP 150 (or its equivalent in any other currency) received or incurred outside of the U.K; or

- above the value of GBP 500 (or its equivalent in any other currency) received or incurred within the U.K

requires prior written approval of **both** the General Counsel and the Chief Financial Officer who will obtain specialist internal or external compliance advice, where appropriate. The Compliance Manager shall report to the Nominating, Governance and Compliance Committee on hospitality and gifts that have been approved pursuant to Section 4.1 (any benefits to Public Officials) or that fall within this Section 4.3 on a quarterly basis.

4.4 The cultural practice of giving and receiving business gifts in a commercial context only varies between countries and regions and what may be normal and acceptable in one region may not be in another. Notwithstanding this, the Company is subject to US and UK laws, and in particular the FCPA and the fact that the giving or receiving of business gifts may be seen as a "custom" in a particular country is not a defence under FCPA. As a result, Covered Persons must at a minimum, comply with the standards in this Policy. In addition, where Covered Persons are offering or receiving gifts or hospitality outside of the United States of America or the United Kingdom, they must also comply with any stricter local laws or regulations and where in doubt seek advice from the Compliance Manager.

4.5 It is never acceptable for a Covered Person (or someone on their behalf) to:

- (a) give, promise to give, or offer, a payment, gift or hospitality (whether tangible or intangible) with the intention that a business advantage will be received, or to reward a business advantage already given;
- (b) accept anything of value from a third party that they know or suspect is offered with the expectation that it will obtain a business advantage for them;
- (c) accept a gift or hospitality (whether tangible or otherwise) from a third party if they know or suspect that it is offered or provided with an expectation that a business advantage will be provided by the Company in return;
- (d) threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this Policy,

in breach of the Company's Whistle-Blowing Policy and Section 6 of the Company's Code of Ethics; and

- (e) provide any gift in cash (or cash equivalent form) and provide any entertainment or hospitality that is sexual in nature or otherwise would bring the Company into disrepute.

#### 4.6 Record-keeping for gifts and hospitality

All gifts and hospitality whether offered or received by a Covered Person (who is an officer, employee, worker or contractor of the Company) must be accurately recorded in the gifts and entertainment register issued and maintained by the Compliance Manager. All records must be created within a period of 10 working days from offer or acceptance of the gift or hospitality as appropriate (see also Section 8 for additional Record-keeping requirements).

### 5. **Facilitation payments and small bribes**

5.1 The Company does not make, and will not accept or permit, facilitation payments or "grease payments" of any kind. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine non-discretionary action by a Public Official. They are not often requested in the US or UK, but may be common practice in higher-risk jurisdictions in which the Company operates. Be under no doubt that whilst in some countries the culture of small bribes, facilitation payments or "grease payments" may be normal, they are unequivocally illegal, prohibited by this Policy and taken seriously by the Company.

5.2 In the rare circumstance where an extort payment is sought from a Covered Person under duress because that person reasonably believes that there is an imminent threat to their liberty or physical safety, the Covered Person must urgently seek the guidance of the Compliance Manager, a member of the Legal Department or an appropriate embassy. Where it is not safe to seek such guidance the Covered Person may make the extorted payment, but must notify the Compliance Manager as soon as it safe to do so. The Compliance Manager will then bring the payment to the attention of the Company's Ethics Committee and the payment will be accurately recorded in the Company's books and records pursuant to Section 8 of this Policy.

### 6. **Donations, Charity and Sponsorships**

The Company *does not* make contributions to political parties, and in many jurisdictions in which it operates, any such donation would be illegal. The Company will only consider making charitable donations or providing sponsorship where it is legal under local laws and ethical. No charitable



donation or sponsorship may be offered by any Covered Person without it meeting the requirements and approvals applied by the Company to gifts and hospitality pursuant to Section 4 above (save that prior written approval from the Compliance Manager will be required regardless of the monetary value), including as regards Record-keeping. In addition, charitable donations and sponsorships are subject to prior approval by the Nominating, Governance and Compliance Committee where in aggregate they exceed GBP 500 (or its equivalent in any other currency) to any person or entity within a twelve-month period.

## **7. Covered Persons' responsibilities**

7.1 Covered Persons must ensure that they read, understand and comply with this Policy and attend relevant training requested by the Company.

7.2 The prevention, detection and reporting of corruption and bribery are the responsibility of all Covered Persons. All Covered Persons are required to avoid any activity or behaviour that might lead to, or suggest, a breach of this Policy.

7.3 It is important that Covered Persons speak up as soon as possible where they suspect corrupt behaviour and the Company has therefore adopted a Whistle-Blowing Policy [https://inspiredgaming.sharepoint.com/teams/HR/Company%20Policies/Form s/AllItems.aspx](https://inspiredgaming.sharepoint.com/teams/HR/Company%20Policies/Form%20s/AllItems.aspx). "Red flags" that may indicate corruption or bribery are set out in the Schedule to this Policy.

7.4 The Company operates an email and telephone Ethics Hotline for Covered Persons to anonymously alert the Company of violations of this Policy, per Section 4 of the Code of Ethics and the Whistle-Blowing Policy.

7.5 A Covered Person who breaches this Policy may face disciplinary action, which could result in sanctions up to and including dismissal for gross misconduct or cause. The Company reserves the right to seek to terminate any contractual relationship with third parties, such as workers, consultants or agents if they breach this Policy.

## **8. Record-keeping**

8.1 Further to Section 2 of the Company's Code of Ethics, the Company and all Covered Persons must keep financial records and have appropriate internal controls in place which will evidence the business reason for making or receiving payments and/or gifts (whether tangible or intangible) to or from third parties.

8.2 Each Covered Person must ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with this

Policy and the Company's expenses policy and specifically record the reason for the expenditure.

- 8.3 All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept "off-book" to facilitate or conceal improper corrupt payments or bribes.

## 9. **Training and communication**

- 9.1 Training on this Policy forms part of the induction process for all new Covered Persons and is included in the Company induction pack. All existing Covered Persons will receive regular, relevant updates on how to implement and adhere to this Policy, especially those operating in the higher-risk areas identified in paragraph 1.5.

- 9.2 The Company's zero-tolerance approach to corruption and bribery must be communicated to all suppliers, contractors and business partners at the outset of any business relationship with them and as appropriate thereafter.

## 10. **Who is responsible for the Policy?**

- 10.1 The officers and senior management of the Company have ultimate overall responsibility for ensuring this Policy complies with all legal and ethical obligations, and that all those under the Company's control comply with it. The officers will annually review the Policy and re-issue the Policy with updates, as appropriate.

- 10.2 The Compliance Manager has primary and day-to-day responsibility for implementing this Policy, and for monitoring its use and effectiveness and dealing with any queries on its interpretation. Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this Policy and are given adequate and regular training on it.

## 11. **Monitoring and review**

- 11.1 The Compliance Manager will monitor the effectiveness and review the implementation of this Policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made and notified to Covered Persons as soon as possible. Internal control systems and procedures will be subject to regular audits, including audit by the Nominating, Governance and Compliance Committee of the Board, to provide assurance that the Policy is effective in countering corruption and bribery.

11.2 Covered Persons are invited to comment on this Policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the Compliance Manager.

12. **Miscellaneous**

This Policy does not form part of any Company employee's contract of employment and it may be amended at any time.

## **Schedule      Potential risk scenarios: "red flags"**

The following is a list of possible red flags that may arise during the course of you working for the Company and which may raise concerns under various anti-corruption and anti-bribery laws. The list is not intended to be exhaustive and is for illustrative purposes only. If you encounter any of these red flags while working for the Company or any other red flag which you consider material, you must report them promptly to your manager **or** to the Compliance Manager for further guidance:

- (a) you become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- (b) you learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials;
- (c) a third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
- (d) a third party claims to be able to more easily provide a service that you are aware in other cases has been difficult or time consuming because of government formalities.
- (e) a third-party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- (f) a third-party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- (g) a third party requests an unexpected additional fee or commission to "facilitate" a service;
- (h) a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- (i) a third-party requests that a payment is made to "overlook" potential legal violations;
- (j) a third-party requests that you provide employment or some other advantage to a friend or relative;
- (k) you receive an invoice from a third party that appears to be non-standard or customised;
- (l) a third party insists on the use of side letters or refuses to put terms agreed in writing;

- (m) you notice that we have been invoiced for a commission or fee payment that appears in appropriate given the service stated to have been provided;
- (n) a third-party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us; or
- (o) you are offered an unusually generous gift or offered lavish hospitality by a third party (for example a new TV, a holiday etc.).