



SCIENTIFIC GAMES CORPORATION

COMPENSATION COMMITTEE CHARTER

I. Purpose

The primary purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Scientific Games Corporation (the “Company”) is to help the Board discharge its responsibilities with respect to: (i) the compensation of the Company’s Chief Executive Officer (“CEO”) and other executive officers; (ii) the administration of the Company’s executive compensation and benefits programs; and (iii) the production of an annual report on executive compensation for inclusion in the Company’s proxy statement.

II. Membership

The Committee shall be comprised of three or more members of the Board, each of whom has been determined by the Board to: (i) meet the independence requirements under the listing standards of The Nasdaq Stock Market, LLC; (ii) qualify as a “non-employee director” within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934; and (iii) to the extent necessary or desirable, meet the “outside director” requirements of Section 162(m) of the Internal Revenue Code of 1986. The Board shall appoint all members of the Committee and the Chairman of the Committee. The members shall be appointed by the Board annually and serve until their successors shall be duly elected and qualified or until their earlier resignation or removal by the Board.

III. Duties and Responsibilities

The Committee shall have and may exercise the powers of the Board in matters relating to the following duties and responsibilities, to the fullest extent permitted by law:

A. Compensation of Executive Officers. The Committee is responsible for determining the compensation of the Company’s CEO and the other executive officers of the Company. This responsibility includes:

- (1) Establishing performance goals and objectives on an annual basis for the CEO and other executive officers and evaluating the performance of such persons in light of the approved goals and objectives.
- (2) Setting compensation levels, including salary and bonus potential, for the CEO and other executive officers and approving bonus awards, stock options and other equity grants for such persons, and, in the case of the CEO, presenting such determinations to the Board for its ratification. Neither the CEO nor any other executive officer may be present during the deliberations or voting on such person’s own compensation.
- (3) Reviewing the results of shareholder advisory votes regarding executive compensation.

B. Compensation Policies, Plans and Programs: The Committee will lead in developing and administering compensation and benefits policies, plans and programs for executive officers, subject to the following guidelines:

- (1) Policies, plans and programs include those that provide for incentive compensation, supplemental retirement compensation, severance and change-in-control compensation and other compensation and benefits for executive officers.

- (2) The Committee may develop and adopt new executive compensation plans or programs or amend existing arrangements and may present material plans and programs or amendments thereto to the Board for its review and approval.
 - (3) The Committee will approve executive employment and severance arrangements and other compensatory and change-in-control arrangements for executive officers.
- C. Executive Compensation Disclosure and Annual Reporting: The Committee shall review and discuss with management the Company's Compensation Discussion and Analysis ("CD&A") disclosure for the Company's annual proxy statement and, based on its review and discussions, may recommend to the Board that the CD&A be included in the Company's annual proxy statement. The Committee shall also produce annually a report on executive compensation to be included in the Company's proxy statement in accordance with applicable rules and regulations.
- D. Other Committee Authority. The Committee will also have the following other duties:
- (1) The Committee shall administer the Company's equity incentive plans and programs and approve awards thereunder.
 - (2) The Committee shall review and approve cash incentive compensation plans and programs, regardless of whether executive officers are participants therein, if (i) any individual participant under such plan or program could receive an amount thereunder in excess of \$250,000 or (ii) there would be more than 20 participants in such plan or program and the aggregate amount that may be paid thereunder exceeds \$5 million.
 - (3) The Committee shall review and recommend to the Board compensation arrangements for non-employee members of the Board. No member of the Committee will act to fix his or her own compensation except for uniform compensation to directors for their services as directors.
 - (4) The Committee shall, as appropriate, review and approve the setting of compensation levels for senior employees whose compensation is not otherwise determined by the Committee.
 - (5) The Committee shall, as appropriate, make recommendations to the Board with respect to the adoption of new employee benefit plans and new equity incentive plans and programs.
 - (6) The Committee may exercise such other rights, duties and obligations as may be ancillary to those specified herein or otherwise delegated to the Committee by the Board.
 - (7) The Committee shall discharge the responsibilities of the Committee under applicable rules and regulations.
 - (8) The Committee shall reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
 - (9) The Committee shall annually review and evaluate the performance of the Committee, including compliance by the Committee with this Charter.
 - (10) The Committee shall annually review planning for succession with respect to the position of Chief Executive Officer and other executive officers and senior management positions. To assist the Committee with this responsibility, the Chief Executive Officer will annually provide the Committee with recommendations and evaluations of potential successors to succeed him or her and other executive officers and members of senior management.

- (11) The Committee shall evaluate risks associated with the Company's compensation and benefits policies, plans and programs and discuss with management procedures to identify and mitigate such risks.

The Committee may delegate authority granted hereunder, to the extent permitted under applicable law, to a subcommittee of the Committee, management or any executive officer in order to ensure compliance with legal and regulatory obligations, to ensure timely decision-making or for other purposes. Delegation to executive officers or management may only occur with respect to matters affecting employees other than the person to whom authority is delegated and other than executive officers.

IV. Meetings

The Committee shall meet at least three times annually, or more frequently as the Committee may determine. The Committee shall meet in executive session at least on an annual basis. The Chairman or, in the event of the absence of the Chairman from any meeting, another member of the Committee designated by vote of the members in attendance at such meeting with a quorum being present, will chair all meetings of the Committee and set the agendas for Committee meetings with input from other members of the Committee. The Chairman shall report regularly on the Committee's activities and actions to the Board, including at the first Board meeting following any Committee meeting. The Committee shall keep regular minutes of its meetings and report the same to the Board from time to time and upon request.

V. Committee Resources and Advisors

The Committee shall have the authority, in its sole discretion, to retain or obtain the advice of compensation consultants, independent legal counsel or other advisers (each, a "compensation adviser") as it shall deem necessary to carry out its duties, without Board or management approval. Prior to selecting any compensation adviser, the Committee shall take into consideration the following factors:

- (1) The provision of other services to the Company by the person that employs the compensation adviser;
- (2) The amount of fees received from the Company by the person that employs the compensation adviser, as a percentage of the total revenue of the person that employs the compensation adviser;
- (3) The policies and procedures of the person that employs the compensation adviser that are designed to prevent conflicts of interest;
- (4) Any business or personal relationship of the compensation adviser with a member of the Committee;
- (5) Any stock of the Company owned by the compensation adviser; and
- (6) Any business or personal relationship of the compensation adviser or the person employing the compensation adviser with an executive officer of the Company.

The Company shall provide appropriate funding for the payment of reasonable compensation, as determined by the Committee, to compensation advisers. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation adviser.

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