



Affiliate Program - Business Alliance Emphasis

Micro Gaming Technologies, Inc. (MGT) is positioned as a fast-paced business in an ever-evolving industry that is constantly maneuvering through various technological disruptions.

This posture means that MGT must remain pliable to existing and upcoming business opportunities without falling victim to extensive bureaucratic processes. This “business first principal” will remain the primary emphasis of MGT’s strategic alliance strategy going forward. The primary intent is to remain flexible so that MGT can optimize revenue potential.

However, since the marketing & operational initiatives in the gaming space are rapidly evolving, many ancillary companies are also entering the industry. Thus, MGT will incorporate an affiliate due diligence review process prior to engaging with any third-party vendor going forward. These reviews are not only critical when first associating with a new affiliate, they should also be used to routinely check and ensure that the affiliate has been vetted for any changes from the previous review.

Affiliate Program – Legal, Risk and Regulatory Consideration

Due diligence reviews should be appropriate and not overly complicated when necessary. They should be based on each type of vendor and service so as not to bog down the alliance process.

In order to categorize the vast array of potential affiliates based on their third-party product(s) and service(s), MGT has determined that potential affiliates fall under one of the following classifications:

- Professional Services
- Access Data
- Access & Write Back Data
- Access / Write Back Data & Revenue Share

A mutual nondisclosure agreement (NDA) will serve as the first step towards defining a potential affiliate’s value, risk and subsequently, their eventual classification by MGT.

It is MGT’s intent to develop an affiliate agreement that can be used for each of the four classifications. Upon completion of the affiliate due diligence process, addendums can be added to the agreement that coincide with the level of engagement that MGT is willing to enter into with each individual third-party vendor. This formal engagement recognizes the vendor as an Affiliate of MGT.




Affiliate Program – Engagement Sequence:

When either a prospective third-party vendor approaches MGT or the reciprocal ensues the following process will commence:

- Prospective Affiliate completes the initial NDA
- MGT provides the MGT Affiliate Program Outline & Affiliate Due Diligence Questionnaire
- Prospective affiliate submits the completed Affiliate Questionnaire for consideration
- MGT notifies prospective Affiliate of final status
 - Should prospective Affiliate desire to develop to MGT's API
 - Affiliate will complete an API dev kit NDA
 - MGT will provide the approved affiliate the API dev kit
 - Affiliate will complete a Master Services Agreement (MSA)
 - Schedules will be attached to the MSA for each property location where an Affiliate has an agreement to utilize MGT's API




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MGT Professional Services Affiliate:

This level of affiliation includes companies that specialize in the use of the MGT solution and can assist MGT clients with strategic development and execution.

This level of engagement will afford third-party vendors the following benefits to affiliating with MGT:

- Advertise in our monthly newsletter
- Use of the "Powered by MGT" logo 
- Mutually directing links on each businesses' website
- Lead Generation Consideration

MGT Profession Services Affiliate Requirements:


Affiliates will share the successes of their work assisting the MGT client with MGT directly in written form. These affiliates will be invited to submit articles, white papers, case studies of their successes and/or other casino marketing messages for consideration for publication in MGT's newsletter(s) and/or any other forms of outreach that MGT elects to distribute. Digital and social media alliance may be requested. These affiliate relationships may be required to meet a minimum annual advertising presence with the use of the .

Through the due diligence phase of this level of relationship with MGT, MGT will review the affiliates product(s) and/or service(s) to ensure that their quality meets MGT's standards.

Additionally, MGT may require third party-vendors in this level to undergo the following risk assessments:


- Strategic Risk
- Reputation Risk
- Operational Risk
- Compliance Risk
- Pre & Post Affiliate Questionnaire
- Site Visit




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MGT Access Data Affiliate:

This level of affiliation includes companies with a product and/or service that integrates with the MGT solution and utilizes the interface for querying purposes.

- This level of engagement will afford third-party vendors the following benefits to affiliating with MGT:
 - Advertise in our monthly newsletter
 - Use of the 
 - Mutually directing links on each businesses' website
 - Sponsorship opportunities for MGT User Group Conferences
 - Preferred Lead Generation Consideration
 - Access to MGT developers and technicians

MGT Access Data Affiliate Requirements:

Affiliates will share the successes of their work assisting the MGT client with MGT directly in written form. These affiliates will be invited to submit articles, white papers, case studies of their successes and/or other casino marketing messages for consideration for publication in MGT's newsletter(s) and/or any other forms of outreach that MGT elects to distribute. Digital and social media alliance may be requested. These affiliate relationships may be required to meet a minimum annual advertising presence with the use of the .

Through the due diligence phase of this level of relationship with MGT, MGT will review the affiliates product(s) and/or service(s) to ensure that their quality meets MGT's standards.

Additionally, MGT may require third-party vendors in this level to undergo the following risk assessments:


- Strategic Risk
- Reputation Risk
- Operational Risk
- Compliance Risk
- Pre & Post Affiliate Questionnaire
- Transactional Risk
- Site Visit




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MGT Access & Write Back Data Affiliate:

This level of affiliation includes companies with a product and/or service that integrates with the MGT solution and utilizes the interface for querying purposes, analysis and write-back access. Additionally, these affiliates may include companies that MGT pulls data from to write-back to an MGT client's database.

- This level of engagement will afford third-party vendors the following benefits to affiliating with MGT:
 - Advertise in our monthly newsletter
 - Use of the 
 - Mutually directing links on each businesses' website
 - Sponsorship opportunities for MGT User Group Conferences
 - Highly Preferred Lead Generation Consideration
 - Access to MGT developers and technicians
 - Access to MGT lab environment for product testing
 - Access to MGT Support
 - Spotlight placement on MGT website

MGT Access & Write Back Data Affiliate Requirements:

Affiliates will share the successes of their work assisting the MGT client with MGT directly in written form. These affiliates will be invited to submit articles, white papers, case studies of their successes and/or other casino marketing messages for consideration for publication in MGT's newsletter(s) and/or any other forms of outreach that MGT elects to distribute. Digital and social media alliance may be requested. These affiliate relationships may be required to meet a minimum annual advertising presence with the use of the .

Through the due diligence phase of this level of relationship with MGT, MGT will review the affiliates product(s) and/or service(s) to ensure that their quality meets MGT's standards.

Additionally, MGT may require third party-vendors in this level to undergo the following risk assessments:

- Strategic Risk
- Reputation Risk
- Operational Risk
- Credit Risk
- Compliance Risk
- Pre & Post Affiliate Questionnaire
- Transactional Risk
- Site Visit




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MGT Partner Affiliate:

This level of affiliation includes companies with a product and/or service that integrates with the MGT solution and utilizes the interface for query purposes, analysis and write-back access with the intent to share revenues with MGT. Additionally, these affiliates may include companies that MGT pulls data from to write-back to an MGT client's database. This level of partner will receive and reciprocate sales efforts and will be entered into a commercial agreement with MGT.

- This level of engagement will afford third party vendors the following benefits to affiliating with MGT:
 - Advertise in our monthly newsletter
 - Use of the 
 - Mutually directing links on each businesses' website
 - MGT User Group Conference Alignment
 - Cooperative Sales and Complete Lead Sharing Consideration
 - Access to MGT developers and technicians
 - Access to MGT lab environment for product testing
 - Access to MGT Support
 - Product Spotlight on MGT website
 - Licensed Partner 
 - Product Development Cooperation
 - Access to enhanced MGT technical specifications and information
 - Shared MGT Booth Space
 - Revenue Alignment with MGT
 - Reciprocal Sales Efforts

MGT Partner Affiliate Requirements:

Affiliates will share the successes of their work assisting the MGT client with MGT directly in written form. These affiliates will be invited to submit articles, white papers, case studies of their successes and/or other casino marketing messages for consideration for publication in MGT's newsletter(s) and/or any other forms of outreach that MGT elects to distribute. Digital and social media alliance may be requested. These affiliate relationships may be required to meet a minimum annual advertising presence with the use of the .

Through the due diligence phase of this level of relationship with MGT, MGT will review the affiliates product(s) and/or service(s) to ensure that their quality meets MGT's standards.



Additionally, MGT may require third-party vendors in this level to undergo the following risk assessments:

- Strategic Risk
- Reputation Risk
- Operational Risk
- Transactional Risk
- Credit Risk
- Compliance Risk
- Financial Audit
- Pre & Post Partner Questionnaire
- Site Visit if Requested
- Revenue Share Financial Transparency



Defining Risk Categories:

Strategic risk is the risk arising from adverse business decisions, or the failure to implement appropriate business decisions in a manner that is consistent with the MGT's strategic goals. The use of a third-party to perform strategic marketing planning functions or to offer products or services that do not help MGT achieve corporate strategic goals and provide an adequate return on investment exposes MGT to strategic risk.

Reputation risk. Reputation risk is the risk arising from negative public and/or client opinion. Third-party relationships that result in dissatisfied MGT clients, interactions not consistent with MGT's policies, inappropriate recommendations, security breaches resulting in the disclosure of MGT's proprietary information, and violations of law and regulation are all harmful to the reputation and standing of MGT in the industry it serves. Also, any negative publicity involving the third-party, whether or not the publicity is related to the use of MGT's technology, could result in reputation risk for MGT.

Operational risk. Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and/or systems or from external events. Third-party relationships often can potentially subject MGT to operational risk with their unique processes and can increase the overall operational complexity with MGT and its clients.

Transaction risk. Transaction risk is the risk arising from problems with service or product delivery. A third-party vendor's failure to perform as expected by MGT's clients, those client's customers or MGT due to reasons such as inadequate capacity, technological failure, human error, or fraud, exposes MGT to transaction risk. The lack of an effective business resumption plan and appropriate contingency plans increase transaction risk. Weak control over technology used in the third-party arrangement may result in threats to security and the integrity of MGT's systems and resources. These issues could result in unauthorized system transactions or the inability to transact business as expected.

Credit risk. Credit risk is the risk that a third-party, or any other creditor necessary to the third-party relationship, is unable to meet the terms of the contractual arrangements with MGT or to otherwise financially perform as agreed. The basic form of credit risk involves the financial condition of the third-party itself. Some MGT affiliate agreements may provide that the third-party ensures some measure of performance related to obligations arising from the relationship. In these circumstances, the financial condition of the third-party may be a factor in assessing credit risk. Appropriate monitoring of the activity of the third-party is necessary to ensure that credit risk is understood and remains within MGT approved limits.



Compliance risk: Compliance risk is the risk arising from violations of laws, rules, or regulations, or from noncompliance with regulations, internal controls, policies and procedures or with the MGT’s business standards. This risk exists when the products or activities of a third party are not consistent with governing laws, rules, regulations, policies, or ethical standards. Additionally, the ability of the third-party vendor to maintain the privacy of customer(s) records and to implement an appropriate information security and disclosure program is another compliance concern. Liability could potentially extend to MGT when third-parties experience security breaches involving customer information and/or are in violation of the safeguarding of customer information standards under each gaming regulatory jurisdiction. Compliance risk is exacerbated when MGT has inadequate oversight, monitoring or audit access to these affiliates.

Other risks: The types of risk exposure by MGT’s decision to use a third-party cannot be fully assessed without a complete understanding of the resulting affiliate arrangement. Therefore, a comprehensive list of potential risks that could be associated with a third-party relationship is not possible. In addition to the risks described above, third-party relationships may also subject MGT to unforeseen risks. Due to this, MGT will evaluate each individual third party agreement separately to better ascertain the relationships potential overall risk.

Third Party Licensing: Whenever a primary software (PS) license is licensing one software product from the publisher to the reseller, any subsequent software is considered third-party software (TPS). This can lead to a situation whereby TPS creates a potential licensing risk:

1. If the license requires that the PS and TPS work together and is directly impacted by both the PS and TPS, then the risk level is critical for the PS developer.
2. If the TPS is bundled with PS by the PS publisher as part of a complete solution, and is explicitly or implicitly included in the license between the licensee and the PS publisher, then the risk level is also critical for the PS developer.

In most foreseeable circumstances, the risk potential from the two circumstances defined above would be negated with the TPS developer’s use of MGT’s API. The interoperability between MGT and the TPS developer would be directed by the API that MGT has developed.

Although, through the development of MGT’s API, MGT has monetarily and operationally invested to position itself optimally. It is therefore beneficial for MGT to engage in MGT Partner Affiliate Agreements whereby MGT shares in revenues generated through its use. These agreements also include significant protective legalese in order to limit MGT’s liabilities to both the TPS and the direct MGT client(s).