

**CHARTER OF THE  
AUDIT COMMITTEE  
OF THE BOARD OF DIRECTORS OF  
ACCEL ENTERTAINMENT, INC.**

**As adopted November 20, 2019**

**I. PURPOSE**

The purpose of the Audit Committee (the “*Committee*”) of the Board of Directors (the “*Board*”) of ACCEL ENTERTAINMENT, INC. (the “*Company*”) is to assist the Board in fulfilling its oversight responsibilities relating to the Company’s financial accounting, reporting, and controls. The Committee’s principal functions are to assist the Board in (i) its oversight of:

- the integrity of accounting and financial reporting processes of the Company and the audits of the Company’s financial statements by the Company’s independent auditors (the “*Independent Auditors*”);
- risk assessment and risk management;
- the periodic reviews of the adequacy of the accounting and financial reporting processes and systems of internal control that are conducted by the Independent Auditors and the Company’s financial and senior management;
- the qualifications, independence and performance of the Independent Auditors;
- the performance of the Company’s internal audit function; and
- compliance by the Company with legal and regulatory requirements.

and (ii) the production of the annual report of the Committee required by the rules of the Securities and Exchange Commission (the “*Commission*”).

This charter (the “*Charter*”) sets forth the authority and responsibility of the Committee in fulfilling its purpose. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company’s financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of the Company’s management and the Independent Auditors.

**II. MEMBERSHIP**

The Committee will consist of three or more members of the Board, except, as may be otherwise permitted by the Exchange Rules or the Exchange Act, each as defined below, a lesser number of members, with the exact number determined by the Board. Each member of the Committee will:

- be an “independent director” as defined under the applicable rules, regulations and listing requirements of the New York Stock Exchange, as amended from time to time, or any other primary stock exchange upon which the Company’s securities are listed or trading (the “*Exchange Rules*”), except as may otherwise be permitted by the Exchange Rules;

- be “independent” as defined in Section 10A(m) of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”) and Rule 10A-3 and any other rules and regulations promulgated by the Commission under the Exchange Act (the “*Commission Rules*”), except as may otherwise be permitted by the Commission Rules;
- not have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years;
- have the ability to read and understand fundamental financial statements and meet the financial sophistication and experience requirements of the Exchange Act, the Commission Rules and the Exchange Rules;
- be free from any relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment as a Committee member; and
- meet any other requirements imposed by applicable law, regulations or rules, subject to any applicable exemptions and transition provisions.

In addition, at least one member of the Committee will have prior experience in accounting, financial management or financial oversight, as required by the Exchange Rules, and qualify an “audit committee financial expert” as defined in Item 407(d)(5)(ii) of Regulation S-K promulgated by the Commission. The determination by the Board that a person is an “audit committee financial expert” will not impose on such person individually, on the Committee or on the Board as a whole, any greater duties, obligations or liability than would exist in the absence of such determination.

No member of the Committee may serve on the audit committee of more than three public companies, including the Company, unless the Board has determined that such simultaneous service would not impair the ability of such member to effectively serve on the Committee.

All members of the Committee will be appointed by, and will serve at the discretion of, the Board or for so long as each member remains a director or until his or her earlier resignation or removal from the Committee. The Board may appoint a member of the Committee to serve as the chairperson of the Committee (the “*Chair*”); if the Board does not appoint a Chair, the Committee members may designate a Chair by their majority vote. The Chair will set the agenda for Committee meetings and conduct the proceedings of those meetings. Members of the Committee may be replaced or removed by the Board at any time, with or without cause. Resignation or removal of a director from the Board, for whatever reason, will automatically constitute resignation or removal, as applicable, from the Committee. In the absence of the Chair at a duly convened meeting, the Committee shall select a temporary substitute from among its members to serve as chair of the meeting.

### **III. RESPONSIBILITIES AND DUTIES**

The principal responsibilities and duties of the Committee in serving the purposes outlined in Section I of this Charter are set forth below. These duties are set forth as a guide with the understanding that the Committee will carry them out in a manner that is appropriate given the Company’s needs and circumstances. The Committee may supplement them as appropriate and may establish policies and procedures from time to time that it deems necessary or advisable in fulfilling its responsibilities.

The Committee will:

**Financial Statements and Disclosures**

1. Review and discuss with management the Company's quarterly and audited financial results and the related earnings press release prior to distribution to the public, and periodically discuss on a general basis with management the type of information to be disclosed and type of presentation to be made regarding released financial information.
2. Review the Company's quarterly and annual financial statements.
3. In connection with the Committee's review of the annual financial statements and prior to the filing of the Company's quarterly or annual report on Form 10-Q and 10-K, respectively:
  - discuss the financial statements and the results of the Independent Auditors' audit or review of the financial statements with the Independent Auditors, any internal audit department, and management;
  - discuss any items required to be communicated by the Independent Auditors in accordance with the applicable requirements of the Public Company Accounting Oversight Board (the "*PCAOB*"). These discussions should include an overview of the audit strategy, the Independent Auditors' judgments about the quality and appropriateness of the Company's accounting principles, the reasonableness of significant judgments, the clarity of the disclosures in the Company's financial statements, the representations the Independent Auditors are requesting from the Company's management and any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
  - discuss with the Company's management and the Independent Auditors the Company's selection, application and disclosure of critical accounting policies and practices; and
  - review the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."
4. Recommend to the Board whether the annual financial statements should be included in the Company's Annual Report on Form 10-K.
5. In connection with the Committee's review of the quarterly financial statements:
  - discuss with the Independent Auditors and the Company's management the quarterly financial statements and the results of the Independent Auditors' SAS No. 100, *Interim Financial Information* (Codification of Statements on Auditing Standards, AS § 4105), or similar, review of the quarterly financial statements;
  - discuss significant issues, events and transactions and any significant changes regarding accounting principles, practices, policies, judgments or estimates with the Company's management and the Independent Auditors; and

- review the Company’s specific disclosures under “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

6. Discuss on a general basis the type of information to be disclosed and type of presentation to be made regarding financial information and earnings guidance to analysts and rating agencies.

### **Internal Controls**

7. Periodically discuss with the Company’s principal accounting officer and principal in-house legal counsel the function of the Company’s disclosure controls and procedures and any disclosure committee that may be established by the Company. Discuss with the Company’s Chief Executive Officer and Chief Financial Officer their conclusions regarding the effectiveness of the Company’s disclosure controls and procedures.

8. Review and discuss with the Independent Auditors and the Company’s management the certifications and any related disclosures made by the Chief Executive Officer and Chief Financial Officer in the Company’s periodic reports about the results of their periodic reviews of the adequacy and effectiveness of the Company’s accounting and financial reporting processes and systems of internal control, including any control deficiencies, significant deficiencies and material weaknesses in their design or operation and any necessary audit processes or procedures adopted in light of any control deficiencies.

9. Review any allegations of fraud involving management or any employee of the Company with a significant role in the Company’s accounting and internal controls over financial reporting that are disclosed to the Committee.

10. Before the issuance of the audit report, discuss any comments or recommendations of the Independent Auditors to be outlined in their annual management letter or internal control reports and any critical audit matters (CAMs) and related CAM disclosures that may arise. If appropriate, approve a schedule for implementing any recommended changes and monitor compliance with the schedule.

11. Periodically consult with the Independent Auditors out of the presence of the Company’s management about internal controls, the fullness and accuracy of the Company’s financial statements and any other matters that the Committee or the Independent Auditor believe should be discussed privately with the Committee.

12. Meet separately, periodically, with management and with internal auditors (or other personnel responsible for the internal audit function).

13. Review with management, the head of the internal audit function and the Independent Auditors the Company’s major financial risk exposures and assess the steps management has taken to monitor such exposures, including the Company’s procedures and any related policies, with respect to risk assessment and risk management.

14. Establish procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and (ii) the confidential anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters. Oversee the review of any such complaints and

submissions that have been received, including the current status and the resolution if one has been reached.

15. Establish, and oversee the activities of, an internal audit function within the Company as required by applicable Exchange Rules and recommend for Board approval all matters related to responsibilities, budget and staffing of the internal audit function, if any, including, the appointment and, if appropriate, replacement of the senior internal audit executive, if any.

16. Establish clear policies regarding the hiring of employees and former employees of the Company's Independent Auditor.

### **Independent Auditors**

17. Be directly responsible for the selection, appointment, evaluation, compensation, retention and if appropriate, replacement of the Independent Auditors, as well as the oversight of the work of the Independent Auditors (including resolution of disagreements between management and the auditor regarding financial reporting) and any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit-related services for the Company. The Independent Auditors will report directly to the Committee.

18. Review and discuss with the Independent Auditors and management (a) any significant audit problems or difficulties, including difficulties encountered by the Independent Auditors during their audit work (such as restrictions on the scope of their activities or their access to information), (b) any significant disagreements between management and the Independent Auditors and (c) management's response to these problems, difficulties or disagreements.

19. Review at least annually the continuing independence of the Independent Auditors, including:

- obtaining and reviewing, on an annual basis, a letter from the Independent Auditors describing all relationships between the Independent Auditors and the Company required to be disclosed by applicable requirements of the PCAOB;
- reviewing and discussing with the Independent Auditors their independence, including the nature and scope of any such relationships; and
- overseeing the rotation of the Independent Auditors' lead audit and concurring partners and the rotation of other audit partners, with applicable time-out periods, in accordance with applicable law; and
- taking, or recommending that the Board take, appropriate action to oversee the independence of the Independent Auditors, including discontinuing any relationships that the Committee believes compromises the independence of the Independent Auditors.

20. Approve the Company's hiring of employees or former employees of the Independent Auditors, as required by regulations and by applicable listing standards.

21. Review the Independent Auditors' audit planning, scope and staffing.

22. Approve the fees and other compensation to be paid to the Independent Auditors (or other registered public accounting firms), and pre-approve all audit and non-audit related services provided by the Independent Auditors (or other registered public accounting firms) permitted by the Exchange Rules, Commission Rules and applicable law or regulation. The Committee may establish pre-approval policies and procedures, as permitted by the Exchange Rules, Commission Rules and applicable law, for the engagement of the Independent Auditors (or other registered public accounting firms) to render services to the Company, including without limitation policies that would allow the delegation of pre-approval authority to one or more members of the Committee, provided that any pre-approval decision is reported to the Committee at its next scheduled meeting. The Committee shall receive certain disclosure, documentation and discussion of non-prohibited tax services by the Independent Auditors based on PCAOB Rule 3524, *Audit Committee Pre-Approval of Certain Tax Services*, or any successor.

23. Review and discuss with the Independent Auditors the reports delivered to the Committee by the Independent Auditors regarding:

- critical accounting policies, estimates and practices used;
- alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of the alternatives, and the treatment preferred by the Independent Auditors;
- other material written communications between the Independent Auditors and the Company's management, such as any management letter or schedule of unadjusted differences; and
- the effect or potential effect of any regulatory regime, accounting initiatives or off-balance sheet structures on the Company's financial statements.

24. Conduct an annual review of the qualifications and performance of the Independent Auditor, including the lead partner; the Independent Auditor's report describing its internal quality-control procedures; any material issues raised within the preceding five years respecting one or more independent audits carried out by the firm and any steps taken to deal with any such issues; and (to assess the auditor's independence) all relationships between the Independent Auditor and the Company.

#### **Internal Audit**

25. Oversee the activities of the internal audit function within the Company, if any.

26. Periodically meet separately with management and with internal auditors (or other personnel responsible for the internal audit function).

#### **Risk Oversight and Compliance**

27. Review with management the Company's major financial risk and enterprise exposures and the steps management has taken to monitor or mitigate such exposures, including the Company's procedures and any related policies with respect to risk assessment and risk management.

28. Review with management the Company's cybersecurity and other information technology risks, controls and procedures, including the Company's plans to mitigate cybersecurity risks and respond to data breaches.

29. Review with management the Company's risk exposures in other areas, as the Committee deems necessary or appropriate from time to time.

30. Review with management the Company's (a) programs for promoting and monitoring compliance with applicable legal and regulatory requirements and (b) major legal and regulatory compliance risk exposures and the steps management has taken to monitor or mitigate such exposures.

31. On a regular basis, review the status of any significant legal and regulatory matters and any material reports or inquiries received from regulators or government agencies that could reasonably be expected to have a significant impact on the Company's financial statements.

32. Establish procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, the prompt internal reporting of violations of the Code of Business Conduct and Ethics and confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters (the "*Whistleblower Policy*"), and any changes therein.

### **General**

33. Review and approve certain conflict of interest or related party transactions involving the Company and its directors, executive officers, significant stockholders or their immediate family members, in each case as described further in the Company's Related Party Transactions Policy.

34. Annually prepare a report to the Company's stockholders for inclusion in the Company's annual proxy statement as required by the Commission Rules.

35. Review and approve any proposed transaction between the Company and any related party (other than transactions that are subject to review by the Board as a whole or any other committee of the Board), as defined by applicable law, the Commission Rules and the Exchange Rules.

36. Perform any other activities required by applicable law, rules or regulations, including the Commission Rules and the Exchange Rules, and take such other actions and perform and carry out any other responsibilities and duties delegated to it by the Board or as the Committee deems necessary or appropriate consistent with its purpose.

## **IV. STUDIES AND ADVISERS**

The Committee, in discharging its responsibilities, may conduct, direct, supervise or authorize studies of, or investigations into, any matter that the Committee deems appropriate, with full and unrestricted access to all books, records, documents, facilities and personnel of the Company. The Committee has the sole authority and right, at the expense of the Company, to retain, direct and oversee the activities of, and to terminate the engagement of, legal and other consultants, accountants, experts and advisers of its choice to assist the Committee in connection with its functions, including any studies or investigations and will have direct oversight of the work performed by such advisors and the right to terminate their services. The Committee will have the

sole authority to approve the fees and other retention terms of such advisers. The Company will provide for appropriate funding, as determined by the Committee, for:

- payment of compensation to any search firms, legal counsel, accountants, experts and other advisers and consultants retained by the Committee; and
- ordinary administrative expenses of the Committee that are necessary and appropriate in carrying out its functions.

Irrespective of the retention of any search firms, legal counsel, accountants, experts and other advisers and consultants to assist the Committee, the Committee will exercise its own judgment in the fulfillment of its functions.

## **V. MEETINGS, ACTIONS WITHOUT A MEETING AND STAFF**

Meetings of the Committee shall be held at least once each quarter or more frequently, as determined appropriate by the Committee. The Chair, in consultation with the other member(s) of the Committee, will set the dates, times and places of such meetings. The Chair or any other member of the Committee may call meetings of the Committee by notice in accordance with the Company's Bylaws. A quorum of the Committee for the transaction of business will be a majority of its members and the affirmative vote of a majority of members present at the meeting at which a quorum is present shall constitute the action of the Committee. Meetings may be held via tele- or video-conference. The Committee may also act by unanimous written consent in lieu of a meeting in accordance with the Company's Bylaws. Subject to the requirements of this Charter, applicable law, the Exchange Rules and the Commission Rules, the Committee and the Chair may invite any director, executive or employee of the Company, or such other person, as it deems appropriate in order to carry out its responsibilities, to attend and participate (in a non-voting capacity) in all or a portion of any Committee meeting. The Committee may exclude from all or a portion of its meetings any person it deems appropriate in order to carry out its responsibilities. The Chair will designate a secretary for each meeting, who need not be a member of the Committee. The Secretary of the Company shall provide the Committee such staff support as it may require. The Committee shall otherwise establish its own rules of procedure.

## **VI. MINUTES AND REPORTS**

The Committee will maintain written minutes of its meetings and copies of its actions by written consent, and will cause such minutes and copies of written consents to be filed with the minutes of the meetings of the Board. The Chair will report to the Board from time to time with respect to the activities of the Committee, including on significant matters related to the Committee's responsibilities and the Committee's deliberations and actions. The minutes of the Committee and actions by the unanimous written consent of the Committee members will be made available to the other members of the Board.

## **VII. DELEGATION OF AUTHORITY**

The Committee may from time to time, as it deems appropriate and to the extent permitted under applicable law, the Exchange Rules and the Commission Rules, and the Company's Certificate of Incorporation and Bylaws, form and delegate, either exclusively or non-exclusively, authority to subcommittees. If designated, each such subcommittee will establish its own schedule



and maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

## **VIII. COMPENSATION**

Members of the Committee will receive such fees, if any, for their service as Committee members as may be determined by the Board, which may include additional compensation for the Chair. Such fees may include retainers or per meeting fees and will be paid in such form of consideration as is determined by the Board in accordance with applicable law, the Exchange Rules and the Commission Rules.

## **IX. REVIEW OF COMMITTEE COMPOSITION, PERFORMANCE AND CHARTER**

The Committee will evaluate the Committee's composition and performance on an annual basis and submit a report to the Board. The Committee also will review and reassess the adequacy of this Charter periodically, and recommend to the Board any changes the Committee determines are appropriate.

## **X. PUBLICATION**

The Company shall publish this Charter on the Company's web site.