**DATED \_\_May 2012**

**RANK GROUP FINANCE PLC  
(as *Borrower*)**

**THE RANK GROUP PLC  
(and other companies as *Guarantors*)**

**STANDARD CHARTERED BANK  
(as *Original* *Lender*)**

**£100,000,000  
TERM LOAN FACILITY AGREEMENT**

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**THIS AGREEMENT** is dated \_\_\_ May 2012 and made between:

1. **RANK GROUP FINANCE PLC** of Statesman House, Stafferton Way, Maidenhead, Berkshire, SL6 1AY (the ***Borrower***);
2. **THE RANK GROUP PLC** of Statesman House, Stafferton Way, Maidenhead, Berkshire, SL6 1AY (the ***Company***);
3. **THE COMPANIES** listed in Schedule 1 (*The Original Obligors*) as original guarantors (the ***Original Guarantors***); and
4. **STANDARD CHARTERED BANK** (the ***Original*** ***Lender***).

**IT IS AGREED** as follows:

1. DEFINITIONS AND INTERPRETATION
   1. Definitions

In this Agreement:

1. ***Accession Letter*** means a document substantially in the form set out in Schedule 5 (*Form of Accession Letter*) with such amendments as the Lender and the Company may agree.
2. ***Acquisition*** means the acquisition of the entire share capital of the Target by the Buyer in accordance with the Sale and Purchase Agreement.
3. ***Acquisition Documents***  means:

the Sale and Purchase Agreement;

the Trademark Licence Agreement;

the Intellectual Property Assignment Deed;

the Disclosure Letter;

the Transitional Services Agreement; and

the Escrow Deed,

documents (b) to (f) as defined in the Sale and Purchase Agreement.

1. ***Additional Borrower*** means a company which becomes an Additional Borrower in accordance with Clause 24 (*Changes to the Obligors*).
2. ***Additional Contributed Equity*** means the aggregate amount of all equity contributions received by the Group after the date of this Agreement made by way of consideration received for the issuance of shares by the Company and/or by way of Shareholder Loan provided such Shareholder Loan is subordinated to any amounts outstanding under the Finance Documents on terms satisfactory to the Lender.
3. ***Additional Guarantor*** means a company which becomes an Additional Guarantor in accordance with Clause 24 (*Changes to the Obligors*).
4. ***Additional Obligor*** means an Additional Borrower or an Additional Guarantor.
5. ***Affiliate*** means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company (including in each case any head offices and branches).
6. ***Alderney Guarantor*** means a Guarantor incorporated under the laws of Alderney.
7. ***Applicable Margin*** means 3.55 per cent. per annum.
8. ***Attributable EBITDA*** means, at any time, the Consolidated EBITDA that an asset or assets (if it is a series of linked disposals) has or have generated during the previous financial year of the Company, being an amount which is capable of being calculated from the management accounts which form the basis of the latest audited financial statements of the Company.
9. ***Availability Period*** means the period from and including the date of this Agreement to and including the earlier of (a) the Completion Date; (b) the date on which the Sale and Purchase Agreement is rescinded or terminated or lapses; (c) the date on which the OFT notify the Company or the Buyer that it has decided to refer the proposed Acquisition, or any part of it, to the Competition Commission; and (d) the date falling 6 Months after the date of this Agreement, and, in each case, if the Availability Period ends on a date that is not a Business Day, then the Availability Period shall end on the preceding Business Day.
10. ***Available Commitment*** means the Lender’s Commitment minus in relation to any proposed Utilisation, the amount of any Loans outstanding under the Facility and any Loans that are due to be made under the Facility on or before the proposed Utilisation Date.
11. ***Authorisation*** means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.
12. ***Break Costs*** means the amount (if any) by which:
    1. the interest (excluding the Applicable Margin and the Mandatory Cost) which the Lender should have received for the period from the date of receipt of all or any part of a Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

* 1. the amount which the Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank in the Relevant Interbank Market for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

***Business Day*** means a day (other than a Saturday or Sunday) on which banks are open for general business in London.

***Buyer*** means Rank Group Gaming Division Limited.

1. ***Cash or Cash Equivalents*** means, at any time:
   1. cash in hand or on deposit with any bank;
   2. certificates of deposit;
   3. any investment in marketable obligations issued or guaranteed by any government or by an instrumentality or agency of any of them having an equivalent credit rating;
   4. open market commercial paper;
   5. Sterling bills of exchange eligible for rediscount at the Bank of England (or any dematerialised equivalent);
   6. investments accessible within 30 days in money market funds; or
   7. any other debt, security or investment approved by the Lender,

excluding any of the above that:

* + 1. may not be set off against or act as security for the principal amounts of any Financial Indebtedness of any member of the Group (excluding, for these purposes, indebtedness under paragraph (c) and (f) of the definition of Financial Indebtedness in this Clause 1.1 (*Definitions*)) provided that for those purposes no negative pledge provision in this or any other agreement to which any member of the Group is a party will prevent any cash or cash equivalent being deemed available to act as security under this sub-paragraph (i); or
    2. is not readily remittable to the UK,

and Cash or Cash Equivalent shall be construed accordingly;

1. ***Commitment*** means £100,000,000 to the extent not cancelled or reduced under this Agreement.

***Completion Date*** means the date on which the Acquisition is completed under the Sale and Purchase Agreement.

***Compliance Certificate*** means a certificate substantially in the form set out in Schedule 7 (*Form of Compliance Certificate*).

1. ***Confidential Information*** means all information relating to the Company, any Obligor, the Group, the Finance Documents or the Facility of which the Lender becomes aware in its capacity as, or for the purpose of becoming, Lender or which is received by the Lender in relation to, or for the purpose of becoming the Lender under, the Finance Documents or the Facility from either:
   1. any member of the Group or any of its advisers; or
   2. another party, if the information was obtained by that party directly or indirectly from any member of the Group or any of its advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that:

* + 1. is or becomes public information other than as a direct or indirect result of any breach by the Lender of Clause 33 (*Confidentiality*); or
    2. is identified in writing at the time of delivery as non-confidential by any member of the Group or any of its advisers; or
    3. is known by the Lender before the date the information is disclosed to it in accordance with paragraphs (a) or (b) above or is lawfully obtained by the Lender after that date, from a source which is, as far as the Lender is aware, unconnected with the Group and which, in either case, as far as the Lender is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality.

1. ***Confidentiality Undertaking*** means a confidentiality undertaking substantially in a recommended form of the LMA or in any other form agreed between the Company and the Lender.
2. ***Consolidated EBITDA*** means in respect of any period, the total operating profit of the Group (and the share of any operating profit in respect of any joint ventures and associated undertakings) for continuing operations, acquisitions (as a component of continuing operations) and discontinued operations as set out in IAS 1 before interest, tax, depreciation of tangible assets, amortisation of intangible assets and acquisitions costs excluding in respect of the Group any exceptional profits or losses for such period.
3. ***Consolidated Net Borrowings*** means the aggregate of the following:
   1. outstanding principal amounts of all borrowings of the Group;
   2. monies otherwise raised by the Group by way of acceptance credits;
   3. the outstanding principal amount of the issue of any debenture, bond, note, loan stock or other security;
   4. the aggregate amount of all guarantees, indemnities and other assurances against financial loss given by the Group to secure similar liabilities of any person not a member of the Group
   5. the capitalised element of indebtedness under a finance lease or capital lease;
   6. the outstanding principal amount of all moneys owing in connection with the sale or discounting of receivables (otherwise than on a non-recourse basis);
   7. the outstanding principal amount of any indebtedness arising from any deferred purchase agreements arranged primarily as a method of raising finance or financing the acquisition of an asset;
   8. any fixed or minimum premium payable (as shown by the then latest audited consolidated balance sheet of the Group) on the repayment or redemption at its stated maturity of any instrument referred to in paragraph (c) above; and
   9. the outstanding principal amount of any indebtedness arising in connection with any other transaction (including any forward sale or purchase agreement) which has the commercial effect of a borrowing;
4. less Cash and Cash Equivalents,
5. all as calculated in accordance with generally accepted accounting principles in England and Wales.
6. ***Consolidated Net Interest Payable*** means in respect of each relevant period, the aggregate amount of the interest paid or accrued (including without limitation the current element of leasing and hire purchase payments and discount and acceptance fees payable (or deducted) in relation to any Financial Indebtedness) (whether or not paid or capitalised) by the Group in respect of the relevant period less the amount of interest received and less the amount of interest accrued due to the Group in respect of such relevant period, in each case as determined from the latest consolidated financial statements of the Group delivered pursuant to Clause 19.1 (*Financial statements*) of this Agreement.
7. ***CTA*** means the Corporation Tax Act 2009.
8. ***Default*** means an Event of Default or any event or circumstance specified in Clause 22 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.
9. ***Disruption Event*** means either or both of:
   1. a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or
   2. the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:
      1. from performing its payment obligations under the Finance Documents; or
      2. from communicating with other Parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

1. ***Drawing Fee*** means a fee of 0.40 per cent. of the Commitment as at the first Utilisation Date.
2. ***Due Diligence Reports*** means:
   1. a legal due diligence report issued by Freshfields Bruckhaus Deringer LLP;
   2. a working capital report issued by Ernst & Young; and
   3. carve‑out accounts prepared by PricewaterhouseCoopers in respect of the period 2009–2011.
3. ***Encumbrance*** means any mortgage, pledge, lien, charge, assignment by way of security, hypothecation or security interest or any other agreement or arrangement having the effect of conferring any of the same.
4. ***Environment*** means humans, animals, plants and all other living organisms including the ecological systems of which they form part and the following media:
   1. air (including, without limitation, air within natural or man-made structures, whether above or below ground);
   2. water (including, without limitation, territorial, coastal and inland waters, water under or within land and water in drains and sewers); and
   3. land (including, without limitation, land under water).
5. ***Environmental*** ***Law*** means any applicable law or regulation which relates to:
   1. the pollution or protection of the Environment;
   2. the conditions of the workplace; or
   3. the generation, handling, storage, use, release or spillage of any substance which, alone or in combination with any other, is capable of causing harm to the Environment, including, without limitation, any waste.
6. ***Event of Default*** means any event or circumstance specified as such in Clause 22 (*Events of Default*).
7. ***Facility*** means the Sterling term loan facility made available under this Agreement as described in Clause 2 (*The Facility*).
8. ***Facility Office*** means the office or offices notified by the Lender in writing on or before the date it becomes a Lender (or, following that date, by not less than five Business Days’ written notice) as the office or offices through which it will perform its obligations under this Agreement.
9. ***Finance Document*** means this Agreement, any Accession Letter, any Resignation Letter and any other document designated as such by the Lender and the Company.
10. ***Financial Indebtedness*** means any indebtedness incurred in respect of:
    1. borrowings;
    2. moneys raised by way of acceptance credits, finance leases or the issue of any debenture, bond, note, loan stock or other security;
    3. documentary credits;
    4. the acquisition cost of property, assets or services to the extent payable before or after the time of acquisition or possession by the party liable where the advance or deferred payment was arranged primarily as a method of raising finance or financing the acquisition of the property, assets or services acquired, but excluding liabilities incurred in relation to the acquisition of property, assets or services in the ordinary course of trading;
    5. any guarantee or indemnity or similar assurance against financial loss;
    6. net liabilities under interest rate exchange agreements, currency exchange agreements, interest rate cap, collar and floor agreements, forward rate agreements and other similar agreements and options with respect thereto;
    7. receivables sold or discounted (otherwise than on a non-recourse basis); and
    8. any other transaction which is required to be accounted for as a borrowing in accordance with GAAP.
11. ***GAAP*** means generally accepted accounting principles in the United Kingdom including IFRS.
12. ***Group*** means the Company and its Subsidiaries for the time being and ***member of the Group*** shall be construed accordingly.
13. ***Guarantor*** means an Original Guarantor or an Additional Guarantor, unless it has ceased to be a Guarantor in accordance with Clause 24 (*Changes to the Obligors*).
14. ***Holding Company*** means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.
15. ***HMRC*** means the Commissioners for Her Majesty’s Revenue & Customs.
16. ***IFRS*** means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

***Information Package*** means the financial model and financial projections prepared in connection with the Acquisition.

1. ***Intellectual Property*** means:
   1. any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered; and
   2. the benefit of all applications and rights to use such assets of each Obligor (which may now or in the future subsist).
2. ***Interest Period*** means, in relation to a Loan, each period determined in accordance with Clause 9 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 8.3 (*Default interest*).
3. ***ITA*** means the Income Tax Act 2007.
4. ***Legal Opinions*** means the legal opinions listed in Schedule 2.
5. ***Legal Reservations*** means:
   1. the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;
   2. the time barring of claims under the Limitation Acts, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim;
   3. similar principles, rights and defences under the laws of an Obligor’s jurisdiction of incorporation or place where it conducts its business; and
   4. any other matters which are set out as qualifications or reservations as to matters of law of general application in the Legal Opinions.
6. ***Lender*** means:
   1. the Original Lender; and
   2. any bank or financial institution which has become a Party in accordance with Clause 23 (*Changes to the Lender*),

which in each case has not ceased to be a Party in accordance with the terms of this Agreement.

1. ***LIBOR*** means, in relation to any Loan:
   1. the applicable Screen Rate; or
   2. (if no Screen Rate is available for the currency or Interest Period of that Loan) the rate quoted by the Lender to leading banks in the London interbank market,

as of the Specified Time on the Quotation Day for the offering of deposits in the currency of that Loan and for a period comparable to the Interest Period for that Loan and, if any such rate is below zero, LIBOR will be deemed to be zero.

1. ***Limitation Acts*** means the Limitation Act 1930 and the Foreign Limitation Periods Act 1984.
2. ***Loan*** means a loan made or to be made under the Facility or the principal amount outstanding for the time being of that loan.
3. ***LMA*** means the Loan Market Association.
4. ***Mandatory Cost*** means the percentage rate per annum calculated by the Lender in accordance with Schedule 4 (*Mandatory Cost Formulae*).
5. ***Market Disruption Event*** means:
   1. at or about noon on the Quotation Day for the relevant Interest Period the Screen Rate is not available and the Lender is unable to provide a quotation to determine LIBOR for the relevant currency and Interest Period; or
   2. before close of business in London on the Quotation Day for the relevant Interest Period, the Lender gives notification to the Company that the cost to it of obtaining matching deposits in the Relevant Interbank Market would be in excess of LIBOR.
6. ***Material Adverse Effect*** means a material adverse effect on:
   1. the ability of the Obligors (taken as a whole) to perform their obligations under any Finance Document; and
   2. the validity or enforceability of any Finance Document; or
   3. any right or remedy of the Lender in respect of a Finance Document.
7. ***Material Subsidiary*** means, at any time, (a) a Guarantor (other than the Company), or (b) a Subsidiary of the Company if the EBITDA or turnover of that Subsidiary (on an unconsolidated basis) then equals or exceeds 5 per cent of the Consolidated EBITDA or turnover of the Group.
8. For this purpose:
   1. subject to paragraph (b) below:
      1. the contribution of a Subsidiary of the Company will be determined from its financial statements which were consolidated into the latest audited consolidated financial statements of the Company;
      2. the financial condition of the Group will be determined from the latest audited consolidated financial statements of the Company; and
      3. the EBITDA of a Subsidiary of the Company will be determined in the same manner as for the Group in the definition of Consolidated EBITDA in Clause 1.1 (*Definitions*), but with references to Group being read as references to that Subsidiary alone;
   2. if a Subsidiary of the Company becomes a member of the Group after the date on which the latest audited consolidated financial statements of the Company were prepared:
      1. the contribution of the Subsidiary will be determined from its latest financial statements; and
      2. the financial condition of the Group will be determined from the latest audited consolidated financial statements of the Company but adjusted to take into account any subsequent acquisition or disposal of a business or a company (including that Subsidiary) on a pro forma basis;
   3. if a Material Subsidiary disposes of all or substantially all of its business or assets to another member of the Group, it will immediately cease to be a Material Subsidiary and the other member of the Group (if it is not the Company or already a Material Subsidiary) will immediately become a Material Subsidiary;
   4. a Subsidiary of the Company (if it is not already a Material Subsidiary) will become a Material Subsidiary on completion of any other intra-Group transfer or reorganisation if it would have been a Material Subsidiary had the intra-Group transfer or reorganisation occurred on the date of the latest audited consolidated financial statements of the Company; and
   5. except as specifically mentioned in paragraph (c) above, a member of the Group will remain a Material Subsidiary until the next audited consolidated financial statements of the Company show otherwise under paragraph (a) above.
9. If there is a dispute as to whether or not a member of the Group is a Material Subsidiary, a certificate of the auditors of the Company will be, in the absence of manifest error, conclusive.
10. ***Month*** means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:
    1. (subject to paragraph (c) below) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;
    2. if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and
    3. if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

The above rules will only apply to the last Month of any period.

1. ***Net Sale Proceeds*** means the Cash or Cash Equivalent proceeds (including, when received, the Cash or Cash Equivalent proceeds of any deferred consideration, whether by way of adjustment to the purchase price or otherwise) received by a member of the Group after the date of this Agreement in connection with the sale, transfer or other disposal by any member of the Group of an asset after deducting:
   1. reasonable fees and transaction costs properly incurred in connection with that sale, transfer or disposal; and
   2. Taxes paid or reasonably estimated by the Company to be payable (as certified by the Company to the Lender) as a result of that sale, transfer or disposal;
2. ***Net Subsidiary Indebtedness*** means, as of any date, (a) the aggregate amount of Financial Indebtedness of all Subsidiaries of the Company (other than, firstly, the Borrower, the Original Guarantors, or a Subsidiary of the Company that becomes an Additional Guarantor as of such date, or secondly, Rank Holdings (Netherlands) BV, Rank Holding Espana S.A.U, or Rank Overseas Holdings Limited in their capacity as guarantors under the Existing Facilities), excluding (i) Financial Indebtedness owing to either the Company or the Borrower and (ii) Financial Indebtedness acquired as a result of the acquisition of any member of the Group after the date of this Agreement, provided that such Financial Indebtedness was not incurred or increased in anticipation of such acquisition and only to the extent that such Financial Indebtedness was outstanding on the date of such acquisition, minus (b) the aggregate amount of cash held by each such Subsidiary (either in hand or at a bank) to the extent of Financial Indebtedness of such Subsidiary as determined in accordance with (a) above.
3. ***Obligor*** means the Borrower or a Guarantor.
4. ***OFT*** means the Office of Fair Trading.
5. ***OFT Divestment*** means a divestment of casinos by any member of the Group that the Company considers appropriate in order to secure, or pursuant to any conditions of, Regulatory Clearance.
6. ***Online Gambling*** means any form of online, internet or mobile phone gambling, gaming and betting services including, without limitation, remote gambling, mobile phone gambling, online sports betting and online fixed odds gaming.
7. ***Original Financial*** ***Statements*** means in relation to the Company, the audited consolidated financial statements of the Group for the financial year ended 31 December 2010.
8. ***Original Obligor*** means the Borrower or an Original Guarantor.
9. ***Party*** means a party to this Agreement.
10. ***Permitted Distribution*** means:
    1. the payment of a dividend to the Company or any of its wholly-owned Subsidiaries; or
    2. the payment of a dividend by the Company provided that when the dividend is declared no Event of Default has occurred and is continuing or would occur as a result of paying such dividend.
11. ***Permitted OFT Divestment*** means an OFT Divestment provided that the divested casinos together account for an amount in EBITDA (as defined in the Sale and Purchase Agreement) less than or equal to 13.9 per cent. of the earnings before interest, tax, depreciation and amortisation for the financial year ended on 24 September 2011 (after taking account of rents including under the Propco Leases (as defined in the Sale and Purchase Agreement) but before Unallocated Costs (as defined in the Sale and Purchase Agreement)) of the 23 Clubs (as defined in the Sale and Purchase Agreement).
12. ***Qualifying Lender*** has the meaning given to it in Clause 12 (*Tax Gross Up and Indemnities*).
13. ***Qualifying New Secured Loan*** means a loan entered into after the date of this Agreement by a member of the Group in connection with an acquisition for which security over the shares or assets being acquired is granted provided that the outstanding amount of such loan when aggregated with the outstanding amounts of all other Qualifying New Secured Loans at such time does not exceed an amount equal to the Additional Contributed Equity.
14. ***Quotation Day*** means, in relation to any period for which an interest rate is to be determined (if the currency is Sterling) the first day of that period.
15. ***Regulatory Clearance*** meansthe OFT having notified the Company or the Buyer in writing that it has decided not to refer the Acquisition, or any part of it, to the Competition Commission.
16. ***Relevant Interbank Market*** means in relation to euro, the European interbank market and, in relation to any other currency, the London interbank market.
17. ***Repeating Representations*** means each of the representations set out in Clauses 18.1 (*Status*) to Clause 18.6 (*Governing law and enforcement*) (inclusive), 18.11 (*No Default*), 18.12(c) (*Accounts*), 18.16 (*Tax Liabilities*), 18.17(a) and 18.17(b) (*No misleading information*), 18.18 (*Good Title to assets*) and 18.19 (*Intellectual Property*).
18. ***Representative*** means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.
19. ***Resignation Letter*** means a letter substantially in the form set out in Schedule 6 (*Form of Resignation Letter*).

***Sale and Purchase Agreement*** means the sale and purchase agreement dated on or about the date hereof between, amongst others, the Seller and the Buyer.

1. ***Screen Rate*** means in relation to LIBOR, the British Bankers Association Interest Settlement Rate for the relevant currency and period displayed on the appropriate page of the Reuters screen. If the agreed page is replaced or service ceases to be available, the Lender may specify another page or service displaying the appropriate rate after consultation with the Company.
2. ***Selection Notice*** means a notice substantially in the form set out in Part B of Schedule 3 (*Requests and Notices*).
3. ***Seller*** means Gala Coral Investments Limited.
4. ***Shareholder Loan*** means a loan from Guoco to any member of the Group.
5. ***Signing Fee*** means a fee of 0.50 per cent. of the Commitment as at the date of this Agreement.
6. ***Specified Time*** means a time determined in accordance with Schedule 8 (*Timetables*).
7. ***Sterling, £, pounds*** means the lawful currency for the time being of the UK.
8. ***Subsidiary*** means a subsidiary within the meaning of section 1159 of the Companies Act 2006 and, for the purposes of Clause 20 (*Financial Covenants*) and in relation to financial statements of the Group, a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006.
9. ***Target*** means Gala Casinos Limited.
10. ***Tax*** means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same). ***Taxation*** and ***Taxes*** shall be construed accordingly.
11. ***Termination Date*** means the date falling three years after the earlier of (a) the Completion Date, and (b) the date falling 90 days after the date of this Agreement.
12. ***Total Assets*** means, at any time, the consolidated total tangible gross assets of the Group as shown in the latest audited financial statements of the Company.
13. ***Transaction Documents*** means the Finance Documents and the Acquisition Documents.
14. ***Unpaid Sum*** means any sum due and payable but unpaid by an Obligor under the Finance Documents.
15. ***Utilisation*** means a utilisation of the Facility.
16. ***Utilisation Date*** means the date of a Utilisation, being the date on which the relevant Loan is to be made.
17. ***Utilisation Request*** means a notice substantially in the form set out in Part A of Schedule 3 (*Requests and Notices*).
18. ***VAT*** means:
    1. any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and
    2. any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere.
    3. Construction
       1. Unless a contrary indication appears, any reference in this Agreement to:
          1. the ***Lender***, any ***Obligor*** or any ***Party*** shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
          2. ***assets*** includes present and future properties, revenues and rights of every description;
          3. a ***Finance Document*** or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, extended or restated;
          4. ***indebtedness*** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
          5. a ***person*** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
          6. a ***regulation*** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law, but if not having the force of law, which is generally complied with by those to whom it is addressed) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self regulatory or other authority or organisation;
          7. a provision of law is a reference to that provision as amended or re enacted; and
          8. a time of day is a reference to London time.
       2. Section, Clause and Schedule headings are for ease of reference only.
       3. Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.
       4. A Default is ***continuing*** if it has not been remedied or waived.
    4. Third Party Rights
       1. Unless expressly provided to the contrary in a Finance Document a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the ***Third Parties*** ***Act***) to enforce or to enjoy the benefit of any term of this Agreement.
       2. Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Agreement at any time.
19. THE FACILITy
    1. The Facility

Subject to the terms of this Agreement, the Lender makes available to the Borrower a Sterling term loan facility in an amount equal to the Commitment.

* 1. Obligors’ Agent

Each Obligor irrevocably authorises and instructs the Company to sign, despatch and/or receive as its agent all documents and notices (including, if relevant, any Utilisation Request) to be signed, despatched and/or received by that Obligor, to take as its agent any other action necessary or desirable, under or in connection with the Finance Documents and confirms it will be bound by any action taken by the Company under or in connection with the Finance Documents.

1. PURPOSE
   1. Purpose

The Borrower shall apply all amounts borrowed by it under the Facility in or towards making a loan to the Buyer for the purpose of making a payment of the purchase price for the shares in the Target pursuant to the Sale and Purchase Agreement.

* 1. Monitoring

The Lender is not bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

1. CONDITIONS OF UTILISATION
   1. Initial conditions precedent

The Lender shall have no obligation to make any Utilisation available to the Borrower under this Agreement unless the Lender has received all of the documents and other evidence listed in Part A and Part B of Schedule 2 (*Conditions Precedent*) in form and substance satisfactory to it. The Lender shall notify the Company promptly upon being so satisfied.

* 1. Further conditions precedent

The Lender will only be obliged to make a Loan if on the date of the Utilisation Request and on the proposed Utilisation Date:

* + 1. no Default is continuing or would result from the proposed Loan; and
    2. the Repeating Representations to be made by each Obligor are true in all material respects.
  1. Maximum number of Loans
     1. The Borrower may not deliver a Utilisation Request if as a result of the proposed Utilisation 3 or more Loans would be outstanding. The facility may only be utilised on the Completion Date.
     2. The Borrower may not request that a Loan be divided if, as a result of the proposed division, 5 or more Loans would be outstanding.

1. UTILISATION
   1. Delivery of a Utilisation Request

The Borrower may utilise the Facility by delivery to the Lender of a duly completed Utilisation Request not later than the Specified Time.

* 1. Completion of a Utilisation Request
     1. Each Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:
        1. the proposed Utilisation Date is:
           1. the Completion Date; and
           2. a Business Day within the Availability Period;
        2. the currency and amount of the Utilisation comply with Clause 5.3 (*Currency and amount*); and
        3. the proposed Interest Period complies with Clause 9 (*Interest Periods*).
     2. Only one Loan may be requested in each Utilisation Request.
  2. Currency and amount
     1. The currency specified in a Utilisation Request must be Sterling.
     2. The amount of the proposed Loan must be a minimum of £20,000,000.
  3. Cancellation of Commitments

The Commitments which, at that time, are unutilised shall be immediately cancelled at the end of the Availability Period.

1. REPAYMENT
   1. Repayment of Loans

The Borrower shall repay the Facility in full on the Termination Date.

* 1. Reborrowing

The Borrower may not reborrow any part of the Facility which is repaid.

1. PREPAYMENT AND CANCELLATION
   1. Illegality

If it becomes unlawful in any applicable jurisdiction for the Lender to perform any of its obligations as contemplated by this Agreement or to fund or maintain any Loan:

* + 1. the Lender shall promptly notify the Company upon becoming aware of that event;
    2. upon the Lender notifying the Company, the Commitment will be immediately cancelled; and
    3. the Borrower shall repay Loans made to the Borrower on the last day of the Interest Period for each Loan occurring after the Lender has notified the Company or, if earlier, the date specified by the Lender in the notice delivered to the Company (being no earlier than the last day of any applicable grace period permitted by law).
  1. Change of control

If Guoco Group Limited ceases to hold, directly or indirectly 50.1% or more of the entire issued share capital of the Company:

* + 1. the Company shall promptly notify the Lender upon becoming aware of that event; and
    2. if the Lender so requires and notifies the Company within 30 days of the Company notifying the Lender of the event, the Lender shall, by not less than 5 days notice to the Company, cancel the Commitment and declare all outstanding Loans, together with accrued interest and any other amounts accrued under the Finance Documents immediately due and payable, whereupon the Commitment will be cancelled and all such outstanding amounts will become immediately due and payable.
  1. Disposal proceeds

The Borrower shall apply 57.14 per cent. of the Mandatory Disposal Proceeds towards the prepayment of the Loans made to the Borrower on the last day of the Interest Period for each Loan occurring after the date of any OFT Divestment where for these purposes ***Mandatory Disposal Proceeds*** means the Net Sale Proceeds received by any member of the Group (including any amount received in repayment of an intercompany receivable) in relation to such OFT Divestment.

* 1. Online Gambling

Without prejudice to Clause 7.1 (*Illegality*) if, in any jurisdiction where any member of the Group offers Online Gambling services:

* + 1. any law is enforced in a manner which prohibits, prevents or restricts the provision of Online Gambling in that jurisdiction; or
       1. in the reasonable opinion of the Lender (having taken advice from external legal counsel) there is:
          1. a change in policy or the application of policy by a relevant authority that results in a material risk of existing laws being applied to prohibit, prevent or restrict Online Gambling in that jurisdiction; or
          2. there is a change in law or a change in the interpretation of an existing law by a relevant authority that results in Online Gambling being prohibited, prevented or restricted in that jurisdiction;

(each of (i) and (ii) being an ***Online Gambling Prohibition***); and

* + 1. as a result of such change:
       1. there is potential liability for the Lender; or
       2. the Lender receives a formal notice or order from a regulatory or judicial authority which alleges that:
          1. a member of the Group has, because of its operations connected to on-line gaming, breached the laws prohibiting or restricting gambling or related financial services in the applicable jurisdiction; or
          2. it is or will become unlawful or contrary to a requirement, voluntary code or direction emanating from such authority for that Lender to perform any of its obligations under this Agreement or for that Lender to allow to remain outstanding all or any of the Utilisations made by it under this Agreement,

then the Lender may request that the Company procure that either (x) the relevant member of the Group ceases operations in that jurisdiction or takes such action required in order to comply with the applicable law in respect of Online Gambling within 90 days of the Lender’s request or (y) the Borrower shall repay all Loans made to the Borrower within 90 days of the Lender’s request, or such shorter period of time determined by the Lender (having taken advice from external legal counsel) and notified to the Company to be necessary to prevent the Lender from being in breach of any such law or having such liability (being no earlier than the last day of any applicable grace period permitted by law) and the Commitment shall be cancelled in full.

* + 1. The Company shall, within five Business Days of demand, indemnify the Lender and each officer or employee of the Lender, against any cost, loss or liability incurred by the Lender (or officer or employee of the Lender) arising in connection with a breach by any member of the Group of any Online Gambling Prohibition (including but not limited to those incurred in connection with any litigation, arbitration or administrative proceedings or regulatory enquiry concerning the Online Gambling Prohibition).
  1. Voluntary cancellation

The Company may, if it gives the Lender not less than 5 Business Days prior notice, cancel the whole or any part (being a minimum amount of £5,000,000 and in multiples of £1,000,000) of the Available Commitment without penalty.

* 1. Voluntary prepayment of Loans
     1. The Borrower may, if it gives the Lender not less than 5 Business Days prior notice, prepay the whole or any part of a Loan (but if in part, being an amount that reduces the amount of the Loan by a minimum amount of £2,000,000).
     2. If the Borrower elects to make a voluntary prepayment in respect of its £55,000,000 term loan facility made available by the Royal Bank of Scotland plc pursuant to a term loan facility agreement dated on or about the date of this Agreement or its £20,000,000 term loan facility made available by Credit Suisse AG, London Branch pursuant to a term loan facility agreement dated on about the date of this Agreement it shall, simultaneously with such prepayment make a pro rata prepayment of the Facility in accordance with paragraph (a) above.
  2. Restrictions
     1. Any notice of cancellation or prepayment given by any Party under this Clause 7 shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.
     2. Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs, without premium or penalty.
     3. The Borrower may not reborrow any part of a Loan which is prepaid.
     4. The Borrower shall not repay or prepay all or any part of the Loans or cancel all or any part of the Commitment except at the times and in the manner expressly provided for in this Agreement.
     5. No amount of the Commitment cancelled under this Agreement may be subsequently reinstated.

1. INTEREST
   1. Calculation of interest

The rate of interest on each Loan for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:

* + 1. Applicable Margin;
    2. LIBOR; and
    3. Mandatory Cost, if any.
  1. Payment of interest

The Borrower to which a Loan has been made shall pay accrued interest on that Loan on the last day of each Interest Period (and, if the Interest Period is longer than six Months, on the dates falling at six monthly intervals after the first day of the Interest Period).

* 1. Default interest
     1. If an Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (b) below, is two per cent. higher than the rate which would have been payable if the overdue amount had, during the period of non payment, constituted a Loan in the currency of the overdue amount for successive Interest Periods, each of a duration selected by the Lender (acting reasonably). Any interest accruing under this Clause 8.3 shall be immediately payable by the Obligor on demand by the Lender.
     2. If any overdue amount consists of all or part of a Loan which became due on a day which was not the last day of an Interest Period relating to that Loan:
        1. the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to that Loan; and
        2. the rate of interest applying to the overdue amount during that first Interest Period shall be one per cent. higher than the rate which would have applied if the overdue amount had not become due.
     3. Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.
  2. Notification of rates of interest

The Lender shall promptly notify the Borrower of the determination of a rate of interest under this Agreement.

1. INTEREST PERIODS
   1. Selection of Interest Periods
      1. The Borrower (or the Company on behalf of the Borrower) may select an Interest Period for a Loan in the Utilisation Request for that Loan, or (if the Loan has already been borrowed) in a Selection Notice.
      2. Each Selection Notice for a Loan is irrevocable and must be delivered to the Lender by the Borrower (or the Company on behalf of the Borrower) not later than the Specified Time.
      3. If a Borrower (or the Company) fails to deliver a Selection Notice to the Lender in accordance with paragraph (b) above, the relevant Interest Period will be one Month.
      4. Subject to this Clause 9, the Borrower (or the Company) may select an Interest Period of 1, 2, 3, 6 or 9 Months or any other period agreed between the Company and the Lender.
      5. An Interest Period for a Loan shall not extend beyond the Termination Date.
      6. Each Interest Period for a Loan shall start on the Utilisation Date, or (if already made) on the last day of its preceding Interest Period.
   2. Non Business Days

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

* 1. Consolidation and division of Loans
     1. Subject to paragraph (b) below, if two or more Interest Periods in respect of Loans end on the same date, those Loans will, unless the Borrower specifies to the contrary in a Selection Notice for the next Interest Period be consolidated into, and treated as, a single Loan on the last day of the Interest Period.
     2. Subject to Clause 4.3 (*Maximum number of Loans*) and Clause 5.3 (*Currency and amount*), if the Borrower requests in a Selection Notice that a Loan be divided into two or more Loans, that Loan will, on the last day of its Interest Period, be so divided with the amounts specified in that Selection Notice being in an aggregate amount equal to the amount of the Loan immediately before its division.

1. CHANGES TO THE CALCULATION OF INTEREST
   1. Market disruption
      1. If a Market Disruption Event occurs in relation to a Loan for any Interest Period, then the rate of interest on that Loan for the Interest Period shall be the percentage rate per annum which is the sum of:
         1. the Applicable Margin;
         2. the rate notified to the Company by the Lender as soon as practicable and in any event before interest is due to be paid in respect of that Interest Period, to be that which expresses as a percentage rate per annum the cost to the Lender of that Loan from whatever source it may reasonably select; and
         3. the Mandatory Cost, if any, applicable to the Lender in relation to the Loan.
   2. Alternative basis of interest or funding
      1. If a Market Disruption Event occurs and the Lender or the Company so requires, the Lender and the Company shall enter into negotiations (for a period of not more than thirty days) with a view to agreeing a substitute basis for determining the rate of interest.
      2. Any alternative basis agreed pursuant to paragraph (a) above shall be binding on all Parties.
   3. Break Costs
      1. The Borrower shall, within three Business Days of demand by the Lender, pay to the Lender its Break Costs attributable to all or any part of a Loan or Unpaid Sum being paid by the Borrower on a day other than the last day of an Interest Period for that Loan or Unpaid Sum.
      2. The Lender shall, as soon as reasonably practicable after a demand by the Company, provide a certificate confirming the amount, and the basis of calculation, of its Break Costs for any Interest Period in which they accrue.
2. FEES
   1. Commitment fee
      1. The Borrower shall pay to the Lender a fee computed at the rate of 30 per cent. of the Applicable Margin on the Available Commitment, from and including the date falling 60 days after the date of this Agreement until the end of the Availability Period.
      2. The accrued commitment fee is payable on the last day of the Availability Period and, if cancelled in full, at the time the cancellation is effective.
   2. Signing fee

The Borrower shall pay to the Lender the Signing Fee within five Business Days of the date of this Agreement.

* 1. Drawing fee

The Borrower shall pay to the Lender the Drawing Fee within five Business Days of the first Utilisation Date.

1. TAX GROSS UP AND INDEMNITIES
   1. Definitions

In this Agreement:

1. ***Bank*** means a bank for the purposes of section 879 of the ITA.
2. ***Qualifying Lender*** means:
   1. a Lender (other than a Lender within paragraph (ii) below) which is beneficially entitled to interest payable to that Lender in respect of an advance under a Finance Document and is:
      1. a Lender:
         1. which is a Bank making an advance under a Finance Document; or
         2. in respect of an advance made under a Finance Document by a person that was a Bank at the time that that advance was made,

and which is within the charge to United Kingdom corporation tax, or is a Bank, and would apart from section 18A of the CTA, be within the charge to United Kingdom corporation tax, as respects any payments of interest made in respect of that advance;

* + 1. a Lender which is:
       1. a company resident in the United Kingdom for United Kingdom tax purposes;
       2. a partnership each member of which is:
          1. a company so resident in the United Kingdom; or
          2. a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA;
       3. a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA) of that company; or
    2. a Treaty Lender; or
    3. a building society (as defined for the purposes of section 880 of the ITA) making an advance under a Finance Document.

***Tax Confirmation*** means a confirmation by a Lender that the person beneficially entitled to interest payable to that Lender in respect of an advance under a Finance Document is either:

* 1. a company resident in the United Kingdom for United Kingdom tax purposes;
  2. a partnership each member of which is:
     1. a company so resident in the United Kingdom; or
     2. a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA; or
  3. a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA) of that company.

1. ***Tax Credit*** means a credit against, relief or remission for, or repayment of any Tax.
2. ***Tax Deduction*** means a deduction or withholding for or on account of Tax from a payment under a Finance Document.
3. ***Tax Payment*** means either the increase in a payment made by an Obligor to the Lender under Clause 12.2 (*Tax gross up*) or a payment under Clause 12.3 (*Tax indemnity*).
4. ***Treaty Lender*** means a Lender which:
   1. is treated as a resident of a Treaty State for the purposes of the Treaty;
   2. does not carry on a business in the United Kingdom through a permanent establishment with which that Lender’s participation in the Loan is effectively connected; and
   3. meets all other conditions in the relevant Treaty for full exemption from Tax imposed by the United Kingdom on interest, except that for this purpose it shall be assumed that the following are satisfied:
      1. any condition which relates (expressly or by implication) to there not being a special relationship between the Borrower and the Lender or between both of them and another person, or to the amounts or terms of any Loan or the Finance Documents, or any other matter that is outside the exclusive control of the Lender; and
      2. any necessary procedural formalities.
5. ***Treaty State*** means a jurisdiction having a double taxation agreement (a ***Treaty***) with the United Kingdom which makes provision for full exemption from tax imposed by the United Kingdom on interest.
6. ***UK Non-Bank Lender*** means a Lender which gives a Tax Confirmation on becoming a Party.
7. Unless a contrary indication appears, in this Clause 12 a reference to ***determines*** or ***determined*** means a determination made in the absolute discretion of the person making the determination.
   1. Tax gross up
      1. Each Obligor shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.
      2. The Company shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Lender accordingly. Similarly, the Lender shall notify the Company on becoming so aware in respect of a payment payable to it. If the Company receives such notification from the Lender it shall notify that Obligor.
      3. If a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from that Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
      4. A payment shall not be increased under paragraph (c) above by reason of a Tax Deduction on account of Tax imposed by the United Kingdom, if on the date on which the payment falls due:
         1. the payment could have been made to the Lender without a Tax Deduction if the Lender had been a Qualifying Lender, but on that date the Lender is not or has ceased to be a Qualifying Lender other than as a result of any change after the date it became a Lender under this Agreement in (or in the interpretation, administration, or application of) any law or Treaty, or any published practice or published concession of any relevant taxing authority; or
         2. the Lender is a Qualifying Lender solely by virtue of paragraph (a)(ii) of the definition of Qualifying Lender; and:
            1. an officer of H.M. Revenue & Customs has given (and not revoked) a direction (a ***Direction***) under section 931 of the ITA which relates to the payment and the Lender has received from the Obligor making the payment or from the Company a certified copy of that Direction; and
            2. the payment could have been made to the Lender without any Tax Deduction if that Direction had not been made; or
         3. the Lender is a Qualifying Lender solely by virtue of paragraph (a)(ii) of the definition of Qualifying Lender and:
            1. the Lender has not given a Tax Confirmation to the Borrower; and
            2. the payment could have been made to the Lender without any Tax Deduction if the Lender had given a Tax Confirmation to the Borrower, on the basis that the Tax Confirmation would have enabled the Borrower to have formed a reasonable belief that the payment was an “excepted payment” for the purpose of section 930 of the ITA; or
         4. the Lender is a Treaty Lender and the Obligor making the payment is able to demonstrate that the payment could have been made to the Lender without the Tax Deduction had that Lender complied with its obligations under paragraph (g) below.
      5. If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
      6. Within thirty days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Lender a statement under section 975 of the ITA or other evidence reasonably satisfactory to the Lender that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.
      7. 1. Subject to paragraph (ii) below, the Lender (if it is a Treaty Lender) and each Obligor which makes a payment to which the Lender is entitled shall co‑operate in completing any procedural formalities necessary for that Obligor to obtain prior written authorisation to make that payment without a Tax Deduction.
         2. Nothing in paragraph (i) above shall require the Lender to:
            1. register under the HMRC DT Treaty Passport scheme;
            2. apply the HMRC DT Treaty Passport scheme to any Utilisation if it has so registered; or
            3. file Treaty forms if it has included an indication to the effect that it wishes the HMRC DT Treaty Passport scheme to apply to this Agreement in accordance with paragraph (h) below or paragraph (a) of Clause 12.6 (*HMRC DT Treaty Passport scheme confirmation*) and the Obligor making that payment has not complied with its obligations under paragraph (i) below or paragraph (b) of Clause 12.6 (*HMRC DT Treaty Passport scheme confirmation*).
      8. If the Lender which becomes a Party on the day on which this Agreement is entered into is a Treaty Lender and holds a passport under the HMRC DT Treaty Passport scheme, and wishes that scheme to apply to this Agreement, it shall include an indication to that effect (without liability to any Obligor) by including its scheme reference number and its jurisdiction of tax residence opposite its name in the recital of this Agreement.
      9. Where the Lender includes an indication as described in paragraph (h), the Borrower shall file a duly completed form DTTP2 in respect of the Lender with HM Revenue & Customs within 30 days of the date of this Agreement and shall promptly provide the Lender with a copy of (i) that filing, and (ii) the confirmation letter received from HM Revenue & Customs in relation to that filing.
      10. If the Lender has not included an indication to the effect that it wishes the HMRC DT Treaty Passport scheme to apply to this Agreement in accordance with paragraph (h) above or paragraph (a) of Clause 12.6 (*HMRC DT Treaty Passport scheme confirmation*), no Obligor shall file any form relating to the HMRC DT Treaty Passport scheme in respect of that Lender's Commitment or its participation in any Utilisation.
      11. A UK Non-Bank Lender shall promptly notify the Company if there is any change in the position from that set out in the Tax Confirmation.
   2. Tax indemnity
      1. The Borrower shall (within three Business Days of demand by the Lender) pay to the Lender an amount equal to the loss, liability or cost which the Lender determines will be or has been (directly or indirectly) suffered for or on account of Tax by the Lender in respect of a Finance Document.
      2. Paragraph (a) above shall not apply:
         1. with respect to any Tax assessed on the Lender:
            1. under the law of the jurisdiction in which the Lender is incorporated or, if different, the jurisdiction (or jurisdictions) in which the Lender is treated as resident for tax purposes; or
            2. under the law of the jurisdiction in which the Lender’s Facility Office is located in respect of amounts received or receivable in that jurisdiction,

if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by the Lender; or

* + - 1. to the extent a loss, liability or cost that will be or has been (directly or indirectly) suffered for or on account of Tax:
         1. is compensated for by an increased payment under Clause 12.2 (*Tax gross up*); or
         2. would have been compensated for by an increased payment under Clause 12.2 (*Tax gross up*) but was not so compensated solely because one of the exclusions in paragraph (d) of Clause 12.2 (*Tax gross up*) applied.
    1. The Lender making, or intending to make a claim under paragraph (a) above shall promptly notify the Company of the event which will give, or has given, rise to the claim.
  1. Tax Credit
     1. If an Obligor makes a Tax Payment and the Lender determines that:
        1. a Tax Credit is attributable either to an increased payment of which that Tax Payment forms part, or to that Tax Payment; and
        2. the Lender has obtained, utilised and retained that Tax Credit,

the Lender shall pay an amount to the Obligor which the Lender determines will leave it (after that payment) in the same after Tax position as it would have been in had the Tax Payment not been required to be made by the Obligor.

* 1. Lender Status Confirmation

A Lender which becomes a Party to this Agreement after the date of this Agreement shall notify the Company (without liability to any Obligor) as soon as reasonably practicable after that Lender becomes a Party, which of the following categories it falls in:

* + 1. not a Qualifying Lender;
    2. a Qualifying Lender (other than a Treaty Lender); or
    3. a Treaty Lender.

If that Lender fails to notify the Company of its status in accordance with this Clause 12.5 then such Lender shall be treated for the purposes of this Agreement (including by each Obligor) as if it is not a Qualifying Lender until such time as it notifies the Company which category applies.

* 1. HMRC DT Treaty Passport scheme confirmation
     1. A Lender which becomes a party to this Agreement after the date of this Agreement and is a Treaty Lender that holds a passport under the HMRC DT Treaty Passport scheme, and which wishes that scheme to apply to this Agreement, shall include an indication to that effect by notifying the Company (without liability to any Obligor) as soon as reasonably practicable after that Lender becomes a Party that it wishes that scheme to apply to this Agreement and of its scheme reference number and its jurisdiction of tax residence.
     2. Where such a Lender includes the indication described in paragraph (a) the Borrower shall file a duly completed form DTTP2 in respect of that Lender with HM Revenue & Customs within 30 days of that Lender becoming a Party and shall promptly provide the Lender with a copy of that filing.
  2. Stamp taxes
     1. Subject to paragraph (b) below, the Borrower shall pay and within three Business Days of demand, indemnify the Lender against any cost, loss or liability the Lender incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document.
     2. The Borrower shall not be liable under this Clause 12.7 for any stamp, registration and similar Taxes which may be payable in connection with the assignment or transfer or purported assignment or transfer of the benefits of this Agreement under Clause 23 (*Changes to the Lender*).
  3. VAT
     1. All amounts expressed to be payable under a Finance Document by any Party to the Lender which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is chargeable on that supply and, accordingly, if VAT is or becomes chargeable on any supply made by the Lender to any Party under a Finance Document and the Lender is required to account to the relevant tax authority for the VAT, that Party must pay to the Lender (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (and the Lender must promptly provide an appropriate VAT invoice to that Party).
     2. Where a Finance Document requires any Party to reimburse or indemnify the Lender for any cost or expense, that Party shall reimburse or indemnify (as the case may be) the Lender for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that the Lender reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.
     3. Any reference in this Clause 12.8 to any Party shall, at any time when such Party is treated as a member of a group for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the representative member of such group at such time (the term ***representative member*** to have the same meaning as in the Value Added Tax Act 1994).
     4. In relation to any supply made by the Lender to any Party under a Finance Document, if reasonably requested by the Lender, that Party must promptly provide the Lender with details of that Party’s VAT registration and such other information as is reasonably requested in connection with the Lender’s VAT reporting requirements in relation to such supply.

1. INCREASED COSTS
   1. Increased costs
      1. Subject to Clause 13.3 (*Exceptions*) the Borrower shall, within five Business Days of a demand by the Lender, pay for the account of the Lender the amount of any Increased Costs incurred by the Lender or any of its Affiliates as a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation by any governmental or regulatory authority or (ii) compliance with any law or regulation made after the date of this Agreement.
      2. In this Agreement ***Increased Costs*** means:
         1. a reduction in the rate of return from the Facility or on the Lender (or its Affiliate’s) overall capital;
         2. an additional or increased cost; or
         3. a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by the Lender or any of its Affiliates to the extent that it is attributable to the Lender having entered into its Commitment or funding or performing its obligations under any Finance Document.

* 1. Increased cost claims
     1. The Lender when intending to make a claim pursuant to Clause 13.1 (*Increased costs*) shall notify the Company of the event giving rise to the claim.
     2. The Lender shall, as soon as practicable after a demand by the Company, provide a certificate confirming the amount and basis of calculation of its Increased Costs to the Company.
     3. Notwithstanding paragraph (b) above, the Lender shall not be required to disclose any confidential information which is the subject of a duty of confidentiality the Lender has to any third party.
  2. Exceptions
     1. Clause 13.1 (*Increased costs*) does not apply to the extent any Increased Cost is:
        1. attributable to a Tax Deduction required by law to be made by an Obligor;
        2. compensated for by Clause 12.3 (*Tax indemnity*) (or would have been compensated for under Clause 12.3 (*Tax indemnity*) but was not so compensated solely because any of the exclusions in paragraph (b) of Clause 12.3 (*Tax indemnity*) applied);
        3. compensated for by the payment of the Mandatory Cost;
        4. attributable to the wilful breach by the Lender or its Affiliates of any law or regulation; or
        5. attributable to the implementation or application of or compliance with the “International Convergence of Capital Measurement and Capital Standards, a Revised Framework” published by the Basel Committee on Banking Supervision (**BCBS**) in June 2004 in the form existing on the date of this Agreement (but excluding any amendment arising out of Basel III) (***Basel II***) or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by a government, regulator, the Lender or any of its Affiliates).
     2. In this Clause 13.3, a reference to a ***Tax Deduction*** has the same meaning given to the term in Clause 12.1 (*Definitions*).
     3. In this Agreement, ***Basel III*** means the agreements on capital requirements, a leverage ratio and liquidity standards contained in “Basel III: A global regulatory framework for more resilient banks and banking systems”, “Basel III: International framework for liquidity risk measurement, standards and monitoring” and “Guidance for national authorities operating the countercyclical capital buffer” published by the BCBS in December 2010, each as amended, and together with any further guidance or standards in relation to ‘Basel III’.

1. OTHER INDEMNITIES
   1. Currency indemnity
      1. If any sum due from an Obligor under the Finance Documents (a ***Sum***), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the ***First Currency***) in which that Sum is payable into another currency (the ***Second Currency***) for the purpose of:
         1. making or filing a claim or proof against that Obligor;
         2. obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

that Obligor shall as an independent obligation, within three Business Days of demand, indemnify the Lender against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to the Lender at the time of its receipt of that Sum.

* + 1. Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.
  1. Other indemnities

The Company shall (or shall procure that an Obligor will), within three Business Days of demand, indemnify the Lender against any cost, loss or liability incurred by the Lender as a result of:

* + 1. the occurrence of any Event of Default;
    2. a failure by an Obligor to pay any amount due under a Finance Document on its due date;
    3. funding, or making arrangements to fund a Loan requested by the Borrower in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by the Lender alone); or
    4. a Loan (or part of a Loan) not being prepaid in accordance with a notice of prepayment given by the Borrower or the Company.

1. MITIGATION BY THE LENDER
   1. Mitigation
      1. The Lender shall, in consultation with the Company, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 7.1 (*Illegality*), Clause 12 (*Tax Gross Up and Indemnities*), Clause 13 (*Increased Costs*) or Schedule 4 (*Mandatory Cost Formulae*) including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.
      2. Paragraph (a) above does not in any way limit the obligations of any Obligor under the Finance Documents.
   2. Limitation of liability
      1. The Company shall promptly indemnify the Lender for all costs and expenses reasonably incurred by the Lender as a result of steps taken by it under Clause 15.1 (*Mitigation*).
      2. The Lender is not obliged to take any steps under Clause 15.1 (*Mitigation*) if, in the opinion of the Lender (acting reasonably), to do so might be materially prejudicial to it.
2. COSTS AND EXPENSES
   1. Transaction expenses

The Company shall within five Business Days of demand pay the Lender the amount of the reasonable costs and expenses (including legal fees) properly incurred by the Lender in connection with the negotiation, preparation, printing and execution of:

* + 1. this Agreement and any other Finance Documents referred to in this Agreement; and
    2. any other Finance Documents executed after the date of this Agreement.
  1. Amendment costs

If (a) an Obligor requests an amendment, waiver or consent or (b) an amendment is required pursuant to Clause 26.7 (*Change of currency*), the Company shall, within five Business Days of demand, reimburse the Lender for the amount of all reasonable costs and expenses (including legal fees) properly incurred by the Lender in responding to, evaluating, negotiating or complying with that request or requirement.

* 1. Enforcement costs

The Company shall, within three Business Days of demand, pay to the Lender the amount of all costs and expenses (including legal fees) incurred by the Lender in connection with the enforcement of, or the preservation of any rights under, any Finance Document.

1. GUARANTEE AND INDEMNITY
   1. Guarantee and indemnity

Each Guarantor irrevocably and unconditionally jointly and severally:

* + 1. guarantees to the Lender punctual performance by the Borrower of all the Borrower’s obligations under the Finance Documents;
    2. undertakes with the Lender that whenever the Borrower does not pay any amount when due under or in connection with any Finance Document, that Guarantor shall immediately on demand pay that amount as if it was the principal Obligor; and
    3. agrees with the Lender that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify the Lender immediately on demand against any cost, loss or liability it incurs as a result of the Borrower not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due. The amount payable by a Guarantor under this indemnity will not exceed the amount it would have had to pay under this Clause 17 if the amount claimed had been recoverable on the basis of a guarantee.
  1. Continuing guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

* 1. Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is made by the Lender in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Guarantor under this Clause 17 will continue or be reinstated as if the discharge, release or arrangement had not occurred.

* 1. Waiver of defences

The obligations of each Guarantor under this Clause 17 will not be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under this Clause 17 (without limitation and whether or not known to it or the Lender) including:

* + 1. any time, waiver or consent granted to, or composition with, any Obligor or other person;
    2. the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
    3. the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
    4. any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
    5. any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or any other document or security including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;
    6. any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
    7. any insolvency or similar proceedings (or in respect of the Alderney Guarantor any insolvency or similar proceedings which, without limitation, shall include each of (i) the commencement of the process towards the making of a declaration that the affairs of a party are *en état de désastre* (or the making of such a declaration) and (ii) any steps being taken towards the making of an application for a preliminary vesting order in saisie proceedings in respect of any realty of such a party (or the making of such a preliminary vesting order)).
  1. Immediate recourse
     1. Each Guarantor waives any right it may have of first requiring the Lender (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Guarantor under this Clause 17. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.
     2. Each Guarantor further waives and abandons any right which it has or may at any time have under the existing or future laws of the Bailiwick of Guernsey pursuant to the principle of *"droit de discussion"* or otherwise to require that recourse be had to the assets of a principal before any action is taken hereunder against such Guarantor and further the Guarantor covenants that if at any time the Lender sues such Guarantor in respect of the obligations hereunder and a relevant principal is not sued then the Guarantor shall not claim pursuant to the principle of *"droit de division"* or otherwise that the relevant principal be made a party to the proceedings and/or that the liability of such Guarantor be divided or apportioned with the relevant principal or any other person and each Guarantor agrees to be bound by the provisions of this Agreement whether the formalities required by any local customs or law whether existing or future in regard to the rights or obligations of surety shall or shall not have been observed.
  2. Appropriations

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, the Lender (or any trustee or agent on its behalf) may:

* + 1. refrain from applying or enforcing any other moneys, security or rights held or received by the Lender (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and
    2. hold in an interest bearing suspense account any moneys received from any Guarantor or on account of any Guarantor’s liability under this Clause 17.
  1. Deferral of Guarantors’ rights

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Lender otherwise directs, no Guarantor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this Clause 17:

* + 1. to be indemnified by an Obligor;
    2. to claim any contribution from any other guarantor of any Obligor’s obligations under the Finance Documents;
    3. to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Lender under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by the Lender;
    4. to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Guarantor has given a guarantee, undertaking or indemnity under Clause 17.1 (*Guarantee and indemnity*);
    5. to exercise any right of set-off against any Obligor; and/or
    6. to claim or prove as a creditor of any Obligor in competition with the Lender.

If a Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Lender by the Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Lender and shall promptly pay or transfer the same to the Lender in accordance with Clause 26 (*Payment Mechanics*).

* 1. Release of Guarantors’ right of contribution

If any Guarantor (a ***Retiring Guarantor***) ceases to be a Guarantor in accordance with the terms of the Finance Documents for the purpose of any sale or other disposal of that Retiring Guarantor then on the date such Retiring Guarantor ceases to be a Guarantor:

* + 1. that Retiring Guarantor is released by each other Guarantor from any liability (whether past, present or future and whether actual or contingent) to make a contribution to any other Guarantor arising by reason of the performance by any other Guarantor of its obligations under the Finance Documents; and
    2. each other Guarantor waives any rights it may have by reason of the performance of its obligations under the Finance Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Lender under any Finance Document or of any other security taken pursuant to, or in connection with, any Finance Document where such rights or security are granted by or in relation to the assets of the Retiring Guarantor.
  1. Additional security

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by the Lender.

1. REPRESENTATIONS

Each Obligor makes the representations and warranties set out in this Clause 18 (other than Clause 18.26 (*Due Diligence Reports*) which are deemed to be made on the date of the relevant Due Diligence Report) to the Lender on the date of this Agreement.

* 1. Status

It is a limited liability company, duly incorporated, validly existing under its jurisdiction of incorporation (as set out opposite its name in Schedule 1 (*The Original Obligors*) or as specified in an Accession Letter) and each member of the Group has the power to own its property and assets and carry on its business as it is now being conducted.

* 1. Binding obligations

Subject to the Legal Reservations, the obligations expressed to be assumed by it in each Transaction Document to which it is a party are legal, valid, binding and enforceable obligations.

* 1. Power and authority

It has the power to enter into, perform and deliver and has taken all necessary action to authorise the entry into, performance and delivery of the Transaction Documents and the transactions contemplated thereby.

* 1. Validity and admissibility in evidence

All Authorisations required:

* + 1. to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party; and
    2. to make the Transaction Documents to which it is a party admissible in evidence in its jurisdiction of incorporation,

have been obtained or effected and are in full force and effect (or, in each case, will be when required).

* 1. Non conflict with other obligations

The entry into and performance of the Transaction Documents and the transactions contemplated thereby, do not and will not at the relevant time:

* + 1. subject to obtaining Regulatory Clearance, conflict with any applicable law or regulation or any official or judicial order; or
    2. conflict with the constitutional documents of any member of the Group; or
    3. conflict with any agreement or document to which it is a party or which is binding upon any member of the Group or any of its assets breach of which would have a Material Adverse Effect; or
    4. result in the creation or imposition of any Encumbrance on its assets pursuant to the provisions of any agreement or document.
  1. Governing law and enforcement
     1. The choice of governing law of the Finance Documents will be recognised and enforced in its jurisdiction of incorporation.
     2. Any judgment obtained in England in relation to a Finance Document in the jurisdiction of the governing law of that Finance Document will be recognised and enforced in its jurisdiction of incorporation.
  2. Authorisations

All Authorisations (other than the Regulatory Clearance required as a condition to completion of the Acquisition under the Sale and Purchase Agreement), required by it in connection with entry into, performance, validity and enforceability of, and the transaction contemplated by, the Acquisition Documents have been obtained or effected (as appropriate) and are in full force and effect.

* 1. Insolvency

No corporate action, legal proceeding or other procedure or step described in clauses 22.7 (*Administration*) to 22.13 (*Analogous Proceedings*) has been taken or, to the knowledge of the Company, threatened in relation to a member of the Group; and none of the circumstances described in Clause 22.6 (*Insolvency*) applies to a member of the Group.

* 1. No filing or stamp taxes

Under the laws of its jurisdiction of incorporation it is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar taxes be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents.

* 1. Deduction of Tax

It is not required to make any deduction for or on account of Tax from any payment it may make under any Finance Document to a Lender which is:

* + 1. a Qualifying Lender:
       1. falling within paragraph (a)(i) of the definition of Qualifying Lender; or
       2. except where a Direction has been given under section 931 of the ITA in relation to the payment concerned, falling within paragraph (a)(ii) of the definition of Qualifying Lender; or
       3. falling within paragraph (a)(ii) of the definition of Qualifying Lender; or
    2. a Treaty Lender and the payment is one specified in a direction given by the Commissioners of Revenue & Customs under Regulation 2 of the Double Taxation Relief (Taxes on Income) (General) Regulations 1970 (SI 1970/488).
  1. No Default
     1. No Default has occurred and is continuing or might reasonably be expected to result from the entry into, or the performance of any transaction contemplated by, any Transaction Document.
        1. No other event or circumstance has occurred which constitutes a default under or in respect of any other agreement or document to which any member of the Group is a party or by which any member of the Group may be bound or to which any member of the Group’s assets are subject; and
        2. no event or circumstance has occurred which, with the giving of notice, lapse of time, determination of materiality or the fulfilment of any other applicable condition (or any combination of the foregoing), might constitute a default under or in respect of any such agreement or document,

in either case to an extent or in a manner which might have a Material Adverse Effect.

* 1. Accounts
     1. The Original Financial Statements (which have been prepared in accordance with GAAP consistently applied) fairly represent the consolidated financial condition of the Group as at the date to which they were drawn up and there has been no material adverse change in the consolidated financial condition of the Group since that date.
     2. There has been no material adverse change in the assets, business or financial condition of the Group since the date of the Original Financial Statements as at the date of this Agreement and as at the Completion Date.
     3. The latest audited consolidated accounts of the Group delivered to the Lender under Clause 19.1 (*Financial statements*) (which have been prepared in accordance with GAAP consistently applied) fairly represent the consolidated financial condition of the Group as at the date to which they were drawn up.
  2. Pari Passu

Its payment obligations under the Finance Documents rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

* 1. Litigation

No litigation, arbitration or administrative proceedings are current or, to its knowledge, pending or threatened against it or any of its Subsidiaries, which are reasonably likely to be adversely determined and, if so determined, would have a Material Adverse Effect.

* 1. No breach of laws
     1. It and each of its Subsidiaries has not breached any law or regulation which breach has or is reasonably likely to have a Material Adverse Effect.
     2. It and each of its Subsidiaries is not in breach of the Gaming Act 2005 (or any other gaming laws, regulations or codes of practice applicable to it or any of its Subsidiaries in any jurisdiction) or any licence granted under such laws, regulations or codes of practice which breach has or is reasonably likely to have a Material Adverse Effect.
     3. It and each of its Subsidiaries has not,  to the best of its knowledge, acted illegally or contrary to public policy in any jurisdiction or carries on any business which is reasonably likely to result in any actual or contingent liability for the Lender
  2. Tax Liabilities

It and each of its Subsidiaries has complied in all material respects with all Taxation laws in all jurisdictions in which it is subject to Taxation and no claims are being asserted against it with respect to Taxes which might, if adversely determined, have a Material Adverse Effect.

* 1. No misleading information
     1. Any written factual information provided by any member of the Group to the Lender in connection with this Agreement was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.
     2. No information has been given or withheld that results in the information referred to in paragraph (a) above being untrue or misleading in any material respect.
     3. As at the date of this Agreement, to the best of the Company’s knowledge and belief, no representation or warranty (as qualified by any related disclosure letter or schedule to the Acquisition Documents) given by any party in the Acquisition Documents is untrue or misleading in any material respect.
     4. The Acquisition Documents contain all the material terms of the Acquisition as at the date of this Agreement and at Completion save as amended under Clause 21.17 (*Acquisition Documents*).
  2. Good title to assets

It and each of its Subsidiaries has a good, valid and marketable title to, or valid leases or licences of, and all appropriate Authorisations to use, the assets necessary to carrying on its business as presently conducted where failure to do so would have a Material Adverse Effect.

* 1. Intellectual Property

It and each of its Subsidiaries:

* + 1. is the sole legal and beneficial owner of or has licensed to it on normal commercial terms all the Intellectual Property which is material in the context of the business of the Group and which is required by the Group in order to carry on the Group’s business as it is being conducted at the date of this Agreement and at Completion;
    2. does not in carrying on its businesses, infringe any Intellectual Property of any third party in any respect which has or is reasonably likely to have a Material Adverse Effect; and
    3. has taken all formal or procedural actions (including payment of fees) required to maintain any material Intellectual Property owned by it.
  1. Insurance

It and each of its Subsidiaries effects and maintains such insurance over and in respect of its respective assets and business and in such manner and to such extent as is reasonable and customary for a business enterprise engaged in the same or a similar business and in the same or similar localities unless the writing off as a total loss of all those assets in respect of which insurance has not been effected and maintained would not materially and adversely affect its ability to perform its obligations under this Agreement.

* 1. Centre of main interests and establishments

For the purposes of The Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings (the ***Regulation***), its centre of main interest (as that term is used in Article 3(1) of the Regulation) is situated in its jurisdiction of incorporation.

* 1. Immunity

As at the date of this Agreement:

* + 1. the execution of each Finance Document constitutes, and the exercise by it of its rights and performance of its obligations under each Finance Document will constitute, private and commercial acts performed for private and commercial purposes; and
    2. it will not be entitled to claim immunity from suit, execution, attachment or other legal process in any proceedings taken in its jurisdiction of incorporation in relation to any Finance Document.
  1. No adverse consequences
     1. It is not necessary under the law of the jurisdiction of its incorporation:
        1. in order to enable any Lender to enforce its rights under any Finance Document; or
        2. by reason of the execution of any Finance Document or the performance by it of its obligations under any Finance Document,

that any Lender should be licensed, qualified or otherwise entitled to carry on its business in the jurisdiction of its incorporation.

* + 1. No Lender is or will be deemed to be resident, domiciled or carrying on business in the jurisdiction of its incorporation by reason only of the execution, performance and/or enforcement of any Finance Document.
  1. Guarantor coverage test

As at the date of this Agreement, the aggregate unconsolidated EBITDA and unconsolidated turnover of the Guarantors (without double counting and excluding any dividends or other distributions from members of the Group) exceeds 80 per cent. of, respectively, Consolidated EBITDA and consolidated turnover of the Group, in each case calculated by reference to the most recent annual audited consolidated financial statements of the Group.

* 1. Material Subsidiaries

As at the date of this Agreement, the list of Original Guarantors listed in Schedule 1 (*The Original Obligors*) constitutes a full and correct list of all the Material Subsidiaries.

* 1. Due Diligence Reports

In the case of the Company only as at the date of the relevant Due Diligence Report:

* + 1. all factual information provided by or on behalf of any member of the Group to each firm which prepared a Due Diligence Report was true in all material respects at its date or (if appropriate) as at the date (if any) at which it is stated to be given;
    2. all expressions of opinion, expectation, intention or policy given by or on behalf of any member of the Group and all forecasts and projections furnished by any member of the Group to each such firm were arrived at after careful consideration and are believed by the Company to be fair and reasonable as at the date at which it is stated to be given and can be properly supported; and
    3. to the best of its knowledge and belief, no Due Diligence Report omitted as at its date any information which, if disclosed, would make that Due Diligence Report untrue or misleading in any material respect.
  1. Information Package

In the case of the Company only and as at the date the Information Package (or part thereof) was delivered to the Lender:

* + 1. the factual information contained in the Information Package was, to the best of the Company’s knowledge and belief, true and accurate in all material respects as at its date or (if appropriate) as at the date (if any) at which it is stated to be given;
    2. each expression of opinion, expectation, intention or policy contained in the Information Package was made after careful consideration and are believed by the Company to be fair and reasonable as at the date at which it is stated to be given and can be properly supported;
    3. the financial projections contained in the Information Package have been prepared as at the date of the Information Package on the basis of recent historical information and assumptions believed by the Company to be fair and reasonable; and
    4. the Information Package did not, to the best of the Company’s knowledge and belief, omit as at its date any information which, if disclosed, would make the Information Package untrue or misleading in any material respect.
  1. Group Structure Chart

Assuming the Completion Date has occurred, the Group structure chart delivered pursuant to Clause 4.1 (*Initial conditions precedent*) is true, complete and accurate in all material respects.

* 1. Repetition

The Repeating Representations are deemed to be made by each Obligor by reference to the facts and circumstances then existing on:

* + 1. the date of each Utilisation Request and the first day of each Interest Period; and
    2. in the case of an Additional Obligor, the day on which the company becomes (or it is proposed that the company becomes) an Additional Obligor,

provided that when the representation in Clause 18.11(a) (*No Default*) is repeated on the first day of each Interest Period (other than the first Interest Period for that Loan) or on the accession of a Guarantor, the reference to a Default will be construed as a reference to an Event of Default.

1. INFORMATION UNDERTAKINGS

The undertakings in this Clause 19 (*Information Undertakings*) shall remain in force from the date of this Agreement for so long as any amount is outstanding under this Agreement or any Commitment is in force.

* 1. Financial statements

The Company shall supply to the Lender:

* + 1. as soon as the same become available, but in any event within 180 days after the end of each of its financial years:
       1. its audited consolidated financial statements for that financial year;
       2. the audited financial statements of the Borrower for that financial year; and
       3. if produced, the audited financial statements of each other Obligor for that financial year; and
    2. as soon as the same become available, but in any event within 120 days after the end of each half of each of its financial years:
       1. its consolidated financial statements for that financial half year; and
       2. to the extent produced, the financial statements of the Borrower and each other Obligor for that financial half year.
  1. Compliance Certificate
     1. The Company shall supply to the Lender, with each set of financial statements delivered pursuant to paragraph (a)(i) or (b)(i) of Clause 19.1 (*Financial statements*), a Compliance Certificate setting out:
        1. (in reasonable detail) computations as to compliance with Clause 20 (*Financial Covenants*); and
        2. a list of the Company’s Material Subsidiaries,

as at the date as at which those financial statements were drawn up.

* + 1. Each Compliance Certificate shall be signed by two senior officers of the Company (one of whom shall be a finance officer).
  1. Requirements as to financial statements
     1. Each set of financial statements delivered by the Company pursuant to Clause 19.1 (*Financial statements*) shall be certified by a director of the relevant company as fairly representing its financial condition as at the date as at which those financial statements were drawn up.
     2. The Company shall procure that each set of financial statements of an Obligor delivered pursuant to Clause ‎19.1 (*Financial statements*) is prepared using GAAP, accounting practices and financial reference periods consistent with those applied in the preparation of the Original Financial Statements unless, in relation to any set of financial statements, it notifies the Lender that there has been a change in GAAP, the accounting practices or reference periods and its auditors (or, if appropriate, the auditors of the Obligor) deliver to the Lender:
        1. a description of any change necessary for those financial statements to reflect the GAAP, accounting practices and reference periods upon which the Original Financial Statements were prepared; and
        2. sufficient information, in form and substance as may be reasonably required by the Lender, to enable it to determine whether Clause 20 (*Financial Covenants*) has been complied with and make an accurate comparison between the financial position indicated in those financial statements and the Original Financial Statements.

Any reference in this Agreement to those financial statements shall be construed as a reference to those financial statements as adjusted to reflect the basis upon which the Original Financial Statements were prepared.

* + 1. If the Company notifies the Lender of a change in accordance with paragraph (b) above the Company and the Lender shall enter into negotiations in good faith for a period of not more than 45 days with a view to agreeing any amendments to this Agreement (including, without limitation, the financial covenants, definitions and monetary thresholds) which are necessary as a result of the change to give the Lender and the Obligors the same level of protection to that contemplated at the date of this Agreement. To the extent practicable these amendments will be such as to ensure that the change does not result in any alteration in the commercial effect of the obligations in this Agreement. If any amendments are agreed they shall take effect and be binding on each of the Parties in accordance with their terms.
    2. If the Company and the Lender have failed to reach agreement within the period of 45 days after a notification pursuant to paragraph (b) above then the Company shall procure that within a further period of 45 days its auditors certify to the Lender what changes to the provisions referred to in paragraph (b) above are, in the opinion of the auditors, necessary to ensure that any test imposed by those provisions (as amended) by reference to the financial statements prepared on the new basis shall give the Lender and the Obligors the same level of protection as the relevant test imposed by the existing provisions by reference to financial statements prepared on the old basis.
  1. Information: miscellaneous

The Company shall supply to the Lender:

* + 1. all documents dispatched by the Company to its shareholders (or any class of them) or its creditors generally (or any class thereof) at the same time as they are dispatched;
    2. details of any litigation, arbitration or administrative proceedings which are current, or, to its knowledge threatened or pending against any member of the Group, and which might, if adversely determined, have a Material Adverse Effect; and
    3. details of any amendment or waiver in relation to the Acquisition Documents and details of any claim or, to its knowledge, potential claim made by or against a member of the Group under the Acquisition Documents;
    4. subject, if necessary, to OFT consent to the disclosure which the Company shall promptly seek, details of any material communication, negotiations or agreements reached with the OFT in relation to the Acquisition (including any material information regarding an OFT Divestment and any Regulatory Clearance received by any member of the Group) together with any other information relating to the Acquisition; and
    5. subject, if necessary, to OFT consent to the disclosure which the Company shall promptly seek, promptly, such further information regarding the financial condition, business, assets and operations of any member of the Group (including, but not limited to, any material communication relating to an actual or prospective OFT Divestment or a Regulatory Clearance) as the Lender may reasonably request in order to monitor compliance by the Obligors with their obligations under this Agreement.
  1. Notification of default
     1. Each Obligor shall notify the Lender of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence (unless that Obligor is aware that a notification has already been provided by another Obligor).
     2. Promptly upon a request by the Lender, the Company shall supply to the Lender a certificate signed by two of its directors or senior officers on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).
  2. Material Subsidiaries

The Company shall supply the Lender with a complete and up-to-date list of Material Subsidiaries with each set of consolidated financial statements delivered under Clause 19.1 (*Financial statements*). In addition, the Company will notify the Lender promptly upon a Subsidiary becoming a Material Subsidiary under paragraphs (b) and (c) of the definition of Material Subsidiary.

* 1. Use of websites
     1. The Company may satisfy its obligation under this Agreement to deliver any information in relation to the Lender (the ***Website*** Lender) if the Lender accepts the method of communication by posting this information onto an electronic website, designated by the Company and the Lender (the ***Designated Website***), provided that:
        1. the Lender expressly agrees that it will accept communication of the information by this method;
        2. both the Company and the Lender are aware of the address of and any relevant password specifications for the Designated Website; and
        3. the information is in a format previously agreed between the Company and the Lender.

If the Lender does not agree to the delivery of information electronically then the Lender shall notify the Company accordingly and the Company shall supply the information to the Lender in paper form.

* + 1. The Lender shall supply the Website Lender with the address of and any relevant password specifications for the Designated Website following designation of that website by the Company and the Lender.
    2. The Company shall promptly, upon becoming aware of its occurrence, notify the Lender if:
       1. the Designated Website cannot be accessed due to technical failure;
       2. the password specifications for the Designated Website change;
       3. any new information which is required to be provided under this Agreement is posted onto the Designated Website;
       4. any existing information which has been provided under this Agreement and posted onto the Designated Website is amended; or
       5. the Company becomes aware that the Designated Website or any information posted onto the Designated Website is or has been infected by any electronic virus or similar software.

If the Company notifies the Lender under paragraph (c)(i) or paragraph (c)(v) above, all information to be provided by the Company under this Agreement after the date of that notice shall be supplied in paper form unless and until the Lender is satisfied that the circumstances giving rise to the notification are no longer continuing.

* + 1. The Website Lender may request, one paper copy of any information required to be provided under this Agreement which is posted onto the Designated Website. The Company shall comply with any such request within ten Business Days.
  1. “Know your customer” checks
     1. If:
        1. the introduction of, or any change in (or in the interpretation, administration or application of), any law or regulation made after the date of this Agreement;
        2. any change in the status of an Obligor after the date of this Agreement; or
        3. a proposed assignment or transfer by the Lender of any of its rights and obligations under this Agreement,

obliges the Lender (or, in the case of paragraph (iii) above, any prospective new Lender) to comply with “know your customer” or similar identification procedures in circumstances where the necessary information is not already available to it, each Obligor shall promptly upon the request of the Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Lender (for itself or, in the case of the event described in paragraph (iii) above, on behalf of any prospective new Lender) in order for the Lender or, in the case of the event described in paragraph (iii) above, any prospective new Lender to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

* + 1. The Company shall, by not less than 10 Business Days’ prior written notice to the Lender, notify the Lender of its intention to request that one of its Subsidiaries becomes an Additional Obligor pursuant to Clause 24 (*Changes to the Obligors*).
    2. Following the giving of any notice pursuant to paragraph (b) above, if the accession of such Additional Obligor obliges the Lender to comply with “know your customer” or similar identification procedures in circumstances where the necessary information is not already available to it, the Company shall promptly upon the request of the Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Lender (for itself or on behalf of any prospective new Lender) in order for the Lender or any prospective new Lender to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the accession of such Subsidiary to this Agreement as an Additional Obligor.

1. FINANCIAL COVENANTS
   1. Financial undertakings

The Company undertakes that it will procure that, in respect of each 12 Month period of the Group ending on each financial year end of the Company and any financial half year which is not also a financial year end of the Company, commencing with that ending 30 June 2012:

* + 1. **Consolidated EBITDA to Consolidated Net Interest Payable**: the ratio of Consolidated EBITDA to Consolidated Net Interest Payable shall not be less than 3.0:1; and
    2. **Consolidated Net Borrowings to Consolidated EBITDA**: the ratio of Consolidated Net Borrowings to Consolidated EBITDA does not exceed 3.0:1.
  1. Pro forma adjustment for acquisitions/disposals

In relation to Clause 20.1 (*Financial undertakings*), Consolidated EBITDA for any 12 Month period in which any acquisition or disposal of any member of the Group or business or asset is made by any member of the Group will be calculated for the purpose of determining the ratio of Consolidated Net Borrowings to Consolidated EBITDA on a pro forma basis as if the relevant acquisition or disposal had taken place at the beginning of the relevant 12 Month period.

* 1. Interpretation

Except as provided to the contrary in this Agreement, an accounting term used in this Clause 20 (*Financial Covenants*) or a reference to a financial definition being determined in accordance with GAAP is to be construed in accordance with the principles applied in the preparation of the Original Financial Statements.

1. GENERAL UNDERTAKINGS

The undertakings in this Clause 21 (*General Undertakings*) shall remain in force from the date of this Agreement for so long as any amount is outstanding under this Agreement or any Commitment is in force.

* 1. Consents

Each Obligor shall obtain, promptly renew from time to time, and promptly supply certified copies to the Lender of, all such authorisations, approvals, consents, licences and exemptions as may be required under any applicable law or regulation to enable it to perform its obligations under the Transaction Documents or required for the validity or enforceability thereof and shall comply with their terms.

* 1. Compliance with laws

Each Obligor shall and the Company shall procure that each other member of the Group will comply in all respects with all laws (including without limitation Environmental Law) to which it may be subject, if failure so to comply has or is reasonably likely to have a Material Adverse Effect.

* 1. Pari passu ranking

Each Obligor undertakes that its obligations under this Agreement do and will rank at least *pari passu* with all its other present and future unsecured obligations, except for those obligations which are mandatorily preferred by law.

* 1. Negative pledge

No Obligor shall and the Company shall procure that no other member of the Group will:

* + 1. create or permit to subsist any Encumbrance on the whole or any part of its assets; or
    2. sell or dispose of any assets (other than a sale or disposal to another member of the Group) on terms whereby the asset is or may be leased or re acquired by the Company or any of its Subsidiaries where the overall transaction is arranged primarily as a method of raising finance or financing the acquisition of the assets, unless the effect on the Group is that it is no longer interested in all or substantially all of the risks of ownership; or
    3. sell or dispose of any receivables (other than a sale or disposal to another member of the Group) on recourse terms, except for the discounting of bills or notes in the ordinary course of trading,

except for:

* + - 1. liens arising by operation of law and securing amounts not more than thirty (30) days overdue or where the payment of the amount in question is being contested in good faith; and
      2. any Encumbrance over any asset arising in the ordinary course of business as a result of a title retention provision in the contract relating to the acquisition of that asset; and
      3. any Encumbrance on any asset if simultaneously with the creation of that Encumbrance the obligations of the Obligors under this Agreement are secured by an Encumbrance on other assets in form and substance satisfactory to the Lender; and
      4. any Encumbrance subsisting over the property, assets or revenues of any Subsidiary prior to the date of it becoming a Subsidiary, provided that:
         1. the Encumbrance was not created in contemplation of the Subsidiary becoming a Subsidiary;
         2. the principal amount of the indebtedness intended to be secured by such Encumbrance shall not be increased after such date;
         3. the acquisition of that Subsidiary is financed by an amount of Financial Indebtedness not exceeding 50% of the market value of that Subsidiary; and
         4. no other Encumbrance is granted over any other property, assets or revenues of any other member of the Group in connection with the principal amount of the indebtedness intended to be secured by such Encumbrance;
      5. any Encumbrance over any property or assets (or documents of title thereto) or revenues which are acquired by any member of the Group subject to such Encumbrance provided that:
         1. such Encumbrance was not created in contemplation of the acquisition of such asset;
         2. the principal amount of the indebtedness secured by the Encumbrance shall not thereafter be increased;
         3. the acquisition of such asset is financed by an amount of Financial Indebtedness not exceeding 50% of the market value of that asset; and
         4. no other Encumbrance is granted over any other property, assets or revenues of any other member of the Group in connection with the principal amount of the indebtedness intended to be secured by such Encumbrance; and
      6. any Encumbrance over any property, assets or revenues which are acquired by any member of the Group, where such Encumbrance was created in contemplation of, or following, the acquisition of such property, assets and/or revenues and secures a Qualifying New Secured Loan; and
      7. any Encumbrance over property, assets or revenues of any Subsidiary which was created in contemplation of, or following, the Subsidiary becoming a Subsidiary, where such Encumbrance secures a Qualifying New Secured Loan; and
      8. any Encumbrance subsisting or created in connection with the Acquisition; and
      9. any Encumbrance (other than an Encumbrance included in subparagraphs (i), (ii), (iii), (iv), (v), (vi), (vii) or (viii) above), or sale or other disposal encompassed by paragraphs (b) or (c) above, if the aggregate of:
         1. the aggregate amount of Financial Indebtedness secured by all such Encumbrances; and
         2. the aggregate principal amount of:

indebtedness incurred in relation to any sale or disposal referred to in paragraph (b) above; and

the recourse element to the Group (net of any bad debt provision allowed for or to be allowed for in calculating that recourse element, as agreed with the Lender) in respect of receivables the subject of any sale or disposal referred to in paragraph (c) above,

does not exceed £25,000,000.

* 1. Acquisitions
     1. No Obligor shall (and the Company shall procure that no member of the Group will) enter into a single transaction or series of transactions (whether related or not) to acquire any asset or a company or any shares or securities or a business or undertaking (or, in each case, any interest in them) if:
        1. the consideration (including associated costs and expenses) for the relevant transaction or transactions and any Financial Indebtedness or other assumed actual or contingent liability remaining with the acquired company, business, asset or undertaking would:
           1. exceed £25,00,000 (or its equivalent) for a single transaction; and
           2. exceed, in aggregate, £50,000,000 (or its equivalent) for any financial year of the Company;
        2. a Default is continuing on the closing date for the transaction or series of transactions to acquire or would occur as a result of the transaction or series of transactions to acquire; or
        3. the acquired company, business or undertaking is not engaged in a business substantially the same as that carried on by the Group.
     2. Paragraph (a) above does not apply to any transaction between one member of the Group to another member of the Group that is a permitted disposal pursuant to paragraph (b)(viii) of Clause 21.10 (*Disposals*).
  2. Priority Borrowings

The Company shall not (and shall procure that no other member of the Group will) permit at any time the aggregate outstanding principal amount of Net Subsidiary Indebtedness, to exceed £25,000,000 less the aggregate of the amount of Financial Indebtedness falling within Clause 21.4(c)(ix)(A) (*Negative Pledge*) and the principal amount of indebtedness and recourse element falling within Clause 21.4(c)(ix)(B) (*Negative Pledge*) above.

* 1. Guarantees

Each Obligor shall and the Company shall procure that each other member of the Group will ensure that no guarantee or indemnity or other similar assurance is granted by or outstanding from any member of the Group in respect of any obligations (other than obligations in respect of Financial Indebtedness) of any other member of the Group which is not a Subsidiary of that member of the Group except:

* + 1. for guarantees subsisting at the date of this Agreement or given pursuant to this Agreement;
    2. for guarantees or other assurances given by any member of the Group, the principal amount guaranteed by which, when aggregated (without double counting) with the principal amounts guaranteed by all such guarantees and assurances would not exceed £15,000,000; and
    3. where the obligations of the Borrower under this Agreement are secured by a guarantee, indemnity or other assurance in form and substance satisfactory to the Lender.
  1. Insurance

Each Obligor shall, and the Company shall procure that each other member of the Group will, effect and maintain such insurance over and in respect of its respective assets and business and in such manner and to such extent as is reasonable and customary for a business enterprise engaged in the same or a similar business and in the same or similar localities unless the writing off as a total loss of all those assets in respect of which insurance has not been effected and maintained would not materially and adversely affect the Obligors' ability to perform their obligations under this Agreement.

* 1. FATCA

In respect of any amendment or waiver to this Agreement which is intended to take effect on or after 1 January 2013, the Obligors acknowledge that certain provisions of this Agreement may need to be amended to take account of Section 1471 to 1474 (inclusive) of the U.S. Internal Revenue Code of 1986 (***FATCA***) before any such amendment or waiver can take effect. The Company and the Lender shall enter into negotiations in good faith with a view to agreeing such amendments as are necessary or desirable to take account of FATCA at that time.

* 1. Disposals
     1. No Obligor shall (and the Company shall ensure that no other member of the Group will), enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset.
     2. Paragraph (a) above does not apply to any sale, lease, transfer or other disposal:
        1. made in the ordinary course of business of the disposing entity;
        2. of assets in exchange for other assets comparable or superior as to type, value and quality;
        3. of freehold property or leasehold property where the proceeds of the disposal are reinvested in the purchase of other freehold property or leasehold property (or in the refitting of property so acquired) within 12 months of the disposal, extended to 18 months in each case for which the Company certifies, not more than 30 days and not less than five days prior to the end of that period of 12 months applicable to that disposal, to the Lender that it is in active negotiations to purchase a replacement property with the proceeds of that disposal provided however that no more than an aggregate of £10,000,000 (or its equivalent) may be held by the members of the Group pending reinvestment in reliance upon this sub-paragraph (iii) at any time;
        4. of an obsolete or redundant asset which is no longer required for the purposes of the business;
        5. of Cash or Cash Equivalents where such Cash or Cash Equivalents have been raised in a manner not otherwise prohibited by the terms of this Agreement;
        6. of Cash or Cash Equivalents for the purposes of special dividends, other returns of capital or special pension contributions;
        7. of assets where the Net Sale Proceeds are applied in prepayment and cancellation of the Facility provided that an officer of the Company certifies that pro forma for the disposal and prepayment, the Company is in compliance with the financial covenants set out in Clause 20 (*Financial Covenants*) as at the financial year end or half year end for which financial statements have been most recently delivered pursuant to Clause 19.1 (*Financial statements*);
        8. made from a member of the Group to another member of the Group (the ***Transferee***), provided that, if the Transferee is required to accede as a Guarantor to this Agreement following such transfer pursuant to Clause 21.12 (*Additional Guarantors*) or Clause 21.15 (*Material Subsidiaries/Guarantors*), the Transferee is permitted to and does guarantee at all times an amount no less than that guaranteed by the disposing entity;
        9. approved by the Lender in writing;
        10. that is a Permitted OFT Divestment provided that the proceeds are applied in prepayment and cancellation of the Facility in accordance with Clause 7.3 (*Disposal Proceeds*); or
        11. during any financial year of the Company of assets (other than assets, the disposal of which is permitted under paragraphs 21.10(b)(i) to (x) above) where:
            1. the aggregate Attributable EBITDA of all assets disposed of in that financial year with (individually or with all assets disposed of in the same or a linked transaction) Attributable EBITDA of equal to or more than £500,000 does not exceed 10% of Consolidated EBITDA for the previous financial year of the Company; and
            2. the aggregate of the higher of the consideration received and the market value of all assets disposed of in that financial year with (individually or with all assets disposed of in the same or a linked transaction) Attributable EBITDA of less than £500,000 (or with no readily determinable Attributable EBITDA) does not exceed 10% of Total Assets.
     3. No later than five Business Days after a disposal falling under paragraph (b)(x) above, the Company shall provide to the Lender a certificate (i) detailing the Attributable EBITDA of the asset(s) disposed of and supporting calculations in reasonable detail, or (ii) certifying that the Company is unable to calculate the Attributable EBITDA of the asset(s) disposed of (in which case certifying the consideration received and the market value of those assets).
     4. Paragraph (c) above shall not apply to disposals of asset(s) falling under paragraph (b)(xi)(B) above, where the higher of the consideration received and the market value of such asset(s) (individually or with all assets disposed of in the same or a linked transaction) is less than £100,000.
  2. Change of business

The Company shall procure that no substantial change is made to the general nature of the business of the Group (taken as a whole) from that carried on at the date of this Agreement, being gaming and/or leisure together with any ancillary or related business.

* 1. Additional Guarantors
     1. Where, after the date of this Agreement, it is demonstrated (by reference to the definition of Material Subsidiary) that any member of the Group is a Material Subsidiary, the Company shall, subject to paragraph (b) below, promptly and in any event within 30 days from the date of a notice to the Lender under Clause 19.6 (*Material Subsidiaries*) procure that such Material Subsidiary becomes an Additional Guarantor in the manner required by Clause 24.2 (*Additional Guarantors*). The Company acknowledges that the Target will be a Material Subsidiary on the Completion Date and shall procure the accession of the Target in accordance with this Clause.
     2. The Company is not required to perform its obligations under paragraph (a) above if:
        1. that person becoming a Guarantor would result in personal liability for that person's directors or other management; or
        2. it is unlawful for the relevant person to become a Guarantor.
     3. Each Obligor must use, and must procure that the relevant person uses, all reasonable endeavours (including compliance with Chapter 2 Part 18 of the Companies Act 2006 or the equivalent in that relevant person's jurisdiction of incorporation) lawfully to avoid any such unlawfulness or personal liability. This includes agreeing to a limit on the amount guaranteed. The Lender may agree to such a limit if, in its opinion, to do so might avoid the relevant unlawfulness or personal liability.
  2. Dividends and share redemption

Save in respect of a Permitted Distribution, the Company shall not (and ensure that no Obligor will):

* + 1. declare, make or pay any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its share capital (or any class of its share capital);
    2. repay or distribute any dividend or share premium reserve;
    3. pay or allow any member of the Group to pay any management, advisory or other fee to or to the order of any of the shareholders of the Company other than any fees or salary paid to directors of the Company that are also shareholders; or
    4. redeem, repurchase, defease, retire or repay any of its share capital or resolve to do so.
  1. Centre of main interest and establishment

For the purposes of The Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings (the ***Regulation***), the Company shall ensure that its and each Obligor’s centre of main interest (as that term is used in Article 3(1) of the Regulation) is in the jurisdiction of its or that Obligor’s jurisdiction of incorporation.

* 1. Material Subsidiaries/Guarantors
     1. The Company shall ensure that at all times the aggregate unconsolidated EBITDA and unconsolidated turnover of the Guarantors (without double counting and excluding any dividends or other distributions from members of the Group) exceeds 80 per cent. of, respectively, Consolidated EBITDA and consolidated turnover of the Group, in each case calculated by reference to the most recent annual audited consolidated financial statements of the Group.
     2. For these purposes, unconsolidated EBITDA shall, so far as applicable, be calculated on the same basis as Consolidated EBITDA, but shall not be consolidated.
  2. Taxation

Each Obligor shall (and the Company shall ensure that each member of the Group will) pay and discharge all Taxes imposed on it or its assets within the time period allowed without incurring penalties unless and only to the extent that:

such payment is being contested in good faith;

adequate reserves are being maintained for those Taxes; and

such payment can be lawfully withheld and failure to pay these Taxes does not or is not reasonably likely to have a Material Adverse Effect.

* 1. Acquisition Documents
     1. 1. The Acquisition Documents shall not be amended or be subject to any waiver for any reason except:
           1. with the prior written consent of the Lender (such consent not to be unreasonably withheld or delayed); or
           2. in relation to any minor or technical amendments to the Acquisition Documents.
        2. The Company shall or shall procure that the relevant member of the Group:
           1. promptly pay all amounts payable to the Seller under the Acquisition Documents as and when they become due (except to the extent that any such amounts are being contested in good faith by a member of the Group and where adequate reserves are set aside for any such payment); and
           2. procure that the funds to be held in escrow pursuant to the Escrow Deed (as defined in the Sale and Purchase Agreement) are applied in accordance with the terms of Escrow Deed and the Sale and Purchase Agreement.
        3. The Company shall, and the Company will procure that each relevant member of the Group will, take all reasonable and practical steps to preserve and enforce its rights (or the rights of any other member of the Group) and pursue any claims and remedies arising under any Acquisition Documents where the directors of the Company believe (acting reasonably) that the preservation and enforcement of these rights is commercially advantageous and appropriate).
        4. Save in respect of any Permitted OFT Divestment, no undertakings by any Obligor to the OFT shall be permitted in relation to an OFT Divestment or the Acquisition without the prior written consent of the Lender (such consent not to be unreasonably withheld or delayed).
     2. Nothing in paragraph (a) above shall:
        1. prevent any member of the Group from making; or
        2. require any member of the Group to seek the Lenders’ consent to,

a Permitted OFT Divestment provided that the Company promptly notifies the Lender of such Permitted OFT Divestment.

* 1. Regulatory process

The Company shall ensure that, if in relation to the Regulatory Clearance the OFT accepts undertakings from the Buyer or any other member of the Group in lieu of a reference to the Competition Commission, the Company shall ensure that the relevant member of the Group complies with such undertakings.

* 1. Maintenance of status and business
     1. Each Obligor shall do all such things as are necessary to maintain its corporate existence.
     2. Each Obligor shall, and the Company shall procure that each other member of the Group will, ensure that it has the right and is duly qualified to conduct its business as it is conducted in all applicable jurisdictions and will obtain and maintain all rights necessary for the conduct of its business in each case where failure to do so has or could reasonably be likely to have a Material Adverse Effect

1. EVENTS OF DEFAULT

Each of the events or circumstances set out in this Clause 22 is an Event of Default (save for Clause 22.22 (*Acceleration*)).

* 1. Non payment

An Obligor does not pay any amount payable by it under this Agreement at the place and in the currency at or in which it is expressed to be payable, unless the non payment is caused by administrative or technical error or Disruption Event and is remedied within three Business Days of the due date.

* 1. Breach of financial covenants

The Company fails to comply with Clause 20 (*Financial Covenants*).

* 1. Breach of other obligations

An Obligor fails to comply with any provision of this Agreement (other than those provisions referred to in paragraphs 22.1 (*Non payment*) and 22.2 (*Breach of financial covenants*) and the failure, if capable of remedy, is not remedied, to the satisfaction of the Lender, within twenty-one (21) days (or in of the Lender giving notice to the Obligor requiring the failure to be remedied.

* 1. Misrepresentation

Any representation, warranty or statement made or repeated in, or in connection with this Agreement or in any certificate or statement delivered by or on behalf of the Obligors thereunder or in connection herewith is incorrect in any respect when made or deemed to be repeated and the effect of the circumstances which render it incorrect is material in the context of this Agreement.

* 1. Cross default
     1. Any Financial Indebtedness of any member(s) of the Group in an aggregate amount in excess of £10,000,000 (or its equivalent) at any time becomes prematurely due and payable as a result of an event of default (howsoever described) under any contract or document relating to any such Financial Indebtedness;
     2. any creditor of any member of the Group becomes entitled to declare any Financial Indebtedness of any member of the Group in an aggregate amount in excess of £10,000,000 (or its equivalent) due and payable prior to its specified maturity as a result of an event of default (however described);
     3. any commitment for Financial Indebtedness in an aggregate amount in excess of £10,000,000 (or its equivalent) of any member of the Group is cancelled or suspended by a creditor of any member of the Group as a result of an event of default (however described);
     4. any Financial Indebtedness of any member(s) of the Group in an aggregate amount in excess of £10,000,000 (or its equivalent) is not paid when due or within any applicable grace period; or
     5. any Encumbrance over any assets of the Group securing Financial Indebtedness in an aggregate amount in excess of £10,000,000 (or its equivalent) becomes enforceable.
  2. Insolvency
     1. Any Obligor is deemed unable to pay its debts within the meaning of Section 123(1) of the Insolvency Act 1986 (as that Section may be amended by order under Section 416 of the Insolvency Act 1986 or otherwise) or, in the case of an Alderney Guarantor, within the meaning of section 126 of the Companies (Alderney) Law 1994;
     2. any Obligor becomes unable to pay its debts as they fall due;
     3. the value of the assets of any Obligor falls to less than the amount of its liabilities (taking into account for both these purposes its contingent and prospective liabilities);
     4. any Obligor otherwise becomes insolvent;
     5. any Obligor suspends making payments (whether of principal or interest) with respect to all or any class of its debts or announces an intention to do so;
     6. by reason of actual or anticipated financial difficulties, an Obligor begins negotiations with any creditor for the rescheduling or restructuring of any of its indebtedness; or
     7. a moratorium under the Insolvency Act 2000 is declared in respect of any Obligor’s indebtedness, the ending of the moratorium will not remedy any Event of Default caused by the moratorium.
  3. Administration
     1. Any meeting of the shareholders, directors or other officers of any Obligor is convened for the purpose of considering any resolution for, to apply for, or to file documents with the court or any registrar for, the appointment of an administrator;
     2. an application for an administration order in relation to any Obligor is presented to the court;
     3. any Obligor passes a resolution to present an application for an administration order or to file documents with the court or any registrar for the appointment of an administrator;
     4. the shareholders, directors or other officers of any Obligor give notice of their intention to appoint an administrator; or
     5. an administration order is made or an administrator is appointed in relation to any Obligor.
  4. Compositions etc

Any steps are taken with a view to obtaining a moratorium under the Insolvency Act 2000, proposing (under any enactment or otherwise) any kind of suspension of payments, composition, scheme of arrangement, compromise or arrangement involving any Obligor and any of its respective creditors generally (or any class of them).

* 1. Appointment of receivers and managers
     1. Any liquidator, administrative or other receiver or any compulsory manager or other similar officer is appointed in respect of any Obligor or any substantial part of its assets;
     2. the shareholders, directors or other officers of any Obligor request any person to appoint such a liquidator receiver, manager or officer; or
     3. any other steps are taken to enforce any Encumbrance over all or a part of the assets of any Obligor.
  2. Legal process

Any attachment, sequestration, distress or execution affects any part of the assets of any Obligor and is not discharged within fourteen (14) days.

* 1. Winding up
     1. Any meeting of any Obligor is convened for the purpose of considering any resolution for (or to petition for) its winding up or dissolution;
     2. any Obligor passes such a resolution;
     3. any Obligor presents any petition for the winding up of that Obligor; or
     4. an order for the winding up or dissolution of any Obligor is made,

except in the case of a voluntary reconstruction of any member of the Group (other than the Company) on a solvent basis.

* 1. Dissolution

Any corporate legal or administrative proceedings are commenced with a view to the dissolution of any Obligor except in the case of a voluntary reconstruction of any Obligor (other than the Company) on a solvent basis).

* 1. Analogous proceedings

There occurs in relation to any Obligor, in any country or territory in which it carries on business or to the jurisdiction of whose courts any substantial part of its assets is subject any event which, in the opinion of the Lender, appears to correspond in that country or territory with any of those mentioned in Clauses 22.6 (*Insolvency*) to 22.12 (*Dissolution*) (inclusive) above which, in the case of the Alderney Guarantor, shall include, without limitation, the commencement of the process towards the making of a declaration that the affairs of a party are *en état de désastre* and any steps being taken towards the making of an application for a preliminary vesting order in *saisie* proceedings in respect of any realty of such a party, or any Obligor otherwise becomes subject in any such country or territory, to the operation of any law relating to insolvency, bankruptcy or liquidation, including, in the case of an Alderney Guarantor, being declared *en désastre* or a preliminary vesting order being made in respect of any realty of such party in *saisie* proceedings.

* 1. Cessation of business

Any member of the Group ceases, or threatens to cease to carry on all or substantially all of its business), provided that, if any such event occurs in relation to any Subsidiary of the Company other than the Borrower, it shall only be an Event of Default if it might reasonably be expected to have a material adverse effect on the ability of the Obligors to perform their obligations under this Agreement.

* 1. Unlawfulness

At any time it is unlawful for any of the Obligors to perform any of its payment obligations under this Agreement.

* 1. Change of ownership

Any Obligor (other than the Company) is not ceases to be a wholly owned Subsidiary (direct or indirect) of the Company, save as permitted under Clause 21.10 (*Disposals*).

* 1. Repudiation

Any Obligor repudiates a Finance Document or evidences an intention to repudiate a Finance Document.

* 1. Expropriation

The authority or ability of any Obligor to conduct its business is limited or wholly or substantially curtailed by any seizure, expropriation, nationalisation, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person in relation to any Obligor or any of its assets.

* 1. Litigation

Any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings or disputes are commenced or threatened in relation to the Transaction Documents or the transactions contemplated in the Finance Documents or against any member of the Group or its assets which is reasonably likely to be adversely determined and, if so determined would have a Material Adverse Effect.

* 1. Material adverse change

Any event or series of events occurs which has or is reasonably likely to have a Material Adverse Effect.

* 1. Authorisations and Material Contracts
     1. Any Authorisation of any member of the Group:
        1. is revoked or cancelled or otherwise ceases to be in full force and effect;
        2. is not renewed or is renewed on revised terms;
        3. is varied; or
        4. is breached,

and, in each case this has or is reasonably likely to have a Material Adverse Effect.

* + 1. Any material document or agreement to which a member of the Group is party is terminated, cancelled, rescinded, breached or otherwise ceases to be in full force and effect or becomes capable of being terminated, in each case to the extent that such event has, or could reasonably be expected to have a Material Adverse Effect.
  1. Acceleration

Upon the occurrence of an Event of Default and at any time thereafter (if the Event of Default is continuing unremedied) the Lender may, by notice to the Borrower:

* + 1. declare that the Commitments shall be cancelled forthwith, whereupon the same shall be so cancelled; and/or
    2. declare all or part of the Utilisations immediately due and payable, whereupon they shall become immediately due and payable together with all interest accrued thereon and all other amounts payable under this Agreement; and/or
    3. declare that all or part of the Utilisations be payable on demand whereupon they shall immediately become payable on demand of the Lender.

1. CHANGES TO THE LENDER
   1. Assignments and transfers by the Lender

Subject to this Clause 23, a Lender (the ***Existing Lender***) may:

* + 1. assign all but not part of its rights; or
    2. transfer by novation all but not part of its rights and obligations,

to another bank or financial institution (the ***New Lender***).

* 1. Conditions of assignment or transfer
     1. The consent of the Company is required for an assignment or transfer by the Existing Lender unless the assignment or transfer is to an Affiliate of the Lender or after the occurrence of an Event of Default which is continuing.
     2. The consent of the Company to an assignment or transfer must not be unreasonably withheld or delayed. The Company will be deemed to have given its consent five Business Days after the Existing Lender has requested it unless consent is reasonably withheld by the Company within that time.
     3. The consent of the Company to an assignment or transfer must not be withheld solely because the assignment or transfer may result in an increase to the Mandatory Cost.
     4. If:
        1. the Lender assigns or transfers its rights or obligations under the Finance Documents or changes its Facility Office; and
        2. as a result of circumstances existing at the date the assignment, transfer or change occurs, an Obligor would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under Clause 12 (*Tax Gross up and Indemnities*) or Clause 13 (*Increased Costs*),

then unless the payment obligation referred to in (ii) above is as a result of a Borrower’s failure to comply with its obligations to file a duly completed form DTTP 2 (or provide a copy of that filing) in accordance with this Agreement, the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under those Clauses to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, transfer or change had not occurred.

* + 1. The Company will, and will ensure each Obligor will, execute such documents as the Lender may reasonably require to give effect to any assignment or transfer by the Lender of its rights or obligations in accordance with the provisions of this Clause.
  1. Encumbrances over Lender’s rights

In addition to the other rights provided to the Lender under this Clause 23, the Lender may without consulting with or obtaining consent from any Obligor, at any time:

* + 1. charge, assign or otherwise create an Encumbrance in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of the Lender including, without limitation, any charge, assignment or other Encumbrance to secure obligations to a federal reserve or central bank; and
    2. in the case of any Lender which is a fund, any charge, assignment or other Encumbrance granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,

except that no such charge, assignment or Encumbrance shall:

(a) release the Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or Encumbrance for the Lender as a party to any of the Finance Documents; or

(b) require any payments to be made by an Obligor other than or in excess of, or grant to any person any more extensive rights than, those required to be made or granted to the Lender under the Finance Documents.

1. CHANGES TO THE OBLIGORS
   1. Assignments and transfer by Obligors

No Obligor may assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

* 1. Additional Guarantors
     1. Subject to compliance with the provisions of paragraphs (b) and (c) of Clause 19.8 (“*Know your customer*” *checks*), the Company may request that any of its Subsidiaries become an Additional Guarantor. That Subsidiary shall become an Additional Guarantor if:
        1. the Company delivers to the Lender a duly completed and executed Accession Letter; and
        2. the Lender has received all of the documents and other evidence listed in Part C of Schedule 2 (*Conditions Precedent*) in relation to that Additional Guarantor, each in form and substance satisfactory to the Lender.
     2. The Lender shall notify the Company promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part C of Schedule 2 (*Conditions Precedent*).
  2. Repetition of Representations

Delivery of an Accession Letter constitutes confirmation by the relevant Subsidiary that the Repeating Representations are true and correct in relation to it as at the date of delivery as if made by reference to the facts and circumstances then existing.

* 1. Resignation of a Guarantor
     1. The Company may request that a Guarantor (other than the Company) ceases to be a Guarantor by delivering to the Lender a Resignation Letter.
     2. The Lender shall accept a Resignation Letter and notify the Company of its acceptance if:
        1. no Default is continuing or would result from the acceptance of the Resignation Letter (and the Company has confirmed this is the case); and
        2. the Lender consents to the Company’s request.

1. CONDUCT OF BUSINESS BY THE LENDER

No provision of this Agreement will:

* + 1. interfere with the right of the Lender to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;
    2. oblige the Lender to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or
    3. oblige the Lender to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

1. PAYMENT MECHANICS
   1. Payments to the Lender
      1. On each date on which an Obligor is required to make a payment under a Finance Document, that Obligor shall make the same available to the Lender (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Lender as being customary at the time for settlement of transactions in the relevant currency in the place of payment.
      2. Payment shall be made to such account in the principal financial centre of the country of that currency with such bank as the Lender specifies.
   2. Distributions to an Obligor

The Lender may (with the consent of the Obligor or in accordance with Clause 27 (*Set Off*)) apply any amount received by it for that Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Obligor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

* 1. Partial payments
     1. If the Lender receives a payment that is insufficient to discharge all the amounts then due and payable by an Obligor under the Finance Documents, the Lender shall apply that payment towards the obligations of that Obligor under the Finance Documents in any order selected by the Lender.
     2. Paragraph (a) above will override any appropriation made by an Obligor.
  2. No set off by Obligors

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set off or counterclaim.

* 1. Business Days
     1. Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).
     2. During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.
  2. Currency of account
     1. Subject to paragraphs (b) to (e) below, Sterling is the currency of account and payment for any sum due from an Obligor under any Finance Document.
     2. A repayment of a Loan or Unpaid Sum or a part of a Loan or Unpaid Sum shall be made in the currency in which that Loan or Unpaid Sum is denominated on its due date.
     3. Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated when that interest accrued.
     4. Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.
     5. Any amount expressed to be payable in a currency other than Sterling shall be paid in that other currency.
  3. Change of currency
     1. Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:
        1. any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Lender (after consultation with the Company); and
        2. any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Lender (acting reasonably).
     2. If a change in any currency of a country occurs, this Agreement will, to the extent the Lender (acting reasonably and after consultation with the Company) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Interbank Market and otherwise to reflect the change in currency.
  4. Disruption to Payment Systems etc.

If either the Lender determines (in its discretion) that a Disruption Event has occurred or the Lender is notified by the Company that a Disruption Event has occurred:

* + 1. the Lender may, and shall if requested to do so by the Company, consult with the Company with a view to agreeing with the Company such changes to the operation or administration of the Facility as the Lender may deem necessary in the circumstances;
    2. the Lender shall not be obliged to consult with the Company in relation to any changes mentioned in paragraph (a) above if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;
    3. any such changes agreed upon by the Lender and the Company shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of Clause 32 (*Amendments and Waivers*); and
    4. the Lender shall not be liable for any damages, costs or losses whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Lender) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this Clause 26.8.

1. SET OFF

The Lender may set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by the Lender) against any matured obligation owed by the Lender to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Lender may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set off.

1. NOTICES
   1. Communications in writing

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter.

* 1. Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

* + 1. in the case of the Company, that identified with its name below; and
    2. in the case of the Lender, that notified in writing to the Company on or prior to the date on which it becomes a Party,

or any substitute address or fax number or department or officer as the Party may notify to the other party by not less than five Business Days’ notice.

* 1. Delivery
     1. Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:
        1. if by way of fax, when received in legible form; or
        2. if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address;

and, if a particular department or officer is specified as part of its address details provided under Clause 28.2 (*Addresses*), if addressed to that department or officer.

* + 1. Any communication or document to be made or delivered to the Lender will be effective only when actually received by the Lender and then only if it is expressly marked for the attention of the department or officer identified with the Lender’s signature below (or any substitute department or officer as the Lender shall specify for this purpose).
    2. Any communication or document made or delivered to the Company in accordance with this Clause will be deemed to have been made or delivered to each of the Obligors.
  1. Electronic communication
     1. Any communication to be made between the Lender and the Company under or in connection with the Finance Documents may be made by electronic mail or other electronic means, if the Lender and the Company:
        1. agree that, unless and until notified to the contrary, this is to be an accepted form of communication;
        2. notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
        3. notify each other of any change to their address or any other such information supplied by them.
     2. Any electronic communication made between the Lender and the Company will be effective only when actually received in readable form and in the case of any electronic communication made by the Company to the Lender only if it is addressed in such a manner as the Lender shall specify for this purpose.
  2. English language
     1. Any notice given under or in connection with any Finance Document must be in English.
     2. All other documents provided under or in connection with any Finance Document must be:
        1. in English; or
        2. if not in English, and if so required by the Lender, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

1. CALCULATIONS AND CERTIFICATES
   1. Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by the Lender are prima facie evidence of the matters to which they relate.

* 1. Certificates and Determinations

Any certification or determination by the Lender of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

* 1. Day count convention

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 365 days or, in any case where the practice in the Relevant Interbank Market differs, in accordance with that market practice.

1. PARTIAL INVALIDITY

If, at any time, any provision of the Finance Documents is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

1. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of the Lender, any right or remedy under the Finance Documents shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

1. AMENDMENTS AND WAIVERS
   1. Required consents

Any term of the Finance Documents may be amended or waived only with the consent of the Lender and the Obligors and any such amendment or waiver will be binding on all Parties.

1. CONFIDENTIALITY
   1. Confidential Information

The Lender agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 33.2 (*Disclosure of Confidential Information*), and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

* 1. Disclosure of Confidential Information

The Lender may disclose:

* + 1. to any of its Affiliates and any of its or their officers, directors, employees, professional advisers, insurers or insurance brokers, auditors, partners and Representatives such Confidential Information as the Lender shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph (a) is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;
    2. to any person:
       1. to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents and to any of that person’s Affiliates, Representatives and professional advisers;
       2. with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents and/or one or more Obligors and to any of that person’s Affiliates, Representatives and professional advisers;
       3. appointed by the Lender or by a person to whom paragraph (b)(i) or (ii) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf;
       4. who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in paragraph (b)(i) or (b)(ii) above;
       5. to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, quasi-governmental, administrative, supervisory, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation, court or tribunal;
       6. to whom or for whose benefit the Lender charges, assigns or otherwise creates an Encumbrance (or may do so) pursuant to Clause 23.3 (*Encumbrances over Lender’s rights*);
       7. to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;
       8. who is a Party; or
       9. with the consent of the Company;

in each case, such Confidential Information as the Lender shall consider appropriate if:

* + - * 1. in relation to paragraphs (b)(i), (b)(ii) and (b)(iii) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking except that there shall be no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;
        2. in relation to paragraph (b)(iv) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking or is otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information;
        3. in relation to paragraphs (b)(v), (b)(vi) and (b)(vii) above, the person to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Lender, it is not practicable so to do in the circumstances;
    1. to any person appointed by the Lender or by a person to whom paragraph (b)(i) or (b)(ii) above applies to provide administration or settlement services in respect of one or more of the Finance Documents including without limitation, in relation to the trading of participations in respect of the Finance Documents, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this paragraph (c) if the service provider to whom the Confidential Information is to be given has entered into a confidentiality agreement substantially in the form of the “LMA Master Confidentiality Undertaking for use with administration/settlement service providers” or such other form of confidentiality undertaking agreed between the Company and the Lender;
    2. to any rating agency (including its professional advisers) such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to the Finance Documents and/or the Obligors if the rating agency to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information; and
    3. to any investor or a potential investor in a securitisation (or similar transaction of broadly equivalent economic effect) of that Lender’s rights or obligations under the Finance Documents, the size and term of the Facility and the name of each of the Obligors.
  1. Disclosure to numbering service providers
     1. The Lender may disclose to any national or international numbering service provider appointed by the Lender to provide identification numbering services in respect of this Agreement, the Facility and/or one or more Obligors the following information:
        1. names of Obligors;
        2. country of domicile of Obligors;
        3. place of incorporation of Obligors;
        4. date of this Agreement;
        5. the name of the Lender;
        6. date of each amendment and restatement of this Agreement;
        7. amount of the Commitment;
        8. currencies of the Facility;
        9. type of Facility;
        10. ranking of Facility;
        11. Termination Date for Facility;
        12. changes to any of the information previously supplied pursuant to paragraphs (i) to (xi) above; and
        13. such other information agreed between the Lender and the Company,

to enable such numbering service provider to provide its usual syndicated loan numbering identification services.

* + 1. The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facility and/or one or more Obligors by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.
    2. The Lender shall notify the Company of:
       1. the name of any numbering service provider appointed by the Lender in respect of this Agreement, the Facility and/or one or more Obligors; and
       2. the number or, as the case may be, numbers assigned to this Agreement, the Facility and/or one or more Obligors by such numbering service provider.
  1. Entire agreement

This Clause 33 constitutes the entire agreement between the Parties in relation to the obligations of the Lender under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

* 1. Inside information

The Lender acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and the Lender undertakes not to use any Confidential Information for any unlawful purpose.

* 1. Notification of disclosure

The Lender agrees (to the extent permitted by law and regulation) to inform the Company:

* + 1. of the circumstances of any disclosure of Confidential Information made pursuant to paragraph (b)(v) of Clause 33.2 (*Disclosure of Confidential Information*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
    2. upon becoming aware that Confidential Information has been disclosed in breach of this Clause 33 (*Confidentiality*).
  1. Continuing obligations

The obligations in this Clause 33 (*Confidentiality*) are continuing and, in particular, shall survive and remain binding on the Lender for a period of twelve months from the earlier of:

* + 1. the date on which all amounts payable by the Obligors under or in connection with this Agreement have been paid in full and all Commitments have been cancelled or otherwise cease to be available; and
    2. the date on which the Lender otherwise ceases to be the Lender under this Agreement.

1. COUNTERPARTS

Each Finance Document may be executed in any number of counterparts, and by each party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of a counterpart of a Finance Document by e-mail attachment or telecopy shall be an effective mode of delivery.

1. GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

1. ENFORCEMENT
   1. Jurisdiction
      1. The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement) (a ***Dispute***).
      2. The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
      3. This Clause 36.1 is for the benefit of the Lender only. As a result, the Lender shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Lender may take concurrent proceedings in any number of jurisdictions.
   2. Service of process

Without prejudice to any other mode of service allowed under any relevant law, each Obligor (other than an Obligor incorporated in England and Wales):

* + 1. irrevocably appoints the Company as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document and the Company accepts such appointment; and
    2. agrees that failure by a process agent to notify the relevant Obligor of the process will not invalidate the proceedings concerned.

**This Agreement has been entered into on the date stated at the beginning of this Agreement.**

1. The Original OBLIGORS

|  |  |
| --- | --- |
| **Name of Borrower** | **Registration number (or equivalent, if any)** |
| RANK GROUP FINANCE PLC | 01899693 |
| **Name of Original Guarantor** | **Registration number (or equivalent, if any)** |
| THE RANK GROUP PLC | 03140769 |
| RANK NEMO (TWENTY-FIVE) LIMITED | 04521994 |
| RANK LEISURE HOLDINGS LIMITED | 01841255 |
| BLUE SQUARE LIMITED | 03796653 |
| RANK INTERACTIVE DEVELOPMENT LIMITED | 03796656 |
| BLUE SQUARE GAMING (ALDERNEY) LIMITED | 1480 |
| RANK GROUP GAMING DIVISION LIMITED | 03213743 |
| MECCA BINGO LIMITED | 01854120 |
| GROSVENOR CASINOS LIMITED | 00877080 |
| RANK LEISURE LIMITED | 03417930 |
| RANK GAMING GROUP LIMITED | 07545764 |

1. Conditions Precedent
   1. Conditions precedent to signing this Agreement
      1. Original Obligors

A copy of the constitutional documents of each Original Obligor.

A copy of a resolution of the board of directors of each Original Obligor (or a duly authorised committee thereof, where additionally a copy of the resolution constituting that committee will be required):

approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute the Finance Documents to which it is a party;

authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and

authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request and Selection Notice) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.

A specimen of the signature of each person authorised by the resolution referred to in paragraph (b) above.

Other than in respect of The Rank Group plc, a copy of a resolution signed by all the holders of the issued shares in each Original Guarantor, approving the terms of, and the transactions contemplated by, the Finance Documents to which the Original Guarantor is a party.

Copies of all other resolutions, authorisations, approvals, consents and licences corporate, official or otherwise (including any gaming licence required by an Alderney Guarantor under the laws of the Island of Alderney), which the Lender has notified the Company that it requires in connection with the entry into and performance by each Obligor of this Agreement and the transactions contemplated hereby or the validity and enforceability of this Agreement.

A certificate of each Obligor (signed by a director) confirming that borrowing or guaranteeing, as appropriate, the Commitments would not cause any borrowing, guaranteeing or similar limit binding on any Original Obligor to be exceeded.

A certificate of an authorised signatory of the relevant Original Obligor certifying that each copy document relating to it specified in this Part B of Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.

* + 1. Other Documents And Evidence

The Original Financial Statements and the most recent audited financial statements of each Original Obligor.

A certificate of the Company (signed by a director) confirming that the Borrower has entered into, or will enter into as at the date of this Agreement, financing arrangements to fund the consideration payable under the Sale and Purchase Agreement in respect of the Acquisition in an aggregate amount of at least £175,000,000.

The Due Diligence Reports in draft format.

A copy of the group structure chart showing the structure of the Group immediately following Completion Date.

Certificates of title in respect of properties leased by the Target from Gala Propco 3 Limited.

A copy of any other Authorisation or other document, opinion or assurance which the Lender considers to be necessary (if it has notified the Company accordingly) in connection with the entry into and performance of the transactions contemplated by any Finance Document or for the validity and enforceability of any Finance Document.

* 1. Conditions precedent to Utilisation

Evidence that Regulatory Clearance has been obtained.

If in relation to the Regulatory Clearance the OFT accepts undertakings from the Buyer or any other member of the Group in lieu of a reference to the Competition Commission, notice of the terms of such undertakings (subject, if necessary, to the OFT consenting to the disclosure).

A notice detailing any OFT Divestment made or to be made in connection with the Acquisition.

Evidence that the fees, costs and expenses then due from the Company pursuant to Clause 11 (*Fees*) and Clause 16 (*Costs and Expenses*) have been paid or will be paid by the first Utilisation Date.

A copy of each Acquisition Document, executed by each of the parties to those documents, substantially in the form distributed to the Lender prior to signing this Agreement.

Final, dated Due Diligence Reports (substantially in the form provided to the Lender in draft format on or before the date of this Agreement).

A funds flow statement in a form agreed between the Company and the Lender showing the flow of funds on Completion Date.

A copy of the group structure chart showing the structure of the Group immediately following Completion Date or confirmation that the group structure chart delivered under paragraph 2(d) of Part A of this Schedule has not altered.

A reliance letter, signed by Freshfields Bruckhaus Deringer LLP, substantially in the form distributed to the Lender prior to the date of this Agreement, granting the Lender reliance on the Target group legal due diligence report.

A copy of a resolution of the board of directors of Rank Leisure Holdings Limited ratifying the board resolutions passed by Rank Leisure Holdings Limited on 9 May 2012.

A certificate of the Company (signed by a director) certifying that:

the Sale and Purchase Agreement has become unconditional in all respects (subject only to the payment of the consideration due under the Sale and Purchase Agreement);

all conditions to any other financing arrangements entered into by the Borrower to fund, in part, the Acquisition, have been satisfied (subject only to funding under the Facility);

no Acquisition Document has been amended, varied, novated, supplemented, superseded, waived or terminated except with the consent of the Lender or as permitted pursuant to Clause 21.17(a)(i)(B) (*Acquisition Documents*);

no undertaking or agreement has been made by the Company (or any other member of the Group) with the OFT or any other regulatory body in relation to an OFT Divestment (other than a Permitted OFT Divestment) or the Acquisition without the consent of the Lender;

the Company has no significant expectation of the Acquisition being referred to the EU Competition Commission; and

the Company is not aware of any breach of any warranty or any claim under the Sale and Purchase Agreement.

A legal opinion of Allen & Overy LLP, London, legal advisers to the Lender in England, substantially in the form distributed to the Lender prior to signing this Agreement.

A legal opinion of Ogier as to matters of Alderney law substantially in the form distributed to the Lender prior to signing this Agreement.

* 1. Conditions precedent required to be delivered by an Additional Obligor
     + 1. An Accession Letter, duly executed by the Additional Obligor and the Company.
       2. A copy of the constitutional documents of the Additional Obligor.
       3. A copy of a resolution of the board of directors of the Additional Obligor:

approving the terms of, and the transactions contemplated by, the Accession Letter and the Finance Documents and resolving that it execute the Accession Letter;

authorising a specified person or persons to execute the Accession Letter on its behalf; and

authorising a specified person or persons, on its behalf, to sign and/or despatch all other documents and notices (including, in relation to an Additional Borrower, any Utilisation Request and Selection Notice) to be signed and/or despatched by it under or in connection with the Finance Documents.

* + - 1. A specimen of the signature of each person authorised by the resolution referred to in paragraph 3 above.
      2. A copy of a resolution signed by all the holders of the issued shares of the Additional Guarantor, approving the terms of, and the transactions contemplated by, the Finance Documents to which the Additional Guarantor is a party.
      3. A certificate of the Additional Obligor (signed by a director) confirming that borrowing or guaranteeing, as appropriate, the Commitments would not cause any borrowing, guaranteeing or similar limit binding on it to be exceeded.
      4. A certificate of an authorised signatory of the Additional Obligor certifying that each copy document listed in this Part C of Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of the Accession Letter.
      5. A copy of any other Authorisation or other document, opinion or assurance which the Lender considers to be necessary or desirable in connection with the entry into and performance of the transactions contemplated by the Accession Letter or for the validity and enforceability of any Finance Document.
      6. If available, the latest audited financial statements of the Additional Obligor.
      7. A legal opinion of Allen & Overy LLP, legal advisers to the Lender in England.
      8. If the Additional Obligor is incorporated in a jurisdiction other than England and Wales, a legal opinion of the legal advisers to the Lender in the jurisdiction in which the Additional Obligor is incorporated.
      9. If the proposed Additional Obligor is incorporated in a jurisdiction other than England and Wales, evidence that the process agent specified in Clause 36.2 (*Service of process*), if not an Obligor, has accepted its appointment in relation to the proposed Additional Obligor.

1. REQUESTs and notices
   1. – Utilisation Request

From: RANK GROUP FINANCE PLC

To: [Lender]

Dated:

Dear Sirs

Rank Group Finance plc - £[●] Facility Agreement   
dated [ ] (the *Agreement*)

* + - 1. We refer to the Agreement. This is a Utilisation Request. Terms defined in the Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.
      2. We wish to borrow a Loan on the following terms:

Proposed Utilisation Date: [ ] (or, if that is not a Business Day, the next Business Day)

Currency of Loan: Sterling

Amount: [ ] or, if less, the Available Commitment of the Facility

Interest Period: [ ]

* + - 1. The proceeds of this Loan should be credited to [account].
      2. This Utilisation Request is irrevocable.

Yours faithfully

………………………………………….

authorised signatory for  
**Rank Group Finance plc**

* 1. – Selection Notice

From: RANK GROUP FINANCE PLC

To: [*Lender*]

Dated:

Dear Sirs

Rank Group Finance plc - £[●] Facility Agreement   
dated [ ] (the *Agreement*)

We refer to the Agreement. This is a Selection Notice. Terms defined in the Agreement have the same meaning in this Selection Notice unless given a different meaning in this Selection Notice.

We refer to the following Loan[s] with an Interest Period ending on [ ].

[We request that the above Loan[s] be divided into [ ] Loans with the following amounts and Interest Periods:]

or

[We request that the next Interest Period for the above Loan[s] is [ ]].

This Selection Notice is irrevocable.

Yours faithfully

.....................................

authorised signatory for  
**Rank Group Finance plc**

1. MANDATORY COST FORMULAE
   * + 1. The Mandatory Cost is an addition to the interest rate to compensate the Lender for the cost of compliance with (a) the requirements of the Bank of England and/or the Financial Services Authority (or, in either case, any other authority which replaces all or any of its functions) or (b) the requirements of the European Central Bank.
       2. On the first day of each Interest Period (or as soon as possible thereafter) the Lender shall calculate, as a percentage rate, the Mandatory Cost, in accordance with the paragraphs set out below.
       3. If the Lender is lending from a lending office in any member state of the European Communities that adopts or has adopted the euro as its lawful currency in accordance with legislation of the European Community relating to Economic and Monetary Union, the Mandatory Cost will be the percentage notified by the Lender to the Company. This percentage will be certified by the Lender in its notice to the Company to be its reasonable determination of the cost (expressed as a percentage of all Utilisations made from the lending office) of complying with the minimum reserve requirements of the European Central Bank in respect of loans made from that lending office.
       4. If the Lender is lending from a lending office in the United Kingdom, the Mandatory Cost will be calculated by the Lender as follows:

in relation to a Sterling Utilisation: 

in relation to a Utilisation in any currency other than Sterling: 

Where:

is the percentage of Eligible Liabilities (assuming these to be in excess of any stated minimum) which the Lender is from time to time required to maintain as an interest free cash ratio deposit with the Bank of England to comply with cash ratio requirements.

is the percentage rate of interest (excluding the Applicable Margin and the Mandatory Cost and, if the Utilisation is an Unpaid Sum, the additional rate of interest specified in paragraph (a) of Clause 8.3 (*Default interest*)) payable for the relevant Interest Period on the Utilisation.

is the percentage (if any) of Eligible Liabilities which the Lender is required from time to time to maintain as interest bearing Special Deposits with the Bank of England.

is the percentage rate per annum payable by the Bank of England to the Lender on interest bearing Special Deposits.

is designed to compensate the Lender for amounts payable under the Fees Rules and is calculated by the Lender as being the average of the Fee Tariffs applicable to it for the relevant financial year and expressed in pounds per $1,500,000 of the Tariff Base of the Lender.

* + - 1. For the purposes of this Schedule:

***Eligible Liabilities*** and ***Special Deposits*** have the meanings given to them from time to time under or pursuant to the Bank of England Act 1998 or (as may be appropriate) by the Bank of England;

***Fees Rules*** means the rules on periodic fees contained in the FSA Fees Manual or such other law or regulation as may be in force from time to time in respect of the payment of fees for the acceptance of deposits;

***Fee Tariffs*** means the fee tariffs specified in the Fees Rules under the activity group A.1 Deposit acceptors (ignoring any minimum fee or zero rated fee required pursuant to the Fees Rules but taking into account any applicable discount rate); and

***Tariff Base*** has the meaning given to it in, and will be calculated in accordance with, the Fees Rules.

* + - 1. In application of the above formulae, A, B, C and D will be included in the formulae as percentages (i.e. 5 per cent. will be included in the formula as 5 and not as 0.05). A negative result obtained by subtracting D from B shall be taken as zero. The resulting figures shall be rounded to four decimal places.
      2. Any determination by the Lender pursuant to this Schedule in relation to a formula, the Mandatory Cost or any amount payable to the Lender shall, in the absence of manifest error, be conclusive and binding on all Parties.
      3. The Lender may from time to time, after consultation with the Company, determine and notify to the Company any amendments which are required to be made to this Schedule in order to comply with any change in law, regulation or any requirements from time to time imposed by the Bank of England, the Financial Services Authority or the European Central Bank (or, in any case, any other authority which replaces all or any of its functions) and any such determination shall, in the absence of manifest error, be conclusive and binding on all Parties.

1. FORM OF ACCESSION LETTER

To: [ ] as Lender

From: [Subsidiary] and The Rank Group plc

Dated:

Dear Sirs

Rank Group Finance plc - £[●] Facility Agreement dated [ ] (the Agreement)

* + - 1. We refer to the Agreement. This is an Accession Letter. Terms defined in the Agreement have the same meaning in this Accession Letter unless given a different meaning in this Accession Letter.
      2. [*Subsidiary*] agrees to become an Additional Guarantor and to be bound by the terms of the Agreement as an Additional Guarantor pursuant to Clause 24.2 (*Additional Guarantors*) of the Agreement. [*Subsidiary*] is a company duly incorporated under the laws of [name of relevant jurisdiction].
      3. [*Subsidiary’s*] administrative details are as follows:

Address:

Fax No:

Attention:

* + - 1. This Accession Letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

This Guarantor Accession Letter is entered into by deed.

The Rank Group plc [Subsidiary]

1. FORM OF RESIGNATION LETTER

To: [ ] as Lender

From: [resigning Obligor] and The Rank Group plc

Dated:

Dear Sirs

Rank Group Finance plc - £[●] Facility Agreement dated [ ] (the *Agreement*)

* + - 1. We refer to the Agreement. This is a Resignation Letter. Terms defined in the Agreement have the same meaning in this Resignation Letter unless given a different meaning in this Resignation Letter.
      2. Pursuant to Clause 24.4 (*Resignation of a Guarantor*), we request that [resigning Obligor] be released from its obligations as a Guarantor under the Agreement.
      3. We confirm that no Default is continuing or would result from the acceptance of this request.
      4. This Resignation Letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

The Rank Group plc [Subsidiary]

By: By:

1. FORM OF COMPLIANCE CERTIFICATE

To: [                 ] as Lender

From: [Company]

Dated:

Dear Sirs

Rank Group Finance plc - £[●] Facility Agreement dated [ ] (the *Agreement*)

* + - 1. We refer to the Agreement. This is a Compliance Certificate. Terms defined in the Agreement have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.
      2. We confirm that:

the ratio of Consolidated EBITDA to Net Interest Payable is [●]:1; and

the ratio of Consolidated Net Borrowings to Consolidated EBITDA is [●]:1.

The Material Subsidiaries are: [*Insert list of Material Subsidiaries*]

* + - 1. [We confirm that no Default is continuing.][[1]](#footnote-1)

|  |  |  |
| --- | --- | --- |
| Signed: | ……………………… | ……………………… |
|  | [Director/senior officer] of The Rank Group plc | [Director/senior officer] of The Rank Group plc |

1. TIMETABLES

|  |  |
| --- | --- |
|  | **Loans in Sterling** |
| Delivery of a duly completed Utilisation Request or Selection Notice. | [U-3] 11.00 a.m. |
| LIBOR is fixed. | Quotation Day 11.00 a.m. |
| The Lender to make its Loan available. | Quotation Day 2.00 p.m. |

**SIGNATURE PAGE**

**The Borrower**

RANK GROUP FINANCE PLC

Address:

Fax No:

Attention:

By:

**The Company**

THE RANK GROUP PLC

Address:

Fax No:

Attention:

By:

**The Original Guarantors**

THE RANK GROUP PLC

Address:

Fax No:

Attention:

By:

RANK NEMO (TWENTY-FIVE) LIMITED

Address:

Fax No:

Attention:

By:

RANK LEISURE HOLDINGS LIMITED

Address:

Fax No:

Attention:

By:

BLUE SQUARE LIMITED

Address:

Fax No:

Attention:

By:

RANK INTERACTIVE DEVELOPMENT LIMITED

Address:

Fax No:

Attention:

By:

Signed for and on behalf of:)

BLUE SQUARE GAMING (ALDERNEY) LIMITED by)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(PRINT NAME))…………………………………

                                                                                    Director

Address:

Fax No:

Attention:

RANK GROUP GAMING DIVISION LIMITED

Address:

Fax No:

Attention:

By:

MECCA BINGO LIMITED

Address:

Fax No:

Attention:

By:

GROSVENOR CASINOS LIMITED

Address:

Fax No:

Attention:

By:

RANK LEISURE LIMITED

Address:

Fax No:

Attention:

By:

RANK GAMING GROUP LIMITED

Address:

Fax No:

Attention:

By:

**The Lender**

STANDARD CHARTERED BANK

By:

1. If this statement cannot be made, the certificate should identify any Default that is continuing and the steps, if any, being taken to remedy it. [↑](#footnote-ref-1)